



ORDINARY MEETING OF COUNCIL SUPPLEMENTARY ITEMS

To be held at 5pm on

Tuesday 18 August 2015

Council Chambers

11 Manning Street, KIAMA NSW 2533

Members

His Worship the Mayor

Councillor B Petschler

Councillor W Steel

Deputy Mayor

Councillor M Honey

Councillor G McClure

Councillor N Reilly

Councillor K Rice

Councillor D Seage

Councillor A Sloan

Councillor M Way

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
16	ADDENDUM TO REPORTS	3
16.1	Director of Corporate and Commercial Services	3
16.2	Retention of Southern Councils Carer Respite Services by Kiama Council	4

16 ADDENDUM TO REPORTS

16.1 Director of Corporate and Commercial Services

Responsible Director: Office of the General Manager

The Director of Corporate and Commercial Services, Chris Quigley, has advised of his retirement from Council with his last working day at Council being 16 October 2015 and his retirement taking effect in January 2016.

The Director has been a key member of the Management Executive since 10 October 2000 responsible for a broad range of Council functions including corporate services, customer services, human resources, risk management, holiday parks, leisure centre, economic development and information technology. He has carried out these responsibilities in a highly professional and accomplished community minded manner. He has overseen the delivery of a number of major projects, developments and initiatives that have been highly successful bringing in many benefits to Council and the community. They include

- The development, marketing and sale of Elambra Estate.
- The development and implementation of the Blowhole Point, Surf Beach and Kendall's Beach Holiday Park Plans.
- The establishment of a new customer service centre and call system.
- The ongoing rollout of new information technology modules and programs.
- The support of the rollout of the National Broadband Network and the gaining of significant Federal funding for the successful implementation of Local Government Digital and Broadband programs.
- The upgrade and expansion of the Kiama Leisure Centre.
- The establishment and support of Council's Economic Development Committee and related activities including the holding of small business expos.

As a member of the Management Executive Team he has provided valuable input into a number of other major projects and policies.

Chris is highly regarded in the Illawarra Region and he has been a long term member of the Illawarra Regional Development Australia Board and Chairperson of the TAFE NSW Illawarra Institute Advisory Council. Prior to his appointment at Council he was the Executive Officer of the Illawarra Area Consultative Committee.

I am sure Council will join with me in wishing Chris all the best in his retirement and thank him for his excellent service.

16.2 Retention of Southern Councils Carer Respite Services by Kiama Council

CSP Objective: 1 A Healthy, Safe and Inclusive Community

CSP Strategy: 1.2 Promote and support a range of social, cultural and artistic activities, practices and programs for creating sustainable health and well being

Delivery Program: 1.2.6 Support the growth and development of Kiama's community groups and service sector

Summary

Southern Councils Group has transitioned to the Illawarra Pilot Joint Organisation of Councils and as such had requested that the Department of Social Services arrange a novation of the programs to a new auspice organisation.

This report recommends that Kiama Council retain these services rather than novating

Finance

\$1,897,770 Commonwealth funding

Policy

NIL

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Kiama Council retains the Southern Council Group Community Programs under the auspice of Kiama Council

BACKGROUNDExisting Services

The Southern Councils Group (SCG) Community Care Programs aim to provide support to carers through information, respite support and referral services.

These programs receive \$1,897,770 in funding from the Commonwealth Government Department of Social Services and provide services across the Illawarra Region, including the Wollongong, Shellharbour, Kiama and Shoalhaven Local Government Areas.

As part of the transition from SCG it was decided that the Illawarra Pilot Joint Organisation of Councils (IPJO) would no longer be a direct service provider. As such the IPJO had commenced negotiations toward novating these programs and

Report of the Director Community Services

16.2 Retention of Southern Councils Carer Respite Services by Kiama Council
(cont)

current staff to another auspice. However, the Department of Social Services advised that a direct novation would not be possible and a procurement process involving three organizations would be required. The Department then enquired whether Kiama Council would consider retaining these services directly, as this could be done without going through a competitive process.

The Department has been advised that the matter will be considered at the August Council meeting. The Department has put the tender process on hold, awaiting the outcome of the meeting.

Existing Services

Table A below outlines the various carer programs along with the total funding, contract periods and number of employees per program.

