

Review of direct impacts of resolution 18-282 1b and background information. (Byron Bay Town Centre Maintenance)

At Council's Extraordinary Meeting held 17 May, Report 4.1 *Public Exhibition - Draft 2018-2019 Statement of Revenue Policy*, with the adoption of the public exhibition of the Draft budget, Council Resolved the following;

Res 18-282:

- 1. That Council adopt for exhibition the Draft 2018-2019 Statement of Revenue Policy, comprising Budget Estimates (with the following changes), Rates and Charges, Borrowings and Fees and Charges (with the following changes): ...**

- b) *That the Better Byron Crew wages including on-costs for labour activities for services performed within the Better Byron Crew Service area be capped at \$200,000 or as near as practicable,*

... with the additional \$210,000 proposed to be drawn for these services be instead used for implementing water sensitive urban design upgrades to the Byron Bay stormwater system

The following comments are provided with respect to implementing this resolution.

1. Current Performance in Byron Bay

Staff acknowledge, from the information provided supporting Res 18-282, that there are concerns that management of programs and services in Byron Bay which require improvement. In response, Infrastructure Services over the following months will cause an independent service review to be undertaken of service costs and efficiencies for all maintenance activities within the Byron Bay township against budget. In addition to reviewing budgets, this review would identify and recommend actions on opportunities for improvement.

The review will look to learn from recent restructuring of operations within Open Space in other areas of the Shire, for example the processes introduced into Mullumbimby in the last year have received considerable positive feedback from the community. It will also consider program approaches other councils use.

2. Preliminary service review information

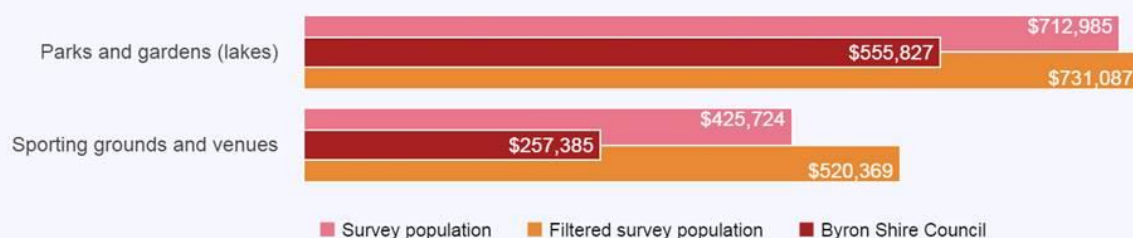
In reviewing the impacts of this resolution to the Open Space budget, Staff have undertaken a comparison of budget allocation to Open Space Community assets in Byron against regional councils of similar scale.

The below graph, compiled from the *The Australasian LG Performance Excellence Program FY17 Report* represents a filtered survey population of NSW medium sized regional councils and has been comprised from the following sample sizes:

- (a) 27 councils for Parks and Gardens (medium sized regional councils)
- (b) 24 councils for Sporting Grounds and Venues (medium sized regional councils)

Operating costs per 10,000 residents

Services: PARK, SPOR | Location: NSW | Type: Regional | Size: Medium



Source: The Australasian LG Performance Excellence Program FY17 Report. The information, statements and statistics are of a general nature and have been prepared from data provided by participating councils. The reliability, accuracy or completeness of this information has not been independently verified. Accordingly, whilst the statements are given in good faith, no one should act without obtaining specific advice and neither LG Professionals, NSW nor PwC accepts any responsibility for the consequences of any person's use of or reliance on the report (in whole or in part) or any reference to it.

The above graph indicates that the level of operating expenditure allocated to Open Space Community assets is comparatively low. It shows that Byron's (red) per capita spending on operating costs for Parks and Gardens and Sports Grounds and Venues shire-wide is significantly lower than the average for the participating NSW medium sized regional councils (shown in orange). The average shown in pink on the above graph is the average for all participating councils (metropolitan, regional and rural, as well as large, medium and small councils in NSW, SA, WA, Qld and New Zealand).

Other considerations of note when comparing Byron Shire to other medium size regional councils include:

- tourism volume and associated infrastructure pressure on the iconic town of Byron Bay;
- preliminary findings from the draft Open Space and Recreation Needs Study, that Byron community is fortunate to have more open space per capita than that prescribed by standards, indicating that the levels of expenditure being spent on individual assets is likely to be even lower than individual assets in comparable council areas;
- Council's weed management approach in the Byron CBD up until recently, diverted labour resources to hand weeding of 151 garden beds at the cost of not performing other services.

3. Staff impacts under the Local Government (State) Award.

The impact on Better Byron Crew staff is significant, with three Full Time Equivalent staff being required to be relocated elsewhere in order to cap Better Byron Crew wages including on-costs for labour activities for services performed, within the Better Byron Crew service area as near as possible to \$200,000.

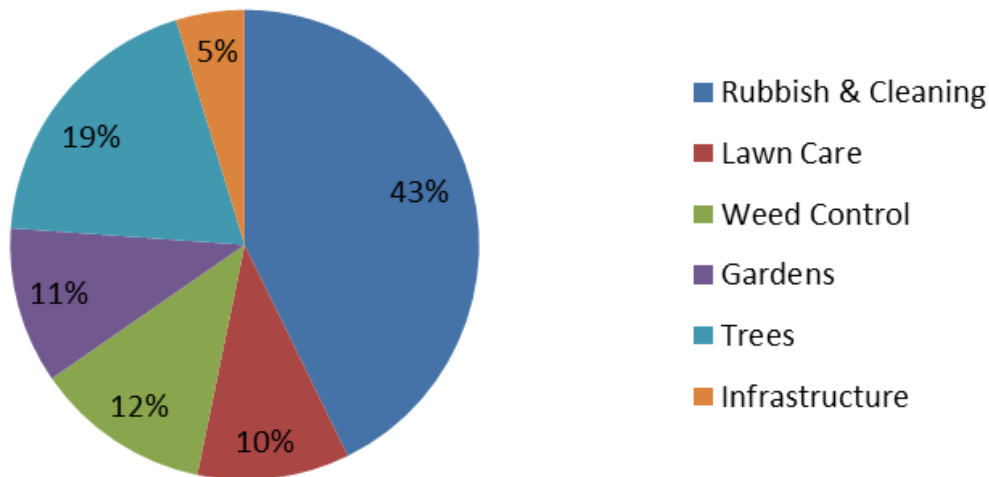
Under the *Local Government Act 1993* and Local Government (State) Award 2017, specifically section 39 *Workplace Change*, it is a requirement that Council identify and offer reasonable redeployment opportunities for affected staff, for this reason, the direct application of Res 18-282 1 b) would result in 3 FTE staff that currently work within the Better Byron Crew Team being offered redeployment within Council. Where reasonable redeployment opportunities and agreement cannot be reached, there is potential to incur redundancy costs. There is currently no budget to fund any such costs.

4. Better Byron Crew labour services and primary cost allocation

The Better Byron Crew labour activities draw from a number of budget line items that fund essential services for Byron Bay and Suffolk Park. These activities occur on Council managed Crown, road reserves and Council owned land. Funding for activities within Crown Land is drawn from a Crown Reserve funds. These funds are not transferable to other lands or assets. Any reduction in services on Crown lands would require any savings to be transferred back to its Crown Reserve Fund.

The key services performed by the Better Byron Crew are litter and rubbish collection, cleaning, lawn care, weed control, gardens and tree maintenance and infrastructure repair and renewal work.

Below is an approximate percentage break down of these areas.



The draft budget presented to Councils Extraordinary Meeting held 17 May presented the following primary line items which are applicable to the operations of the Better Byron Crew.

Parks and Reserves Maintenance Byron Bay (3235.2)	\$438,300
Parks and Reserves Maintenance Byron Bay Crown (3236)	\$110,000
Byron Bay Town Centre Renewals (General Fund Capital Works)	\$73,800

On the basis Res 18-282 these accounts are where adjustments have been considered and staff advise:

- The Byron Bay Town Centre Renewals budget should be preserved as this program funds renewal of infrastructure within the Town Centre to make it safe, consistent with the recommendations of the Community Solutions Panel.
- The Parks and Reserves Maintenance Byron Bay Crown should be preserved due to the inability to transfer any proposed savings from Crown funds or for work on Crown lands to other locations or projects.
- To implement Res 18-282 1. B, the final amount for reallocation to Water Sensitive Urban Design (WSUD) should be taken from Parks and Reserves Maintenance Byron Bay (3235.2) as it is the primary funding source for the Better Byron Crew labour services.

The Better Byron Crew currently consists of five (5) Full time staff (FTE) plus a one full time Horticultural Trainee.

Council has a contractual obligation to retain this traineeship until 20 August 2018. The cessation of this traineeship is not preferred for reasons that these traineeship positions provide important employment and

training opportunities for local young people. Retention of the Horticultural Traineeship funding in the Open Space team would be consistent with Council's adopted Workforce Plan priority actions that include, increasing representation of young people in our workforce, increasing traineeships and apprenticeships in service areas with a high level of potential future retirements and investing in vocational programs to ameliorate future skills shortages.

5. Resolution implementation

Resolution 18-282 1 is reflected in the draft budget with reallocation of funding in accordance with Table 1, Option A.

Staff have identified a second option, Option B: Preservation of the Better Byron Crew until completion of service review which forms managements recommendation.

Option A - Relocation of BBC staff to other areas of Council

In accordance with the resolution, the draft budget has been adjusted in accordance with this option as a direct implementation of the resolution. This option provides \$210,000 to a Water Sensitive Urban Design reserve in accordance with the below table and a direct reduction of \$154,552 from Parks and Reserves Maintenance Byron Bay to \$283,748 (includes Suffolk Park maintenance of parks and reserves). This option reduces the Better Byron Crew team from five (5) Full Time Equivalent staff plus one (1) full time equivalent Trainee to Three (3) full time equivalent staff.

Table 1.

Water Sensitive Urban Design Application	Funding allocation Source	Amount	Finance Restriction / Comment
Water network including ancillary infrastructure	Water Fund	\$18,500	Meets Water Fund expenditure criteria
Sewer Network including ancillary infrastructure	Sewer Fund	\$18,500	Meets Sewer Fund expenditure criteria
Crown Reserve	Crown Paid Parking	\$18,500	If applied to adopted projects within Crown Reserve it will meet expenditure criteria
General Fund	Parks and Reserves Maintenance Byron Bay	\$154,500	Retains Traineeship until 20 August 18. Reduces Parks and Reserves Maintenance Byron Bay (3235.2) to \$283,748
Total Funding WSUD		\$210,000	Note Res 18-178

**Notes this option provides for a Better Byron Crew Service area cap of crew labour services of \$218,348 with the traineeship being retained until 20 August 2018.

Considerations for this option

The draft budget prior to the adoption of Res 18-282 1, presented the following primary line items applicable to the operations of the Better Byron Crew:

Parks and Reserves Maintenance Byron Bay (3235.2)	\$438,300
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Parks and Reserves Maintenance Byron Bay Crown (3236)	\$110,000
Byron Bay Town Centre Renewals (General Fund Capital Works)	\$73,800

Parks and Reserves Maintenance Byron Bay Crown is considered an inappropriate source of budget for transfer due to an inability to transfer any proposed savings from Crown funds or for work on Crown lands to other locations or projects.

The Byron Bay Town Centre Renewals budget is considered an inappropriate source of budget for transfer as this program funds renewal of infrastructure within the Town Centre to make it safe, consistent with the recommendations of the Community Solutions Panel.

Impacts and Risks of this option

Level of service impacts

- Reduced maintenance services in the Byron Bay Township during non peak periods. Services including litter collection and cleaning, lawn care and weed control, tree and infrastructure maintenance, gardens and maintenance of soft scape elements of traffic control devices will be reduced. A direct reduction in services within Byron Bay Township of \$154,552.
- Reduced levels of services for assets such as Railway Square precinct, anticipated to require additional servicing to achieve a minimum desirable level of presentation to meet anticipated increased usage as each stage is commissioned.
- Reduced levels of service shire-wide during Byron Bay township peak times. This is due to the anticipated need to reallocate resources to Byron Bay in response to safety requirements and to provide a basic level of amenity in peak times (reactive works).

Redeployment impacts

- Reallocation of some Contracted service activities to redeployed staff.
- Adjustments to Open Space Plant and Equipment requirements (Please note that the direct budget impacts on plant and equipment is unknown at the time of this report)

Other impacts

- Loss of a traineeship position post 20 August 2018.
- Reduction of Town Centre Maintenance Crew (BBC) from five (5) Full Time Equivalent staff plus one (1) full time equivalent Trainee to Three (3) full time equivalent staff.

Preservation of the Better Byron Crew until completion of service review– Option B

This option requires a change in budget, namely a reallocation of \$154,552 to Parks and Reserves Maintenance Byron Bay (3235.2) to \$438,300 and adjustments to the WSUD reserve in accordance with Table 2.

Staff acknowledge, from the information provided supporting Res 18-282, that there are concerns that management of programs and services in Byron Bay which require improvement. In response, Infrastructure Services over the following months will cause an independent service review to be undertaken of service costs and efficiencies for all maintenance activities within the Byron Bay Township against budget. In addition to reviewing budgets, this review would identify and recommend actions on opportunities for improvement.

The review will look to learn from recent restructuring of operations within Open Space in other areas of the Shire, for example the processes introduced into Mullumbimby in the last year have received considerable positive feedback from the community. It will also consider program approaches other councils use.

