



Community & Environment Committee

Agenda: *Community & Environment Committee*

Date: *Monday 26 June 2006*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Delegated Authority (“D” Items):

- Community Services and Programmes.
- Health.
- Liquor Licences.
- Fire Protection Orders.
- Residential Parking Schemes (surveillance and administration).
- Traffic Management (Traffic Committee Recommendations).
- Waverley/Woollahra Process Plant.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agendas (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meeting.
- Any other matter falling within the responsibility of the Community and Environment Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below.
- Library Services
- Licensing.
- Regulatory.
- Waste Minimisation

Recommendation only to the Full Council (“R” Items):

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters requiring the expenditure of moneys and in respect of which no Council vote has been made.
- Matters delegated to the Council by the Traffic Authority of NSW.
- Matters not within the specified functions of the Committee, or which are not the subject of a Business Agenda (current or past).
- Matters reserved by individual Councillors, in accordance with any Council policy on "safeguards".
- Parks and Reserve Plans of Management (Strategies, Policies and Objectives)
- Residential Parking Schemes - Provision and Policies

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

22 June 2006

To: The Mayor, Councillor Andrew Petrie, ex-officio
Councillors Anthony Boskovitz (Chair)
 John Walker (Deputy Chair)
 Claudia Cullen
 Marcus Ehrlich
 Tanya Excell
 Julian Martin
 Fiona Sinclair King

Dear Councillors

Community & Environment Committee Meeting – 13 June 2006

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Community and Environment Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 26 June 2006 at 6.00pm.**

Gary James
General Manager

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 29 May 2006	1
D2	Woollahra Traffic Committee Minutes 6 June 2006	2
D3	Temporary Traffic Signals – New South Head Road, at the Vehicular Entrance to Lyne Park Rose Bay – T329/195.G	8
D4	Sydney Coastal Councils Group Minutes – 814.G	11

Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	Options for Rewards for Information Regarding breaches of the Tree Preservation Order – 900.G	50
R2	Draft Water Savings Action Plan – 990.G	52
R3	Lease of Vaucluse Bowling Club – 329.80VC	128
R4	Relationship of Council with Holdsworth Street Community Centre – 126.G	163

Annexures 4 & 5 distributed separately

Item No: D1 Delegated to Committee
Subject: **Confirmation of Minutes of Meeting held on 29 May 2006**
Author: Les Windle, Manager - Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 29 May 2006 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Community and Environment Committee Meeting of 29 May 2006 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2 Delegated to Committee
Subject: **Woollahra Traffic Committee Minutes - 6 June 2006**
Author: Warwick Hatton, Director – Technical Services
File No: See Traffic Committee Minutes
Reason for Report: For the Committee to consider the recommendations of the Woollahra Traffic Committee.

Recommendation:

THAT the Recommendations contained in the minutes of the Woollahra Traffic Committee on Tuesday 6 June 2006 be adopted.

Warwick Hatton
Director – Technical Services

Woollahra Local Traffic Committee Minutes

The meeting of the Woollahra Local Traffic Committee was held in the Council Committee Room, Double Bay, on Tuesday 6 June 2006 at 10.00am.

1. Attendances

Committee Members:

Present: Mr Warwick Hatton (Chairman) (Woollahra Municipal Council)
Mr Federico Ramos (Roads and Traffic Authority)
Snr Const David Cattell (Rose Bay Police - Traffic)

Staff:

Mr Alan Opera (Woollahra Municipal Council)
Mr Frank Rotta (Woollahra Municipal Council)
Ms Armodee Reece (Woollahra Municipal Council)

Apologies:

Mr Navin Prasad (Roads and Traffic Authority)
Ms Robyn Attuell (Clover Moore MP Representative)
Mr Scott Farlow (Peter Debnam MP Representative)
Mr John McDonagh (Harbour View Park Residents' Group)

2. Minutes of Previous Meeting

The minutes of Meeting No.4/06 held in Council Chambers, Double Bay, on Tuesday 2 May 2006 were confirmed by Snr Const Dave Cattell.

The minutes of Meeting No.4a/06 held by phone and e-mail on Wednesday 3 May 2006 were confirmed by Snr Const Dave Cattell.

3. Matters Arising from Minutes of Previous Meetings

Nil

4. Local Traffic Committee recommendations not adopted or amended by Woollahra Council Community & Environment Committee

Nil

5. Extraordinary Meetings

Nil

6. Late Items / Correspondence

Email from Roy Bishop at Clover Moore's Electorate Officer:

Email received dated 1 June 2006 to advise apologies for Robyn Attuell at this meeting. Mr Bishop advised that he had reviewed the Agenda and did not have any concerns about any of the items listed on the agenda that are in the Bligh electorate.

Item Y1-9: Adelaide Lane, Woollahra – Additional Resident Parking space

Item Y1-10: Mary Place, Paddington – Request for Disabled Parking zone

Item Y1-11: Kiaora Road, Double Bay – Request for Parking Restrictions

7. Traffic Matters on Local Roads – Recommendation to C&E for Consideration

Item No: Y1 Traffic Matters on Local Roads – Recommendation to C&E for Consideration
Subject: **Parking Restrictions Changes**
Author: Frank Rotta – Traffic Engineer
File No: (Refer to Table 1)
Reason for Report: Various parking restriction changes throughout the Woollahra Council area.

Recommendation:

Item Y1-1: Taylor Street, Paddington – Corrective Action Request

1. That the existing 'Give Way' sign controlling Taylor Street motorists on the southern side of its intersection with Hargrave Street be changed to a 'Stop' sign and the line-marking adjusted accordingly.
2. That the existing 'Give Way' sign controlling Taylor Street motorists on the northern side of its intersection with Hargrave Street be changed to a 'Stop' sign with the bottom of the sign being 2.1 metres above the adjacent footpath and the line-marking adjusted accordingly.

Item Y1-2: Point Piper Lane, Paddington – Corrective Action Request

1. That a 'Stop' sign and the associated line-marking to control Point Piper Lane motorists be installed on the southern side of its intersection with Hargrave Street.
2. That the existing 'Give Way' sign controlling Point Piper Lane motorists on the northern side of its intersection with Hargrave Street be changed to a 'Stop' sign and the line-marking adjusted accordingly.

Item Y1-3: Cascade Street, Paddington – Corrective Action Request

1. That as the parked vehicles on the eastern side of Cascade Street between Hargrave Lane and Hargrave Street act as a speed deterrent in this street, no action be taken to ban parking at this location.

Item Y1-4: Gurner Street, Paddington – Corrective Action Request

1. That a One-Way sign (Arrow Left), facing vehicles travelling south in Cascade Street, be installed on ELP No.SY08974 to reinforce the 'No Entry' restrictions to the eastbound section of Gurner Street just west of Cascade Street, Paddington.
2. That "Buses Only" be painted on the eastbound Bus Lane in Gurner Street west of Cascade Street adjacent to the 'No Entry – Buses Excepted' sign so that it is visible to vehicles travelling in an easterly direction.

Item Y1-5: New South Head Road, Rose Bay – Extension of Parking Restrictions

1. That a 'No Parking' zone be installed from 6.6 metres east of the prolongation of the common boundary between Nos. 591 & 593 New South Head Road for a distance of 31.1 metres in a westerly direction.

Item Y1-6: Morrell Street, Woollahra – Alteration of Parking Restrictions

1. That the current 'No Parking' zone located from 9.6 metres west of the western kerb line of Holdsworth Street to 27.5 metres west of the western kerb line of Holdsworth Street, Woollahra be altered to 'No Parking 8.00am-5.00pm Mon-Fri, Council Authorised Vehicles Excepted'.

Item Y1-7: Alton Street & Weldon Lane, Woollahra –Parking Restrictions for vehicle access

1. That 'No Stopping' signposting be installed on the southern side of Weldon Lane from the prolongation of the western kerb line of Alton Street for 6 metres in a westerly direction.
2. That 'No Stopping' signposting be installed on the western side of Alton Street from the prolongation of the southern kerb line of Weldon Lane for 6 metres in a southerly direction.

Item Y1-8: Manning Road, Double Bay – Reinforcement of Statutory Parking Restrictions

1. That a 'No Stopping' (Arrow Left) sign & stem be installed on the northern side of Manning Road, 10 metres east of the prolongation of the eastern kerb line in Forest Road, Double Bay.

Item Y1-9: Adelaide Lane, Woollahra – Additional Resident Parking space

1. That a single '2 Hour Parking 8am-6pm, Mon-Fri, 8am-12noon Sat ARVE Area Wool 1' space be installed on the western side of Adelaide Lane in the only available car space, south of No.40 Adelaide Street, Woollahra.

Item Y1-10: Mary Place, Paddington – Request for Disabled Parking zone

1. That the applicant be advised that due to the restricted availability of Residents Permit Parking spaces and the absence of unrestricted parking in Mary Place, the provision of a disabled zone does not comply with Council's guidelines for these zones and is therefore not considered appropriate for this street.

Item Y11: Kiaora Road, Double Bay – Request for Parking Restrictions

1. That a ‘No Stopping’ (Arrow Right) sign and stem be installed on the western side of Kiaora Road, 10 metres south of the prolongation of the southern kerb line in Court Road, Double Bay.
2. That the existing ‘No Standing’ signposting on the other three sides of this intersection be replaced with statutory ‘No Stopping’ restrictions.

Item No: Y2 Traffic Matters on Local Roads – Recommendation to C&E for Consideration.

Subject: **Kilminster Lane, Woollahra – Traffic Calming**

Author: Frank Rotta – Traffic Engineer, Traffic & Transport

File No: 267.

Reason for Report: Provision of Traffic Calming in Kilminster Lane in vicinity of Elms Reserve.

Recommendation:

- A. That a rubberised, low profile road hump and the associated signage be installed across Kilminster Lane 34 metres south of the southern kerb line of Queen Street.
- B. That residents adjoining Kilminster Lane be informed that this low profile road hump is proposed in response to expressed resident concerns to slow traffic in the vicinity of Elms Reserve playground for the safety of children.

Item No: Y3 Traffic Matters on State Roads – Recommendation to C&E for Consideration

Subject: **Mitchell Road, Darling Point – Proposed Angle Parking**

Author: Frank Rotta – Traffic Engineer

File No: T313

Reason for Report: Provision of angle parking on Mitchell Road, Darling Point to increase the amount of available parking in the street.

Recommendation:

- A. That the 90 degree angle parking concept shown as Annexure C for Mitchell Road, Darling Point be supported in principle.
- B. That Council consult with the residents of Mitchell Road and if the proposal is supported by a majority of respondents, the proposed altered parking arrangements be implemented.

Item No: Y4 Traffic Matters on Local Roads – Recommendation to C&E for Consideration.

Subject: **No. 61 Liverpool Street, Paddington - Works Zone**

Author: Frank Rotta – Traffic Engineer, Traffic & Transport

File No: 407.G Pt6

Reason for Report: Request for a Works Zone

Recommendation:

- A. That approval be granted for a Works Zone to be temporarily installed for Kambala School. The Works Zone is to be located on the eastern side of Tivoli Avenue adjacent to the frontage of Kambala School and is required by Condition 22 of the Development Consent for this property. The Works Zone will extend from 10.6 metres south of the southern kerb line of Bayview Hill Road for a distance of 40 metres in a southerly direction and is subject to the following conditions:
- i. Any directive provided by the NSW Police Department is to be complied with.
 - ii. The Works Zone is to operate between the hours of 7.00am-4.00pm Mon-Fri for a period of 12 weeks commencing 3 July, 2006.
 - iii. Existing Resident Parking is to be maintained outside of the operational hours of the Works Zone.
 - iv. Suitable traffic control measures are to be put in place to manage truck movements to and from the excavation site.
 - v. The applicant must ensure that the traffic lanes, footpaths and driveways, adjacent to the Works Zone, remain free of obstruction at all times during the construction.
 - vi. The applicant must inform Council's Traffic Engineer when the project is completed and the Works Zone can be removed.
 - vii. This Works Zone is in a residential area. The fee payable shall be in accordance with Council's adopted fees and charges applying to the period for which the approval is given, and must be paid prior to the Works Zone being installed. Should the Works Zone be required for a shorter period, application may be made for a pro-rata refund.
 - viii. Failure to comply with any of these conditions may result in the cancellation of the Works Zone at Council's discretion.
 - ix. Should the Works Zone be required for a period longer than the approved period, permission from the Director of Technical Services is required to extend the Works Zone.
 - x. Should the Works Zone be required for additional hours of operation on any particular day, any amendment will require the approval of the Woollahra Traffic Committee.
- B. That the applicant notifies all adjacent residents and business owners by a letterbox drop of the conditions of the Works Zone.

There being no further business, the meeting concluded at 10.45am.

Warwick Hatton
Chair

Item No: D3 Delegated to Committee
Subject: **Temporary Traffic Signals - New South Head Road at the vehicular entrance to Lyne Park, Rose Bay.**
Author: Greg Stewart - Manager Public Infrastructure
File No: T329 / 195.G
Reason for Report: Council Notice of Motion requiring a report.

Recommendation:

- A. That Council makes representations to the Roads and Traffic Authority and the Minister for Roads for the permanent retention of the current temporary traffic signals in New South Head Road at the entrance to Lyne Park, Rose Bay, such to be provided at no cost to Council.
- B. That the submissions received be referred to the Woollahra Traffic Committee seeking their support for the retention of the current temporary traffic signals in New South Head Road at the entrance to Lyne Park, Rose Bay.

Background:

The traffic lights in New South Head Road at the entrance to Lyne Park were installed on a temporary basis by the Roads and Traffic Authority to facilitate pedestrian and vehicular traffic movements during the upgrading of the Sydney Water stormwater channel which is due for completion in August / September this year. At the completion of these works, the Roads and Traffic Authority propose to remove these traffic signals.

On 13 February 2006, Council adopted the following Notice of Motion in relation to these traffic lights:

- "1. The council seek public opinion as to the retention of the traffic lights at the Lyne Park intersection on New South Head Road by placing a Notice in the Wentworth Courier seeking the community's response to such proposal.*
- 2. In the event that there is public support to such proposal the Council to bring the proposal as a matter of urgency to the Traffic Committee and make representations to the RTA and or other appropriate body for the retention of the traffic lights."*

Consultation:

In accordance with the above adopted Notice of Motion, a Notice was placed in the Wentworth Courier on 26 April and 3 May 2006 seeking comments from the community as to whether the temporary traffic signals should be retained on a permanent basis. The closing date for the receipt of submissions was 26 May, 2006.