Table A

Program	Total Funding	Funding Contract Dates	Number of Staff Employed (FTE)
Commonwealth Respite and Carelink Centre	\$1, 192, 343.99	2015 - 2017	3.6
Mental Health Respite: Carer Support	\$377, 823.58	2015 - 2016	1.6
Young Carer Information and Support	\$143, 405.09	2015 - 2016	0.8
Respite for Carers of Young People with Severe or Profound Disability	\$184, 198.12	2015 - 2016	1.0
			1.8 (across projects)
TOTAL	\$1, 897, 770.78		8.8

Risks of Retention of Services

Report of the Director Community Services

16.2 Retention of Southern Councils Carer Respite Services by Kiama Council
(cont)

In considering whether Council should retain these programs is it worth noting that like many of the community services grant funded programs there has been no guarantee in regard to the automatic renewal of funding at the completion of the above contracts. Further, a Carer Gateway will be introduced in December 2015, however to date there has been no detailed information on the operation of this initiative. As such it is difficult to predict the impact this will have on the Commonwealth Carelink and Respite Centre.

The remaining programs are expected to retain some level of funding with a percentage of funding being transitioned to the National Disability Insurance Scheme. There has been no clarification to date in regard to what percentages this equates to. Transition to the National Disability Insurance Scheme will require a review of current service models and an ability to deliver services at a market comparable rate as outlined in the National Disability Pricing Guide.

If funding is not renewed at contract completion Council will be solely responsible for the employees, whereas currently the responsibility is shared by the member Councils of the SCG.

Benefits of Retention of Services

Retaining these services may prove to be beneficial for Council. As the SCG services compliment those offered by Blue Haven Care, retaining the services will increase the service footprint of Blue Haven Care. The growth in service types offered by Blue Haven Care is considered to be beneficial to future competitiveness. Additionally, changes to current service models as a result of the National Disability Insurance Scheme are also required in the disability service arm of Blue Haven Care and work has already commenced in planning and preparation for these changes. This work can be easily transferred to the SCG services.

As staff employed in the SCG programs are existing Kiama Council employees there would be no need to transfer employee entitlements and there would be no resulting increase in overall staffing levels for Council.

If Council retains these services, there is the opportunity to assess the ongoing viability of these programs within Council's structure, with novation in the future remaining a possibility.

Currently SCG Carer Services lease office space in Shellharbour. The lease expired on the 23 June 2015. The lease is currently being paid on a monthly basis until there is certainty around the ongoing auspice of the services. If Council retains the services a 2 year lease agreement, matching the funding period of the core program, has already been negotiated with the property owners.

There is also a financial impact to Council as the SCG services pay an administration fee of approximately \$60,000. In addition they pay approximately \$30,000 to SCG. If Council retains the services then it will receive the full administration fees, if it does not retain the services then it will lose income.

Report of the Director Community Services

16.2 Retention of Southern Councils Carer Respite Services by Kiama Council
(cont)

The benefits and risks of retention of the services is summarised in the table below:

Issue	Benefits	Risks
Service model	<p>Would allow Blue Haven Care to expand its service offering, potentially making it more competitive in the future.</p> <p>For the 700+ existing clients of the service there would be no disruption to their current arrangements.</p>	Blue Haven Care does not have experience in delivering these service streams. However, the existing SCG staff are very experienced.
Future Funding	With the introduction of NDIS it is predicted there will be a greater market for service providers who are competitive. It is also anticipated that the government is likely to continue some type of block funding for carer programs.	Funding models are not certain past June 2016 & 2017. As with the transition from the HACC funding there will be a period of ongoing business assessment and adjustment.
Staffing	<p>The existing staff are experienced and highly trained and the programs would continue to operate as they do now.</p> <p>The staff are already counted in Council's staffing profile.</p>	Should funding not be continued for any of the programs, Council would need to manage the existing staff.
Office accommodation	<p>The programs currently operate from leased premises at Oak Flats that is suitable for their needs and has spare capacity that may be useful for Council.</p> <p>A vehicle is also fully funded by the program.</p>	As the lease has expired a new one will need to be entered into to provide certainty.
Financial impact on Council	<p>Currently the programs pay approximately \$60,000 to Council and \$30,000 to SCG in administration fees. If the services were retained by Council the full \$90,000 (approx) would be paid to Council.</p> <p>The programs add approximately \$2m to Council's cashflow and staff, impacting the Fit for Future position in relation to scale and capacity.</p>	If the programs are not retained, Council will lose the current \$60,000 it receives in administration fees.