

ATTACHMENT 1: ISSUES AND RECOMMENDATIONS CHART

**ANZARTS INSTITUTE CONSULTANTS REPORT
THE CONCOURSE PRECINCT**

	Issues Identified	Consultants' Recommendations	Officers' Recommendations
1	Lack of unity in both purpose and of promotion of the individual components of the precinct.	That a Business Precinct Manager be engaged who would be responsible for overseeing the Precinct.	Agreed – within the new structure a position has been created for a Concourse Precinct Manager. Recruitment to be commenced in August.
2	Business Plans have been developed in 2002 & 2009, however, the focus was almost entirely on the performing arts venues and within them almost totally on their potential community use.	That a comprehensive Business Model and Operating Plan be created and adopted for The Concourse.	Agreed. To form part of the responsibility of The Concourse Precinct Manager.
3	Late additions to the construction of the project that have incurred additional costs appear to have been diverted from other areas within Council's budget and are not apparent in the overall construction budget.	That, in considering future major projects, Council ensures that not only is there a comprehensive business plan in advance but an equally comprehensive plan of management and implementation in place thereafter.	Agreed – within the new structure a Project Management Office has been created. Project Management (PM) tools will be developed and staff trained in accordance with the new PM model.
4	Difficulty in identifying and extracting true profit and loss and balance sheet reports for The Concourse Precinct.	That Council officers prepare Management Reports on an ongoing basis, preferably monthly which include profit and loss statements that record actual year-to-date results against budget and the forecast year end result against the year's approved budget as to which samples in Appendices 4.0 to 4.4 [of the Anzarts report] might be taken as a guide and that a balance sheet be prepared that compares the balance sheet at the reporting date to the audited balance sheet at the previous June year end.	It is recommended that staff prepare a P&L and Balance Sheet at end 2015 and then prepare a Quarterly P&L and Balance Sheet which will be included within the appropriate Quarterly Financial Review to Council. The Concourse Precinct Manager should receive relevant monthly reports.

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5	No consolidated financial management system being used to ascertain accurate data on the construction and running costs of The Concourse Precinct.	That, in future, all of the operational income and expenditure for The Concourse be processed through The Concourse Reserve so that the total population of transactions can be controlled and substantiated.	Agreed for net transfers. However, given its duplication with existing financial processes, including numerous payroll and minor transactions, it is not recommended that every transaction be processed through the reserve. An appropriate system will be implemented which will provide clarity and control within the spirit of this recommendation.
6	It has been identified that a number of costs for The Concourse as a whole (e.g. utilities, insurances etc.) be allocated to a specific project number in the general ledger and are then reallocated to the relevant cost centre. It would appear that these costs are being allocated on an arbitrary basis.	That Council conduct a review of the internal charges as they apply to The Concourse, in particular property maintenance charges to ensure the proper and realistic allocation to profit/cost centres.	Agreed.
7	The current endeavours of Council to better understand the operations of The Concourse clearly highlights its desire to improve whole-of-Council management reporting and operational performance.	That Council conduct a review of the current ERP Accounting System and Chart of Accounts so to ensure that it can allow ready extraction of the necessary P&Ls and a Concourse-specific Balance Sheet.	Agreed. Council will be reviewing its ERP over the next 12 months. Should a new system be implemented a revised Chart of Accounts will be implemented. (Recommendation 4 above is also relevant).
8	Council records all income and expenses of The Chatswood Library and the six satellite libraries as a group, therefore income and expenses are reported for all libraries in a single consolidated project.	That Income and expenses relating to the satellite libraries should be isolated from the P&L of The Concourse and only costs relating to the Chatswood Library be included.	Agreed. Action already in train with payroll transactions. Any further actions required to be identified, funded and time-tabled.