In addition to the Notices that were placed in the Wentworth Courier by Council, the Wentworth Courier also published a story on the traffic lights on 17 May 2006 and asked their readers to forward their comments to Council.

Summary of submissions received:

As at 14 June, 2006, a total of 86 letters or e-mails and a petition containing 213 signatures have been received by Council. Of these submissions:

- 71 letters or e-mails and a petition containing 213 signatures were received in support of the retention of the traffic signals on a permanent basis.
- 14 letters or e-mails were received objecting to permanent retention of these traffic signals, and
- One response was received requesting that the lights be relocated to the intersection of New South Head Road and Elanora Street.

Consideration of submissions received:

The majority (84%) of the submissions received and the petition were in favour of the permanent retention of these traffic signals. The main reasons given for the retention of the signals were as follows:

- Safety of pedestrians accessing amenities (Lyne Park, Ferry, playground, Bus route, RSL Club, Catalina's)
- Particularly helpful to large number of mothers with young children and elderly pedestrians in the vicinity
- Large number of school children utilising these lights (Cranbrook School)
- Larger number of pedestrians utilising the Rose Bay Ferry (reflected in increased ferry services to the wharf)
- Existing pedestrian refuge was too small to stand on
- Bend in the road minimises sight distance for pedestrians
- Speed of vehicles along this stretch of New South Head Road – reflected in accident history at this location
- Provides traffic calming
- The positive impact of traffic calming on the entire stretch of Rose Bay from the recreational facilities to the shopping centre
- Provides safer vehicle access to and from Lyne Park
- Provides access opportunities for other streets to enter / exit to New South Head Road
- One resident noted they were strongly opposed to the lights when first installed but have found the benefits far outweigh the negatives

A large number of the responses in support of the permanent retention of the traffic signals were from the residents of Elanora Street, Iluka Street and Manion Ave. A total of 152 residents from this area, which contains approximately 274 dwelling, either signed the petition or made a separate submission in favour of the retention of the traffic lights. No submissions were received from residents of this area objecting to the retention of the traffic signals. This clearly shows that the residents of this area very strongly support the retention of the traffic lights. They consider that the retention of the traffic signals would significantly improve safety for pedestrians and commuters crossing New South Head Road at this location to access bus and ferry transport facilities in the area as well as pedestrian access to the harbour and Lyne Park.

Of the submissions received objecting to the permanent retention of the traffic signals, the main reasons given for their objection to the proposal were as follows:

- Too many traffic signals along New South Head Road
- Phasing of traffic signals
- O'Sullivan Road traffic signals provide sufficient access breaks in traffic flow

- Traffic signals create too much travel time delay during peak hours

From the results of the submissions received, it can be seen that there is strong community support for the permanent retention of these traffic signals, especially by the residents of Elanora Street, Iluka Street and Manion Avenue which are located immediately adjacent to the current temporary traffic signals.

Recommendation:

Due to the strong support received for the permanent retention of the current temporary traffic signals, it is recommended:

- A. That Council makes representations to the Roads and Traffic Authority and the Minister for Roads for the permanent retention of the current temporary traffic signals in New South Head Road at the entrance to Lyne Park, Rose Bay, such to be provided at no cost to Council.
- B. That the submissions received be referred to the Woollahra Traffic Committee seeking their support for the retention of the current temporary traffic signals in New South Head Road at the entrance to Lyne Park, Rose Bay.

Identification of Income & Expenditure:

It is proposed that the temporary traffic signals be retained at no cost to Council

Greg Stewart
Manager Public Infrastructure

Warwick Hatton
Director Technical Services

ANNEXURES:

NIL

Item No: D4 Delegated to Committee
Subject: **Sydney Coastal Councils Group Minutes**
Author: Rebecca Peacock - Environmental Protection Coordinator
File No: 814.G
Reason for Report: To provide the minutes of the Sydney Coastal Councils Group Technical Committee and Ordinary Meetings.

Recommendation:

- A. THAT the minutes of the Sydney Coastal Councils Group Technical Committee meetings held on the 16 February 2006 and the 20 April 2006 be received and noted.
- B. THAT the minutes of the Sydney Coastal Councils Group Ordinary Meeting held on the 18 March 2006 be received and noted.

1. Purpose

The purpose of this report is to provide the Community and Environment Committee with a copy of the minutes of the Sydney Coastal Councils Group (SCCG) Technical Committee and Ordinary meetings. Provision of the SCCG minutes informs the Committee of the environmental projects and initiatives the SCCG and member councils are currently addressing.

2. Background

The SCCG is a group of sixteen councils adjacent to marine and estuarine waters in Sydney. The councils are Botany Bay, Hornsby, Leichhardt, Manly, North Sydney, Pittwater, Randwick, Rockdale, South Sydney, Sutherland, Sydney, Warringah, Waverley, Willoughby and Woollahra. The aim of the SCCG is to promote coordination between member councils on environmental issues relating to the sustainable management of the urban coastal environment.

There are two types of meetings conducted by the SCCG:

- Technical Committee - attended by Woollahra Council's Environmental Protection Coordinator,
- Ordinary or Full Group Meeting - attended by Woollahra Councillors appointed as representatives and the Design Team Leader.

Technical Committee meetings are conducted approximately every two months and the Ordinary meeting is conducted every three months. The minutes and agendas of both meetings can be found on the SCCG website www.sydneycoastalcouncils.com.au/minutes_agendas.htm.

3. Projects

The Technical Committee has been working on a number of projects that are of particular interest to Woollahra Council. The following provides a brief description of the projects.

Groundwater Management Handbook and Proposed Capacity Building program

In 2004, the SCCG formed a Groundwater Water Group to further investigate groundwater issues and to produce a groundwater management handbook. The handbook will serve to inform, educate and guide professional staff within local government and industry groups about the sustainable management of groundwater. Special interest will be given to the management of groundwater in coastal urban areas.

The *Final Draft Groundwater Management Handbook* has been forwarded to Council for comment. Comments on the document are due on the 3 July 2006. The groundwater management handbook is due to be finalised in 2006.

The SCCG are organising workshops and the development of educational material to accompany the release of the handbook.

Water Savings Taskforce

The SCCG is establishing a Water Savings Taskforce to investigate opportunities for regional projects to be funded by the NSW Government's Water Savings Fund.

4. Conclusion

Involvement in the SCCG Technical Committee provides member councils with an invaluable resource. Reporting of the minutes will keep the Committee informed of the environmental projects and initiatives the SCCG and member councils are currently addressing.

Rebecca Peacock
Environmental Protection Coordinator

Chris Bluett
Manager – Strategic Planning

Annexures:

1. Sydney Coastal Councils Group, Technical Committee Meeting (16 February 2006) Minutes.
2. Sydney Coastal Councils Group, Technical Committee Meeting (20 April 2006) Minutes.
3. Sydney Coastal Councils Group, Ordinary Meeting (18 March 2006) Minutes.

Item No: R1 Recommendation to Council
Subject: **Options for rewards for information regarding breaches of the Tree Preservation Order**
Author: David Sheils - Manager Public Open Space
File No: 900.G
Reason for Report: To examine options for rewards for information regarding breaches of the Tree Preservation Order

Recommendation:

- A. That the General Manager be authorised to determine the appropriate reward of between \$1,000 and \$10,000 to be paid for information leading to conviction of tree vandals.
- B. That in major vandalism events, the level of reward be determined by Council.
- C. That any such payments only be made following a successful conviction in the Local, or Land and Environment Court.

Background:

In consideration of a report concerning the poisoned fig, located on the corner of Victoria Road and New South Head Road, Double Bay, the Community and Environment Committee, at its meeting of 1 May 2006, resolved in part:

“C. That a further report be provided regarding the possibility of developing a scheme for rewards for information regarding breaches of the Tree Preservation Order.”

A limited number of councils offer financial rewards for information which leads to the successful prosecution of persons who carry out tree vandalism. Some examples are provided.

Council	Reward
Mandurah (WA)	\$1,000
Coffs Harbour	\$5,000
Pittwater	\$1,000 - \$10,000
City of Albany (WA)	\$10,000
Bayside City (VIC)	\$10,000

In recognition of the need to encourage the community to provide information that leads to a tree vandalism prosecution and further discourage this activity, a financial reward scheme may be introduced.

Reported breaches of the Tree Preservation Order range in severity from the removal of a branch to the poisoning of large and visually significant trees. Therefore it would be appropriate, for any reward scheme, that a range be provided commensurate with the level of vandalism, with the amount to be set by the General Manager. Council could resolve rewards higher than \$10,000 for large scale vandalism events.

Payment of any reward would be conditional upon the person supplying Council with evidence (for example photographic or eye witness accounts), which leads to the successful prosecution of the offender(s) in the courts, under Woollahra's Tree Preservation Order (2006). It is noted that Pittwater Council introduced a reward scheme several years ago and, to date, there has been no information given to the Council or Police that has led to a prosecution. Notwithstanding this, the introduction of a reward scheme may further discourage people from carrying tree vandalism with the knowledge that financial incentives exist for witnesses to report such cases.

Conclusion:

To date, lack of sufficient evidence has prevented Council from pursuing reported tree vandalism. Therefore, it is recommended that Council introduce a financial reward scheme to encourage community members to report tree vandalism and to discourage further vandalism. The introduction of a reward scheme would also be promoted throughout the community.

David Sheils
Manager Public Open Space

Warwick Hatton
Director Technical Services

ANNEXURES:

Nil

Item No: R2 Recommendation to Council
Subject: **Draft Water Savings Action Plan**
Author: Rebecca Peacock - Environmental Protection Coordinator
File No: 990.G
Reason for Report: To present the draft Water Savings Action Plan for endorsement of final draft status by Council.

Recommendation:

- A. That the attached final draft Water Savings Action Plan be forwarded to the Minister of Utilities for approval.
- B. THAT the Committee's recommendation be considered by the Council Meeting on the 26 June 2006 as a matter of urgency, as the final draft Water Savings Action Plan is required to be forwarded to the Minister of Utilities by 30 June 2006 for approval.

Background

The NSW Government released the *Metropolitan Water Plan for Sydney* (MWP) in late 2004 in response to the current drought and increasing uncertainties of future water supplies. The MWP highlights the fact that 'Sydney is using more water than is sustainable'.

The MWP and the introduction of the *Energy Administration Amendment (Water and Energy Savings) Act 2005* (the Act) allocates responsibility to the Department of Energy, Utilities and Sustainability (DEUS) to promote improvements in the water and energy efficiency of key businesses, local government and NSW government agencies. A key recommendation of the MWP and the Act is that local councils who are within Sydney Water's area of operations are legally required to develop a Water Savings Action Plan (WSAP). Draft WSAPs are to be submitted to the Minister of Utilities for approval prior to finalisation.

Council's requirement to prepare a Water Savings Action Plan (WSAP) was first reported to the Community and Environment Committee on 19 September 2005. A further report was presented to the Community and Environment Committee on 28 November 2005 advising of the finalisation of the *Guidelines for Water Savings Action Plans* and requesting the allocation of staff and financial resources to prepare the WSAP. A copy of this report is included as annexure 1.

Purpose

The purpose of this report is to present the draft WSAP to Council for endorsement to enable referral to the Minister of Utilities. Once the report has been forwarded to and approved by the Minister of Utilities, a further report will be presented to Council for adoption of the WSAP.

Preparation of the draft WSAP

A Water Savings Action Plan determines base line water use for a nominated year, audits facilities and identifies and prioritises actions that will conserve water. DEUS released the *Guidelines for Water Savings Action Plans* (the guidelines) in October 2005. The guidelines set out the tasks that need to be undertaken to prepare a satisfactory WSAP. The following table summarises these tasks.

Water Savings Action Plan	
Task 1	Determine how much water is used. Collate 12 months of water usage data to determine Council's baseline water use. The chosen base year is to be representative of normal operations. Develop Business Activity Indicators for your site's business sector.
Task 2	Planning at management level. Undertake a Water Management Review. Senior Management commitment is vital for this task.
Task 3	Determine how water is used and efficiency opportunities. The level of technical review will be dependant on the amount of water consumed and whether water efficiency benchmarks have been developed; either a walk-through review or detailed review. It is recommended that councils include the top 10 sites in the plan to capture the bulk of water use.
Task 4	Preparing the plan. The plan is to utilise the outcomes of the assessment of the baseline water use, management review and technical review and be based on templates included in the guidelines.
Task 5	Implementing and reviewing plans. Implementation of the plan is to be reviewed and reported to DEUS annually. The action plan is to be reviewed every 4 years.

Council commenced work on the preparation of the draft WSAP in December 2005, with the formation of the water management project team. The team was formed to facilitate the investigations, plan preparation and the eventual implementation of the plan. The team consisted of Council staff from Strategic Planning, Property and Projects, Parks and Street Trees and Depot and Waste Services.

Preparation of the draft WSAP is being project managed by Council's Environmental Protection Coordinator, with assistance from the water management project team. Other related staff have also contributed to the preparation of the plan, including staff from the Finance and Public Open Space sections.

Council wrote to DEUS on 1 March 2006 requesting an extension to the 31 March 2006 deadline. The extension was requested due to the amount of work involved, the difficulties encountered including the location of meters and identifying users, and the short timeframe allocated to the preparation of the WSAP. DEUS wrote to Council on the 10 March 2006 advising that Council's request for an extension to the deadline had been accepted and that Council's WSAP was due on the 30 June 2006.

The draft WSAP has been prepared in accordance with the guidelines and in regular consultation with the DEUS Water Savings Specialists. The draft WSAP format follows the suggested format included in the guidelines. The main discussion of the results and actions has been included separately for each site due to the amount of information included in the draft WSAP. The templates included in the guidelines have been adapted and used in the draft WSAP.

Preparation of the draft WSAP has involved the identification of and the detailed review of water use at Council's top ten water using sites. Of Council's top ten sites, six are owned and fully operated by Council, two are owned and partially leased to independent operators, one is owned and leased to a number of different operators and one site is mostly owned and operated by Council with a portion of the site owned by State Government and leased to Council.

The WSAP process has involved the audit and investigation of facilities and consumption patterns, the calculation of site key performance indicators and comparisons with industry benchmarks. For nine of Council's top ten water using sites, current water usage is consistent with, or lower than, industry standards. Actions to further reduce water use have been nominated for each site.

