

**13.1 Bi-monthly update: Strategic Finance & Governance Improvement Plan - December 2024**

CSP Objective: Outcome 5.3: Council has the right structures, technology, processes and precedures to support delivering for the public.

CSP Strategy: 5.3.2 Council will deliver the actions outlined in the State of the Organisation Report and the Strategic Improvement Plan

Delivery Program: 5.3.2.1 Continuous improvement is embedded in the organisation through delivery of the Strategic Improvement Plan priorities annually.

**Summary**

In response to receiving the varied Performance Improvement Order (PIO), Council adopted their Strategic Finance and Governance Improvement Plan at the extraordinary June 2024 meeting.

The varied PIO requires Council to provide bi-monthly reports to both the elected body and the NSW Office of Local Government (OLG) on the status of the implementation of all actions in the PIO, this reporting must commence by 24 July 2024.

To satisfy this requirement, a copy of the Strategic Finance and Government Improvement Plan was provided to the OLG following the extraordinary June 2024 meeting.

Bi-monthly implementation status reports have now commenced and will be provided to the elected body and the OLG August, October, December, February, April and June.

Given the NSW Local Government election timeframe and associated induction program, a status report was not provided to the new Council's first meeting in October. The October and December update is being provided now.

**Financial implication**

Some of the work required to be undertaken has been included in the draft 2024-25FY budget as there are costs associated with completing the activities of the updated Plan.

**Risk implication**

There is a risk that if Council does not comply with the PIO and improve its operating position that further ministerial interventions will be imposed. Continuing to fail to meet Office of Local Government benchmarks for financial sustainability (performance ratios) is not an acceptable outcome.

There is also a risk that Council will perceive an opportunity to make different decisions or make new commitments beyond what Council is capable of accommodating given the status and the requirements of the PIO. This PIO is proposed to manage that risk by spanning this and the future Council.

**Policy**

*Local Government Act 1993*

---

Report of the Chief Executive Officer

13.1 Bi-monthly update: Strategic Finance & Governance Improvement Plan - December 2024 (cont)

---

**Consultation (internal)**

Councillors, Chairs and members of the Audit, Risk and Improvement Committee, the Finance Advisory Committee, and the Blue Haven Advisory Committee were informed of the intention to vary the PIO via the supplementary report at the Extraordinary Council meeting on 1 February 2024.

The following staff were consulted with and provided input into the preparation of the attached 'Strategic Finance and Governance Improvement Plan':

- Executive Leadership Team.
- Implementation Team.
- Manager Communications and Engagement.
- Human Resources Coordinator.
- Strategic Planning Coordinator.

**Communication/Community engagement**

A copy of the Notice of Intention was placed on the public record at the Extraordinary Council meeting on 1 February 2024 and is available on the Council website and the Office of Local Government's website.

The issued varied PIO was placed on the public record at the Extraordinary Council meeting on 27 May 2024 and is available on the Council website and the Office of Local Government's website.

The Strategic Finance and Governance Improvement Plan is operational in nature and therefore there is no need to seek community feedback on its content. However, to ensure ongoing transparency copies of the bi-monthly status reports will be published on a dedicated page of Council's website. The Implementation Team will utilize social media platforms and the monthly community pop-up events to raise community aware of Council's performance against actions the 'Strategic Finance and Governance Improvement Plan'.

**Attachments**

- 1 Attachment 1 Strategic Finance and Governance Improvement Plan - update December 2024

**Enclosures**

Nil

**RECOMMENDATION**

That Council:

1. Receive the Strategic Finance & Governance Improvement Plan – Implementation Status Update – December 2024.
  2. Note that the Chief Executive Officer, through the Implementation Team, will:
-

Report of the Chief Executive Officer

13.1 Bi-monthly update: Strategic Finance & Governance Improvement Plan - December 2024 (cont)

---

- a. provide a copy of the Implementation Status Update - December 2024 to the NSW Office of Local Government, and
- b. place a copy of the Implementation Status Update - December on Council's website.

### Summary

In response to receiving the varied Performance Improvement Order (PIO), Council adopted their Strategic Finance and Governance Improvement Plan at the extraordinary June 2024 meeting.

A copy of the varied PIO was placed on Council's website in accordance with section 438D(2) of the *Local Government Act 1993*.

The adopted Strategic Finance and Government Improvement Plan has been prepared to fulfil the requirements of the varied PIO. This Plan responds directly to the requirements of the varied PIO, including compliance with the cycle of reporting to Council and the Office of Local Government.

At all times, the Strategic Finance and Government Improvement Plan demonstrates how each of its actions relates to the actions of the varied PIO. The Plan incorporates the matters identified by the Audit Office of NSW's Management Letter for the 2022-23 Financial Year Audit, the 2024 Todd Hopwood 'Report on Review of Kiama Municipal Council Governance Arrangements' and Council's submission to the Federal Government's inquiry into Local Government sustainability.

The Strategic Finance and Government Improvement Plan provides the background for Council's current financial situation, defines financial sustainability and identifies the following eight levers for achieving financial sustainability:

1. Sustainable cash reserves and responsible borrowing
2. Optimised revenue opportunities
3. Well planned assets
4. Reviewed and efficient service landscape
5. Investment in transformation
6. Robust financial management
7. Prioritising advocacy and partnerships
8. Ensure good governance.

The 40 or so outstanding SIP2 actions have been incorporated into the attached Plan. Where possible these actions have been consolidated and rationalised. Rather than focusing on operational outputs, the updated Plan seeks to identify and establish organisational outcomes for achieving financial sustainability.

In a similar fashion to Council's Delivery Program and Operational Plan, each Strategic Finance and Government Improvement Plan action has been assigned to an individual business unit.

Report of the Chief Executive Officer

13.1 Bi-monthly update: Strategic Finance & Governance Improvement Plan -  
December 2024 (cont)

---

### **Reporting and transparency**

The varied PIO requires Council to provide bi-monthly reports to both the elected body and the NSW Office of Local Government (OLG) on the status of the implementation of all actions in the PIO, this reporting must commence by 24 July 2024. In order to satisfy this requirement, a copy of the Strategic Finance and Government Improvement Plan will be provided to the OLG following this meeting by the Implementation Team. The Implementation Team will continue to liaise with the OLG on a regular basis to ensure the State Government is comfortable with the approaches being taken to achieve financial sustainability.

The varied PIO also requires monthly reports on the Council's financial position to be reported to the elected body. The progress on all other actions of this Plan need to be reported to the elected body bi-monthly.

The monthly financial reporting will commence at Council's ordinary July 2024 meeting and the bi-monthly reporting will commence at the ordinary August 2024 meeting. No reporting will occur during September 2024 due to the NSW Local Government Election caretaker period.

All Strategic Finance and Governance Improvement Plan actions have been loaded into Council's Pulse software solution to enable regular reporting to occur within a regulated system rather than via excel spreadsheets.

Some actions require the preparation of new/updated Council policies, reviewing level of services, reviewing operating models and master planning key catalyst sites. Council will undertake individual community consultation process, in line with the adopted Community Engagement Strategy, for these projects.

Council is clear on the actions it will take over the next financial year to move towards financial sustainability. Actions for years 2 and 3 are somewhat unclear at this stage, given the evolving nature of Council's financial situation and its progression of the Strategic Finance and Governance Improvement Plan actions. It is therefore proposed that the Strategic Finance and Governance Improvement Plan be updated on a six-month basis. As some actions are completed, consequently actions may arise.

As part of the six-month review the Strategic Finance and Governance Improvement Plan will be updated to provide greater detail on the timeframe for implementing specific actions (i.e. quarterly rather than yearly) and the impact of these actions (i.e. was savings/income they result in).

### **Completed Actions**

The Strategic Finance and Governance Improvement Plan was endorsed in June 2024 with actions assigned to individual business units to achieve over a 12 month period.

This update includes the October and December reporting requirements due to the election period of the new council.

The significant action over the last two months has occurred with further focus in early 2025 for the actions that have not commenced in the first six months of the plan.

The following actions have been completed and implemented since June 2024:

## Report of the Chief Executive Officer

## 13.1 Bi-monthly update: Strategic Finance &amp; Governance Improvement Plan - December 2024 (cont)

- 
- Restricted funds policy, was developed and adopted by Council
  - Restricted Blue Haven Terralong levy reserve established
  - A Service Review Think Tank with managers was held in November 2024 and an action matrix identified for the completed service reviews the actions that should be prioritised. This will be presented to Councillors to review and endorse.
  - The Technology One Roadmap was developed and endorsed by Council at their Ordinary November 2024.
  - The new salary system was introduced to staff in November 2024 following the endorsement in August 2024.
  - The Development Application Policy was endorsed by Council in July 2024.
  - Council has established a process to call for conflicts of interest at the for the Councillors was introduced as part of the Induction program.
  - Council has established a process to follow when Councillors declare a pecuniary interest or significant non-pecuniary interest.
  - Internal monthly and quarterly financial monitoring continue to be prepared and reported to both Council and OLG.
  - The revalue of stormwater drainage assets and land under roads to bring closer to verifying all IPPE balances has been completed and include dint he 2023/24 financial.

The actions listed below have made significant progress:

- The Asset Management policy and improvement plan action will be reviewed by the Asset Management Steering committee with a target date of adoption by Council early in the new year.
- Business cases and masterplans are being prepared internally to identify revenue business plans for Council's works depot and Havilah Place are being prepared internally. A draft masterplan for Kiama Sports precinct has been received for internal review.
- The framework for project management has been drafted and is currently being tested internally.
- The property plan / strategy is being reviewed internally with a plan
- There was an immediate review of policies undertaken and they were moved onto the pulse system and assigned to appropriate business units. The Pulse system includes a monitoring system for ease of reviewing what is urgent or if the policy is redundant. Further work on the policy framework will commence in the new year now that the Council inductions have been completed.

To ensure ongoing transparency copies of the bi-monthly status reports will be published on a dedicated page of Council's website. The Implementation Team will utilise social media platforms and the monthly community pop-up events to raise community awareness of Council's performance against actions of the 'Strategic Finance and Governance Improvement Plan'.