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9	Although a detailed asset register is maintained for assets of The Concourse, whether separately or within a whole-of-Council register, depreciation entries were not taken up in the profit or loss statements of the various profit/loss centre of The Concourse.	That depreciation charges be calculated and entered into the general ledger on a monthly basis and recorded in the Profit and Loss of each Profit/Cost Centre of The Concourse, including the retail premises.	Agreed, excluding depreciation generated on the retail component of the site as there is a statutory prohibition of depreciation on Investment Property.
10	It has been identified that key personnel spend significant amounts of time supporting and managing The Concourse. These costs have not been recorded against The Concourse project in Councils General Ledger.	That in future any staff time spent on The Concourse management and operations including employee on-costs be charged to that account in the general ledger.	Agreed. A process for accounting for staff time is to be developed and implemented. Resourcing and timing to be confirmed.
11	Interest on the three loans that funded the construction of The Concourse was provided separately to other expenditure associated with the cost centre of The Concourse indicating that interest was not recorded in the ledgers of The Concourse.	That interest income and expense be calculated for The Concourse on a monthly basis and recorded in the general ledger against The Concourse.	Agreed. This will require a simple transfer of the appropriate expense accounts to The Concourse Cost Centre.
12	There does not appear to be a clear understanding of potential future costs of maintenance, upgrades or replacements at The Concourse.	That Council endeavour to build provisions for the future repairs and maintenance, upgrade or replacement of the buildings and plant & equipment of The Concourse.	Agreed. That is a core function of The Concourse Reserve which currently holds in excess of \$9m.
14	Ensuring long term view and sustainability of The Concourse precinct. <i>[Note: Anzarts final report did not include a recommendation numbered 13]</i>	That Council review the financial reports, the results of operations and the financial position of The Concourse with a view to better understanding the future obligations imposed on Council by it and that the exercise of forecasting the future operations of The Concourse through to 2024 be continued.	Agreed.

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15	No apparent economic impact study has been undertaken to ascertain the significance of economic growth to district since the development of The Concourse.	That ongoing development of the CBD area should continue to be measured as part both of economic and social development arising from The Concourse project.	Agreed. This should be undertaken regularly and combined with site usage reports and market research/ brand awareness studies. It can then be used to inform strategy and planning. This would require a budget allocation. It is recommended this be undertaken every two years. Also relates to recommendations 23 and 25.
16	<ul style="list-style-type: none"> • There have been significant issues with the WurliTzer Organ since it was gifted to Council in 1962 including: • No heritage assessment undertaken • Preliminary budget of \$500,0000 to de-install, storage, base works and restoration has been significantly exceeded • No responses to recent RFT to complete the restoration project • No clear idea of ongoing maintenance or other costs 	That no further work be undertaken and no further expenditure on the WurliTzer Organ be authorised.	Agreed. The Council received no responses to its initial tender. However, a contractor has viewed the instrument and offered to complete the works but they are not prepared to fix their fee and have indicated that the eventual cost would be in the order of \$200k. Options for repurposing and the sale of the WurliTzer Organ will be considered.
17	<p>Identified issues with the Urban Screen:</p> <ul style="list-style-type: none"> • No business plan • Poorly situated for many purposes • Little day time audience • Insufficient space directly in front to accommodate more than a small number of viewers • Original vision ("to be a beacon for the site") has not eventuated 	That, in the interests of reducing its outgoings, Council gives consideration to commercialising the operations of the Urban Screen, either whole or in part.	Agreed. Successful screenings held to date have all been event based. Outside of this the screen receives little attention from the passing public. Options to be presented to Council by December 2015 with a switch to event mode only in the interim.

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	<ul style="list-style-type: none"> • Operating cost has risen significantly from original estimates • Fractured management (screen is overseen by Corporate Support Division while other outward facing areas of the site are overseen by Community Services Division) • Current policy of not allowing paid advertising • Lifespan of the screen is estimated to be 10 years • Management of screen has not been at an optimal level, with poor programming connecting to poor audience. 		
18	<ul style="list-style-type: none"> • Issues identified with the Art Space: • The concept of the Art Space never seriously analysed or challenged with the space built on the assumption that it was desirable. • Civic Place Masterplan referred to spaces in the library as possible exhibition spaces; however, these were not pursued. • Negligible daytime passing traffic. Limited evening traffic. • Development of a digital media studio or learning centre in the library never pursued. 	That Council reassign the exhibition function from the current Art Space to the Chatswood Library and that the usage of the Art Space be re-assessed for the purposes of creating an additional revenue stream for The Concourse.	Council is currently working on a plan to install an exhibition space in the foyer of the Library and alternate usage for the Art Space. To be completed by December 2015.