The one site that exceeded the benchmark is the landscape garden portion of the Council Chambers site. Most of the landscaped gardens are located on the rooftop of the new corporate office section and are therefore not located on a deep soil landscape. This means that the soil moisture levels of these gardens dry out more readily than gardens with deep soil, and may require more frequent watering.

A water management review was undertaken for task two of the WSAP. The purposes of the review were to evaluate the corporate level performance in water resource management and to identify critical organisational actions. The results of the water management review do not necessarily indicate a poor performance for water management in the operation of Council, as illustrated by the 57% reduction in water use that Council has achieved since 2002/2003. The review does, however, identify actions to further incorporate water management into Council's organisational structure.

Identification of income and expenditure

It is estimated that it will cost approximately \$15,500 to implement all of the cost effective actions included in the draft WSAP. It is proposed to stage the implementation of these actions over a two year period, commencing in 2006/2007. The general property maintenance budget will provide funding for some of the actions in 2006/2007. A budget allocation will need to be provided in 2007/2008 to fund the implementation of the remaining actions. The implementation timeframe was prepared in consultation with the Manager Property and Projects.

Conclusion

Council has completed the draft WSAP. The draft WSAP has been prepared in accordance with the guidelines. The next stage in the process is to submit Council's draft WSAP to the Minister of Utilities for approval. The plan will then be reported back to Council for final adoption.

Preparation of the draft WSAP confirms that the water conservation initiatives commenced by Council in 2002 are conserving water. These actions include:

- retro fitting Council's building and amenities buildings with AAA rated fixtures,
- investigating the feasibility of rainwater harvesting for use at Council facilities,
- mulching of garden beds to retain soil moisture,
- using bore water instead of mains water to irrigate the majority of ovals,
- the planting of drought tolerant plant species in our public reserves, and
- the voluntary implementation of water restrictions for the irrigation of ovals and reserves.

The actions implemented to date have reduced Council's total yearly water use by 57%, from 113,021 kilo litres (kL) in 2002/2003 to 48,266 kL used in 2004/2005 (WSAP chosen base year). The reduction equates to an approximate saving of over \$77,700 for the twelve month period.

The actions recommended in the draft WSAP are consistent with the actions undertaken by Council in the past. Implementation of the recommended actions will potentially further reduce Council's water use by an additional 5,610 kL per year. This equates to an approximate reduction of 12% of the total water used for all of Council's facilities in 2004/2005 and a savings of \$6,732, potentially increasing Council's reduction in potable water use to 69% since 2002/2003. Implementation of the water management review actions will further integrate water conservation into Council's management structures.

Rebecca Peacock
Environmental Protection Coordinator

Chris Bluett
Manager Strategic Planning

Allan Coker
Director Planning and Development

Warwick Hatton
Director Technical Services

ANNEXURES

1. Water and Energy Savings Action Plans report to Community and Environment Committee, 28 November 2006.
2. Draft Water Savings Action Plan.

Item No: R3 Recommendation to Council
Subject: Lease of Vaocluse Bowling Club
Author: Kylie Walshe
File No: 329.80VC
Reason for Report: Approval to execute the lease agreement of Vaocluse Bowling Club.

Recommendation:

That, subject to the Minister's consent, Council agrees to lease sections of the clubhouse facility at 80 New South Head Road, Vaocluse from the Vaocluse Bowling Club until 31 December 2011 at a rent of \$35,000 per annum plus outgoings, with an annual review to CPI.

Background:

Vaocluse Bowling Club (the Club) is located at 80 New South Head Road, Vaocluse. It is on Crown Land, reserved for public recreation and zoned General Recreation. The Bowling Club is a voluntary run, non-profit organisation. The club has a lease with the Department of Lands due to expire on 31 December 2011.

Council has considered two reports regarding a proposal to manage the clubhouse facility on the Vaocluse Bowling Club site for community and recreation purposes. These reports are attached in Annexure 1.

As reported to Council on 10 October 2005 (Annexure 1), Council entered into an agreement to use the club facility of Vaocluse Bowling Club to conduct community activities. The resolution was:

- a) *That a partnership arrangement be entered into with Vaocluse Bowling Club, with the execution of this agreement delegated to the Mayor.*

On consideration of a further report, Council resolved on 1 May 2006:

- a) *That Council approve the preparation of the legal documentation required for a sub-lease or licence agreement with Vaocluse Bowling Club for the management of the Vaocluse Bowling Club facility by Council for a period of 5 years.*
- b) *That the terms of this sub-lease or licence include an annual fee of \$35,000 per annum to Vaocluse Bowling Club, adjusted per annum for CPI, and the terms listed in this report.*
- c) *That the legal documents be presented back to Council for adoption.*

Proposal:

The legal documentation for the lease of the clubhouse facility has been prepared and agreed by Vaocluse Bowling Club, with Council approval now required to commence Councils management of this facility. The sections not included in the lease are the caretakers unit, the Club office, the men's and women's locker rooms and the bar area. The Club wishes to retain control of these areas for the exclusive use of club members. The separation of these areas from the rest of the facility will not impact on community use or access to the facility. The lease agreement is Annexure 2, detailing the responsibilities of both parties.

Once this lease has been approved, necessary internal works will commence on the facility. These works will ensure the safety of the building for public use. Council will then manage the facility off-site through the hall hire management system currently used for the hiring out of other Council facilities.

Identification of Income & Expenditure:

An estimate of the funds required for the capital and operational requirements of the facility has been included in the draft 2006/07 budget.

Since Council's resolution on 1 May 2006, the Club has reviewed its financial position and has now requested a rental fee from Council of \$40,000 per annum, plus outgoings. In reply to this request it is recommended that Council approve the original rental fee of \$35,000 plus outgoings, as adopted on 1 May 2006. Should the Club require additional funds to meet commitments at any time during the lease period; the Club is able to approach Council to fund such a request. This will ensure strict budget control is undertaken by the Club.

The \$35,000 rental fee and an estimate of outgoings have been included in the draft 2006/07 budget, with monitoring of the outgoings required throughout the year.

Conclusion:

The execution of the lease of Vacluse Bowling Club by Council will provide community space in Vacluse Ward, with the potential for a large community return for a relatively modest investment.

Kylie Walshe
Director Community Services

ANNEXURES:

Annexure 1: Reports to the Community & Environment Committee of 10 October 2005 and 10 April 2006.

Annexure 2: Lease for the clubhouse facilities at Vacluse Bowling Club.

Item No: R Recommendation to Council
Subject: **Vaucluse Bowling Club**
Author: Kylie Walshe
File No: 329.80VC
Reason for Report: To outline a new proposal for Council to sub-lease the facility at Vaucluse Bowling Club.

Recommendation:

- A. That Council approve the preparation of the legal documentation required for a sub-lease or licence agreement with Vaucluse Bowling Club for the management of the Vaucluse Bowling Club facility by Council for a period of 5 years.
- B. That the terms of this sub-lease or licence include an annual fee of \$35,000 per annum to Vaucluse Bowling Club, adjusted per annum for CPI, and the terms listed in this report.
- C. That the legal documents be presented back to Council for adoption.

This report details a new proposal for Councils consideration that will secure a community facility for use by the people of Woollahra on a longer tenure than the agreement adopted by Council in October 2005.

This report is in two sections, the first detailing the proposal and the community need that it will address, and the second outlining the recommended implementation should the proposal be adopted by Council.

1. THE PROPOSAL

Background:

Vaucluse Bowling Club (the Club) is located at 80 New South Head Road, Vaucluse. It is on Crown Land, reserved for public recreation and zoned General Recreation. The Bowling Club is a voluntary run, non-profit organisation. The club has a lease with the Department of Lands due to expire on 31 December 2011, with an option to continue in this lease for an additional 25 years.

As reported to Council on 10 October 2005 (Annexure 1), Council has entered into an agreement to use the club facility of Vaucluse Bowling Club to conduct community activities. The resolution was:

- a) *That a partnership arrangement be entered into with Vaucluse Bowling Club, with the execution of this agreement delegated to the Mayor.*

Following this resolution an agreement was drafted to provide the Club with a payment and, in return, the facility to be available for use by Council three days per week for community activities. Council then provided this funding in October 2005 (\$12,000) and began the development of activities at the facility.

Update on Activities at the Club

Council has not commenced any community activities at the Club facility to date due to a number of reasons, as outlined below.

The Club experienced difficulties with the caterer at the facility, resulting in the Club giving notice to this caterer for breach of the agreement. Due to the conflict around this action in January, Community Services put off the commencement of activities until February or March, 2006. The caterer left the facility on 31 January 2006, leaving the Club facility in a state that made it unable to be used for community purposes.

At the time that the caterer quit the facility the Management Committee of the Club met to discuss the future operation of the Club and the severe financial difficulties that it was experiencing. The Director Community Services was invited to discuss various management options with this Committee, with the Committee determining to offer the facility to the Council through a sub-lease, with the Council managing and operating the facility for a period of up to 5 years, which is when the lease with the Department of Lands is up for renewal. See attached letter from the Club in Annexure 2. This sub-lease would be in return for some financial payment by Council, to ensure the continued financial viability of the Club to maintain the bowling greens and surrounding areas for the purpose of lawn bowls activities.

Proposal:

The proposal is that Council enter into a sub-lease or licence agreement with Vaucluse Bowling Club to manage and operate the Club facility, for a period of five years. The lease held by the Club with the Department of Lands allows for sub-leasing of the site, with approval from the Minister required prior to the execution of any sub-lease. Discussions have been held with the appropriate officer in the Department of Lands who, whilst unable to commit to the approval of the Minister, is supportive of the proposal. This sub-lease would be for the majority of the facility, excluding a small caretakers flat that is currently occupied and the small Club office within the building. The caretakers flat would remain the responsibility of the Club until such time as the current occupant vacates the premises. At this time Council could renegotiate for the sub-lease of the entire building.

In order to pursue this proposal further, legal documentation would need to be drafted and executed, with the following terms included:

Organisation	Responsibility
Vaucluse Bowling Club	<ul style="list-style-type: none">• Continues to hold the lease with the Department of Lands• Sub-leases or licences facility to Woollahra Municipal Council for an agreed fee.• Maintains the facility external structure and fabric.• Maintains all external areas, bowling greens etc• Manages the arrangement regarding the tennis courts.• Has exclusive use of the facility on designated days and times, as detailed in the lease agreement.

Organisation	Responsibility
Woollahra Municipal Council	<ul style="list-style-type: none"> • Holds a sub-lease or licence with Vaocluse Bowling Club for the facility only, not external areas. • Pays sub-lease fee to the Club, amount to be agreed between Council and the Club. • Manages facility, including facility hire for private parties, activities and use for community and recreation purposes. • Collects and retains all hire fees, with a small percentage of the fee from private functions to be provided to the Club. • Cleans and manages facility to required level for public use. • Maintains the internal areas of the facility, including painting, carpets, furniture etc. • Is responsible for outgoings for the building, including water, electricity, telephone, gas, security, general contracts, cleaning etc.

The current usage of the facility by Club members is generally restricted to Tuesday and Saturday between the hours of 11am and 3 pm. This use is mainly on the first bowling green, and access to the facility is required at these times. It is recommended that the sub-lease agreement include an upper limit on the amount of days or hours that the facility is used by the Club, allowing Council the opportunity to program activities and functions at all other times.

Should Council approve this proposal it is recommended that during the 5 year sub-lease period that Council negotiate a longer term leasehold securing the land for community purposes well into the future.

Options – Vaocluse Bowling Club:

When considering the future relationship with Council the Management Committee of the Club considered four options, the proposal as outlined above and the three below.

- a. Hire agreement or license the facility to Council for use at set times and days, with a caterer or agent to manage at other times.
- b. Hire agreement or license the facility to Council for use at set times and days, with Vaocluse Bowling Club committee managing the facility.
- c. Sub-lease for management of the whole site to Woollahra Municipal Council.

The option proposed in this report was chosen by the Club as it allows the Club to retain overall control and management of the entire site, whilst divesting their responsibilities in the management and operation of the facility. It is also unknown whether Option C would be approved by the Minister for Lands.

Demonstrated Community Need for Community Facilities:

The Social Needs Study adopted by Council in August 2005 demonstrated that there is a shortage of community facilities to conduct community and recreational programs in Vaocluse Ward for a range of target groups, including young children, families and older people.

It is shown on the Map of Community Facilities (Annexure 3) that Council has two facilities in operation in Vacluse Ward. These are the library space within Dunbar House and the Gunyah, Watsons Bay. These are both suitable for certain activities but are unsuitable for use by some target groups, namely older people, people with disabilities and families with young children. These limitations were set out in the report to Community & Environment of 10 October 2005.

The main generalist community facilities are all located in the other Wards, with the use of these facilities predominantly by residents that live in close proximity to these facilities. The shortage of public transport from one end of the Municipality to the other and limited parking throughout the area also limits the catchment areas of these facilities and supports the need for an accessible community space in Vacluse Ward. Annexure 3 highlights the location of Vacluse Bowling Club in relation to other community facilities.

The proposal of this report has been assessed to determine whether it will meet the identified gap in the provision of community facilities in the suburbs of Rose Bay, Vacluse and Watsons Bay. This assessment included a review of existing community facilities and whether they are adequate or have the potential to be adequate for the community they serve.

In the Vacluse Ward existing facilities that provide community, recreation and social activities and are hired for use for community purposes, include:

- Watsons Bay Branch Library, Dunbar House
- The Gunyah, Watsons Bay
- Vacluse Bowling Club, Vacluse
- Diamond Bay Bowling Club, Vacluse
- Rose Bay RSL, Rose Bay
- Woollahra Golf Club, Rose Bay
- Eastern Suburbs Rugby Club, Rose Bay
- Rose Bay Croquet Club, Rose Bay
- Rose Bay Cottage, Rose Bay

A number of these have the potential to provide improved community space through partnerships, renovations and/or promotion and marketing, but Vacluse Bowling Club provides the only opportunity for an accessible multi-purpose community facility.

A number of government agencies have produced benchmarks for the provision of community facilities, with the benchmarks ranging from 1 community centre per 10,000 people (Department of Community Services) to 1 community centre per 10,000 - 20,000 people (Commonwealth Department of Housing and Regional Development). As Vacluse Ward has 18,028 residents, based on the 2001 Census, it could be said that the provision of a multi-purpose community facility, such as this proposal, would meet community need in this area.

