

NOTICE OF MEETING



FINANCE ADVISORY COMMITTEE MEETING

A Finance Advisory Committee Meeting of Byron Shire Council will be held as follows:

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 19 August 2021
Time	2.00pm

Vanessa Adams
Director Corporate and Community Services

*I2021/1327
Distributed 12/08/21*

CONFLICT OF INTERESTS

What is a “Conflict of Interests” - A conflict of interests can be of two types:

Pecuniary - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

Non-pecuniary – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Code of Conduct for Councillors (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

Remoteness – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in the Code of Conduct for Councillors.

Who has a Pecuniary Interest? - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

Relatives, Partners - a person is taken to have a pecuniary interest in a matter if:

- The person’s spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. “Relative”, in relation to a person means any of the following:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person’s spouse;
- (b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

No Interest in the Matter - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

Disclosure and participation in meetings

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
 - (a) at any time during which the matter is being considered or discussed by the Council or Committee, or

- (b) at any time during which the Council or Committee is voting on any question in relation to the matter.

No Knowledge - a person does not breach this Clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

Non-pecuniary Interests - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as of the provisions in the Code of Conduct (particularly if you have a significant non-pecuniary interest)

RECORDING OF VOTING ON PLANNING MATTERS

Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
- (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
- (b) not including the making of an order under that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

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BUSINESS OF MEETING

1. APOLOGIES

2. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

3. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

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4. STAFF REPORTS

Corporate and Community Services

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ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

Report No. 3.1 Adoption of Minutes from the Finance Advisory Committee meeting 12 November 2020

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Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2021/1325

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RECOMMENDATION:

That the minutes of the Finance Advisory Committee Meeting held on 12 November 2020 be confirmed.

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Attachments:

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1 Minutes 12/11/2020 Finance Advisory Committee, I2020/1763 , page 7 [↓](#)

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ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1

Report

The attachment to this report provides the minutes of the Finance Advisory Committee Meeting of 12 November 2020.

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Report to Council

The minutes were reported to Council on 26 August 2021

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STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 4.1 Carryovers for Inclusion in the 2021-2022 Budget

5 **Directorate:** Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2021/1302

Summary:

10 This report is prepared for Council to consider and to adopt the carryover Budget allocations for works and services, either commenced and not completed, or not commenced but allocated in the 2020/2021 financial year for inclusion in the 2021/2022 Budget Estimates.

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RECOMMENDATION:

20 **That Council approves the works and services (with respective funding) shown in Attachment 1 (#E2021/101511) to be carried over from the 2020/2021 financial year and that the carryover budget allocations be adopted as budget revotes for inclusion in the 2021/2022 Budget Estimates.**

Attachments:

25 1 Schedule of Carryovers for inclusion in 2021/2022 Budget - General, Water and Sewerage Funds, E2021/101511 , page 19 [↓](#)

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Report

5 Each year Council allocates funding for works and services across all budget programs. For various reasons, some of these works and services are incomplete at the end of the financial year. The funding for these works and services is restricted at the end of the financial year to be carried over to the following year for completion.

10 This report identifies all the works and services to be carried over to the 2021/2022 Budget Estimates and the respective funding of each, relating to works and services not completed during the course of the 2020/2021 financial year. The specific details of all carryover works and services that are the subject of this report are outlined in Attachment 1.

The works and services are fully funded and have no impact on Council's Unrestricted Cash Result or the 2021/2022 Budget Estimates result.

15 As in previous years there is a significant amount of carryovers with total carryovers for 2020/2021 amounting to \$13,254,800. Table 1 below outlines this and a comparison of carryovers from previous financial years.

Table 1 - Value of budget carryovers 2017/18 – 2021/22

Fund	2017/18 (\$)	2018/19 (\$)	2019/20 (\$)	2020/21 (\$)	2021/22 (\$)
General	7,102,100	9,004,500	6,024,800	7,875,500	10,719,000
Water	2,770,100	879,500	301,900	1,118,800	840,300
Sewer	2,051,800	2,473,500	625,400	1,129,200	1,695,500
Total	11,924,000	12,357,500	6,952,100	10,123,500	13,254,800

General Fund

20 The value of works carried over to 2021/2022 for the General Fund has increased by just over 36% from the 2020/2021 amount (\$2,843,500). Of the \$10,719,000 of General Fund carryovers, approximately 40% (\$4,340,200) is attributable to Local Roads and Drainage projects not completed in 2020/2021 to be carried forward to 2021/2022. This percentage is less than the carryovers attributable to Local Roads and Drainage from 2019/2020 (46%). The extent of carryovers in the General Fund is also relevant to the number of, and size of grant funded works.