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	<ul style="list-style-type: none"> • This is considered a more appropriate business opportunity for the library and could have content and revenue implications for all aspects of the precinct. • Art Space and adjacent kitchen not connected with kitchen only used for storage. Connection between spaces could increase the Art Space's capacity as a venue for hire. • Art Space has built no consistent visitation • Art Space isn't part of a Council Visual Arts Policy or articulated to the performing arts content of the venue. 		
19	<p>Issues identified associated with the retail:</p> <ul style="list-style-type: none"> • Restaurants benefit from cross promotional activity and site wide activity. Greater integration of all retail outlets into overall operation could be beneficial to retail premises and council. 	That proposed Business Plan for The Concourse should have as a major goal the integration of the Retail outlets, where appropriate and possible, into all precinct-wide activity.	Agreed. Will form part of the role of The Concourse Precinct Manager.
20	<p>Issues identified with the Library:</p> <ul style="list-style-type: none"> • Majority of users are unconnected with library facilities or collected, using own laptop. • Focus on internal traditional services and not on outreach • Limited income generating activity or knowledge economy connectivity – opportunity to capitalise by providing a multifaceted, flexible hub for new business . 	That, in the interests of growing both its public engagement and income-generating prospects, Council explores ways in which the Chatswood Library can become a genuinely dynamic contributor to the knowledge and information economy while sharing its work and facilities with the rest of The Concourse and the community.	Agreed. Council is in the process of seeking the services of a suitably qualified consultant to undertake a thorough review of the Chatswood Library and to look at ways to increase revenue. Timeframe is to be confirmed post the tender process.

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	<ul style="list-style-type: none"> Unexplored business areas: promoting meeting areas as user pays; underutilised areas used as spaces hireable by small business; digital creative studio; increased capacity to support business research. Unexplored community engagement activity: development as a community learning centre, conversion of foyer and other areas into exhibition spaces; curating precinct wide activity; ideas forums. 		
21	<ul style="list-style-type: none"> Issues relating to finances and operations: No dedicated property management in relation to the retail outlets. No charge for depreciation in relation to the buildings No evidence of electricity charges or maintenance costs in relation to the Urban Screen. 	That the proposed Business Manager review the retail outlets with a view to more fully understanding the requirements of these premises and the opportunities and related costs that may apply in the future.	Agreed.
22	<ul style="list-style-type: none"> The library is the major contributor to The Concourse annual debt with library costs consolidated with the expenses of six satellite libraries. 	That the expenses of the Urban Screen be reviewed as currently no internal charges have been allocated to it for property maintenance.	Agreed. Preliminary work already undertaken. Further resourcing and timing to be determined.
23	<ul style="list-style-type: none"> Increasing level of internal property maintenance charges Council does not collect statistics on retail usage or a reliable facility to capture daily foot traffic across the site 	That a deeper collection of social data generally be developed for The Concourse through periodic surveys which would contribute to providing the fullest possible understanding of its visitation and thereby promotion including traffic through the retail outlets especially F&B [food and beverage].	Agreed. Requires consideration of appropriate methods and costs. Also relates to recommendations 15 and 25 above.

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24	<ul style="list-style-type: none"> • Issues in relation to tourism: • Absence of an overall plan for The Concourse and lack of clarity of unique offering, with site events not following a site wide strategy. • Lack of consistent messaging to lure the public. • Greater focus required on the Concourse's unique cultural position to the population of the North Shore. 	That Council develop a tourism strategy plan aimed at positioning The Concourse and its unique cultural and entertainment offering within the North Shore, and by extension Sydney, through integrated programming, branding and consistent and deliverable messaging.	Positioning The Concourse will be part of The Concourse Precinct Manager role. Any tourism plan should be informed by the economic development study and connectivity between key performances at The Concourse and major festivals including Vivid and Sydney Writers Festival.
25	Social data isn't currently collected and provided with financial reports for the entire precinct.	That management Reports to Council provide a consolidated view of the social and financial aspects of The Concourse, including Century Venues Pty Ltd.	Agreed. Also relates to recommendations 15 and 23.