Staff are committed to improving and all efforts will be made to try to meet community expectations for the Byron Bay Township if funding is reduced. However, staff are obligated to provide professional advice for Council's consideration and believe that providing the same services with fewer resources will be highly challenging and that the reduction in budget will likely result in a reduction in services in both the Byron Bay township and at other parts of the shire at times when resources need to be diverted back into the Byron CBD for reactive works for reasons of public safety and during peak periods.

This is why, it would be management's preference to place the implementation of Res 18-282 1.b) on hold until a full independent service review is completed and that findings from this review be brought back to Council by December 2018 for further consideration of services and budgets. This recommendation is made having taken into consideration:

- a) The acknowledged need for improvement in service design and delivery in the Byron Bay township.
- b) Preliminary analysis of operating expenditure allocated to open space, as being lower than the average for the participating NSW medium sized regional councils.
- c) Preliminary findings that the Byron Shire community is fortunate to have more open space per capita than that prescribed by standards, resulting in low levels of expenditure being spread thinly across higher numbers of assets.
- d) Potential for redundancy costs if agreement with staff is unable to be reached.
- e) ongoing operational change to the Better Byron Crew labour activities (for example the cessation of hand weeding of traffic control devices and roadside garden beds due to safety obligations and the implementation of reduction of litter campaign by the Resource Recovery Team); and
- f) Likely reductions in services within Byron Bay Township and flow on effect of a likely reduction in services in other areas of the shire when resources need to be diverted due to safety reasons or during peak periods and major event times.

In addition to the independent service review, it is recommended that a Water Sensitive Urban Design Reserve be established as follows:

Table 2.

Water Sensitive Urban Design Application	Funding allocation Source	Amount	Finance Restriction
Water network including ancillary infrastructure	Water Fund	\$65,000	Meets Water Fund expenditure criteria
Sewer Network including ancillary infrastructure	Sewer Fund	\$65,000	Meets Sewer Fund expenditure criteria
Crown Reserve	Crown Paid Parking	\$80,000	If applied to adopted projects within Crown Reserve it will meet expenditure criteria
Total Funding WSUD		\$210,000	

Notes:

- This option retains the Better Byron Crew to undertake essential services until the independent service review is completed and subsequent findings are brought back to Council for consideration.

- For specific WSUD projects, it is recommended that the above funding allocations be leveraged with any available grant funding opportunities.

6. Summary:

The Better Byron Crew labour activities draw from a number of budget line items that fund essential services for Byron Bay and Suffolk Park. These activities occur on Council managed Crown, road reserves and Council owned land. Key services performed by the Better Byron Crew are litter and rubbish collection, cleaning, lawn care, weed control, gardens, tree maintenance and infrastructure repair and renewal work.

The following reasons have lead to an alternate option B.

- a) The acknowledged need for improvement in service design and delivery in the Byron Bay township and staff decision to under take a independent service review
- b) Preliminary analysis of operating expenditure allocated to open space, as being lower than the average for the participating NSW medium sized regional councils.
- c) Preliminary findings that the Byron Shire community is fortunate to have more open space per capita than that prescribed by standards, resulting in low levels of expenditure being spread thinly across higher numbers of assets impacting levels of service.
- d) Potential for incurring redundancy costs if redeployment agreement with staff is unable to be reached.
- e) Ongoing operational change to the Better Byron Crew labour activities (for example the recent cessation of hand weeding of traffic control devices and roadside garden beds due to safety obligations and the implementation of reduction of litter campaign by the Resource Recovery Team); and
- f) Likely reductions in services within Byron Bay township and flow on impacts of likely reduction in services in other areas of the shire at times when resources need to be diverted due to safety obligations and or during peak periods and major event times.

Alternate recommendation

- 1) That an independent service review to be undertaken of service costs and efficiencies for all maintenance activities within the Byron Bay Township.
- 2) That a reallocation of \$154,552 from WSUD reserve account to Parks and Reserves Maintenance Byron Bay (3235.2).
- 3) WSUD reserve funding sources be adjusted in accordance with Table 2, that being;

Water Sensitive Urban Design Application	Funding allocation Source	Amount	Finance Restriction
Water network including ancillary infrastructure	Water Fund	\$65,000	Meets Water Fund expenditure criteria
Sewer Network including ancillary infrastructure	Sewer Fund	\$65,000	Meets Sewer Fund expenditure criteria
Crown Reserve	Crown Paid Parking	\$80,000	If applied to adopted projects within Crown Reserve it will meet expenditure criteria
Total Funding WSUD		\$210,000	