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Major carryover items in General Fund are as follows:

- Byron Rail Corridor Restoration \$667,500
- Coolamon Scenic Drive \$596,100
- Bangalow Road \$421,300
- 5 • Myocum Road \$483,200

Water and Sewer Funds

Carryovers for the Water Fund have decreased by \$278,500 and increased for the Sewer Fund by \$566,300 compared to the carryover for the 2020/2021 financial year. Details of these carryovers are included in Attachment 1.

- 10 The following table outlines the project status with comments provided by Infrastructure Services of Local Roads & Drainage capital works carryovers for Councillors' information, where works are in progress or contracts have been awarded at the time of writing this report.

Table 2 – Schedule of Carryover works current status

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Project	Carryover \$	Status
Additional Lighting Project	1,600	Unexpended funds from 2020/21.
Integrated Transport Management Strategy	47,800	Work is ongoing to finalise the draft document for public exhibition. Exhibition planned for September.
Bridge - South Arm	28,100	To allow for contractors defect period.
Access ramps and footpaths works	17,300	Works program with construction teams for construction.
Bangalow Deacon Street Share	46,800	Works 90% complete on ground, minor works and close

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Path		out remains.
Design & Options Study BA001 and BA023	25,300	Byron Street Shared Path preliminary designs complete. IFC drawings being finalised.
Mobility Spaces	64,300	Works program with construction teams for construction.
Upper Main Arm Bridge - Main Arm Road	40,600	Project has commenced and on track with grant funding
Sherringtons Bridge - Sherringtons Lane	40,400	Project has commenced and on track with grant funding
Englises Bridge - Englises Road	47,300	Tender to be released in August 2021.
Suffolk Park - Bangalow Rd/Tennyson St	72,600	Contract awarded for works.
Mullumbimby to Brunswick Heads Cycleway	52,300	Contract awarded for options study. Document in draft form.
Balemo Drive Shared Path (Stage 2)	188,600	Works complete. Project to be closed out.
Approaches to Tallow Creek footbridge	38,500	Contract awarded. Awaiting water levels to drop in order to complete works.
18 Old Bangalow Road - pipe open drain	97,100	Project is construction ready. Compliance issue is being resolved prior to works commencing.
SGB Street Drainage Upgrade - Pacific Es	51,800	Work on site nearing completion.

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Studal Lane Drainage Upgrade - Design	22,800	Design delayed to due competing grant priorities. Programmed for 2021/22.
SGB Street Drainage Upgrade - Clifford St	17,600	Design 60% complete and project to be completed in August.
Causeways, Culvert and Bridge Renewals	150,000	Funds reserved for causeway, culvert and bridge renewals. Program to be revisited upon completion of Johnstons Lane project.
Bangalow Sportsfield Access Road	15,600	Design works expected to recommence in 2021/22. These were on hold awaiting guidance from developer.
Gravel Resheeting	6,200	Works complete for 2020/21 but unexpended funds added to 2021/22.
The Pocket Road Stage 2 (Ch 2,810 - 3,69	37,900	Design 90% complete. Will be finalised in August 2021.
Coolamon Scenic Drive 16.5km section,	596,100	Contract awarded for stage 3 and underway.
Bangalow Road 8.02km section, Byron Bay	421,300	Works on site near complete. Remaining works awaiting product availability.
Renewal of Roads Side Barriers - Shire Wide	52,200	Works to commence in 2021/22.
Myocum Rd Design	483,200	Design progressing and works to be completed in FY22/23 (ECG Portion of Main Arm Rd. 2 GLs for project).

