

Confirmation of the Finance and Audit Committee Confidential Minutes from 11 December 2018

Originating Officer	Manager Corporate Governance - Kate McKenzie
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager Corporate Services - Vincent Mifsud
Report Reference	GC190129F01

Confidential



Confidential Motion

That:

1. Pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Vincent Mifsud, Abby Dickson, Tony Lines, Kate McKenzie, Victoria Moritz, Carla Zub and Greg Salmon be excluded from the meeting as the Council receives and considers information relating to the report *Confirmation of the Finance and Audit Committee Confidential Minutes from 11 December 2018* upon the basis that it is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential on the grounds that the report contains information of a commercial nature and would on balance, be contrary to the public interest.

REPORT OBJECTIVE

To Facilitate the receiving and noting of the confidential minutes of the Finance and Audit Committee Meeting from the meeting held on 11 December 2018 attached as Appendix 1.

EXECUTIVE SUMMARY

The following items was considered in confidence at this meeting:

- Expression of Interest – 262 Sturt Road, Marion – Outcome of Business Case Process

RECOMMENDATION

That Council:

1. Notes the report and information contained within Appendix 1.
2. In accordance with section 91(7) and (9) of the *Local Government Act 1999* the Council orders that this report, *Confirmation of the Finance and Audit Committee confidential minutes from 11 December 2018* and any appendices to this report having been considered in confidence pursuant to Section 90(2) and (3)(b) of the Act, except when required to effect or comply with Council's resolutions regarding this matter, be kept confidential and not available for public inspection, for a period of 12 months from the date of this matter, This confidential order will be reviewed at the General Council Meeting in December 2019.

Attachment

#	Attachment	Type
1	Appendix 1 - Confidential minutes - FAC181211	PDF File

**MINUTES OF
CONFIDENTIAL ITEM**

6. CONFIDENTIAL ITEM

9.47 am Expression of Interest – 262 Sturt Road, Marion – Outcome of Business Case Process

Moved Councillor Gard, Seconded Ms Johnson that:

1. Pursuant to Section 90(2) and (3)(b) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Councillor Telfer, Adrian Skull, Chief Executive Officer; Vincent Mifusd, General Manager Corporate Services, Abby Dickson, General Manager City Development; Tony Lines, General Manager City Services; Kate McKenzie, Manager Corporate Governance, Carla Zub, Project Manager Strategic Projects and Greg Salmon, Manager City Activation be excluded from the meeting as the Council receives and considers information relating to the report *Expression of Interest - 262 Sturt Road - Progress Report and Next Stage* upon the basis that it is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential on the grounds that the report contains information of a commercial nature and would on balance, be contrary to the public interest.

Carried Unanimously

9.49 am the Committee moved into confidence

The General Manager City Development provided an overview of the report noting that Council received an unsolicited proposal for the site on Sturt Road that is currently occupied by the Croquet Club. This site has been underutilized with low membership for croquet. Council determined via resolution to progress with an open Expression of Interest (EOI) and three proposals were received – two were accepted and one declined as it was not received prior to the close of the EOI. The two complying EOI's were presented to Council, one from the [REDACTED] and the other from [REDACTED]. Council determined to progress to a full business case with the proposal from [REDACTED].

The Committee queried the EOI that was received late. It was noted this was from [REDACTED]. The Committee noted that it was submitted late and did not follow the correct process for submission. The Committee discussed the merits of flexible procurement process to ensure that minor errors such as submitting an EOI to the wrong address would not preclude the EOI from being considered versus the needs for good probity in situations like this. It was noted that all tenders and EOI have a clause that permits the flexibility however, in most cases (if not all) Council will apply strict application of the EOI requirements. The Committee noted:

- That this was not a 'normal' process and the Council was exploring ideas for the site.
- That Council needs to ensure that the processes aren't too rigid to exclude options and provide some flexibility to ensure all viable options have the opportunity to be further explored.

Action – review tender and EOI documents/templates to ensure they provide the required flexibility.

It was noted by the Elected Members of the Committee that Traffic Management is a concern for the residents, particularly if it is proposed that the access to the site is going to be altered. The Committee noted that this will be considerations as part of the business case to be submitted to Council. Any changes will also need to be consulted through DPTI as Sturt Road is a DPTI road. It was noted that this was part of the key risks and required to be considered as part of the next stages of the decision making process.

The Committee suggested that Council needs to ensure that it has undertaken the appropriate due diligence checks on the business case (when submitted), which would include:

- The history of [REDACTED] and successful projects it has delivered
- The financials and capability of [REDACTED] to deliver the project now and sustain it long term
- What are the environmental impacts of a building of this nature and how does this fit with Council's strategic plan?
- What is the market demand for a project such as this?
- Has Council considered all the risks and any long term impacts

It was noted that there is no proposed implementation date at this point in time.

It was noted that a similar project is progressing in the [REDACTED]. The Committee recommended that Council keep a watching brief on this project as [REDACTED] is in a significantly different financial management position to Marion and they are also experiencing some challenges with the Administration.

It was noted that the Council has yet to determine if Council would sell the land or provide it on a long term lease.

The Committee suggested that Council needs to complete its own feasibility study and its own community engagement processes, if it determines to progress the business case to the next steps. This is a key piece of work before Council makes any decisions.

The Committee also queried what would happen to the current Croquet Club Members and it was noted this was yet to be determined.

Finally, the Committee queried why the [REDACTED] proposal wasn't considered and it was noted that the business case wasn't assessed as viable as the [REDACTED] proposals and [REDACTED] operates with a convention that the [REDACTED] however, in this proposal the [REDACTED] would be positioned [REDACTED].

The Committee noted that if the project progress, the Committee would receive a prudential report in accordance with Section 48 of the *Local Government Act 1999*.

Moved Councillor Gard, Seconded Ms Hinchey that the Finance and Audit Committee:

1. Notes the comments above.
2. Notes that should the proposal proceed a Prudential Management Review Report will be presented to the May 2018 Finance and Audit Committee Meeting in accordance with section 48 of the Local Government Act 1999.

3. In accordance with section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, Expression of Interest – 262 Sturt Road – Outline of Business Case Process, any appendices to this report and the minutes arising having been considered in confidence pursuant to Section 90(2) and (3)(b) of the Act, except when required to effect or comply with Council's resolutions regarding this matter, be kept confidential and not available for public inspection, for a period of 12 months from the date of this matter, This confidential order will be reviewed at the General Council Meeting in December 2019.

Carried Unanimously

CONFIDENTIAL