

7.4.3 Capital Works Carry Forwards and Variations 2023/24

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Recommendation(s)

1. Approve final carry forward from the FY23/24 budget to \$27,683,098.
2. Approval to increase the total project budget for IYU temporary facilities to \$544,139.
3. Approval to increase the total project budget for Officer District Park to \$9,021,999 and increase the approved contract value for CT000501 to \$8,680,973 excl. GST.

Attachments

1. Final carry forwards [7.4.3.1 - 1 page]

Background

Each year, as part of the budget development, project managers forecast whether they anticipate that they need to carry forward any of the unspent prior year approved budget into future financial years. These anticipated carry forwards are approved as part of the budget process, noting the final carry forward available is not fully available until the year-end processes are complete.

As part of the year-end process, carry forwards are adjusted to reflect the actual project expenditure in the financial year and outstanding works to be delivered. Project managers can also identify unplanned carry forwards, where the carry forward was not identified in the budget process in March, but becomes apparent later in the financial year. A common cause for unplanned carry forward is weather, labour or materials delays.

The Capital Works Governance Committee (CWGC) reviews all carry forward requests to make a recommendation to Council on whether the works should be carried forward or met from the funds available from the new financial year. Following this review, it is appropriate for Council to review and approve the final carry forward from the FY23/24 budget.

The approved FY24/25 budget was approved with \$20,800,000 identified carry forward. The CWGC recommends that Council increase the final carry forward budget to **\$27,683,098**, to be applied to the projects as set out in the table in attachment 1. This will increase the current capital works program to a total of \$89.2m, up from \$82.3m which was adopted by Council in June 2024.

In addition to the carry forward request, two projects are requesting an increase to their total project budget to complete the agreed scope of works.

IYU temporary facilities

During the development of the FY24/25 budget, it was identified that future works at IYU Recreation Reserve would be delayed. Council supported that unspent funds (\$477,800) from the FY23/24 projects at IYU be redirected to fund the installation of temporary facilities.

As the cost of the temporary facilities exceeded \$300,000, a public tender was required under Council's Procurement Policy. This meant that the works were not able to be completed by the end of the FY23/24 financial year.

The tender has now been finalised, at a slightly higher cost than anticipated. It is recommended that Council increase the total project budget for the installation of temporary facilities at IYU Recreation Reserve to \$544,139, representing a \$66,339 increase. A breakdown is provided in the table below.

Revised project costs	
Construction Tender	\$425,139
Authority Fees/Building Permit Fees	\$30,000
Construction Contingency	\$30,000
Onsite works	\$54,000
PM Fees	\$5,000
Total project cost	\$544,139
Carry forward from FY23/24 budget (unspent funds across all IYU projects)	\$477,800
Additional Council contribution required	\$66,339

Officer District Park

In February 2024, Council approved bringing forward most of the total project budget (\$8,197,881) for works at Officer District Park to facilitate the majority of works to be completed by 30 June 2024. The works continued to progress ahead of the original timeframes, however were not fully expended by the end of FY23/24. It is requested that these funds are carried forward to FY24/25.

Council has been awarded \$400,000 in grant funding from the Victorian State Government New and Upgraded Dog Parks Program to increase the size of the off-leash dog park, which requires an increase to the total project budget.

It has also been identified that the budget allocated for the public toilet facilities within the project scope are insufficient to meet the requirements of the site. Officers have assessed three different options for the installation of a public toilet, with the most cost-effective and accessible option being the installation of a purpose-built facility for the steep slope on the site. The purpose-built design will meet modern accessibility standards and provide better connection to the playgrounds, dog off-leash park and carpark.

Officers are anticipating high community use of the facility when it opens and are recommending the installation of an overflow car park to reduce the impact on local residents and minimise additional costs associated with traffic management until the next phase of the project is built.

To allow for the change in scope associated with the dog off-leash grant funding, toilet facilities and overflow carpark, it is recommended that Council increases the total budget to \$9,021,999. This represents an increase of \$850,000, of which \$400,000 is funded by State Government grants.

Given the existing contractor site establishment and timeframes to deliver the work, it is recommended that Council approve a variation to contract CT000501 to allow for these works to be completed. It is recommended that Council approves the increase in the contract awarded to CT000501 Buruma Family Trust t/as Warrandale Industries Pty Ltd to \$8,680,973 excl. GST to deliver these works.