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Stuart Street	274,200	Stage 1a works complete. Stage 1b programmed for late 2021.
Stuart St Tincogan St Intersection	46,100	Works delayed awaiting guidance from Council.
Main Arm Rd	46,200	Project to continue in 2021/22.
A&I Estate - Bayshore Drive Reconstruction	92,700	Project has commenced and on track with grant funding.
Safer Roads Program - Main Arm	71,500	Design well developed and undergoing consultation.
Safer Roads Program - Myocum - Myocum Rd	58,400	Works programmed to commence in August 2021.
Fixing Country Roads - Myocum Rd Upgrade	124,600	Works programmed to commence in August 2021.
National Parks Access Rd Sealing	500	Seven Mile Beach works complete. Grays Lane and Minyon to follow.
Rifle Range Rd Upgrade	26,000	Construction drawing nearing completion.
Federal Stimulus Project - Skinners Shoot Rd	120,900	Works complete. Project to be closed out.
The Pocket Rd Bridge Signage Upgrade	4,000	Works complete. Project to be closed out.
Brunswick Heads - South Arm Carpark	24,100	Concept design complete. Detail design underway.
Heavy Patching	11,800	Programmed for first half of

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		2021/22
Retaining Wall Works Program	11,900	Programmed for first half of 2021/22
Esplanade Beach Access and Parking Improvements	43,700	Options developed and consulted locally. To be reported to Council for direction.
Byron Bay CCTV	153,600	Committed funds in 2021/22
Binna Burra Rd Signs	19,800	Works complete. Project to be closed out.
Tyagarah Road, Myocum – speed zone signage	6,200	Signs yet to be installed, funds received near the end of 2020/21.
2019 ECG Pavement Asphalt Overlay Program	139,100	Programmed for first half of 2021/22
2019 ECG Reseal Program	57,900	Programmed for first half of 2021/22
Byron Bay Bypass	343,700	Budget required for any potential further works or reworks, particularly associated with mitigation works.
Total	4,340,200	

5 In accordance with Regulation 211 of the Local Government (General) Regulation 2005, Council conducted an Ordinary Meeting to approve expenditure and voting of money on 24 June 2021 via Resolution **21-243**. The expenditure items that are the subject of this report were not included in the 2021/2022 Budget Estimates, but now need to be. The intent of this report is to seek Council approval to revoke the carryovers from the 2020/2021 financial year and to adopt the budget carryovers for inclusion in the 2021/2022 Budget Estimates.

At its meeting held on 28 March 2013 the Strategic Planning Committee considered Report 4.3 on Council's financial position for the 2012/2013 financial year. The

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recommendations from this meeting were adopted by Council at its Ordinary Meeting held on 18 April 2013 through resolution **13-164**. Committee recommendation SPC 4.3 in part 5 included the following process to be applied to the consideration of any amount identified as a carryover to the 2013/14 and future Budgets and funded from general revenues:

- 5 *That Council determines that any general revenue funded allocated expenditure, not expended in a current financial year NOT be automatically carried over to the next financial year before it is reviewed and priorities established.*

This report is to be considered by the Finance Advisory Committee at its Meeting held on 19 August 2021.

10 STRATEGIC CONSIDERATIONS

Community Strategic Plan and Operational Plan

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
Community Objective 5: We have community led decision making which is open and inclusive	5.5	Manage Council's finances sustainably	5.5.1	Enhance the financial capability and acumen of Council	5.5.1.2	Support the organisation in identifying financial implications of projects, proposals and plans

Legal/Statutory/Policy Considerations

- 15 Regulation 211 of the Local Government (General) Regulation 2005 outlines the requirements of Council relating to authorisation of expenditure. Specifically the Regulation 211 states:

- (1) *A council, or a person purporting to act on behalf of a council, must not incur a liability for the expenditure of money unless the council at the annual meeting held in accordance with subclause (2) or at a later ordinary meeting:*
- (a) *has approved the expenditure, and*
- 20 (b) *has voted the money necessary to meet the expenditure.*
- (2) *A council must each year hold a meeting for the purpose of approving expenditure and voting money.*

Report No. 4.2 Budget Review - 1 April to 30 June 2021

Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2021/1323

5 **Summary:**

This report is prepared in accordance with the format required by Clause 203 of the *Local Government (General) Regulation 2005* to inform Council and the Community of Council's estimated financial position for the 2020/2021 financial year, reviewed as at 30 June 2021.

10 The Quarterly Budget Review for the June 2021 Quarter has been prepared to assist Council with its policy and decision making on matters that could have short, medium and long term implications on financial sustainability.

15 This report contains an overview of the proposed budget variations for the General Fund, Water Fund and Sewerage Fund. The specific details of these proposed variations are included in Attachments 1 and 2 for Council's consideration and authorisation.

