

**ORDINARY COUNCIL MEETING
24 AUGUST 2009**

3.	QUARTERLY MANAGEMENT REPORT
LOCATION/ADDRESS:	N/A
EXECUTIVE DIRECTOR:	CATHY HENDERSON, ACTING EXECUTIVE DIRECTOR, ORGANISATION SYSTEMS AND SUPPORT
PREPARED BY	ROWENA MCLEAN, ACTING MANAGER CORPORATE PLANNING & PERFORMANCE BOB BAKER, BUSINESS ANALYST DAVID FILMALTER, CHIEF FINANCIAL OFFICER
FILE NO.:	TRIM FILE NO. 18/01/25
ATTACHMENTS:	ATTACHMENT 1: 4TH QUARTER FINANCIAL REPORT ATTACHMENT 2: 4TH QUARTER KPI REPORT ATTACHMENT 3: 4TH QUARTER SERVICE PROMISE REPORT

1. EXECUTIVE SUMMARY

- 1.1 To provide Council with information on the financial, capital works, service and internal performance of the organisation.

2. RECOMMENDATION

That Council:

- 2.1 Receives and notes the 4th Quarter 2008/09 Quarterly Management Report

3. BACKGROUND AND CONTEXT

- 3.1 The Local Government Act requires that at least every 3 months, the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council at a Council meeting which is open to the public.

4. CONSULTATION AND STAKEHOLDERS

- 4.1 Officers from across the organisation have collected and reviewed the data contained within the attachments. Variance analysis has been provided accordingly.

5. DISCUSSION

5.1 OPTIONS

Council is asked to receive and note the report. It contains four attachments for the 4th Quarter (Apr - June 2009) period:

- 5.1.1 Quarterly Financial Report including summary of progress on the Capital Works Program
- 5.1.2 Key Performance Indicator (KPI) Report detailing results against the 9 most important measures of operational success
- 5.1.3 Service Promise Report. The Service Promises were established in August 2008 for Council's top 10 most important services (as deemed by the residents and ratepayers of the City of Port Phillip).

5.2 ALIGNMENT TO COUNCIL PLAN

- 5.2.1 This is the final year report of the Council Plan 2005-2009.
The new Council Plan 2009-2013 will be the subject of future quarterly management reports to council.

5.3 POLICY IMPLICATIONS PLAN

- 5.3.1 No policy adjustments are recommended at this time

5.4 FINANCE / RESOURCE IMPLICATIONS

- 5.4.1 Council's net cash surplus (excluding non cash items) of \$31.011M for the year ending 30 June 2009 is \$4.485M favourable compared to the year to date forecast of \$26.526M. This result is unaudited and could be impacted by any audit adjustments required.
- 5.4.2 Income (excluding loss on asset sales and contributed asset gains) has a favourable variance of \$5.233M which is primarily due to the following offsetting factors:
 - Capital grants \$2.095M favourable due to the receipt of a large number of unbudgeted grants. The capital projects most impacted are as follows:
 - Cleve plaza / Jacka crossing \$1.040M
 - Clarendon street pedestrian safety - \$227K
 - Garden city reserve - \$182K
 - Catani gardens play space & picnic area - \$110K
 - Carlisle streetscape improvement - \$110K
 - Government grants \$1.537M favourable predominately due to greater than anticipated grant income within Culture & Recreation, Community Development, Community Services and Finance.

- Parking revenue \$658K favourable due to the continued improvement in the collection of paid parking. This can be attributed to improved contract management, lower petrol prices and favourable weather conditions.
- Rate revenue \$463K favourable largely due to the impact of additional supplementary rates and interest raised on overdue rates
- Interest income \$389K favourable due to additional funds available for investment
- Fees and charges \$1.096M unfavourable due largely due to reduced utilisation of the North St Kilda and Clark street child care centres, the reduced numbers of home based carers and reduced footpath trading income.

5.4.3 Expenditure (excluding depreciation) has an unfavourable variance of \$748K and is primarily due to the following offsetting factors:

- An unrealised impairment loss of \$1.737M on one of Council's investments. Current expectations are that this loss will be written back in subsequent years as the global financial crisis recedes.
- Contract payments \$1.203M favourable due to favourable variances across the whole organisation, predominately within Community Services, Infrastructure Services and Building Services
- Materials and other costs \$677K favourable primarily due to reduced insurance premiums and delays in the commencement of the operations at the St Kilda child care centres.
- Employee Costs \$891K unfavourable due to unfavourable variances within Building Services and Community Services, and unbudgeted redundancy payments.

6. LEGAL & RISK IMPLICATIONS

- 6.1.1 The Local Government Act requires that at least every 3 months, the Chief Executive Officer must provide a financial report to the Council.
- 6.1.2 Risk management actions are one of the key performance indicators reported on in this report.

7. IMPLEMENTATION STRATEGY

7.1 TIMELINE

N/A

7.2 COMMUNICATION

7.1.1 Following the adoption of this report by Council, the KPI results will be posted on the Council's website

7.1.2 Key messages are:

- The Council is in a sound financial position.
- The Council has delivered on the majority of commitments outlined in the 2008/09 Council Plan.

- The Financial, KPI and Service Promise Reports provide accountability and transparency in the Council's operations.

8. OFFICER DIRECT OR INDIRECT INTEREST

- 8.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.