It should be noted, however, that there are limitations when using benchmarking to assess need and that the needs of specific communities should also be taken into consideration when assessing the adequate provision of community facilities. It is recommended that this further analysis be undertaken through the proposed Property Assets Study. However, this benchmarking and the ability for this proposal to meet demonstrated community need indicate that this proposal should be adopted and implemented. With the adoption of this proposal it is also recommended that no other new facilities be pursued by Council in Vacluse Ward until the Property Study is complete.

2. IMPLEMENTATION OF THE PROPOSAL

Options - Management of the Facility

Should this proposal be adopted there are a number of models that could be used by Council in the management of the facility. These include:

- a) Manage the facility off-site through the hall hire management system currently used for the hiring out of other Council facilities. This will require the establishment of a secure system to hire the facility out for private functions and activities, such as bond deposits, security surveillance and a system for inspections of the facility by potential hirers.
- b) Manage the facility on-site using a management structure similar to that of EJ Ward Community Centre. This model has a full time Centre Coordinator, part time cleaner/caretaker and a part/time activities officer.

Should Council approve this proposal it is proposed that the facility be managed off-site in the first instance, with a review of the management of the facility by Council undertaken in 12 months. This will allow sufficient time to promote the facility and gauge the ongoing demands for the facility.

Use of the Facility

Whilst negotiations have been continuing regarding the tenure of the facility research into the types of activities and uses of the facility has been undertaken. Based on the number of enquires received by the Club for private functions it is anticipated that a minimum of two (2) private functions per week is a conservative estimate. The types of enquires for the facility include functions such as bar mitzvahs, birthday parties, anniversaries and functions for groups such as Probus. Once the facility is promoted and in good condition it is anticipated that this use will increase, bringing in an income of approximately \$25,000 per annum.

In regards to community use, the Activities Officer, currently providing activities at EJ Ward Community Centre and Canonbury Cottage, will commence a minimum of 2 activities for older residents. These will be offered at cost recovery and include gentle exercise, cards, book club and dance activities to be held on weekdays. Holdsworth Street Community Centre has also expressed a desire to commence the programming of activities at the facility, starting with an arts and crafts activity for seniors on Thursdays and playgroups a couple of times a week.

To further determine the potential use of the facility, a survey of all residents in Vacluse Ward will be undertaken as a matter of urgency should this proposal be adopted by Council. Discussions will also be held with key service providers regarding potential use of the facility.

Identification of Income & Expenditure:

It is recommended that Council enter into a sub-lease or licence with Vacluse Bowling Club, with an estimated cost of \$50,000 per annum. This has been accounted for in the 2006/07 draft budget. This amount will include a fee to the Club, with \$35,000 per annum requested by the Club to cover the rent fee to the Department of Lands for each year and basic maintenance of the external areas of the site. The remaining funds will be used by Council to maintain the interior of the building and cover items such as security, general contracts and cleaning. If Council wishes to employ a full time centre coordinator and provide a drop-in type centre it is anticipated that this cost could increase. However, this increased cost may be ameliorated in some way by increased usage and hire income.

The facility also requires some up front capital costs, as identified in a detailed risk assessment conducted in early 2006. This assessment found that the facility is below standard for the operation of a community facility. Approximately \$50,000 is required to provide the necessary fire safety equipment and signs, appropriate furniture and to provide a safe environment for community use. This capital cost has also been included in the draft 2006/07 budget, should this proposal be accepted by Council.

CONCLUSION:

This proposal provides Council with an opportunity to provide appropriate community space in Vacluse Ward, with the potential for a large community return for a relatively modest investment. Using benchmarks it is also considered that by securing this facility Council is moving towards meeting community need and best practice in the provision of facilities for community purposes in Vacluse Ward.

Kylie Walshe
DIRECTOR COMMUNITY SERVICES

Annexure 1: Report to Community & Environment, 10 October 2005
Annexure 2: Correspondence from Vacluse Bowling Club, 2 March 2006
Annexure 3: Map of Community Facilities in Woollahra

Annexure 2

Item No: R Recommendation to Council
Subject: vaocluse bowling club
Author: Kylie Walshe
File No: 329.80VC
Reason for Report: To outline the opportunity for Council to enter into a partnership with Vaocluse Bowling Club.

Recommendation:

- A. That a partnership arrangement be entered into with Vaocluse Bowling Club, with the execution of this agreement delegated to the Mayor.
- B. That this resolution be referred to full Council as a matter of urgency.

Background:

This report details an opportunity to assist a worthy community organisation and secure Vaocluse Bowling Club as a community facility for use by the people of Woollahra.

Vaocluse Bowling Club is located at 80 New South Head Road, Vaocluse. It is on Crown Land, reserved for public recreation and zoned General Recreation. The Bowling Club is a voluntary run, non-profit organisation. The club provides facilities for a large cross section of the community, operating similar to a seniors club providing bowls as a healthy recreation activity. The club has a lease with the Department of Lands due to expire in 2016, with an option to continue in this lease for an additional 25 years.

The current usage of the facility by Club members is generally restricted to Tuesday, Wednesday and Saturday between the hours of 11am and 3 pm. This use is mainly on the first bowling green, not inside the clubhouse, although the bowlers do need access to some area of the clubhouse during these hours. Initiatives are currently being taken to promote the club as a venue for younger groups, with barefoot bowls days conducted for all ages and school groups. The second bowling green is used socially on an irregular basis and is not kept at the required standard for competition lawn bowls. The clubhouse is also used for functions at nights and weekends, as organised through a contract with a catering company.

The Club has approached Council requesting support to keep this community facility viable. It is experiencing financial difficulty, with income barely able to cover expenditure in the past. The financial accounts for the 2004/05 year have been provided and show that the Club been just able to remain solvent during this period.

Unfortunately, this is not the present case as the rent for 2005 to the Department of Lands has been increased by 30% over the rent charged in 2004. ***At this point in time the Club has approximately \$6,000 in funds available to pay the rent of \$14,795, due on 31 October 2005.***

Proposal:

At a meeting held on 13 September 2005 with the Club President, Shankar Lal and the Director Community Services, Kylie Walshe, a future partnership arrangement between the Club and Council was discussed. This meeting was pursued as it is a strategy within the adopted Children's Services and Ageing & Disability Services Strategies to investigate partnerships with owners/managers of non-Council owned community facilities. This strategy will assist in the provision of facilities and community space to the people of Woollahra without the need for Council to develop new facilities of its own.

At this meeting the President indicated that he is very motivated to come to some arrangement with Council to ensure the financial viability of the Club and provide a facility for use by the general community. The Club is concerned that if they are unable to remain financially viable the Bowling Club site may be taken back by the Crown and lost to the community as a public facility.

It is recommended that Council negotiate a partnership arrangement with the Club for use of the clubhouse. This facility consists of a large room, toilets, change rooms, commercial kitchen and bar area. The facility would then be available to meet the community needs expressed in the Social Needs Study 2005.

It is recommended that Council enter into a partnership agreement with Vacluse Bowling Club which could consist of the following:

- Council to pay a lump sum to the club of \$9,000 - \$15,000 per annum. Alternatively, Council could agree to meet the rental fee to the Crown per annum. (\$14,795 in 2005). By meeting this fee the other income streams will be sufficient to meet the operational costs of the Club, including greenkeeper fees, repairs, insurances etc.
- Council to have use of the facility on negotiated days for activities or providing the facility for use by community organisations and activities. (This is similar to Canonbury Cottage which is only available for community use during weekdays from dawn to dusk.)
- Council to manage the use of the facility at the above times through the Community Services Division using the same system used to manage Rose Bay Cottage, Cooper Park Hall, Canonbury Cottage.
- The Bowling Club to have use of the facility on negotiated days and evenings, with the Club able to contract this to a contractor to manage functions and catering activities.
- The Bowling Club to manage and maintain the bowling greens and surrounding areas.

The final details to be negotiated with the Club and approved by the Mayor prior to execution.

The lump sum payment by Council would secure this arrangement with the Bowling Club. It will also secure the site for public purposes into the future. This will ensure the financial viability of the Club and that the Clubhouse is used for community recreation purposes for the general community.

Potential Usage

The Social Needs Study recently carried out by Council demonstrates that there is a shortage of community facilities to conduct community and recreational programs in the Vacluse/ Watsons Bay area for a range of target groups, including young children, families and older people. The Vacluse Ward currently has only two facilities. The main generalist community facilities are all located in the other Wards, with the use of these facilities predominantly by residents that live in close proximity to these facilities. The shortage of reliable public transport from one end of the Municipality to the other and parking throughout the area also limits the catchment areas of these facilities and supports the need for an accessible community space in Vacluse Ward.

The Children's Services Strategy and the Ageing and Disability Services Strategy, adopted August 2005, both include strategies to identify additional space for community activities. For example, space is required for activities ranging from playgroups and family support services to discussion groups and recreation activities for older residents.

In the Vaocluse /Watsons Bay area the two existing community facilities are the small library space within Dunbar House and the Gunyah, Watsons Bay. These are both suitable for certain activities but are unsuitable for use by some target groups, namely older people, people with disabilities and families with young children. Recent discussions have also been held in relation to the use of the Tea Gardens, Watsons Bay for community purposes. When comparing the Tea Gardens facility to the Vaocluse Bowling Club it is clear that the bowling club is a preferable site for a community facility due to:

- location close to local shops;
- location on a public transport route;
- it is able to be occupied immediately; and
- the size is more appropriate for many community activities.

Information about the other facilities in Vaocluse Ward is detailed below.

Watsons Bay Branch Library, Dunbar House

This space within Dunbar House will be assessed through the Property Assets Study, due to commence in the near future. However, the space is limited in size and if the library is closed the most appropriate use would most probably be the extension of the lease to the restaurant.

The Gunyah, Watsons Bay

This facility is currently leased to the Scouts Association of Australia and used by Vaocluse Scouts. The Scouts have exclusive use of the facility, with all subleasing managed by the Scouts. Under the current management arrangement it is not available for extensive community use. When the lease is up for renewal we will negotiate for greater use by the general community for community and private purposes.

Even after this negotiation, this site has limitations due to its high cultural significance, as detailed in the Watsons Bay Public School Conservation Plan. It is inaccessible, with steps to both entrances, and has outside toilets. As the whole site is a significant heritage item in the Watsons Bay Heritage Conservation Area DCP, it is limited in the alterations and renovations that could be achieved in the building. It is not considered feasible or possible to convert the Gunyah into an accessible facility for general community use. It is, however, suitable for some community purposes, such as the historical use as a Scout Hall and groups that don't require an accessible facility.

Planning for Community Facilities in Woollahra

In order to strategically plan for community facilities in Woollahra, the 2005-08 Management Plan includes the preparation of a Property Assets Study. This study will use the findings of the Social Needs Study and investigate options for the future of all properties and facilities owned or managed by Council.

It was resolved to commence this study at the Corporate & Works Committee meeting of 26 September, with the draft aims of the study including:

- Identify future property needs in relation to the operational needs of the Council and community needs of Woollahra residents.

- Assess operational properties and community facilities owned and/or managed by Council to determine the appropriate use of these in relation to the operational and community needs of the Council area. It is proposed to exclude sports buildings and public amenity blocks as they either have long term leases or cannot be adapted for any other use. The Cosmopolitan Center has been excluded as it is currently subject of negotiations.
- Provide financially viable options and recommendations regarding the future of the properties. This could include, but not be limited to; renovations, relocation of services, partnerships with other facility owners, development of new facilities or rationalisation of existing properties. This will also include indicative capital and operational costs of each option and recommendation.

This project will include a review of all existing community facilities and could include the assessment of Vacluse Bowling Club and recommend a strategy for the future of this facility, taking into account the requirements of the Bowling Club members and the general community. It should also be noted that the Tea Gardens, Dunbar House and the Gunyah will also be included in this study, ensuring that well researched options for the use of each facility in Vacluse Ward are considered.

Identification of Income & Expenditure:

It is recommended that Council enter into a partnership arrangement with Vacluse Bowling Club, with a cost between \$9,000 and \$15,000 per annum, the final amount still to be negotiated. This has not been accounted for in the 2005/06 budget. It will be found from within existing Community Services budget allocations and reported to Council at the next quarterly financial review.

Challenges:

The Club has a memorandum of understanding with a company to hire out the facility for functions and catering activities. Should Council negotiate an agreement to use the facility at certain times, this contract will need to be taken into consideration.

Another challenge is that the facility is inaccessible, so that key target groups in the community (older persons, people with disabilities) would find it difficult to access without some minor modifications to the building, such as a ramped entrance. This could be a consideration for Council in the future, with the building accessible to the majority of residents, albeit that some older residents may require assistance down 8 steps to the club entrance and up 3 steps into the building. A handrail could be placed at these steps to assist those with limited mobility in the short term.

Conclusion:

If Council wishes to provide an appropriate community space in the Watsons Bay/ Vacluse end of the Municipality a partnership with Vacluse Bowling Club is an opportunity for a large community return for a relatively modest investment.

As the rental fee is due by the Bowling Club on 31 October 2005, it is recommended that Council accept this opportunity and complete negotiations as a matter of urgency with Vacluse Bowling Club.

Kylie Walshe
DIRECTOR COMMUNITY SERVICES

Item No: R4 Recommendation to Council
Subject: **Relationship of Council with Holdsworth Street Community Centre**
Author: Kylie Walshe
File No: 126.G
Reason for Report: Adoption of the Funding & Management Agreement and Lease between Council and Holdsworth Street Community Centre

Recommendation:

- A. That Council revoke the current Deed of Delegation, effective 1 July 2006.
- B. That Council adopt the Funding & Management Agreement for the delegation of services to Holdsworth Street Community Centre Woollahra Incorporated.
- C. That Council sign the agreement to lease the premises at 64 Holdsworth Street, Woollahra to Holdsworth Street Community Centre Woollahra Incorporated for a period of 5 years.
- D. That these recommendations be reported to Council as a matter of urgency to enable the commencement of these agreements on 1 July 2006.

Background:

Investigations have been ongoing since 2002 regarding Council's relationship with Holdsworth Street Community Centre Association (HSCC). At this time, concerns were raised in relation to Council's legal obligations and risk management exposure under the present deed of delegation instrument, which defines its relationship with the HSCC.

HSCC is an association incorporated under the Associations Act 1984. Council's relationship with the association is defined within a Deed of Delegation under the Local Government Act 1993, Section 377. At a report to the Community & Environment Committee of 15 November 2004 the concerns regarding this agreement were detailed. (See Annexure 1 for this report and Annexure 2 for the Deed of Delegation).

A further report was presented to the Community & Environment Committee on 11 April 2005, outlined a number of options for the future relationship between Council and HSCC (See Annexure 3). At the Council meeting of 26 April 2005, it was resolved:

- A. *That Council endorses, in principle, a delegation agreement with Holdsworth Street Community Centre. A delegation agreement and service level agreement be drafted in consultation with the Holdsworth Street Community Centre and be presented back to the Community and Environment Committee for adoption.*

*That the delegation agreement proceed on the basis that:
Council delegates to the Management Committee of Holdsworth Street Community Centre Woollahra Incorporated responsibility for the provision of a range of programs and services determined by Council, in accordance with Council's Management Plan, policies and strategic direction.*

- B. That the delegation and or service agreements be drafted incorporating advice from Council's solicitors to ensure that the agreements protect Council's interests and reduces liability.*
- C. That Council note the budget presented by Holdsworth Street Community Centre and consider Council's contribution to this budget during the determination of Council's budget for the 2005/2006 financial year.*

Since this resolution a working party consisting of representatives from the HSCC Management Committee, Council and Council staff met to prepare a terms sheet to form the basis of the agreement. This terms sheet was completed to the satisfaction of both parties in September 2005. The draft Funding & Management Agreement and Lease Agreement were drafted from this terms sheet by Councils solicitors. These have now been endorsed by the HSCC Management Committee, meet Councils resolution of 26 April, 2005 and are now presented to Council for final approval.

Proposal:

Lindsay Taylor Lawyers have drafted a Funding & Management Agreement and Lease Agreement that protects the interests of Council and provides practical working documents to manage the relationship of Council and HSCC.

The Funding & Management Agreement outlines the delegation and the planning and reporting requirements of HSCC to Council. It commits HSCC to provide a yearly strategic plan and submission to Council regarding the proposed activities and funding to be delegated by Council, prior to the adoption of Councils budget and Management Plan each year.

The Lease Agreement is the lease of Council owned premises at 64 Holdsworth Street, Woollahra to HSCC for a peppercorn rent of \$1 per annum. The continuation of this lease is contingent on the continuation of the Funding & Management Agreement.

Consultation:

Extensive consultation has been undertaken with HSCC over a period of 2 years regarding this matter. It has been the subject of a number of reports to Council, two workshops with Councillors and the HSCC Management Committee in 2005 and in full consultation with Councillor representatives on the HSCC Management Committee and the General Manager. The HSCC Management Committee considered both documents on Wednesday 21 June, 2006 and endorsed it unanimously.

Identification of Income & Expenditure:

The adoption of these agreements will have no impact on the current budget of Council. It is clear within the Funding & Management Agreement that it is in Councils absolute discretion the amount of funding it provides to HSCC to perform the delegated services. However, there is the requirement for 12 months notice to be given to either party should the delegated services and associated funding be revoked or discontinued for any reason.

Conclusion:

It is recommended that Council continue the successful relationship with HSCC through the adoption of the Funding & Management Agreement and Lease Agreement presented to Council.

Kylie Walshe
Director Community Services

ANNEXURES:

Annexure 1 – Report to Community & Environment Committee Meeting – 11 April 2005

Annexure 2 – Deed of Delegation, 8 December 2000

Annexure 3 – Report to Community & Environment Committee Meeting – 15 November 2004

Annexure 4 – Funding & Management Agreement between Council and Holdsworth Street
Community Centre

Annexure 5 – Lease Agreement for 64 Holdsworth Street, Woollahra

Item No: R4 Recommendation to Council
Subject: **Holdsworth Street Community Centre - relationship with Council**
Author: Kylie Walshe
File No: 126.G
Reason for Report: To consider the future relationship of Holdsworth Street Community Centre with Council.

Recommendation:

- A. That Council consider the proposed options regarding the future relationship of Holdsworth Street Community Centre with Council, and resolve to consider Options Two and Option Three as detailed in this report, as appropriate options for implementation.
- B. That Council provide the Holdsworth Street Management Committee with the time required to determine the Option supported by the Association and its members. This to be forwarded to Council no later than 31 January 2005.
- C. That a further report with a recommendation for the adoption of Option 2 or Option 3 be presented to Council in early 2005, with a proposed implementation plan.

AIM OF REPORT:

It is the aim of this report to provide Councillors with sufficient background and information to determine the future relationship of Holdsworth Street Community Centre with Council. This recommendation aims to support and continue much needed community services to the Woollahra community, whilst protecting Council's interests. This report is not reviewing the value or continuation of the services provided by HSCC or the large contribution and commitment of the volunteer Management Committee, but the relationship and management model used to provide these services.

Background:

Investigations have been ongoing since 2002 regarding Council's relationship with Holdsworth Street Community Centre Association (HSCC). At this time, concerns were raised particularly in relation to Council's legal obligations and risk management exposure under the present deed of delegation instrument, which defines its relationship with the HSCC.

HSCC is an association incorporated under the Associations Act 1984. Council's relationship with the association is defined within a Deed of Delegation under the Local Government Act 1993, Section 377. Within that Deed of Delegation, staff at the centre are nominated to be Council employees. However, HSCC staff do not appear on Council's payroll, are covered by insurance separately taken out by the Association and are issued with group certificates in the name of Holdsworth St Community Centre Woollahra Inc.

The current Delegation of Authority between Council and HSCC states:

“Council agrees to delegate to the Association all the Council's functions associated with managing the Centre and the delivery of services provided at the Centre.”

This Delegation of Authority document was signed on 8 December 2000 and due to cease on 31 December 2006. (Annexure 1)

At present, because of the deed of delegation instrument by which Council defines its relationship with the Association, Council would appear to have all the liabilities associated with the staff with no capacity for their control and direction. Council does not supervise their activities on a day to day basis and they are not accountable to Council for the performance of their duties.

In October 2003 an undertaking was given to review the operations of aged and disability services supported by Council, including HSCC, and that the relationship would be determined after this was completed. This review and its recommendations were adopted by Council on 1 November 2004 and it is now time to determine the relationship matter.

FACTORS TO CONSIDER

In considering the appropriate relationship of HSCC with Council, a number of factors should be considered:

- Legal status of delegation agreement.
- Liability for the operations of HSCC.
- The rationale for the establishment of the delegation.
- The effectiveness and efficiency of HSCC in the delivery of services.
- Management of Council funds.
- Council's role in community services.

Each of these factors provides Council with important information that will assist the adoption of the most appropriate relationship and management model for HSCC.

LEGAL ADVICE – LEGAL STATUS AND LIABILITY

In 2003, legal advice was sought in relation to Council's position and options for a clearer definition of Council's relationship with the Association. As noted in this advice "we think the Delegation is a wholly inappropriate basis for the Council to allow the Association to occupy the premises at 64 Holdsworth St, Woollahra and to operate the HSCC on the Council's behalf." (Point 12 of Annexure 2) On the question of liability, "Council is and remains legally liable for all actions of the Association properly undertaken under and in accordance with the Delegation despite its lack of management control over the day to day operations of the HSCC". (Point 28 of the Annexure 2)

The terms of the Delegation are then reviewed in some detail and it is concluded that "it is ... an unacceptable document to govern the relationship between the parties" and that the 6-year term of the delegation is in contravention of section 380 of the Act.

That legal advice is attached for Council's information and formed the basis of discussions with the Association. (Annexure 2). In response to this advice HSCC received advice from Freehills (Annexure 3) which offers a different viewpoint on the legality of the delegation. However, this advice does not detail the implications for Council of retaining the current delegation or the legal liabilities associated with it. The main issue raised by the legal advice for Council is not the debate over the legality of the delegation but the liabilities that rest with Council despite the lack of management control with the current relationship.

Based on this legal advice the current delegation model is not acceptable to Council or recommended for continuation.

THE ESTABLISHMENT OF THE DELEGATION

In order to fully appreciate the operations of HSCC and make an informed decision on the relationship with Council, it is important to understand the history of the relationship of the Centre with Council. See Table 1 below.

Date	Activity
1971 –1973	Holdsworth Street Playground operates unsupervised.
14 December 1973	A pilot scheme was commenced to provide holiday and after school care at the Holdsworth Street Centre, with the care, control and management of the playground and building vested in a community management committee until the end of May school vacation period.
April 1974	Council received advice from solicitors that it would be legally competent for the care, control and management of the playground to be vested in a community committee.
27 May 1974	Council formally vested the care, control and management of the Centre at Holdsworth Street to the persons that constitute the Management Committee.
7 October 1987	Holdsworth Street Community Centre becomes an incorporated body.
1974 -1997	Council formally vests the care, control and management of Holdsworth Street Centre to the persons elected to the Management Committee, on an annual basis.
8 December 2000	Current delegation of authority adopted and agreed between Holdsworth St Community Centre and Council.
11 November 2002	Report to Council regarding the legal advice to be requested in relation to the relationship with Holdsworth Street Community Centre Incorporated.
24 January 2003	Legal advice received by Council from Phillips Fox solicitors.
24 March 2003	Report to Council outlining the legal advice received in relation to the relationship with Holdsworth Street Community Centre Incorporated.
20 August 2003	Legal advice received by Holdsworth Street Community Centre from Freehills solicitors, and forwarded to Council.
October 2003	Abraxa Consulting appointed to review aged & disability services supported by Council, including HSCC. Decision to finalise the relationship after the completion of this review.

Table 1: Relationship History

Since it's inception in 1974, HSCC has developed from a small neighbourhood centre to a centre that provides services Municipal wide, with some services catering for the whole Eastern Suburbs region. In fact, some of the services provided by HSCC cater predominately for residents outside of the Woollahra Municipality.

In the 1980s and 1990s HSCC was viewed as the Community Services arm of Council, with a statement in the 1990 HSCC Annual Report stating:

“While Council has no Community Services Department and no policy for providing services direct from Council, it has supported and assisted with the development of the Centre.” Other evidence of this was the establishment of an Access Committee, a role that is now one of the Community Services Department of Council.

It was the vision of a number of community members and the support provided by Council that has resulted in the development and delivery of valuable services by HSCC for many years. The relationship between Council and HSCC has and continues to be important for Woollahra residents. Since the commencement of HSCC Council has relied heavily on the dedication and commitment of volunteers to manage direct service provision in children's, family, aged and disability services. This extraordinary effort is commended and has been highly regarded by Council and the community over the past 30 years. A continued relationship with the community is vital to any community service and must be encouraged regardless of the formal relationship with Council.

Whilst supporting HSCC, Council determined to establish a Community Services Department, with the employment of a Community Services Manager in 1995 and a Director Community Services in 2002, with associated staff. Through these actions Council has shown a commitment to the direct provision of community services. In 2003 Council also accepted responsibility for the management of Woollahra Kindergarten, which was previously managed by a volunteer Management Committee, as the Committee viewed that the responsibilities to operate this service were most appropriate to sit with Council. A voluntary parent committee still retains active involvement in the services provided, without the overall management responsibility.

The objectives of HSCC should also be reviewed in relation to the alignment of HSCC objectives with the objectives of Council. The Management Plan 2004-2007 states the following objective; *To plan, facilitate and provide a range of community services and activities responsive to the needs of people who work and live in our area*, and the key outcome; *Services are provided in an efficient and cost effective manner and are well targeted to meet the needs of people who live and work in our area*.

The objectives of HSCC include the provision of a range of services for people in Woollahra and surrounding local government areas. Over the past 12 months HSCC has been very successful in attracting State and Federal funding for the coordination of regional programs covering up to six local government areas. Although this must be commended, especially as some Woollahra residents will receive these programs, it may not be viewed as consistent with the objectives of Council. By accepting this type of funding in the past HSCC has used Council funds to fill the gaps in new services, committing Council to fund and take responsibility for services for residents outside the Woollahra boundaries without any reference to Council for approval.

EFFECTIVENESS AND EFFICIENCY OF HSCC IN THE PROVISION OF SERVICES

Consideration needs to be given to the findings of the Review of Aged and Disability Services, undertaken by Abraxa Consulting, in determining the relationship. This review was adopted by Council on 1 November 2004 and informs Council of the efficiency and effectiveness of HSCC. It was apparent in this study that HSCC is not accountable for the expenditure of Council's funds and that a service level agreement is necessary between Council and HSCC to improve this accountability. It also highlighted that there is no method of determining if the services provided by HSCC are those that are most needed by the Woollahra community.

On balance, the Review highlighted some inefficiencies and concerns over management practices at HSCC, but also noted the level and quality of services that HSCC provides to the community. Relevant findings from this review regarding HSCC are:

- HSCC has poor performance monitoring and reporting processes in place but these are currently being reviewed and refined. HSCC does collect information to monitor performance and report to the Management Committee but only at the highest level. In general information is being captured, mainly because of DADHCS reporting requirements, but it is not being effectively used to monitor and improve delivery.

- HSCC has limited information and reporting requirements to Council. Council has not yet established a performance and monitoring framework to ensure that their objectives are being met in an efficient and effective manner.
- Has no internal priorities or criteria for allocating funds.
- The current method of applying funds to programs, effectively pools all funds and does not discriminate between Woollahra and non-Woollahra residents, this results in a cross subsidisation, which in the case of disability services is significant.
- Systems could be more effectively used in the provision of this service.
- Has higher than average administration and overhead costs.
- The review also highlighted the efforts of the volunteers and the voluntary management committee in managing this complex service. Comments included:
- Has a good membership base and is servicing the majority of suburbs within Woollahra.
- Services are well planned and executed. Planning is always more difficult whenever there is a reliance on volunteers. HSCC has consistently been able to attract a large pool of volunteers and has therefore largely mitigated this issue.
- In general the Centre offers a wide variety of activities that are well supported by its members.
- Management is proactive in monitoring information from funding bodies and newspapers, which advertise government grants, to ensure the financial viability of this service and to ensure it has the necessary resources to meet the varying needs of the community.
- Members are regularly consulted about the preferences via survey or other means and are always involved in the development of new initiatives or the refinement of existing services.

Overall this service is well managed and run. Services are well planned and executed, the Social Plan is used to guide program development and funds, which are required to provide services, are actively sought.

These findings highlight some issues in relation the management of HSCC that should be considered when adopting a new relationship with Council. The inefficiencies raised can all be overcome with the appropriate mechanisms, commitment and relationship with Council.

Management of Council funds

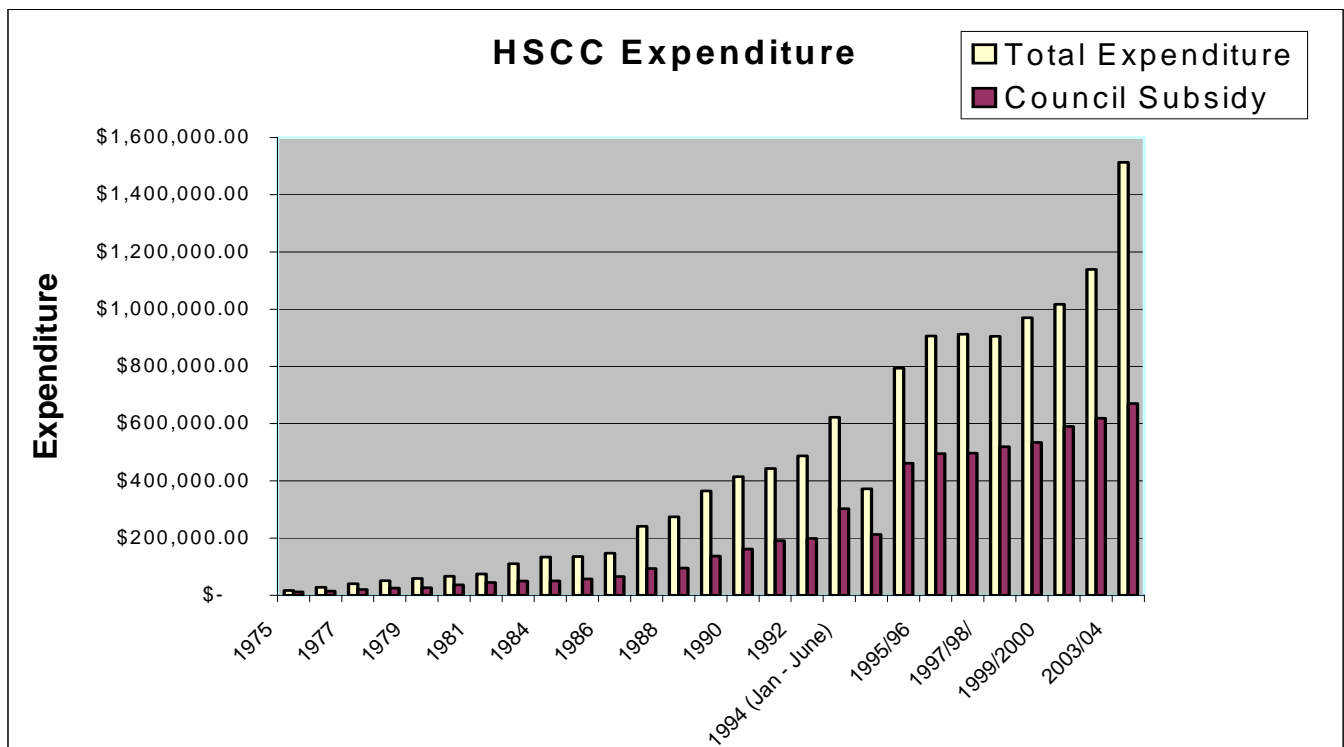
Holdsworth Street Community Centre has been the recipient of an annual donation from Council since the 1970s, under Section 356 of the Local Government Act 1993.

This amount has varied over the years, with approximately \$670,000 per annum allocated for the past three years. The accounts were first audited in 1991, with the donation from Council since 1987 shown in Table 2 below. By contrast the original donation in 1976 was \$12,000.

Year	Amount
1987	\$94,801
1988	\$95,124
1989	\$137,092
1990	\$161,534
1991	\$190,653
1992	\$198,635
1993	\$303,000
1994 (Jan – June)	\$212,465
1994/95	\$461,000

Year	Amount
1995/96	\$461,000
1996/97	\$465,000
1997/98	\$465,000
1998/99	\$534,000
1999/00	\$590,000
2000/01	\$618,523
2001/02	\$633,000
2002/03	\$670,737
2003/04	\$670,637
Budget 2004/05	\$670,000

Table 2: Subsidies to HSCC



The graph above shows total expenditure of HSCC since 1975 and the level of subsidy provided by Council.

In comparison, Council also subsidises a number of other organisations, with the Management Plan 2004-2007 including a total donations budget of \$802,00 in 2004/05. In addition to this donation, estimates are shown below that include the cost of general maintenance, insurance, repairs, water rates and electricity of each facility, based on the costs incurred in 2003/04. The total value of the subsidies to these organisations is not able to be determined, as the value of the subsidised accommodation or rent has not been assessed.

Organisation	Donation/ Funding from Council for services	Estimated operational cost of the facilities	Total estimated cost to Council – 2004/05
Holdsworth Street Community Centre	\$670,000	\$8,700	\$678,700
Woollahra Senior Citizens Welfare Assoc.	\$65,000	\$7,200	\$72,200
Meals on Wheels	\$5,070	\$5,100	\$10,180
Section 356 Donations to 11 organisations (average of \$4,000 each)	\$49,300	N/A	N/A
Total	\$789,370	\$21,000	\$810,380

Table 3: Council subsidies to community organisations 2004/05

In comparison, it is clear that HSCC receives the largest subsidy by far from Council. Over the years Council has not specifically tied the subsidy or stipulated the areas it should be expended. However, HSCC has presented a budget to Council per annum indicating the level of Council funds that are allocated to each program area.

The End of Year Accounts 2003/04 and Budget 2004/05 were provided to Council in early September 2004. Tables 4 and 5 below detail the breakdown in the 2002/03 and 2003/04 budgets versus actual expenditure and the 2004/05 budget.

Table 4: 2002/03 Budget and Actual Expenditure

Program	Total income	WMC funding	Expend.	Surplus/ deficit
Disability Services	\$ 310,166	\$ 50,255	\$ 294,702	\$ 15,463
Aged Services	\$ 116,323	\$ 83,313	\$ 106,555	\$ 9,768
Neighbourhood Services	\$ 147,029	\$ 74,406	\$ 120,549	\$ 26,479
Family Support	\$ 74,743	\$ 39,140	\$ 71,918	\$ 2,825
Community Transport	\$ 276,826	\$ 148,958	\$ 276,378	\$ 447
After School Care	\$ 90,358	\$ -	\$ 100,936	-\$ 10,578
Vacation Care	\$ 112,698	\$ -	\$ 103,533	-\$ 9,165
Centre Management *	\$ 339,549	\$ 274,665	\$ 297,719	\$ 42,170
	\$1,467,692	\$ 670,737	\$ 1,372,290	\$ 95,402

Table 5: 2003/04 Budget and Actual Expenditure

Program	Total income	WMC funding	Expend.	Surplus/ deficit
Disability Services	\$ 527,075	\$ 213,584	\$ 459,165	\$ 67,910
Aged Services	\$ 513,001	\$ 307,060	\$ 473,194	\$ 39,807
Neighbourhood Services	\$ 149,400	\$ 46,702	\$ 173,702	-\$ 24,301
Family Support	\$ 141,841	\$ 99,266	\$ 143,099	-\$ 1,257
Community Transport	\$ -	\$ -	\$ -	\$ -
After School Care	\$ 77,254	\$ -	\$ 116,641	-\$ 39,387
Vacation Care	\$ 106,202	\$ -	\$ 145,263	-\$ 39,061
Centre Management *	\$ 16,113	\$ -	\$ 16,113	
	\$ 1,530,886	\$ 666,612	\$ 1,527,177	\$ 3,711

* there is no surplus or deficit in Centre Management as \$184,004 was recovered from the other programs in 03/04. There has been some movement in where the expenditure is accounted for over the years. Eg: Community transport is spread across the programs that use transport services, with only individual transport showing in 2004/05 and Centre Management is spread across programs in 2003/04 & 2004/05.

The 2003/04 End of Year Accounts were scrutinised to gain a greater understanding of how Council funds were expended in 2003/04 and how funds plan to be allocated in the coming year. It was clear from this assessment that Council funds were used as deficit funding for programs determined by the HSCC Management Committee. Council has had little or no input into how the funds were expended and accounted for. For example, the after school care and vacation care programs have been operating at a deficit for two years, (approx. \$80,000 per annum) resulting in Council funds being used to balance these programs. This was confirmed at a meeting with the Director and Accountant of HSCC. These program areas may not be high priority but the current relationship has not provided Council with the ability to influence the operation of this service or the allocation of funds.

A total of \$670,000 has again been allocated in the 2004/05 Community Services budget with the first quarter paid to the Committee in August 2004. Table 6 details the budget allocated to each program, as provided to Council by HSCC.

Table 6: 2004/05 Budget

Program	Budget Income	WMC Funding	Budget Expenditure.
Disability Services	\$ 453,721	\$ 217,488	\$ 453,849
Aged Services	\$ 288,310	\$ 228,440	\$ 288,440
Neighbourhood Services	\$ 287,513	\$ 86,293	\$ 286,519
Family Support	\$ 112,439	\$ 58,264	\$ 112,395
Community Transport	\$ 177,129	\$ 80,285	\$ 177,620
After School Care	\$ 114,789	\$ -	\$ 115,360
Vacation Care	\$ 137,007	\$ -	\$ 136,360
Centre Management *	\$ -	\$ -	\$ -
	\$ 1,570,908	\$ 670,770	\$ 1,570,543

Options Two and Three detailed in this report will protect Council's interest in the future by providing mechanisms, either directly or indirectly, that ensure Council manages the allocation of its funds. Both would include strict reporting and approval mechanisms for the allocation of Council's funds. This is an important reason for Council to adopt either Option Two or Three as the preferred relationship with HSCC.

COUNCIL'S ROLE

In order to determine the appropriate model for the management of HSCC, it is imperative that Council considers the role it plays in community services. It could play any or all of the following roles:

- Direct Service Provider
- Provider of funds to community organisations to provide direct services
- Strategic Planning
- Advocacy
- Partnership

Council has not resolved to play a particular role in the past but has indicated its desire to play all of these roles in various service types. This is shown in the establishment of the Community Services Directorate in 2002 to provide strategic planning, advocacy and funding roles and accepting responsibility for direct service provision in the management of Woollahra Kindergarten. In relation to the relationship adopted by Council, serious consideration needs to be given to the role it wishes to play in community services. It should be noted that the Social Needs Study, currently underway, will provide recommendations on the role that Council should play in community services, due for report to Council in early 2005. The final decision should be made on the basis of which option provides the most efficient, effective and appropriate community services to the people of Woollahra in the long term, whilst building community capacity and social capital.

Under Section 8 of the Local Government Act 1993 all Councils have a charter to follow. This charter details some specific responsibilities that Council has in the area of community services, such as the planning and provision of services that meet the needs of children. These all have to be considered when reviewing the relationship of HSCC with Council. Whatever relationship is chosen it must meet the following criteria:

- Provision of equitable and appropriate services to the community, either directly or indirectly.
- Provision of services that are effective and efficient.
- Community Leadership.
- Involvement of the community in the decision making process.
- Keep the community informed about its activities.
- Be accountable for the management of community assets.

Some of the above have not been achieved in the relationship with HSCC in the past, as indicated in the findings of the Review of Aged and Disability Services, but may be met through the adoption of an appropriate relationship.

Proposal:

It is considered that there are three options, or variations of these, that Council could pursue in this matter, with two considered to be the most appropriate for Council. These are detailed below, with the implications of each of these:

Option 1 – Holdsworth Street Community Centre retain Delegated Authority.

The first option is a continuation of the current delegation model with the Centre providing services on behalf of Council. This option would require the Association to report directly to Council, not the General Manager, as the delegation would be given directly to the Association.

The consequence of this option would include:

- HSCC remains as a community operated organisation, managed by the Management Committee.
- Council is the major funding body of HSCC, with no direct control over the activities of HSCC.
- Council will continue to be held legally liable for the actions undertaken by the Association in accordance with the delegation, despite its lack of adequate management control.
- Council is unable to employ staff directly, as the employment of staff cannot be delegated to anyone other than the General Manager, under Section 335 of the Local Government Act.
- Council can only delegate the 'function', according to Section 377 of the Local Government Act. The Association will report directly to Council, not the General Manager or Council staff, with the responsibility resting solely on the elected representatives. This means that HSCC will submit reports directly to Council.
- There may be the ability to have charitable status, which could assist in attracting funding from private individuals.

- Council can revoke the delegation at any time.
- The income earned and expenditure incurred by the Association must be included in Council's financial statements, as under delegation the management of income and expenditure should be under the direction and control of Council. This is in conflict with the preferred method of operation by HSCC as it currently have direct control over all management activities, including income and expenditure.
- Fees and charges must be approved by Council under Section 608 of the Act.

This option is not acceptable for Council as it still retains full liability for the operation of HSCC, without the management control. The reasons for this are clearly stated in the legal advice received from Phillips Fox in Annexure Two. The responsibility can also not be delegated to the General Manager, with the elected Councillors being held responsible for the success or otherwise of HSCC. The recommendation of this report is that Council recognises the inappropriateness of this option.

Option Two – Transfer the operation of HSCC to the Association

The second option relates to Council formally transferring the operation of the Centre to the Association as an independent body that leases the premises and relates to Council on the basis of funding agreement for services that Council decides to purchase.

The implications of this option are:

- A formal agreement will detail the services to be provided with Council funds.
- There will a clear definition of the roles of HSCC and Council.
- Council's liability will be minimised to that of joint responsibility with the Association for public liability with all other liability belonging to the Association.
- Council is the major funding body of HSCC, with control over the activities funded by Council through a funding agreement.
- Reduced security for HSCC as Council takes the role as purely a funding body.
- Council will be able to direct the use of Council's funds but not the overall direction and objectives of HSCC.
- Council could ensure that the services funded by Council were predominately provided for Woollahra residents.
- HSCC would continue to operate independently and pursue its own goals and directions.
- A continuation of HSCC as a 'grass roots' community organisation, with autonomy in its actions and methods of operation, within guidelines set by funding bodies for services funded.
- Continued community ownership of HSCC, with the ability to mobilise community support and assistance.

To initiate this option Council will need to:

- Prepare an instrument of revocation of the Delegation.
- Enter into a lease or license for the premises at 64 Holdsworth St. As the site is Council owned 'community' land, this would also require the preparation of a Plan of Management to expressly authorise this lease or license.
- Enter into a funding agreement for the purposes of Council providing a grant.
- Enter into a deed in relation to transitional matters including but not limited to staffing and liability issues.

This option would limit Council's liability and allow HSCC to assume full responsibility for its actions as an independent organisation. A detailed funding agreement could also provide the required reporting and accountability for the expenditure of Council funds provided to HSCC for the purchase of services. It is anticipated that the funding agreement would include the following:

- Clear detail on the purpose for the subsidy, giving an explanation on how the funds are to be expended and the outcomes that will be directly and indirectly obtained from these funds.

- Organisational standards that must be met, including financial, records, management reporting etc.
- Improved accountability for the expenditure of Councils funds, with the inclusion of specific and comprehensive standards in the funding agreement.
- Commitments for the continued relationship between HSCC and Council in areas such as strategic planning and service provision.

This option will continue the 'grass roots' community organisation and ensure that Council is accountable for the expenditure of its funds. The risk in this option is the separation of HSCC and Council, requiring a commitment to a continued relationship and communication between these two organisations.

Option Three – Council accepting direct responsibility

Under this option Council would accept direct responsibility for the operation of the Centre and its programs, which it presently delegates to the Association. Council could delegate the operation of HSCC activities to the General Manager, and the Association could act as an advisory committee to Council in accordance with Section 355 of the Local Government Act.

The HSCC Management Committee has developed HSCC into a very successful organisation, providing valuable services to many groups in the community and attracting high levels of funding from other government agencies to broaden its role. Without the outstanding achievements, dedication and commitment of this volunteer management committee Woollahra would not have received much needed services for the past 30 years. All past and present members of HSCC Management Committee are highly valued and are integral to the continuation of appropriate services to the people of Woollahra. The adoption of this option would not mean that the work and effort of volunteers and a volunteer committee are no longer required or valued. If anything, the continued contribution by volunteers and the community is vital to successful community development, the development of social capital and the provision of appropriate services to those most at need in our community. This option would release these volunteers from directly managing a large organisation to that of providing valuable links with the community, strategic planning for services and fundraising. Council would then accept responsibility to meet all legislative and funding guidelines and manage the staffing, finances and management details in accordance with the strategic direction of HSCC, as set by HSCC members in consultation with Council.

The implications of this option include:

- Council would have direct management of all activities of HSCC, including the employment of staff. This would align the objectives of HSCC with Council, with the provision of services that are well integrated with council services and community needs.
- Council would have greater influence over the future direct direction of the Centre, with strategic planning for HSCC aligned with the goals of Woollahra Council. This would involve HSCC members in the development of strategic directions and objectives.
- Council could ensure that the services were predominately provided for Woollahra residents.
- HSCC would no longer be controlled by a committee representing HSCC members, which could impact on community support for the Centre.
- The establishment of an Advisory Committee with HSCC members would ensure community input into service provision and the quality of service. It would also change the focus of the Committee from one that manages the detailed operations of the Centre to one of high level strategic planning and fundraising. The value of community input cannot be understated with the continued volunteer effort pivotal in the success of the continuation of HSCC services.
- Community members volunteering on the advisory committee will not be legally liable for management actions, including the large budget, with the ability to put efforts into service development, fundraising and community development activities.

- Any liability incurred by Council will be a consequence of its direct management and control of HSCC.
- Council will be able to redirect funds as required by changes in community needs.
- HSCC will be secure as a service provided by Council. As the HSCC Management Committee may change each year, this could influence and impact on the services provided. With a stable management base, this option will encourage a turnover in committee members and volunteers to maximise community involvement in the services provided.
- Cost savings in particular areas, such as insurance, accounting, information technology, risk management and human resources resulting in improved efficiency of service.
- Ability for the services to be supported by the infrastructure of Council, providing assurance that the services will be provided in accordance with all legislative requirements and community needs.

To initiate this option Council will need to:

- Consult with the HSCC Management Committee and members.
- Prepare an instrument of revocation of the Delegation.
- Enter into a deed in relation to transitional matters including but not limited to staffing and liability issues.
- Delegate the employment of staff to the General Manager.
- Employ existing HSCC staff or employ new staff.
- Take occupation of the HSCC premises and assets.

This option would need to be handled with great sensitivity as some members of the community have a high level of ownership of HSCC. It would, however, demonstrate the commitment of Woollahra Council to community services and the provision of services and facilities that best meet community need. If Council pursues this option a number of guarantees are recommended to reassure the community that Council is seeking a more efficient service with their needs of top priority. This could include the following:

- A guarantee of permanent staff positions for a period of time. E.g.: in recent local government area amalgamations legislation states that permanent staff positions have a minimum of 3 years without forced redundancies or a change in work conditions, except with the agreement of the staff member. This may be a good guide to use in this instance.
- A guarantee that the services provided by HSCC will not be changed without prior consultation with members, service providers and the general community.
- That Council establish an Advisory Committee with HSCC members prior to the change in management of the centre.
- That Council give an undertaking that it will not reduce the level of funding to HSCC services for a period of 2 to 3 years, during which time a detailed review on the most appropriate level of funding be undertaken.

This change from volunteer management committee to Council management has been undertaken in a number of other Councils. In particular, Mosman Council worked closely with three community committees to accept the liabilities and responsibilities of aged, family and children's services, with the continuation of community committees to provide advice, fundraising and valuable links with the community. This has resulted in a reduced liability and workload on the volunteer committee members, improved accountability to the community for the expenditure of Council, State and Federal funding and improved quality of service. The risk in this option is that members of the community may not be as willing to assist and support a Council run organisation as they will a community organisation. A community participation process will need to be developed to ensure that this community ownership and commitment to HSCC is not lost in the transition.

OPTIONS DISCUSSION:

Of the three options, Options Two and Three are the most secure for Council and ensure the continued provision of services to the community. They will both provide a clear demarcation of the responsibilities and liabilities of both parties and ensure control of services funded by Council, either directly or indirectly. Whether Council adopts Option Two or Three will be influenced by the role that Council wishes to have in community services, that of direct service provider or primarily a planning, advocacy or partnership role. If Council believes that it should be held directly responsible to the community for the expenditure of this large subsidy, and so directly provide services to the community, it will adopt Option Three. Council is the custodian of public assets and funds and is ultimately responsible for the management and expenditure of these funds and is charged with ensuring these are adequately reported and managed. The adoption of Option Two or Three, with the appropriate communication and reporting mechanisms would enable Council to achieve this.

Should Council adopt Option Two it should be on the condition that a review is conducted in 12 months time, assessing the operation of HSCC against the performance measures included in the funding agreement. In consideration that HSCC has just elected a new management committee this is an acceptable outcome, with the proviso that if the performance measures are not met that Council will then accept responsibility for the management of HSCC.

Whichever option is ultimately determined a transition phase would need to be entered into. During this transition phase the relevant documentation would be drawn up and sufficient consultation with the community undertaken to ensure that all HSCC members and the broader community understand the decision. It is anticipated that the new arrangement will come into place in discussion with the HSCC Management Committee, with an implementation program drawn up and commenced as soon as possible to provide a quick and smooth transition to the new arrangements. Any major change in the relationship would also require a constitutional change for HSCC, which requires a general meeting of HSCC members prior to implementation. This requirement will need to be included in any transitional plans for the new relationship.

Different Councils have adopted different roles in community services but regardless of which option is chosen the relationship between HSCC and Council can and will be strengthened through working in collaboration to provide services to address high priority needs in the community. The most transparent and accountable method of achieving this is to adopt Option Three.

Consultation:

The legal advice regarding Council's existing relationship with the HSCC and options for the future formed the basis of discussions with HSCC, as detailed in Annexure 2.

Discussions have been held over an extended period since 2002 with the Management Committee of HSCC, with the Centre steadfast in its preference to retain the relationship as one of Delegation from Council until the recent Annual General Meeting. See Annexure 4 for correspondence from the previous management committee, dated September 2004.

At this Annual General Meeting and re-election of the Committee in September 2004 there was a significant change in Committee members. All of the Committee members have shown commitment to the resolution of this issue since their election. Council staff have held a number of meetings since this time with the Committee to specifically discuss the relationship, on 13 October and 10 November 2004. At these meetings it was made clear to Committee members that Option One is not an acceptable option for Council, as it does not protect Council's interests. Despite this, the Committee considered all options, with Options One and Two the most preferred option of individual committee members. There is the belief that the delegation can continue with a redrafted agreement and clear performance measures and reporting. The legal advice received by Council does not support this. A unanimous decision was not reached at either of these meetings, although the Committee is committed to reaching a consensus after further discussions.

It was clear at the most recent meeting on 10 November that the Committee will be requesting Council to allow them sufficient time to determine a united view on the issue and to canvas the opinion of HSCC members regarding any possible change in the relationship with Council.

Conclusion:

The legal advice is clear in relation to the flawed nature of the existing deed of delegation, with Council being liable for all actions of the Association and its staff with limited capacity to control and direct those activities. Based on this Option One is not an acceptable option for Council.

Option Two is an acceptable option, as it will provide clear delineation of the responsibilities of Council and HSCC and an accountable process for the allocation of the substantial Council subsidy per annum. It would also ensure that Council was purchasing or providing appropriate services in an efficient manner for the people of Woollahra. This certainty would not be provided in Option One, especially if the management and financial control remained as it is currently. It will also allow HSCC the autonomy to direct their future and continue the long association with the community it has developed over 30 years.

Option Three is also acceptable as it provides a long-term commitment to the provision and management of community services by Council. Under the Charter in the Local Government Act 1993 Council has a responsibility to ensure that efficient, effective and appropriate services are provided to the community. It also has an obligation to ensure that government funds are expended in an open and accountable manner, to provide community leadership and include the community in its decision making process. Option Three will provide Council with the appropriate control to ensure that it meets these obligations in community services. Council also has the infrastructure required to manage a service of this size and complexity, providing security for the continuation of services to Woollahra residents.

In relation to the option chosen by Council, Council needs to seriously consider the role it wishes to play in community services. The final decision should be made on the basis of which option provides the most efficient, effective and appropriate community services to the people of Woollahra for the long term, whilst building community capacity and social capital.

The recommendation is that Council consider Options Two and Three, considering the information contained in this report and allowing HSCC the time they need to determine a position on this issue through consultation with HSCC members. A report will then be presented back to Council in February 2005 with a recommendation for adoption and implementation plan for the new relationship.

Kylie Walshe
Director Community Services

ANNEXURES:

Annexure 1 – Delegation Agreement dated 8 December 2000.

Annexure 2 – Legal Advice re Council’s relationship with Holdsworth Street Community Centre

Annexure 3 – Legal Advice provided by HSCC to Council.

Annexure 4 - Correspondence from Holdsworth Street Community Centre outlining the Committees preferred option.

Item No: R Recommendation to Council

Subject: **Relationship of Holdsworth Street Community Centre with Council and presentation of budgets for 2005/06.**

Author: Kylie Walshe

File No: 126.G

Reason for Report: To report back to Council on a resolution regarding the topic of this report.

Recommendation:

- E. That Council determine the preferred relationship with Holdsworth Street Community Centre Woollahra Incorporated.
- F. That Council note the budget presented by Holdsworth Street Community Centre and consider Council's contribution to this budget during the determination of Council's budget for the 2005/2006 financial year.

Aim of Report

This report concentrates on Holdsworth Street Community Centre (HSCC), its relationship with Council and subsequent request for continued funding in the 2005-2006 financial year.

This report is broken into two sections; a discussion regarding the future relationship of HSCC and Council; and a presentation of the HSCC budget for 2005-2006.

Part 1: THE RELATIONSHIP OF HOLDSWORTH STREET COMMUNITY CENTRE AND WOOLLAHRA MUNICIPAL COUNCIL

Background:

Investigations have been ongoing since 2002 regarding Council's relationship with Holdsworth Street Community Centre Association (HSCC). At this time, concerns were raised particularly in relation to Council's legal obligations and risk management exposure under the present deed of delegation instrument, which defines its relationship with the HSCC.

HSCC is an association incorporated under the Associations Act 1984. Council's relationship with the association is defined within a Deed of Delegation under the Local Government Act 1993, Section 377. At a report to the Community & Environment Committee of 15 November 2004 the concerns regarding this agreement were detailed. (See Annexure 1 for this report).

The current delegation agreement does not meet the needs of either Council or HSCC and the relationship requires a review and resolution. The main reasons for this conclusion is that the current delegation agreement (Annexure 2) is flawed from a legal perspective and not an acceptable model for Council as all liabilities rest with Council despite a lack of management control. The current agreement also fails to include reporting and approval mechanisms that would ensure an efficient and effective use of Council funds.

In summary, there are three types of relationships for consideration by Council:

1. Council delegate functions to HSCC.
2. Council transfer the operation of HSCC to the Association.
3. Council accepting direct responsibility for the management of HSCC.

Council is free to support any relationship but it is viewed that the only clear, uncomplicated relationship is the rescission of the current delegation agreement and the adoption of a funding or service level agreement with HSCC as a separate association OR Council assume full responsibility for the operations of HSCC. In determining the most appropriate relationship Council needs to consider the cost implications, the impact on staff and industrial issues and Council's charter to plan for, facilitate and provide efficient and effective services to the Woollahra community.

These relationships were detailed in a report presented to the Community & Environment Committee of 15 November 2004. After consideration of this report Council resolved the following:

- A. *That Council provide the Holdsworth Street Management Committee with the time required to determine the Option supported by the Association and its members. This to be forwarded to Council no later than 31 January 2005.*
- B. *That a further report with a recommendation for the adoption of Option 2 or Option 3 and the option prepared by the Holdsworth Street Management Committee in accordance with 'A' above be presented to Council in early 2005, with a proposed implementation plan.*

HSCC have been given time to consider the proposed options and any other they may consider appropriate and presented Council with an answer to the above resolution. Annexure 3 is the resolution of the HSCC Management Committee and includes a statement about the relationship, a proposed service level agreement, the responsibility of the Management Committee and for buildings and facilities.

This report details the option presented by HSCC, the implications of this option to both HSCC and Council and a recommendation to progress the implementation of Council's preferred relationship.

It is now time for Council to consider which relationship it wishes to pursue with HSCC, with consideration of the relationships presented to the Community & Environment Committee of 15 November 2004 and the relationship proposed by HSCC in March 2005. Whilst this issue is outstanding it is difficult to progress any recommendations from the Review of Aged & Disability Services completed in November 2004 and the findings of the Social Needs Study. It is imperative that Council determine its preferred relationship with HSCC so that an appropriate agreement can be implemented. Until this occurs, Council retains full legal liability for the activities of HSCC and there is limited accountability for the funds provided by Council to HSCC.