20 The report also provides an indication of the financial position of Council at 30 June 2021. It should be noted that the figures provided are subject to completion and audit of the Council's Financial Statements for 2020/2021. Any major variances will be included as part of the report adopting the financial statements in October 2021.

25 **RECOMMENDATION:**

30 **1. That Council authorises the itemised budget variations as shown in Attachment 2 (#E2021/102240) which includes the following results in the 30 June 2021 Quarterly Review of the 2020/2021 Budget:**

- 35
- a) **General Fund - \$0 change in Unrestricted Cash Result**
 - b) **General Fund - \$18,464,300 increase in reserves**
 - c) **Water Fund - \$1,767,000 increase in reserves**
 - d) **Sewerage Fund - \$2,757,700 increase in reserves.**

2. That Council adopts the revised General Fund Estimated Unrestricted Cash Result of \$517,600 for the 2020/2021 financial year.

40 **Attachments:**

- 1 Budget Variations for General, Water and Sewerage Funds, E2021/102239 , page 36 [↓](#)
- 2 Itemised Listing of Budget Variations for General, Water and Sewerage Funds, E2021/102240 , page 96 [↓](#)

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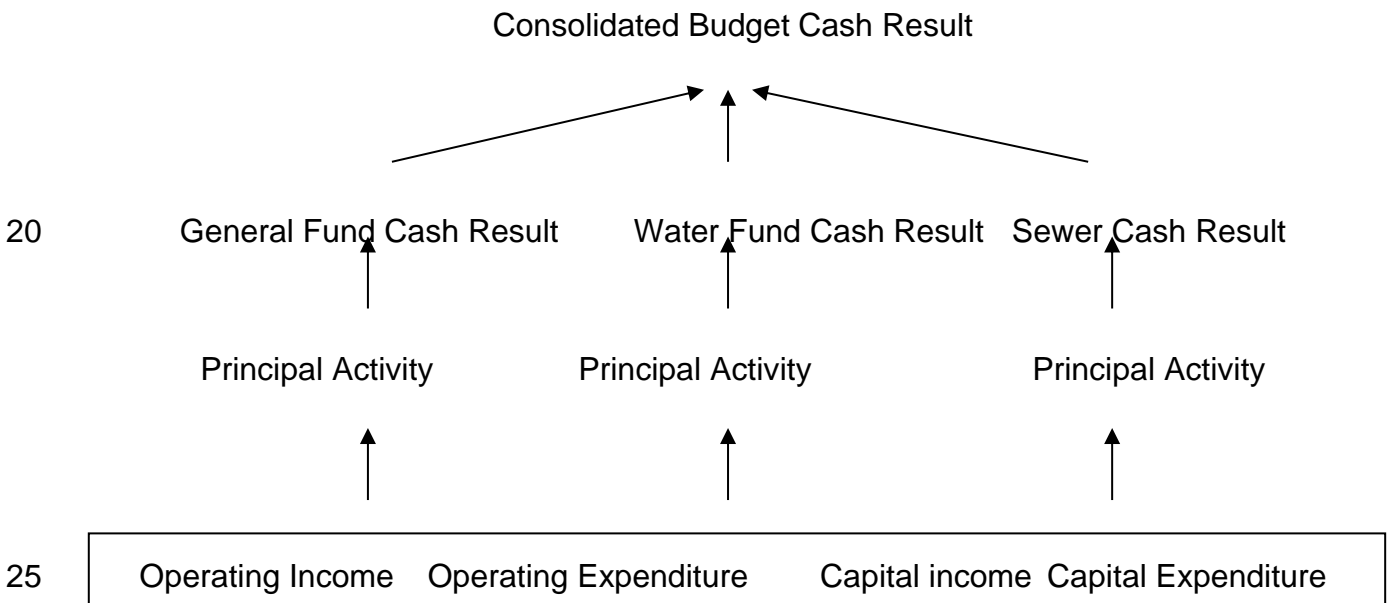
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Report

5 Council adopted the 2020/2021 budget on 30 July 2020 via Resolution **20-357**. It also considered and adopted the budget carryovers from the 2019/2020 financial year, to be incorporated into the 2020/2021 budget, at its Ordinary Meeting held on 27 August 2020 via Resolution **20-384**. Since that date, Council has reviewed the budget taking into consideration the 2019/2020 Financial Statement results and progress through the first three quarters of the 2020/2021 financial year.

