

**ITEM NO:** 4**SUBJECT:** PROPOSED MODIFICATIONS TO THE HOME AND COMMUNITY CARE WING, MID-MOUNTAINS COMMUNITY CENTRE, LAWSON**FILE NO:** F00578

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**Recommendations:**

1. *That the Council as owner of the facility endorse the proposed extensions and modifications to the kitchen, dining room and office of the Home and Community Care wing, in the Council-owned Mid Mountains Community Centre Lawson, as detailed in this report.*
  2. *That the Council's endorsement of proceeding with the Mid Mountains Community Centre extensions and modifications project is conditional on the required funding being received from the NSW Department of Ageing, Disability and Home Care.*
  3. *That the Council contribute \$15,000 from the 2009-10 Capital Works Program towards the project, as provided for in the draft budget.*
  4. *That the Council manages the project through the provision of project management, service tendering and contract administration.*
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**Report by Group Manager, Community and Corporate:****Report Summary**

This report seeks the Council's endorsement of the proposed extensions and modifications to the kitchen, dining room and office of the Mid Mountains Community Centre Home and Community Care wing, as detailed in this report. These proposed extensions and modifications would significantly improve the operations of Blue Mountains Food Services (BMFS), the main user of the existing kitchen and dining room. They will also improve the general useability and functionality of this facility for the broader community.

Proceeding with the project would be conditional on receiving the required funding from the Department of Ageing Disability and Home Care, as detailed in this report, with a contribution of \$15,000 from the Council's Capital Works Program 2009-10.

The BMFS is a critically important community service. The Council has a long established partnership with BMFS to assist in the provision of home delivered Meals on Wheels and centre based meals in Council and community facilities – the latter generally referred to as “village restaurants”. These services provide frail older people and people with disabilities with much needed access to nutritious and affordable food.

The requirements of the BMFS have been recognised as a priority in the Council's Mid Mountains Community Facility Study 2002. The 2007-2012 Blue Mountains Community Plan identifies supporting initiatives that improve the health of older people and enable them to stay in their own homes as a key action area for the Council. The Community Plan also

recognises the importance of supporting services that improve older people's access to healthy, affordable food, shopping services and food services. The plan also has an action area for the Council to investigate options and external funding opportunities for priority Home and Community Care service facility needs in the Mid Mountains.

### **Background**

The Mid Mountains Community Centre Home and Community Care wing was partly funded by the Department of Ageing Disability and Home Care in 1991 and comprises a commercial kitchen, dining room and small office. The kitchen and dining room are used primarily by the BMFS. The use of the kitchen and dining room by other community organisations is essential to the multi purpose nature of the centre, and will be retained and further enhanced if this proposal proceeds. The BMFS is funded under the State and Federal Governments' Home and Community Care Program.

The BMFS provides essential community services to the frail aged and people with disabilities. The current range of services provided by BMFS includes:

- Home Based Meals Service: providing home delivered, affordable nutritionally balanced meals, to the frail aged and people with disabilities. Both fresh and frozen meals are provided. These meals are delivered by volunteers;
- Centre Based Meals Services: "Village Restaurants" are provided in five facilities across the Blue Mountains, four are Council owned centres (including the Mid Mountains Community Centre). Village restaurants provide a freshly prepared meal and an opportunity to meet others; and
- Specialist Services: including home shopping, carer support, mental health programs, falls prevention programs and men's group.

Part of the BMFS operations, including their administrative base, operates from the Bodington Catholic Health Care facilities in Wentworth Falls. These premises are inadequate and do not meet BMFS current or future projected requirements. In addition BMFS do not have secure tenure of these premises. BMFS is not part of Catholic Health Care - it is a community managed not for profit organisation.

BMFS relies on the help of over 300 volunteers to deliver meals on wheels, and provide frozen foods and community lunches to nearly 500 people each week.

The small office in the Home and Community Care wing is currently occupied by the Home Care Service, an agency of the Department of Ageing Disability and Home Care. The Department of Ageing Disability and Home Care will be relocating the Home Care office should this proposal proceed. The current office used by the Home Care Service in the Mid Mountains Community Centre is smaller than their requirements and relocation to more suitable premises was planned.

Future demand for food services in the Blue Mountains will increase due to the ageing population. The table below shows the number and percentage of residents aged 60-85+ in Planning Area 3 (Bullaburra – Linden) and the City of Blue Mountains LGA in 2006 and population forecasts until 2021.

**Table 1: Number and Percentage of Blue Mountains Residents Aged 60-85+ in Area 3 (Bullaburra – Linden)**

	2006		2011		2021	
	No.	% of pop.	No.	% of pop.	No.	% of pop.
<b>Age 60-69</b>	941	8.5%	1202	10.9%	1442	12.9%
<b>Age 70-84</b>	660	6.0%	696	6.3%	924	8.3%
<b>Age 85+</b>	65	0.6%	66	0.6%	59	0.5%

Source: Census Data

**Table 2: Number and Percentage Blue Mountains Residents Aged 60-85+ within the Local Government Area**

	2006		2011		2021	
	No.	% of pop.	No.	% of pop.	No.	% of pop.
<b>Age 60-69</b>	7320	9.6%	9358	12.1%	10733	13.7%
<b>Age 70-84</b>	5720	7.4%	6025	7.8%	7962	10.1%
<b>Age 85+</b>	1034	1.3%	1083	1.4%	1269	1.6%

Source: Census Data

The BMFS employs 14 staff – all currently based in Catholic Health Care facilities in Bodington, Wentworth Falls. The BMFS freezers are also located at Bodington in Catholic Health Care facilities. These facilities do not meet BMFS current or future requirements and the BMFS has insecure tenure. The staffing premise requirements of the BMFS are being considered as part of the Council’s current Lawson Community Services Hub investigations which includes a review of community services and facilities in Lawson.

