

3.1 2017/18 CAPITAL WORKS PROGRAM AND CARRIED FORWARD PROJECTS REPORT

(DW: LB: CORP 50)

Responsible Officer: Danny Wain, CFO

RECOMMENDATION

That Council:

- 1. Notes the outcomes of the 2017/18 Capital Works Program and budget adjustments.*
- 2. Approves the continuation of 2017/18 projects, incomplete at 30 June 2018, to be funded from the available 2017/18 carry forward projects budget, and additional savings in the 2018/19 Capital Works Program, to be further detailed in the first quarter 2018/19 Capital Works Progress Report to Council.*

INTRODUCTION

The purpose of this report is to provide a final summary of the 2017/18 Capital Works Program and to advise Council of projects that are being carried forward from the 2017/18 program into the 2018/19 financial year. In particular this report aims to:

- inform Council of funding changes to the program from March 2018 as a result of extra revenue received from external sources, and other adjustments;
- advise Council of the final results of the Capital Works Program as at 30 June 2018; and
- note the continuation of 2017/18 projects incomplete at 30 June 2018, which will be funded from available savings in the 2018/19 Capital Works Program (including the 2017/18 carried forward projects budget).

DISCUSSION

Funding Adjustments

Schedule A to this report details funding adjustments that have been made to the 2017/18 Capital Works Program since adoption on 27 June 2017.

In summary, the 2017/18 Adopted Capital Works Program of \$45,317,800 was decreased by the net sum of \$1,762,895 as per the quarterly Council report to 31 March 2018 (revised amount of \$43,554,905 as at March 2018). This agreed Management budget has been used to calculate the Capital Works Program expenditure target for 2017/18.

Achievement of 2017/18 Capital Works Expenditure Target

As at 30 June 2018, the value of all Capital Works completed was \$41,725,053 which equates to 95.8% of the Management Budget (\$43,554,905) and 92.1% of the Adopted Budget (\$45,317,800). This has resulted in unspent funds of \$1,829,852 from the adjusted Management Budget.

Schedule B contains a summary of 2017/18 Capital Works expenditure compared to the 2017/18 Adopted Budget.

Highlights

The 2017/18 Capital Works budget surpassed the previous year's program by delivering \$41.7M of local infrastructure - \$2.7M higher than in 2016/17.

This spend included:

- Redevelopment of Central Reserve South Pavilion \$1.1M;
- Completion of Scammell Reserve Pavilion \$2.7M;
- Commencement of refurbishment of Mount Waverly Community Centre \$3.2M;
- Commencement of Columbia Park Pavilion Upgrade \$.8M;
- Installation of a Synthetic Pitch at Gardiners Reserve \$2.1M;
- Commencement of Caloola Reserve Tennis Courts \$927K;
- Upgrade of computer and telecommunications technology \$3.6M;
- Various Drainage projects totalling \$3.2M (including Oakpark Drive Chadstone \$598K);
- Footpath Renewal Program \$3.1M;
- Commencement of Atherton Road Reconstruction \$692K; and
- Library Collection \$1.2M.

2017/18 Projects continuing into 2018/19

The Adopted Budget for 2018/19 included fourteen 'carry forward' projects outlined in the following table, which were forecast to be incomplete at 30 June 2018.

Carry Forward Projects	Adopted Budget 2018/19 \$
Columbia Park Pavilion Renewal	974,000
Mount Waverley Community Centre & Youth Centre Refurbishment	401,000
Integrated Early Years Hub Partnership with Albany Rise PS	281,000
Equitable Access MGA Stage 2	65,000
Caloola Reserve Pavilion Renewal	59,000
BT Enterprise Project Portfolio Management Solution (EPPM)	300,000
Road Reconstruction – Atherton Road, Oakleigh	980,000
Eaton Mall Pedestrian Safety Project	175,000
Shared Path – Melbourne Water Pipe Track	285,000
Strategic Drainage – 1558-1568 Dandenong Road Huntingdale	388,000
Caloola Reserve Synthetic Tennis Courts	833,000
Ashwood Reserve Sports Lighting Development Project	128,000
Reg Harris Reserve Leachate Management System	53,000
Columbia Park Reserve – Car Park Construction	213,000
Total C/Forward as per Adopted Budget 2018/19	5,135,000