10 The details of the budget review for the Consolidated, General, Water and Sewer Funds are included in Attachment 1, with an itemised listing in Attachment 2. This aims to show the consolidated budget position of Council, as well as a breakdown by Fund and Principal Activity. The document in Attachment 1 is also effectively a publication outlining a review of the budget and is intended to provide Councillors with more detailed information to assist with decision making regarding Council’s finances.

15 Contained in the document at Attachment 1 is the following reporting hierarchy.



30 The pages within Attachment 1 are presented (from left to right) by showing the original budget as adopted by Council on 30 July 2020 plus the adopted carryover budgets from 2019/2020 followed by other budget adjustments approved by resolution or Quarterly Budget Reviews prior to the Quarterly Budget Review subject of this report summarised as ‘Adjustments Prior to Revote’ and then the revised position projected for 30 June 2021 as at 30 June 2021 including the proposed ‘Revote’ for this Quarterly Budget Review.

On the far right of the Principal Activity, there is a column titled “Note”. If this is populated by a number, it means that there has been an adjustment in the quarterly review. This

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number then corresponds to the notes at the end of the Attachment 1 which explain the variation.

5 There is also information detailing restricted assets (reserves) to show estimated balances as at 30 June 2021 for all reserves.

A summary of Capital Works is also included by Fund and Principal Activity.

Office of Local Government Budget Review Guidelines:

10 On 10 December 2010, the Office of Local Government issued Quarterly Budget Review Guidelines via Circular 10-32. Reports to Council concerning Quarterly Budget Reviews normally provide statements in accordance with these guidelines as a separate attachment. Given that there is no statutory obligation for Council to produce a Quarterly
15 Budget Review as at 30 June each financial year, the statements required by the guidelines have not been produced for this specific report.

CONSOLIDATED RESULT

20 The following table provides a summary of the overall Council budget on a consolidated basis inclusive of all Funds' budget movements for the 2020/2021 financial year projected to 30 June 2021.

2020/2021 Budget Review Statement as at 30 June 2021	Original Estimate (Including Carryovers) 1/7/2020	Adjustments to 30 June 2021 including Resolutions*	Proposed 30 June 2021 Review Revotes	Revised Estimate 30/6/2021
Operating Revenue	84,311,000	5,565,300	4,311,600	94,187,900
Operating Expenditure	91,880,000	4,246,500	(3,243,700)	92,882,800
Operating Result – Surplus/Deficit	(7,569,000)	1,318,800	7,555,300	1,305,100
Add: Capital Revenue	27,449,600	(5,724,000)	5,840,800	27,565,600
Change in Net Assets	19,880,600	(4,405,200)	13,396,100	28,871,500
Add: Non Cash Expenses	14,986,200	0	0	14,986,200
Add: Non-Operating Funds Employed	27,000,000	(25,250,000)	48,700	1,798,700
Subtract: Funds Deployed for Non-Operating Purposes	(96,029,000)	38,222,100	10,027,900	(47,779,000)
Cash Surplus/(Deficit)	(34,273,200)	8,566,900	23,472,700	(2,120,600)

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Restricted Funds – Increase / (Decrease)	(33,916,400)	8,416,800	23,472,700	(1,915,900)
Forecast Result for the Year – Surplus/(Deficit) – Unrestricted Cash Result	(356,800)	150,100	0	(206,700)

GENERAL FUND

In terms of the General Fund projected Unrestricted Cash Result the following table provides a reconciliation of the estimated position as at 31 June 2020:

Opening Balance – 1 July 2020	\$724,300
Plus original budget movement and carryovers	(356,800)
Council Resolutions July – September Quarter	0
September Budget Review	60,700
Council Resolutions October – December Quarter	0
December Budget Review	0
Council Resolutions January – March Quarter	0
March Budget Review	89,400
Council Resolutions April – June Quarter	0
Recommendations within this Review – increase/(decrease)	0
Forecast Unrestricted Cash Result – Surplus/(Deficit) – 30 June 2021	(206,700)
Estimated Unrestricted Cash Result Closing Balance – 30 June 2021	\$517,600

- 5 The General Fund financial position overall has remained stable as a result of this budget review, bringing the forecast unrestricted cash result for the year to \$517,600. This is below Council’s target of \$1,000,000 but given the current Pandemic circumstances is certainly acceptable. The proposed budget changes are detailed in Attachment 1 and summarised further in this report below.

