

GROWING SUBURBS FUND UPDATE

Report Author: Manager Asset Planning and Investment
Responsible Officer: Director Built Environment & Infrastructure
Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

This report proposes a list of projects to be prioritised and endorsed by Council for their submission to the Growing Suburbs Fund 2023-2024 (GSF).

Applications opened on 25 August 2023 and close on 20 October 2023, with outcomes to be announced in January 2024.

This program's total fund is \$10 million. There is no limit on the number of projects councils can submit however no council will be awarded more than 20% of the total pool of funds. All amounts in this report exclude GST.

Funding ratio is Yarra Ranges \$1 : Growing Suburbs Fund \$1.

In line with previous GSF programs, successful projects are to be commenced no later than 18 months after the date of funding agreement execution and to be completed no later than 24 months after construction works commenced.

Submission of proposed projects must have been discussed with GSF representatives and have the formal endorsement of Council.

RECOMMENDATION

That Council

- 1. Endorses the following listed projects, subject to meeting funding criteria, to the 2023- 2024 Growing Suburbs Fund**
 - (a) Mount Evelyn Recreation Reserve Playspace**
 - (b) Kemp Reserve Playspace**
 - (c) Bimbadeen Reserve Playspace**

(d) Lilydale Heritage Station

- 2. