



Extraordinary Meeting of Council

Thursday 30 January 2025

4.00pm

Yass High School

Grampian Street, YASS

PRAYER:

All Stand:

Mayor: *Let us be still and remember the presence of God. As we commence our meeting let us together pray for guidance and help.*

All say together:

Almighty God, we ask your blessing upon this Council.

Direct and prosper our deliberations to the true welfare of Australia and the people of Yass Valley Amen.

FUTURE MEETINGS

February 2025

Thursday 27th

4.00pm

Ordinary Meeting of Council

Extraordinary Meeting of Council

A G E N D A

Open Forum

Page No.

Webcasting

This meeting is being webcast, a reminder to those in attendance that you should refrain from making any defamatory statements.

Acknowledgement of Country

Yass Valley Council recognises the Ngunnawal people, the Traditional Custodians of the land, water, and sky. We pay our respect to their Elders past, present and future emerging leaders. We extend our respect to other Aboriginal and Torres Strait Islander people who live in the Yass Valley Local Government Area.

1. Prayer

2. Councillor Request for Attendance via Audio-Visual

3. Apologies

3. Declaration of Pecuniary Interests/Special Disclosures

4. Reports to Council

4.1 Financial Sustainability4

Close of Meeting Time

Julie Costa

ACTING CHIEF EXECUTIVE OFFICER

4.1 FINANCIAL SUSTAINABILITY

SUMMARY

Agreement by Council of the scope of requirements to proceed with sourcing a suitable consultant/contractor to undertake a review of Council's long term financial sustainability.

RECOMMENDATION

That:

1. *The revised scope focussed on the long term financial sustainability of Council be endorsed as detailed in the report and that a suitable contractor/consultant be engaged to undertake the review in accordance with Council's Procurement Policy.*

FINANCIAL IMPLICATIONS

It has become evident through initial analysis from the quarter two budget review that the costs to meet the review will require a separate allocation. This will be addressed in the quarter two budget review to be considered by Council at its February 2025 meeting.

POLICY & LEGISLATION

- *Local Government Act*
- Procurement Policy

REPORT

Background

At its meeting on 28 November 2024, Council resolved:

That a scope be developed then quotes be sought from a list of suitable consultants and a procurement process be undertaken in accordance with Council policy.

The scope is to conduct an on-the-ground assessment into Council's financial information which informs the financial statements to verify Council's true financial situation.

Since this Council meeting, Council has been provided with additional information which advises of Council's financial position and it is proposed to undertake a review of Council's long term financial sustainability.

1. Financial Briefings

Council resolved at its meeting on 28 November 2024 to adopt the 2023/24 Annual Financial Statements (**Min No 48**) audited by the NSW Auditor General. The external audit is undertaken in accordance with the Australian Auditing Standards. Council was also advised at the meeting on the monthly finance report that would be provided to Council on an ongoing basis to update Councillors and the Office of Local Government to demonstrate improvement in our financial position.

Council was briefed on its financial position on 18 December 2024 by the then Chief Financial Officer. This briefing explained the Council's current and forecast financial position. The financial information presented at the briefing formed the basis of the new monthly financial report that was considered by Council at its December Council meeting. Council resolved at the December 2024 meeting to note the November 2024 Monthly Financial Report (**Min No 46**).

2. Proposed Scope – Financial Sustainability

Councillors were provided with a draft request for quote on 23 December 2024 and comments were received from one Councillor which were incorporated into that original scope (see **Attachment A**).

Upon further review of this scope, it was considered that this information had been provided to Councillors via the financial briefings discussed above and ultimately would not provide Council a value for money outcome as it would duplicate work undertaken to address the financial sustainability challenge to date.

To address the financial sustainability issues, work is currently underway as part of the second quarter budget review to address short-term budget deficits by reducing operating and capital projects and expenditure. This will be considered by Council at its meeting in February 2025. As identified in the briefings, the proposed review should focus on Council's longer term financial sustainability and delivery program, with the audited 2023-24 financial statements and position as the base.

Actions to Move Towards Financial Sustainability

In order to become and remain financially sustainable, and improve its forecast financial position, the Council needs to fully understand the following:

- An assessment of Council's financial settings and strategies to assist in developing priorities to be outlined in the forward year delivery program(s), to work towards meeting core service delivery and requirements outlined in the 'Yass Valley Community Strategic Plan 2042' sustainably;
- Identify methodologies to ensure correct internal allocation of costs between various funds such as Water, Waste and Sewer;
- Utilisation of assets and fees charged; and
- Levels of service that can provide the core level of services to meet the community needs within available funding.

A review of the internal allocation of costs across different funds can be undertaken and outcomes from this review could include:

- A greater understanding of the costs of these funds;
- An adjustment to the income receivable for these activities; and
- An adjustment to the level of externally restricted funds.

Understanding the utilisation of current assets, to be undertaken by external specialists. This work could include:

- A review of the Council's facilities:
 - their level of usage;
 - whether fees set are appropriate;
 - level of community need.
- An analysis of potential opportunities to generate additional revenue from Council's assets.

A review of the Council's services, relating to the Yass Valley Community Strategic Plan 2042, and could include:

- Gaining a greater understanding of the community's challenges and needs generally;
- Assessing whether the Council's current service delivery meets the core needs of the community;
- Assessing whether current services are appropriate to be delivered by the Council; and
- Assessing the ability of the Council to fund services.

It is recommended to Council that it procures work based on the information above. However, other options that Council could consider are:

- Original scope as detailed in **Attachment A**;
- Scope as determined by Council; or
- Do not undertake a review.

A review of assets and asset management was considered for this review, however as this is a significant program of work and should be undertaken separately.

STRATEGIC DIRECTION

CSP Theme	Our Civic Leadership
CSP Strategy Objective	CL2: Council is a financially sustainable organisation that can meet community needs
Strategies	CL2.1 - Manage resources in a responsible manner that supports the ongoing viability of Council
Delivery Program Action	Abide by Accounting Standards and Office of Local Government accounts regulations

ATTACHMENTS: A. Financial Sustainability Review Scope