Council Resolutions

- 10 There were no Council resolutions that impacted the budget result in the April 2021 to June 2021 quarter.

Budget Adjustments

The budget adjustments identified in Attachments 1 and 2 for the General Fund have been summarised by Council Directorate in the following table:

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Budget Directorate	Revenue Increase/ (Decrease) \$	Expenditure Increase/ (Decrease) \$	Unrestricted Cash Increase/ (Decrease) \$
General Manager	(53,500)	(53,500)	0
Corporate & Community Services	426,000	433,500	(7,500)
Infrastructure Services	(5,919,700)	(5,927,200)	7,500
Sustainable Environment & Economy	700,500	700,500	0
Total Budget Movements	(4,846,600)	(4,846,600)	0

Budget Adjustment Comments

General Fund budget adjustments are identified in detail at Attachment 1 and 2. More detailed notes on these are provided in Attachment 1 with the majority of budget revotes proposed to reflect actual results achieved.

- 5 The major consideration with this budget review is the reduction in expenditure associated with projects not completed and under-expenditure. Council will also be considering a report to this Ordinary Council Meeting regarding carryover items from the 2020/2021 financial year for work not completed to be added to the 2021/2022 Budget Estimates. This report also considers the implications of that report.

10 Specific Cash Position

- 15 On reconciling Council's total cash and investment position at 30 June 2021 compared to the reserve movements outlined in this Budget Review, there is an indication that Council may have total unrestricted cash and investments of \$517,600, a decrease of 28.5% from 2019/2020. This can be attributed to the ongoing effect that the COVID-19 pandemic has had an ongoing support measures Council has had in place for the community. Further, Council has been undertaking a significant works program funded from grants which due to timing of grant receipts and expenditure has required Council to act as a 'Bank' to a degree that has impacted Council's cash flow. Council commenced the 2020/2021 financial year with unrestricted cash of \$724,300. The actual amount of unrestricted cash eventually attained is contingent upon finalisation of the 2020/2021 financial statements. These are subject to external audit and further reporting to Council. Council has a short term liquidity goal of \$1,000,000 in unrestricted cash. Given everything Council has endeavoured to achieve throughout the last financial year, whilst the budget position is a deficit (estimated at \$206,700), the budget position has not deteriorated further since the 25 31 December 2020 Quarter Budget Review but actually improved given the original 2020/2021 budget deficit was \$356,800

WATER FUND

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After completion of the 2019/2020 Financial Statements, the Water Fund as at 30 June 2020 has a capital works reserve of \$9,260,100 and held \$1,483,600 in Section 64 developer contributions.

- 5 The estimated Water Fund reserve balances as at 30 June 2021, and forecast in this Quarter Budget Review, are derived as follows:

Capital Works Reserve

Opening Reserve Balance at 1 July 2020	\$9,260,100
Plus original budget reserve movement	(1,406,900)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(720,900)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	(29,200)
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	1,411,900
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	939,000
Forecast Reserve Movement for 2020/2021 – Increase / (Decrease)	193,900
Estimated Reserve Balance at 30 June 2021	\$9,454,000

Section 64 Developer Contributions

Opening Reserve Balance at 1 July 2020	\$1,483,600
Plus original budget reserve movement	(620,500)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(80,000)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	0
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	268,400
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	828,000
Forecast Reserve Movement for 2020/2021 – Increase / (Decrease)	395,900
Estimated Reserve Balance at 30 June 2021	\$1,879,500

- 10 Movements for Water Fund can be seen in Attachment 1 with a proposed estimated increase to reserves (including S64 Contributions) overall of \$1,767,000 from the 30 June 2021 Quarter Budget Review based on estimated actual cash and investment amounts.

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SEWERAGE FUND

After completion of the 2019/2020 Financial Statements the Sewer Fund as at 30 June 2020 has a capital works reserve of \$6,884,700 and plant reserve of \$896,200. It also held \$8,117,300 in Section 64 developer contributions.