The Council’s 2002 Mid Mountains Community Facility Study concluded that the BMFS needed a centralised kitchen, office and administration space to meet growing demand. The proposal detailed in this report will address the food preparation needs of the BMFS by centralising food facilities at Lawson and expanding the freezer/cool room to cater for the recent move from hot delivered meals to chilled and frozen meals.

Currently frozen meals are stored and packed at Bodington in facilities that do not meet current or future requirements of BMFS. An expanded packing area will free the dining room, currently used for packing, for new projects and other community user groups.

### **What the proposal will achieve**

This proposal will significantly improve the operational delivery of BMFS services. This proposal would move and centralise cooking, storage, packing and distribution to the Mid Mountains Community Centre Lawson. The existing kitchen within the Mid Mountains Community Centre is extremely difficult for the BMFS to operate from without the proposed modifications. In addition, the proposed modifications will preserve and enhance the use of the commercial kitchen, the adjacent dining room and meeting space for community groups. The proposed modifications will maintain and enhance the important multi purpose nature of the centre.

In investigating these needs ECO Design Architects have worked with the BMFS and Council employees to develop this proposal. The concept design is considered the ‘best fit’ and most achievable option within the funding and property constraints. This proposal meets the objectives for the development of the Lawson Community Services Hub and the Mid Mountains Community Centre.

These are:

- To complement the multi-purpose nature of the community centre;
- To complement and be consistent with possible future expansion to the centre;
- To retain the floor area of the existing dining room; and
- That the proposal be funded by the Department of Ageing Disability and Home Care's capital works program.

### **Proposed Modifications and Design Concept**

*Attachment 1* shows the existing site plan for the Mid Mountains Community Centre. Proposed modifications to the facility are shown in *Attachment 2* and *Attachment 3*. A small addition (around 22.5 m<sup>2</sup>) is proposed to the west of the existing building to house the packing room and (packaged) freezer compartment.

The proposal would allow delivery through the packing room directly into the freezer, or directly into the nearby cool room through the existing doors. The existing commercial kitchen would be dismantled and relocated to a new slightly smaller location to the north within the current dining room. This would permit the existing space to become the main packing room with administration corner and cool room adjacent (see *Attachment 3*). The relocated kitchen would maintain the present relationship with the dining room through the servery bench.

To maintain the existing dining room space and improve facilities, the demolition of the present brick store and passage ways is proposed. That is so this area can be added to the effective use of the dining room. At the same time it is proposed that the existing accessible toilet, which currently fails to meet current standards, is upgraded. If funding permits, a quality retractable wall would permit a more flexible building use, such as a small meeting room or a larger dining room.

A range of alternative options were investigated and ECO Design Architects' advice in collaboration with Council officers is that the design concept and floor plan (see *Attachments 2 and 3*) best meets the BMFS operational needs and funding available from Department of Ageing Disability and Home Care. The Home Care Service would need to be relocated from the existing office.

### **Benefits of the Proposal to the BMFS include:**

- More efficient centralised operation (rather than between Wentworth Falls and Lawson);
- Improved ability to address growing demand on food services;
- Localised administration of meals at the Mid Mountains Community Centre (eg. ordering, packing);
- More efficient and convenient layout for new food delivery mode;
- Reduced operational costs (ie. electricity, petrol, and food delivery);
- More efficient packing and distribution; and
- Ability to meet the legislative requirements governing the service: such as Food Handling and Occupational Health and Safety regulations.

### **Benefits of the Proposal to the Council and the general Community include:**

- Community benefit of improved service provision;
- Better and more efficient facilities for the BMFS;

- Upgrading of wheelchair accessible toilet to meet Australian Standards;
- Minor upgrading /updating of the commercial kitchen as an essential part of the works;
- Further enhancement to the useability and functionality of the centre for the general community – additional meeting space/ dining room available for meeting and activities; and
- Contribution to the vitality of the Mid Mountains Community Centre/Lawson;

As shown in Tables 3 and 4 below, the cost of the proposed work would be funded by grants from the Department of Ageing Disability and Home Care totaling \$186,000 and a \$15,000 contribution from Council (already included in the draft 2009-2010 Capital Works Program).

The BMFS have submitted a 2008-2009 minor capital works funding submission to the Department of Ageing Disability and Home Care for the maximum amount of \$75,000. Funding of \$98,500 has already been allocated to BMFS by the Department of Ageing Disability and Home Care for this project in 2007-2008.

**Table 3: Project Cost Estimate**

<b>ESTIMATED COST OF WORKS</b>	
<b>Building works:</b>	
General overheads	\$32,933
Demolition work	\$7,098
New extension	\$47,090
New kitchen	\$65,303
Dining room extension	\$12,276
Retractable room divider	\$12,500
Professional services	\$14,500
Contingency (5%)	\$9,300
<b>TOTAL (excluding GST)</b>	<b>\$201,000</b>

**Table 4: Project Funding**

<b>CONFIRMED GRANT FUNDING</b>	
Department of Ageing Disability and Home Care:	
- 2007-08 minor capital works budget	\$84,000
- 2007-08 Feasibility Study Funds	\$14,500
<b>CURRENT GRANT APPLICATIONS</b>	
Department of Ageing Disability and Home Care:	
- 2008-09 minor capital works budget	\$75,000
- 2008-2009 Equipment Grant (retractable room divider)	\$12,500
<b>COUNCIL FUNDING</b>	
2009-2010 Capital Works Program (Loan Funding)	\$15,000
<b>TOTAL (excluding GST)</b>	<b>\$201,000</b>

**Project Management**

Implementation of this project will be managed by the Assets and Contract Management Branch who will be responsible for the formal commissioning of consultants, lodgement for authority approvals, tendering processes, appointment of contractors and contract administration. This project has been included in the draft 2009-2010 Capital Works Program.