Proposal presented by Holdsworth Street Community Centre:

The HSCC Management Committee has put considerable time and effort into determining their preferred relationship with Council. This response is Annexure 3. In summary, the proposal is that HSCC operates under a delegation from Council, with a revised delegation agreement and Service Level Agreement to detail the exact services that are required to be provided by HSCC on behalf of Council.

The relationship proposed by HSCC is:

***The Delegation.** Council delegates to the Management Committee of Holdsworth Street Community Centre Woollahra Incorporated (the **Association**) responsibility for the provision of a range of programs and services identified in the Social Plan at the Holdsworth Street Community Centre (HSCC).*

The key points to the remaining sections of the proposal are:

- HSCC provides services on behalf of Council.
- HSCC determines the strategic direction, policies and procedures of the Centre.
- HSCC pursues funding and partnerships to provide services across the region.
- HSCC manages the day-to-day operation of the Centre and services, including staff management.
- Council assists HSCC regarding support services such as IT, training, OH&S etc
- A Service Level Agreement is developed to detail service provision standards and reporting requirements to Council on a regular basis.

If Council decides to delegate the responsibility to provide services to HSCC it is recommended that the services delegated be determined by Council, in accordance with Council's policy. To cover this it is recommended that should Council determine to have a delegation relationship that it reword the delegation statement to the following:

That Council delegates to the Management Committee of Holdsworth Street Community Centre Woollahra Incorporated responsibility for the provision of a range of programs and services determined by Council, in accordance with Council's Management Plan, policies and strategic direction.

By adopting this version of a delegation relationship Council will have the authority to determine which services and programs are provided by HSCC with the subsidy and support provided by Council. The proposal from HSCC also includes the preparation of a Service Level Agreement. Through a Service Level Agreement Council can also exercise its judgement in determining what is funded by Council and provided by HSCC for the Woollahra community.

Implications of proposal:

THE ANTICIPATED IMPLICATIONS OF THIS PROPOSAL, SHOULD COUNCIL ACCEPT A DELEGATION RELATIONSHIP ARE DETAILED BELOW:

Legal Advice – Legal status and Liability

A major concern raised by legal advice provided to Council regarding a delegation relationship was the exposed liability of Council should HSCC remain the employer of staff through a delegation agreement. Discussions since this advice have confirmed that appropriate clauses may be included in a delegation agreement to limit Council's liability in the areas of staff management and public liability. However, Council will always retain some liability for activities undertaken by HSCC.

A well-written delegation agreement could reduce the current level of liability that is held by Council in relation to HSCC. Should Council accept this relationship, it is recommended that Council's solicitors give advice to ensure that a delegation agreement is drafted that protects Council's interests and reduces liability.

Management of Council Funds

Holdsworth Street Community Centre has been the recipient of an annual contribution from Council since the 1970s, under Section 356 of the Local Government Act 1993. This amount has varied over the years, with approximately \$670,000 per annum allocated for the past three years.

The 2003/04 End of Year Accounts were scrutinised to gain a greater understanding of how Council funds were expended in 2003/04 and how funds planned to be allocated in the 2004/05 year. It was clear from this assessment that Council funds are used as deficit funding for programs determined by the HSCC Management Committee. Council had little or no input into how the funds were expended and accounted for. The current relationship has not provided Council with the ability to influence the operation of this service or the allocation of funds.

With the right agreement Council's interest in the future could be protected by providing mechanisms that ensure Council manages the allocation of its funds. As the underwriter of most activities of the Centre, Council could have influence over the policy, direction and services provided by HSCC. Should Council adopt this relationship it is recommended that a Service Level Agreement be drafted to sit underneath the delegation agreement, and include strict reporting and approval mechanisms for the allocation of Council's funds.

Should Council decide to pursue this relationship, the consequence of this would include:

- HSCC remains as a community operated organisation, managed by the Management Committee.
- Council is the major funding body of HSCC, with control only over the activities provided by HSCC with Council's subsidy.
- Council could still be held legally liable for the actions undertaken by the Association.
- Council can only delegate the 'function', according to Section 377 of the Local Government Act.
- Council can revoke the delegation at any time.
- The income earned and expenditure incurred by the Association must be included in Council's financial statements, as under delegation the management of income and expenditure should be under the direction and control of Council.
- Fees and charges must be approved by Council under Section 608 of the Act.

This relationship was not recommended in the report of 15 November 2004. (Annexure 1)

Other Relationships for Consideration:

In the report previously presented three options for the future relationship and the implications were detailed. The delegation relationship sought by HSCC is detailed above, with a summary of the other two below.

A. Transfer the operation of HSCC to the Association

This involves the formal transfer of the operation of the Centre from Council to HSCC as an independent body that leases the premises and relates to Council on the basis of funding agreement for services that Council decides to purchase.

Should Council determine to pursue this relationship, the consequence of this would include:

- A formal agreement will detail the services to be provided with Council funds.
- There will a clear definition of the roles of HSCC and Council.
- Council's liability will be minimised to that of joint responsibility with the Association for public liability with all other liability belonging to the Association.
- Council is the major funding body of HSCC, with control over the activities funded by Council through a funding agreement.
- Council will be able to direct the use of Council's funds but not the overall direction and objectives of HSCC.
- Council could ensure that the services funded by Council were predominately provided for Woollahra residents.
- HSCC would continue to operate independently and pursue its own goals and directions.
- A continuation of HSCC as a 'grass roots' community organisation, with autonomy in its actions and methods of operation, within guidelines set by funding bodies for services funded.
- Continued community ownership of HSCC, with the ability to mobilise community support and assistance.

This option would limit Council's liability and allow HSCC to assume full responsibility for its actions as an independent organisation. A detailed funding agreement could also provide the required reporting and accountability for the expenditure of Council funds provided to HSCC for the purchase of services.

This option was deemed as appropriate for Council to pursue in the report of 15 November 2004.

B. Council accepting direct responsibility

Under this relationship Council would accept direct responsibility for the operation of the Centre and its programs, which it presently delegates to HSCC. Council could delegate the operation of HSCC activities to the General Manager, and the HSCC Management Committee could act as an advisory committee to Council in accordance with Section 355 of the Local Government Act. This option is strongly opposed by the HSCC Management Committee and has not been raised with any HSCC staff or union representatives. Staff may have a clear opinion as to the advantages and/or disadvantages of becoming employees of Council.

Should Council determine to pursue this relationship, the consequence of this would include:

- Council would have direct management of all activities of HSCC, including the employment of staff. This would align the objectives of HSCC with Council, with the provision of services that are well integrated with council services and community needs.
- Council would have greater influence over the future direct direction of the Centre, with strategic planning for HSCC aligned with the goals of Woollahra Council. This would involve HSCC members in the development of strategic directions and objectives.
- Council could ensure that the services were predominately provided for Woollahra residents.
- HSCC would no longer be controlled by a committee representing HSCC members, which could impact on community support for the Centre.
- The establishment of an Advisory Committee with HSCC members would ensure community input into service provision and the quality of service. It would also change the focus of the Committee from one that manages the detailed operations of the Centre to one of high level strategic planning and fundraising. The value of community input cannot be understated with the continued volunteer effort pivotal in the success of the continuation of HSCC services.
- Community members volunteering on the advisory committee will not be legally liable for management actions, including the large budget, with the ability to put efforts into service development, fundraising and community development activities.
- Any liability incurred by Council will be a consequence of its direct management and control of HSCC.
- Council will be able to redirect funds as required by changes in community needs.
- HSCC will be secure as a service provided by Council. As the HSCC Management Committee may change each year, this could influence and impact on the services provided. With a stable

management base, this option will encourage a turnover in committee members and volunteers to maximise community involvement in the services provided.

This option was deemed as appropriate for Council to pursue in the report of 15 November 2004.

Implementation of preferred Relationship:

Whichever relationship is ultimately determined a transition phase would need to be entered into. During this transition phase the relevant documentation would be drawn up and sufficient consultation with the community undertaken to ensure that all HSCC members and the broader community understand the decision. It is anticipated that the new arrangement will come into place in discussion with the HSCC Management Committee, with an implementation program drawn up and commenced as soon as possible to provide a quick and smooth transition to the new arrangements. Any major change in the relationship would also require a constitutional change for HSCC, which requires a general meeting of HSCC members prior to implementation. This requirement will need to be included in any transitional plans for the new relationship.

This report recommends that Council make a determination of the type of relationship it prefers with HSCC. The associated service level/ funding/ delegation agreement can then be drafted. Regardless of the relationship adopted by Council it is recommended that the agreement include:

- Clear detail on the purpose of Council's contribution to HSCC, giving an explanation on how the funds are to be expended and the outcomes that will be directly and indirectly obtained from these funds.
- Organisational standards that must be met, including financial, records, management reporting etc.
- Improved accountability for the expenditure of Councils funds, with the inclusion of specific and comprehensive standards in the agreement.
- Commitments for the continued relationship between HSCC and Council in areas such as strategic planning and service provision.

Conclusion:

This report outlines a number of possible relationships with HSCC, including those detailed in the report of 15 November 2004 and the proposal presented by the HSCC Management Committee in March 2005. This proposes that Council enter into a delegation agreement with HSCC. Should Council adopt this relationship some rewording is recommended in this report to give clarity to the relationship.

Regardless of the relationship adopted by Council it has been clearly demonstrated that there is a need for a detailed agreement that includes a clear definition of roles and responsibilities of both HSCC and Council in the areas of policy development and implementation, strategic planning, service provision and the day-to-day management of the Centre. It is also recommended that this agreement include detail regarding the services that HSCC will provide on behalf of Council, clear service standards, performance indicators, reporting mechanisms, frequency of review and mechanisms to change service provision according to demonstrated community need and Council policy.

PART 2 – BUDGET FOR 2005-2006 FINANCIAL YEAR

HSCC has provided a budget for the financial year 2005/06 for the consideration of Council (Annexure 4). This budget details the proposed income and expenditure in each program area and the level of funding requested from Council for the provision of these services.

The budget has been presented to Council at this time so that it can be considered during Council's 2005/06 budget determinations.

In summary, Council is the major funding body of HSCC and has been requested to consider the continuation of the \$670,000 per annum subsidy allocated to HSCC for the past three years. The budget shows clearly that this subsidy will fund the following:

- Funding for approximately 50% of Centre Management, which supports all services and activities provided by the Centre. (\$181,051)
- Funding to cover direct costs for a number of program areas:
 - Aged Services (\$199,911)
 - Neighbourhood Services (\$100,544)
 - Disability Services (\$141,413)
 - Community Transport (\$17,569)
 - Family Services (\$30,231)

It should also be noted that Council provides a rent free premises to HSCC, with an estimated rental income of \$65,000 per annum waived by Council, based on an evaluation undertaken in March 2005.

It is clear from a review of the budget presented that Council underwrites most activities of HSCC through the funding of Centre Management and some direct costs for all programs.

Council funds are also used as seed funding to set up programs and have enabled HSCC to attract alternative funding to continue the operation of these programs, releasing Council funds to fund other priorities. HSCC has been very successful in attracting non-Council funding for groups such as people with disabilities so that programs that were previously fully funded by Council will be funded to a significant level in 2005/06 by agencies such as the NSW Department of Aged, Disability and Home Care (DADHC). It has also resulted in a growth in this program area, where the 2004/05 budget estimated that Council provides approximately 50% of the total program income of \$450,000. In the draft 2005/06 budget the additional funding from DADHC has increased the income level to \$800,000, with less than 25% of this funding requested from Council. This indicates that Council funds are being leveraged to attract additional resources and funds to this area.

It is recommended that this funding arrangement continue, as there are a number of areas where Council funding is currently the major source of income for programs where there may be opportunities for alternative funds. This will see HSCC continue to seek alternative funding so that Council can divert or withdraw the level of funding to HSCC in future years, dependant on Council's priorities at the time.

Assessment and Recommendations:

The HSCC budget for 2005/06 has been scrutinised in detail to assist in the determination of the following:

- Value for money
- Service alignment with Council's priorities, as identified in the Woollahra Social Plan and the Social Needs Study.

It has been identified that there are a number of areas where HSCC can improve efficiency and seek alternative funding sources. In order to achieve this it is recommended that Council continue to provide a subsidy to HSCC in 2005/06 to fund Centre Management and the direct service provision of programs currently in operation. To ensure improved efficiency and allow Council to redirect its current allocation to alternative services and programs, a number of measures are recommended for implementation and inclusion in the agreement for the relationship adopted by Council.

The measures for consideration include:

- Continuation of the funding of Centre Management, with a recommendation that potential efficiency in this area be investigated and reported back to Council at each quarterly budget review.
- As a principle, all activities receiving funding for direct costs from Council source alternative funding, with a view to the funding of direct costs continue for a maximum of 5 years. This will result in HSCC receiving funding from Council to cover indirect costs and allow Council to redirect funds to other programs, if so desired.
- Funding of direct services currently in operation, with a review of all fees and charges to be conducted to identify further income for these programs. It is also recommended that these activities be reviewed to ensure they meet the high priority needs of Woollahra, with the option for a transition phase to commence to change programs to meet these needs over a 12 month period.
- Council and HSCC work collaboratively to determine the most appropriate new services to be supported by Council funding released by the increased funding from DADHC in 2005/06. A report to be provided to Council for consideration prior to the release of any such funds. In 2005/06 this could amount to approximately \$60,000.
- Each quarter a budget review is presented to Council to identify any over or under expenditure and to allocate the quarterly subsidy to HSCC.
- Council assists HSCC in developing a budget system compatible with Council's. This is particularly relevant should Council resolve to enter into a delegation agreement with HSCC.

The draft budget is presented for notation so that Council may consider the subsidy request during the determination of Council's budget for 2005/06.

Conclusion:

Council has continued to be the major funding body for the activities of HSCC, with these funds used to leverage additional funding from other sources. This has resulted in the Centre being successful in attracting close to \$1 Million in non-Council funding for 2005/06, including grant funding and fees. The budget is presented in this report for notation and for consideration by Council in its budget deliberations for 2005/06.

Kylie Walshe

Director Community Services

Annexures:

Annexure 1 – Report to Community & Environment Committee Meeting – 15 November 2004

Annexure 2 – Current delegation agreement between Council & Holdsworth Street Community Centre.

Annexure 3 – Response from Holdsworth Street Community Centre re: preferred relationship with Council.

Annexure 4 – Executive Summary - Holdsworth Street Community Centre Budgets 2005/06