2017/18 Projects to be funded from the Carry Forward budget are:

1. **Property Buildings and building improvements:** The 2018/19 budget has budgets of \$1.78 million in carry forwards available for Columbia Reserve pavilion (\$974K); completion of the Mount Waverley Community Centre (\$401K) and other minor works.
2. **Plant & Equipment Computers & Telecommunications:** \$300,000 has been carried forward to continue with the Enterprise Project Portfolio Management Solution (EPPM).
3. **Infrastructure:** A total of \$3.055 million has been carried forward for Road Reconstruction at Atherton Road (\$980K); Eaton Mall Pedestrian Safety project (\$175K); the shared path at Melbourne Water Pipe Track (\$285K); Strategic Drainage at 15588-1568 Dandenong Road Huntingdale (\$388K); completion of the Caloola Reserve tennis courts (\$833K) and various other minor works.

There are additional capital projects which were also works-in-progress (WIP) at 30 June 2018, and they will be funded from projects identified with surplus within the 2018/19 program, and will be presented to Council in the first Quarterly 2018/19 Capital Works report.

CONCLUSION

This report outlines:

1. the outcomes of the 2017/18 Capital Works Program and budget adjustments; and
2. the continuation of 2017/18 projects, incomplete at 30 June 2018, to be funded from the available 2018/19 carry forward projects budget, and additional savings in the 2018/19 Capital Works Program, to be further detailed in the first quarter 2018/19 Capital Works Progress Report to Council.

Schedule A

Summary of 2017/18 Capital Budget Adjustments – 30 June 2018

Description	\$
Adopted Capital Works Budget 27/06/2017	45,317,800
Additional Income Unbudgeted	3,444,612
Less reductions/deferral in Capital Income (grants & contributions)	-4,254,700
Less Carry Forward/Deferred Projects	-4,849,918
Add Additional Funding required to complete proposed works	3,897,111
Agreed Capital Works Budget at 31 March 2018	43,554,905

Schedule B

Statement of Capital Works for the period ending 30 June 2018

	YTD Actual \$'000	2017/18 Budget \$'000	% Complete
Property			
Land	291	-	0.0%
Land Improvements	-	-	0.0%
Total land	291	-	0.0%
Buildings and Building Improvements	13,154	18,021	73.0%
Total Buildings and Building Improvements	13,154	18,021	73.0%
Total Property	13,446	18,021	74.6%
Plant & Equipment			
Plant, machinery and equipment	2,687	2,721	98.7%
Fixtures, fittings and furniture	723	618	116.9%
Computers and telecommunications	3,617	3,169	114.1%
Library books	1,257	1,259	99.8%
Total Plant and Equipment	8,283	7,767	106.6%
Infrastructure			
Roads	3,664	4,763	76.9%
Bridges	51	60	85.3%
Footpaths and cycleways	4,595	4,343	105.8%
Drainage	3,161	2,413	131.0%
Recreational, leisure and community facilities	4,254	4,001	106.3%
Waste management	13	78	17.0%
Parks, open space and streetscapes	3,357	3,452	97.3%
Aerodromes	-	-	0.0%
Off street car parks	807	294	274.6%
Other infrastructure	94	126	74.6%
Total Infrastructure	19,997	19,530	102.4%
Total Capital Works Expenditure	41,725	45,318	92.1%
Represented by:			
New Asset expenditure	-	-	0.0%
Asset renewal expenditure	28,441	30,890	68.2%
Asset expansion expenditure	5,423	5,890	13.0%
Asset upgrade expenditure	7,861	8,538	18.8%
	41,725	45,318	92.1%