The Department of Ageing Disability and Home Care has confirmed that they would relocate the Home Care administrative office in time for construction work to begin. The move would not impact on Home Care’s community services as the Department of Ageing Disability and Home Care was already planning to relocate this service to larger premises. The Department of Ageing Disability and Home Care has expressed interest in re-establishing the Home Care office in Lawson.

**Sustainability Assessment (Triple Bottom Line Reporting)**

<b>Effects</b>	<b>Positive</b>	<b>Negative</b>
Environmental	<ul style="list-style-type: none"> <li>• Using room divider in dining room will reduce winter energy consumption;</li> <li>• More efficient air extraction system;</li> <li>• New refrigerators and freezers will reduce energy consumption and production of greenhouse gases; and</li> <li>• Centralised food packing and storage will reduce travel costs and fuel consumption between Lawson and Bodington, Wentworth Falls.</li> </ul>	Nil
Social	<ul style="list-style-type: none"> <li>• Promotes healthy lifestyles by providing quality meals;</li> <li>• Planning for future demand on food services for the frail aged and people with disabilities;</li> <li>• Improves access for Home and Community Care clients to BMFS services and community groups to the Community Centre;</li> <li>• Allows frail-aged and people with a disability to access services and facilities;</li> <li>• Promotes social contact between people who may otherwise be isolated in their homes;</li> <li>• Development of the Mid Mountains Community Centre as a Community Services Hub;</li> <li>• Supports better use of existing facilities;</li> <li>• Improves community safety by meeting current standards for wheelchair-accessible toilet; and</li> <li>• Access and Equity benefits.</li> </ul>	Nil
Economic	<ul style="list-style-type: none"> <li>• Supports the local economy by strengthening service provision and associated employment;</li> <li>• Supports the achievement of a well-maintained and managed Council asset; and</li> <li>• Supports economic vitality of Lawson Town Centre.</li> </ul>	Nil

**Financial implications for the Council**

The project would be managed to meet the available grant funded budget from Department of Ageing Disability and Home Care with an additional contribution from the Council of \$15,000 from the 2009-10 Capital Works Program.

**Legal and risk management issues for the Council**

There are no identified legal issues for the Council. The project has been designed to fit the available budget. The Council contribution towards building and contingency costs has been incorporated to address cost over run risk.

**External consultation**

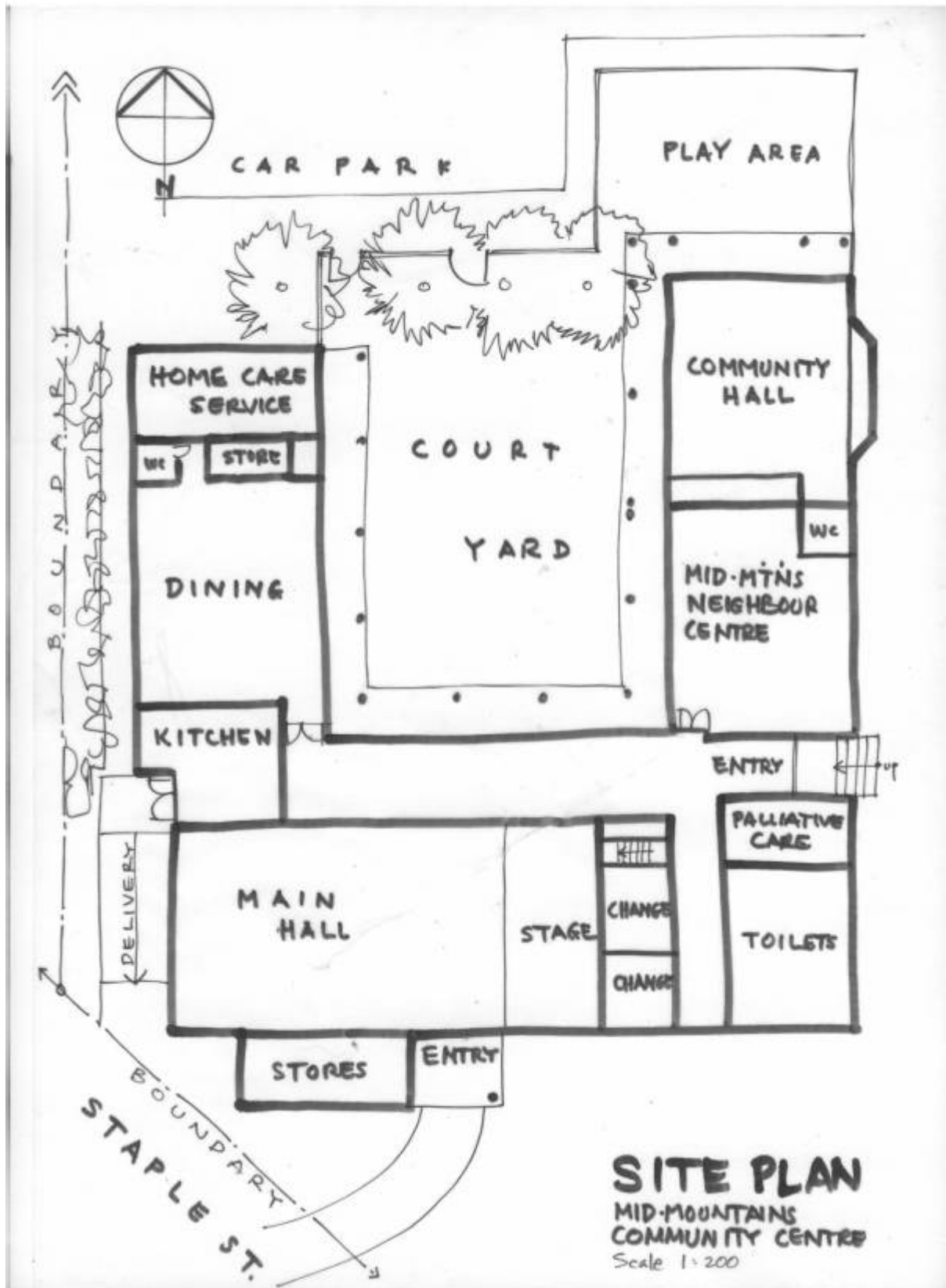
This proposal has been developed collaboratively by BMFS and Council staff. The Mid Mountains Community Centre Section 377 Committee, representing the key organisations using the centre, has been consulted. Other community groups which use the dining room will be consulted about the project should it proceed.