Revised project costs	
Actuals and commitments to date	\$7,406,999
Wayfinding and balustrade	\$150,000
Ongoing design, permit and consultant costs	\$60,000
Variations to contract (currently under negotiation)	\$450,000
Vegetation offset and associated costs	\$100,000
Toilet facility	\$750,000
Overflow carpark crushed rock surface	\$55,000
Operationalising / opening costs (traffic management, portable toilets etc)	\$50,000
Revised project cost	\$9,021,999
Existing approved budget	\$8,197,881
Additional grant funding for the off-leash dog park	\$400,000
Additional Council capital contribution required	\$374,118
Council operating contribution required for operationalising / opening	\$50,000

Relevance to Council Plan

5.1 We practise responsible leadership

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

Climate Emergency Consideration

N/A

Consultation/Communication

Council has undertaken a formal public exhibition process on the draft budget. Each project is subject to individual consultation and engagement in accordance with the assessed need.

Financial and Resource Implications

Funding for the carry overs is provisioned in the capital works program which has a number of funding sources including Council rates and borrowings, developer contributions and grant funding.

An increase to the operating budget to support the opening of Officer District Park will be forecast, with opportunities to offset these costs where possible explored throughout this financial year.

Conclusion

Council has systems and governance processes in place to manage its capital works program in a responsible and transparent way.

It is recommended to Council that the total carry forward and increased budget allowances outlined in this report are approved to allow for project delivery to continue.

Project	Carry forward approved in FY24/25 budget	Final carry forward requested	Change to total project budget?	Y1 24/25 new funds	Y2 FY 25/26 new funds	Y3 FY 26/27 new funds
SRV Minor Grants matching funding	54,000	-	c/o not required	-	-	-
Blackspot Road/Intersection Program	62,000	-	c/o not required	-	-	-
Drainage Renewal and Upgrade Program	251,000	-	FY23/24 budget fully spent	642,666	514,033	499,105
Lang Lang Recreation Reserve	173,000	-	c/o not required	-	-	-
Upper Beaconsfield Recreation Reserve	1,352,000	-	c/o not required	3,359,000	2,964,666	-
Rec reserve turf resurfacing program	-	33,185	No	121,000	1,202,738	1,042,149
Beaconsfield Streetscape	-	66,000	No	-	-	-
McGregor Rd-Henty St Pak Intersection Up	-	82,000	No (future works will be GAIC funded)	-	-	-
Alma Treloar	-	204,417	No	-	-	-
Brunt Rd Integrated Children's Centre	-	250,000	No	-	-	-
IYU Recreation Reserve	-	477,800	Yes - see change request	-	-	-
Business Improvement program	-	680,626	No	-	-	-
Officer District Park	-	2,959,400	Yes - see change request	800,000	-	-
Princes Hwy Intersection Upgrade Program	-	4,996,454	No	-	-	-
Playspace and supporting infrastructure renewal program	30,000	335,193	No	4,000	667,092	352,747
PB Ronald reserve	87,000	97,000	No	-	966,899	966,899
Public Art program	90,000	90,000	No	-	-	-
Depot Upgrades	101,000	350,000	No	-	281,584	281,584
New plant program	248,000	215,814	No	-	-	-
O'Neil Rd Reserve	350,000	350,000	No	8,000	-	-
Community Capital works grants program	387,000	180,700	No	30,000	-	-
Emerald Lake Park	439,000	439,000	No	-	219,269	1,926,789
Plant Replacement Program	455,000	961,863	No	1,585,000	2,644,045	2,625,104
Oxford St, Lang Lang	476,000	493,471	No	31,000	-	-
Cora Lynn Reserve Pavilion	579,000	400,000	No	3,619,000	-	-
Sealing of the Hills Program	585,000	472,500	No	481,647	1,950,886	-
Rec Reserve lighting and power upgrades	764,000	1,277,797	No	8,000	358,071	364,816
Worrell Reserve Skate Park	974,000	1,178,046	No	-	-	-
Garfield Nth Cannibal Creek Comm Hub	1,628,000	2,027,992	No	-	-	-
Pakenham Revitalisation	2,703,000	1,467,991	No	887,000	1,631,637	142,570
Koo Wee Rup Bowling Club Pavilion	2,723,000	3,029,475	No	-	-	-
Better Local Roads - Connect Cardinia	6,297,000	4,566,375	No	1,704,000	3,828,546	2,125,000
Totals	20,808,000	27,683,098		13,280,313	17,229,466	10,326,763