5 Capital Works Reserve

Opening Reserve Balance at 1 July 2020	\$6,884,700
Plus original budget reserve movement	(2,958,400)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(349,200)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	94,200
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	(129,600)
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	35,000
Forecast Reserve Movement for 2010/2021 – Increase / (Decrease)	(3,308,000)
Estimated Reserve Balance at 30 June 2021	\$3,576,700

Plant Reserve

Opening Reserve Balance at 1 July 2020	\$896,200
Plus original budget reserve movement	0
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	0
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	0
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	0
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	0
Forecast Reserve Movement for 2020/2021 – Increase / (Decrease)	0
Estimated Reserve Balance at 30 June 2021	\$896,200

10 Section 64 Developer Contributions

Opening Reserve Balance at 1 July 2020	\$8,117,300
Plus original budget reserve movement	(2,202,600)
Resolutions July - September Quarter – increase / (decrease)	(451,000)
September Quarterly Review Adjustments – increase / (decrease)	(82,000)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	0
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	768,100

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Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	2,722,000
Forecast Reserve Movement for 2020/2021 – Increase / (Decrease)	754,500
Estimated Reserve Balance at 30 June 2021	\$8,871,800

Movements for the Sewerage Fund can be seen in Attachment 1 with a proposed estimated overall increase to reserves (including Section 64 Contributions) of \$2,757,000 from the 30 June 2021 Quarter Budget Review based on estimated actual cash and investment amounts.

5 Legal Expenses

One of the major financial concerns for Council over previous years has been legal expenses. Not only does this item represent a large expenditure item funded by general revenue, but it can also be susceptible to large fluctuations.

10 The table that follows indicates the allocated budget and actual legal expenditure within Council on a fund basis as at 30 June 2021.

Total Legal Income & Expenditure as at 30 June 2021

Program	2020/2021 Budget (\$)	Actual (\$)	Percentage To Revised Budget
Income			
Legal Expenses Recovered	0	0	0%
Total Income	0	0	0%
Expenditure			
General Legal Expenses	600,000	700,952	116.83%
Total Expenditure General Fund	600,000	700,952	116.83%

Note: It is proposed to transfer \$101,000 from the Legal Services Reserve within this Quarterly Budget Review to fund the increase in legal fees incurred.

Legal Reserve

Opening Reserve Balance at 1 July 2020	\$500,000
Less:-	
General Legal Expenses (December 2020 QBR)	(200,000)

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General Legal Expenses (March 2021 QBR)	(200,000)
Proposed 30 June 2021 Quarter Budget Review Adjustment	(86,300)
Estimated Reserve Balance at as at 30 June 2021	\$13,700

With further review of 2020/2021 financial year results still to be undertaken in the completion of the 2020/2021 financial statements, there will be a review of the legal services reserve to assess whether it is possible to improve the reserve balance.

Financial Implications

- 5 The 30 June 2021 Quarter Budget Review of the 2020/2021 Budget Estimates forecasts a stable outcome to the estimated budget attributable to the General Fund assuming all revotes of income and expenditure reported for Council's consideration are approved. Overall, the short term financial position still needs to be carefully monitored on an ongoing basis.
- 10 Note that the financial outcomes outlined in this Budget Review should be considered in the context that they are indicative. Council is yet to finalise its financial statements for the year ended 30 June 2021 which will also be subject to external independent audit.

It is expected that Council will receive a report regarding the formal adoption of its financial statements for the year ended 30 June 2021 at its Ordinary Meeting in October 2021.

15 STRATEGIC CONSIDERATIONS

Community Strategic Plan and Operational Plan

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
Community Objective 5: We have community led decision making which is open and inclusive	5.5	Manage Council's finances sustainably	5.5.1	Enhance the financial capability and acumen of Council	5.5.1.1	Financial reporting as required provided to Council and Management

Legal/Statutory/Policy Considerations

In accordance with Regulation 203 of the Local Government (General) Regulation 2005 the Responsible Accounting Officer of a Council must:-

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5 (1) *Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the council's revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.*

(2) *A budget review statement must include or be accompanied by:*

10 (a) *a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and*

(b) *if that position is unsatisfactory, recommendations for remedial action.*

(1) *A budget review statement must also include any information required by the Code to be included in such a statement*

Statement by Responsible Accounting Officer

15 This report indicates that the short term financial position of the Council is satisfactory for the 2020/2021 financial year, having consideration of the original estimate of income and expenditure at the 30 June 2021 Quarter Budget Review.

This opinion is based on the estimated Unrestricted Cash Result position at 30 June 2021.

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