**Conclusion**

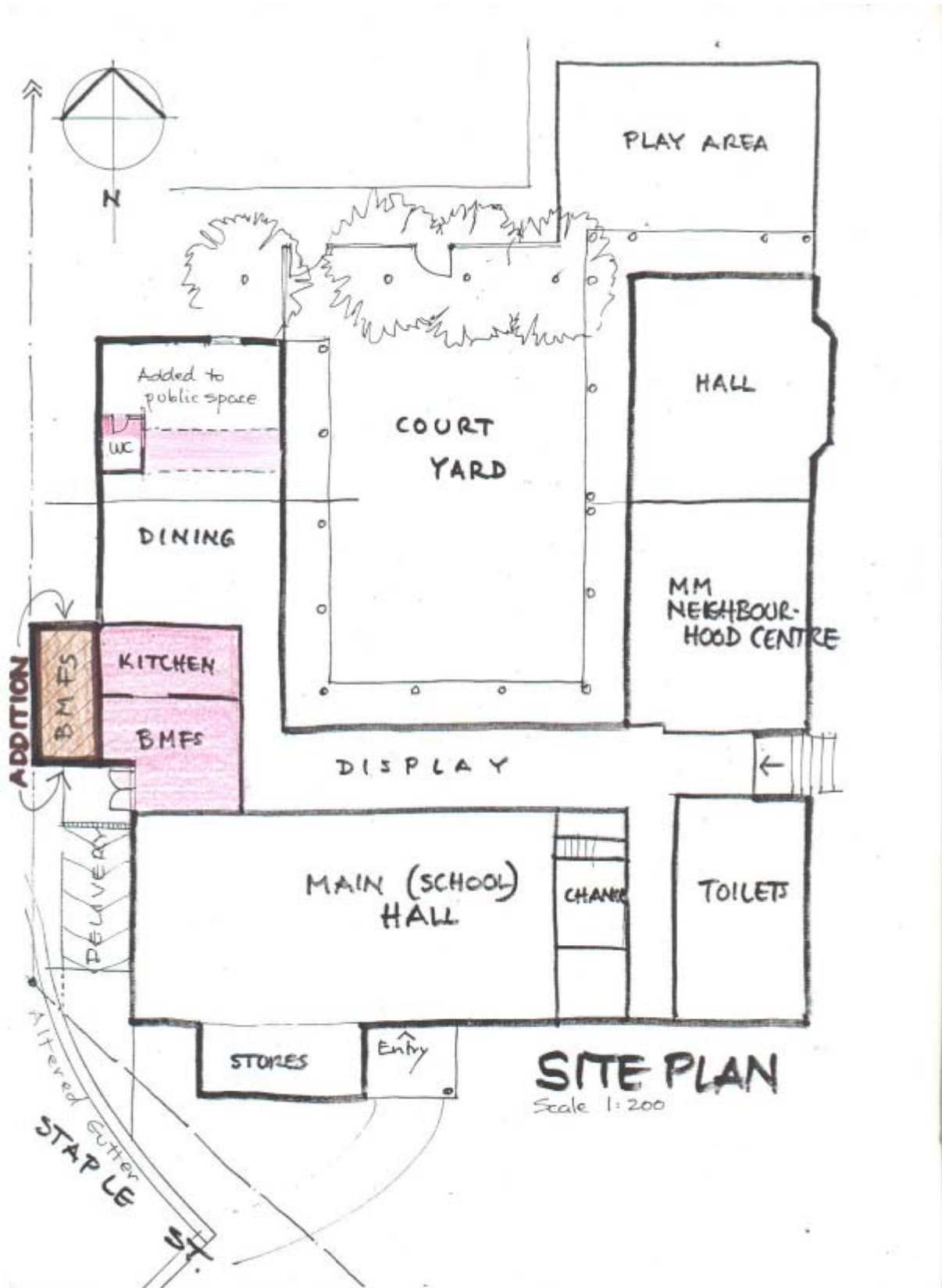
It is recommended that the Council endorse the proposed extensions and modifications to the Mid Mountains Community Centre as detailed in this report, conditional on receiving required funding from the Department of Ageing Disability and Home Care.

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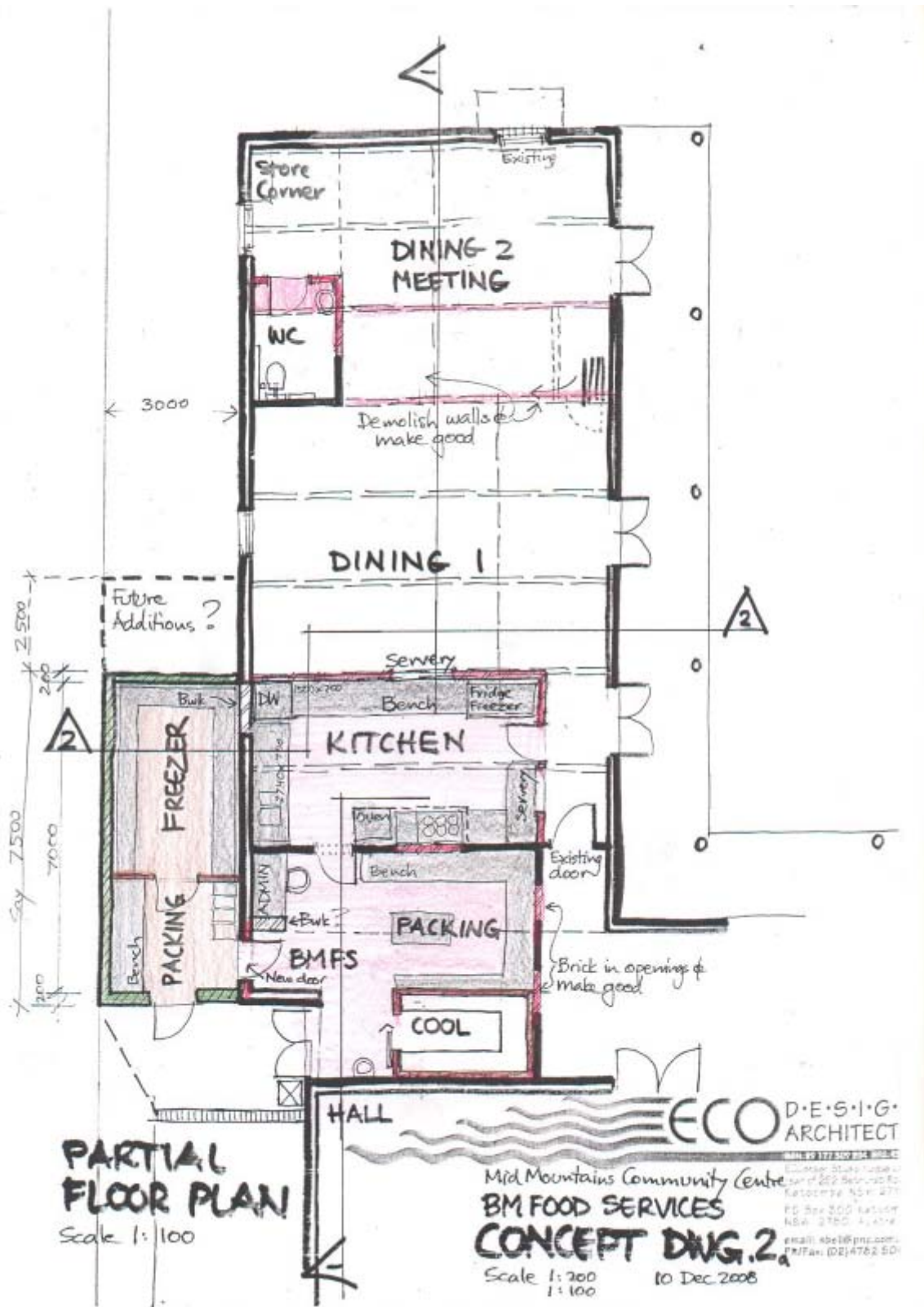
Attachment 1 - Mid Mountains Community Centre Lawson: Existing Site Plan



Attachment 2 – Mid Mountains Community Centre Lawson: Site Plan Proposed Modifications



Attachment 3 – Mid Mountains Community Centre Lawson, Home and Community Care Wing Floor Plan – Proposed Modifications



ITEM NO: 5

SUBJECT: COMMUNITY ASSISTANCE / DONATIONS – RECOMMENDATIONS  
BY COUNCILLORS

FILE NO: F02560

**Recommendation:**

*That the council approve the following donations from the Councillors' Minor Local Projects vote:*

<i>Organisation</i>	<i>Amount</i>
<i>Lawson Amateur Swimming Club</i>	<i>100.00</i>
<i>Mountains Youth Support Team</i>	<i>300.00</i>
<i>Winmalee Public School P&amp;C</i>	<i>200.00</i>
<i>Blue Mountains Scouts</i>	<i>100.00</i>
<i>Blue Mountains East Timor Sisters</i>	<i>200.00</i>
<i>Mountains Youth Support Team</i>	<i>200.00</i>
<i>The Lions Club Winmalee</i>	<i>80.00</i>
<i>Lawson Amateur Swimming Club</i>	<i>100.00</i>

**Report by General Manager:**

On 11 July 2000 the Council adopted a revised Policy for Councillors' Minor Local Projects allocations for the provision of community assistance/donations. The following recommendations for donation, which appear to fall within the ambit of the Policy, have been received and are submitted for approval.

**Minor Local Projects**

<b>Recommending Councillor</b>	<b>Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Clr Clark	Lawson Amateur Swimming Club	Purchase of Trophies	\$100.00
Clr Luchetti	Mountains Youth Support Team	Toward opening day events of Winmalee Skate Park Facility	\$300.00
Clr McLaren	Winmalee Public School P&C	Toward school fete	\$200.00
Clr McLaren	Blue Mountains Scouts	Toward Admin Costs	\$100.00
Clr McLaren	Blue Mountains East Timor Sisters	Assist with International Women's Day Friendship visit	\$200.00
Clr McLaren	Mountains Youth Support Team	Toward opening day events of Winmalee Skate Park Facility	\$200.00

<b>Recommending Councillor</b>	<b>Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Clr Myles	The Lions Club - Winmalee	Hire fee for Springwood Civic Centre benefit concert 3 <sup>rd</sup> March	\$80.00
Clr Van der Kley	Lawson Amateur Swimming Club	Purchase of Trophies	\$100.00

**Mayoral Contingency Fund**

<b>Recommending Councillor</b>	<b>Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Clr Searle	Norman Lindsay Gallery	Bus Hire Fee for festival of Children's Literature	\$170.00
Clr Searle	Therese Cook	VIC Bushfire Benefit concert	\$327.31

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**ITEM NO:** 6**SUBJECT: PROPOSED TRANSFER OF THE BLACKHEATH VACATION CARE SERVICE TO THE BLACKHEATH AREA NEIGHBOURHOOD CENTRE INC.****FILE NO:** F04896

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**Recommendation:**

*That the Council transfer the provision of the Blackheath Vacation Care Service to the Blackheath Area Neighbourhood Centre Inc. (BANC) and enter into an agreement with BANC to run the service for the next three years, in accordance with the conditions and financial arrangements detailed in Attachment 1 of this report.*

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**Report by Group Manager, Community and Corporate:****Introduction**

The purpose of this report is to recommend that the Council enter into an agreement to transfer the provision of the Council's Blackheath Vacation Care program to the Blackheath Area Neighbourhood Centre Inc. for a three year financial viability trial commencing in 2009-2010.

The Blackheath Vacation Care service is currently operated by the Council's Family Day Care scheme. This program provides a nine week primary school holiday program to children aged 5-12 years in the Blackheath area. The service meets the needs of a community that is classified as disadvantaged according to the SEIFA (Index of Relative Socio-Economic Disadvantage). Several children using the service have high needs due to disability and social disadvantage. The service enables parents to work and also provides recreational opportunities and respite to high need families.

Most families use the service part time. In 2008, 57 different families used 15 full time places. Overall 89% of families used the service in order to continue to work- this included 19 sole parents who depended on the service. The service most recently operated in January 2009. During this period 43 different children used 17 full-time places.

**Background**

The need to transfer the provision of the Blackheath Vacation Care service arose in 2006 when the Family Day Care service core funding was reduced by the Commonwealth Government. This has impacted significantly on the operation of the Family Day Care service and affected its ability to continue to operate the Blackheath Vacation Care service (which is not part of Family Day Care's Commonwealth funded responsibilities).

In addition, Council undertook a review of other vacation care programs and found that they run more efficiently and offer better community access when they are operated by organisations that also run Out of School Hours Care services (see *Attachment 2*). These organisations, unlike Blue Mountains City Council, are able to gain efficiencies in terms of staffing, venues and quality procedures, as these can be used for both services. For this

reason, and taking into consideration the Council's financial challenges in delivering Family Day Care, the possibility of transferring the provision of the service to Blackheath Area Neighbourhood Centre Inc. (who currently run an Out of School Hours Service), was investigated.

The Community and Corporate Group first reported to the Council in December 2006 on the challenges associated with Council continuing to provide the Blackheath Vacation Care service. The Council resolved:

*“That the Council approves the strategy to identify and contract with a suitable community agency the provision of the Blackheath Vacation Care program, and that the outcomes are the subject of a further report to the Council prior to the entering of any contract.”*

(Minute No. 844, 12/12/06)

The Community and Corporate Group last reported to the Council on 20 November 2007 detailing progress it had made in negotiating with the Blackheath Area Neighbourhood Centre about the proposed transfer of the provision of the service. The Council resolved:

*“That Council receives a further report on the results of negotiations with the Blackheath Area Neighbourhood Centre or any other identified sponsor on or before March 2008 and that the Council receives a report on future options for provision of care during vacation periods for families in the Blackheath area, in the event that a re-auspice is not achieved.”*

(Minute No. 328, 20/11/07)

The Council's negotiations with the Blackheath Area Neighbourhood Centre Inc. representatives were delayed until late 2008 due to them undergoing an organisational re-structure. Councillors were briefed on the status of the project, including delays in addressing the above Council resolution, on 25 March 2008. The Council staff have since worked with representatives of the Blackheath Area Neighbourhood Centre Inc. in negotiating the way forward as detailed in this report.

### **Report**

The Blackheath Area Neighbourhood Centre Inc. have agreed in principle to take over the provision of the Blackheath Vacation Care service for a three year financial viability trial with transitional funding from the Council of \$30,000 per annum.

This is cost effective for the Council given that the estimated net cost of providing the service in 2008-2009 is \$40,000 (taking into account estimated total cost of \$75,600 for materials and labour and subtracting projected income from service users of \$35,600). It should be noted that the annual net cost of providing the service varies each year depending on the number of children using the service and the income generated from this service.

Draft conditions for the transfer of the provision of the service have been negotiated with Blackheath Area Neighbourhood Centre Inc. as outlined in *Attachment 1*. These draft conditions have been developed taking into account advice received by the Council's solicitors McPhee Kelshaw to ensure all legal requirements for the effective transfer of the service to Blackheath Area Neighbourhood Centre Inc. are in place and being met. If the

transfer of the service is approved by the Council then this agreement would need to go to the Blackheath Area Neighbourhood Centre Inc. for their final endorsement.

As outlined in *Attachment 1*, to support the transfer of the service to the Blackheath Area Neighbourhood Centre Inc., Council staff propose to meet with them every six months to monitor the financial status of the Vacation Care service.

The agreement outlined in *Attachment 1* details the procedure for reviewing and deciding on the future of Blackheath Vacation Care at the end of the agreement. After two years the Council would participate in a Blackheath Vacation Care financial review to determine the service’s financial viability under the community auspice. This would involve Blackheath Area Neighbourhood Centre Inc. providing the Council with audited financial statements about the service. At this point Blackheath Area Neighbourhood Centre Inc. would also indicate to the Council if they wanted to continue or vary the current arrangement and if so, on what terms. The results of this review will be reported to the Council in order that a decision about the future operation of the service can be determined after the three year trial period.

Should the Council not adopt the recommendation of this report, the Council’s on-going financial assistance to the Blackheath Vacation Care and Family Day Care services will need to be increased in response to the new Federal funding conditions outlined above.

**Sustainability Assessment**

<b>Effects</b>	<b>Positive</b>	<b>Negative</b>
Environmental	N / A	N / A
Social	<ul style="list-style-type: none"> <li>• Families and children continue having access to a quality Vacation Care service in the Blackheath Area;</li> <li>• Low income and disadvantaged children have access to quality care/ recreational activities;</li> <li>• Existing community services are better utilised and more efficiently run;</li> <li>• Community safety benefits achieved and maintained through children not being left unsupervised while parents work; and</li> <li>• Support for low income families.</li> </ul>	
Economic	<ul style="list-style-type: none"> <li>• Local employment opportunities maintained and increased; and</li> <li>• Net saving to the Council of \$10,000 p.a. for three years.</li> </ul>	

**Financial Implications**

There are no adverse financial implications for the Council. The net cost to the Council of continuing to run the service is estimated to be \$40,000 per annum. Transferring the service to Blackheath Area Neighbourhood Centre Inc. will cost Council \$30,000 p.a. Over the three years of the agreement Council will make a net saving of at least \$30,000.

**Legal and Risk Management Issues of Options**

As outlined above, the Council sought legal advice on the attached Blackheath Vacation Care Draft Conditions of Agreement (*Attachment 1*) to ensure that all legal requirements are in

order and have been met for the transfer of Blackheath Vacation Care for the next three years. No significant legal or risk management issues have been identified.

**External Consultation**

Extensive consultation has been undertaken with the users of the Blackheath Vacation Care service via surveys, with other providers of Vacation Care Services (see *Attachment 2*) and with Blackheath Neighbourhood Centre Inc. Management Committee.

**Conclusion**

The Council’s Blackheath Vacation Care service is an important service supporting children and families in the Blackheath area. Federal government cuts to Family Day Care funding have impacted financially on the ability of the Council to continue providing the Blackheath Vacation Care service relative to other providers who are able to gain efficiencies as a result of operating Out of School Hours services.

It is reasonable to expect that the transfer of the Blackheath Vacation Care service to the Blackheath Area Neighbourhood Centre will potentially mean a significant improvement in the financial viability of the Blackheath Vacation Care program given that the Neighbourhood Centre also runs an Out of School Hours service.

It is therefore recommended that the Council transfer the provision of the Blackheath Vacation Care Service to the Blackheath Area Neighbourhood Centre Inc. and enter into an agreement with Blackheath Area Neighbourhood Centre Inc. to operate the service for the next three years in accordance with the conditions and financial arrangements detailed in Attachment 1.

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**Attachment 1: Draft Conditions of Agreement for the Transfer of the Blue Mountains City Council's Blackheath Vacation Care Service to the Blackheath Area Neighbourhood Centre Inc.**

**General terms of the agreement**

1. Blue Mountains City Council will transfer the provision of the Blackheath Vacation Care Service to Blackheath Area Neighbourhood Centre Inc. for a three year financial viability trial.
2. For the three years of this agreement Blackheath Area Neighbourhood Centre Inc. will be legally liable for all aspects of Blackheath Vacation Care's operation including insurance and compliance with State and Commonwealth Children's Services regulations.
3. Blackheath Area Neighbourhood Centre Inc. agrees to indemnify Blue Mountains City Council from any loss or damage resulting from operating the service.

**Transfer funding attached to the agreement**

4. Blue Mountains City Council will pay Blackheath Area Neighbourhood Centre Inc. up to \$30,000 (exclusive of GST) service transfer funding per annum for three years as part of the agreement. This will be funded by a mixture of funds from Blue Mountains City Council directly, and any funds gained by Blackheath Area Neighbourhood Centre Inc. from the Federal Out of School Hours Care Sustainability Assistance program. Together the two grants will total \$30,000.
5. At the end of each funded year, Blackheath Area Neighbourhood Centre Inc. will repay Blue Mountains City Council money they have gained through the Federal Out of School Hours Care Sustainability Assistance program so that they are receiving no more than \$30,000 per year through the two grants.
6. There will be three funded years in this trial. At the beginning of first quarter of the first year, Blue Mountains City Council will pay Blackheath Area Neighbourhood Centre Inc. \$7,500. Blue Mountains City Council will continue to pay Blackheath Area Neighbourhood Centre Inc. quarterly for the terms of the funded agreement.
7. The first year will be the 12 month period commencing at the date that Blue Mountains City Council hands over the management of the program to Blackheath Area Neighbourhood Centre Inc. This will be called funded year one.
8. As part of this agreement Blue Mountains City Council will facilitate the transfer of the New South Wales Department of Community Service (DoCS) grant and the Federal Out of School Hours Care Sustainability Assistance program from Blue Mountains City Council to Blackheath Area Neighbourhood Centre Inc.. Should the DoCs grant not be transferred to Blackheath Area Neighbourhood Centre Inc., Blue

Mountains City Council will provide an additional payment for each of the three funded years to the equivalent of the last DoCS grant received by the Council.

9. Should Blackheath Area Neighbourhood Centre Inc. default on a service provision holiday program during a funded year, or if Blue Mountains City Council takes back the service before the end of the three year agreement, Blackheath Area Neighbourhood Centre Inc. will return the equivalent transfer funding to Blue Mountains City Council.

#### **Service provision**

10. Blackheath Area Neighbourhood Centre Inc. will provide the service for nine weeks a year, 5 days a week, Monday to Friday, 8am to 6pm.
11. Blackheath Area Neighbourhood Centre Inc. reserves the right to increase the hours and days of service. This will have no implications for Blue Mountains City Council.
12. Blackheath Area Neighbourhood Centre Inc. will ensure Blackheath Vacation Care complies with all relevant New South Wales Department of Community Services and Federal Government National Childcare Accreditation Council regulations and legislations.
13. Blue Mountains City Council will transfer to Blackheath Area Neighbourhood Centre Inc. dedicated Vacation Care equipment.

#### **Service transition**

14. Before Blue Mountains City Council runs the service for the last time, Blackheath Area Neighbourhood Centre Inc. and Blue Mountains City Council will meet to develop a smooth transition process.
15. For the last holiday period Blue Mountains City Council runs the service, Blackheath Area Neighbourhood Centre Inc. will have access to the Council staff to learn how to operate the service.
16. For the first holiday period Blackheath Area Neighbourhood Centre Inc. runs the service, Blue Mountains City Council will provide support to trouble shoot any issues arising in the lead up, during and after the school holiday program.

#### **Service review**

17. Blackheath Area Neighbourhood Centre Inc. will meet with Blue Mountains City Council every six months to discuss the on-going financial position of the service.
18. Blackheath Area Neighbourhood Centre Inc. will provide an audited financial statement at the end of each financial year. The audited financial statement may be for an amalgamated Blackheath Out Of Hours Service and Vacation Care Service.

19. Blackheath Area Neighbourhood Centre Inc. will provide a separate detailed financial assessment with explanatory information of the Vacation Care Service as part of the audited financial statement to Blue Mountains City Council. As part of this report Blackheath Area Neighbourhood Centre Inc. will provide information about how they accounted for the Blackheath Vacation Care service as a separate service and financial unit. This report will provide information needed to assess whether savings have been achieved through the joint management of the Blackheath Out Of School Hours Service and Blackheath Vacation Care service.

**Process to re-negotiate this contract at the end of the financial sustainability trial**

20. At the end of the second funded year of the three year financial sustainability trial Blackheath Area Neighbourhood Centre Inc. will provide Blue Mountains City Council with a full financial report on the Vacation Care Service for the two years of operation. Blue Mountains City Council and Blackheath Area Neighbourhood Centre Inc. will then meet to discuss the report's implications.
21. Blue Mountains City Council staff will use this information to inform the elected Blue Mountains City Council about the current status of the financial viability trial.
22. At the two and a quarter year mark Blackheath Area Neighbourhood Centre Inc. will indicate to Blue Mountains City Council if they want to continue into a phase two agreement and what the terms of a phase two agreement might be.
23. If Blackheath Area Neighbourhood Centre Inc. requests that Blue Mountains City Council enters a phase two agreement, the funding will only be for the projected operating deficit. Blackheath Area Neighbourhood Centre Inc. will open their books to allow Blue Mountains City Council to confirm that the projected operating deficit is based on Blackheath Vacation Care's profits / expenses during the phase one funding agreement (i.e. the three year financial viability trial).
24. At this point Blue Mountains City Council will enter into another agreement with Blackheath Area Neighbourhood Centre Inc., take back the service, or close the service. This decision will be determined by the elected Blue Mountains City Council.

**Attachment 2: Findings from the Council's Vacation Care Service Model -Benchmarking Research**

Community Outcomes undertook interviews with external Vacation Care providers to determine the best service and financial model to utilize in for Blackheath Vacation Care Service. Services interviewed were one community managed integrated out of school hours service and vacation care service, one private integrated out of school hours service and vacation care service and one NSW local Council run stand alone Vacation Care service.

*Financial models under-pinning Vacation Care sector*

- a. New accreditation standards have almost doubled the costs of providing care for small services leaving many struggling financially. The key to economic viability in Vacation Care service provision is to integrate with an Out of School Hours service. There are very few stand alone Vacation Care services that have not followed this trend across New South Wales.
- b. Within this integration model most Out of School Hours Care services cross subsidize the Vacation Care Service always through an in-kind contribution and often with a direct financial contribution. In-kind cross subsidization from Out of School Hours to Vacation Care services occurs through multiple avenues including (i) marketing (ii) Out of School Hours staff using Out of School Hours time to plan Vacation Care Programs (iii) management time expended to comply to the common licensing and accreditation standards, risk management and recruitment (v) staff training (vi) seamless child and parent consultation about Vacation Care programming.

*Service model review of Vacation Care sector*

- a. A quality Vacation Care service is built around its program, staff knowledge and practice around quality child care and education and staff ongoing relationship with children.
- b. A quality program is built through a process of (i) correctly determining and meeting the middle childhood development needs particular to the community the service is operating in and (ii) consultation with children, parents and the school about program development.
- c. This process is best under-taken during term time and relies on pre-existing relationships built up with children, families and the school throughout the year (through an Out of School Hours service)
- d. Along with programming, quality staffing is the single biggest determinant of service quality. Staff qualification level, in turn, is the single biggest predictor of staff quality. A second dimension of quality staffing is the ability of staff and children to establish and maintain continuous relationships over time.

*Implications for Blackheath Vacation Care auspice*

- a. Family Day Care bears considerable financial costs in delivering Blackheath Vacation Care as it does not have any other school aged service it can integrate Blackheath Vacation Care with in order to create efficiencies.
- b. Under the current auspice arrangements the ability of Blackheath Vacation Care to recruit quality staff is compromised as it not offer secure, year-round employment. Additionally the ability of Family Day Care to establish year-round continuous relationships with children, another dimension of quality care, is compromised in the current service model.
- c. Family Day Care needs to invest additional resources to maintain a quality program and relationships with children and families as there is no continuous face-to-face relationship with families and the school throughout the school term.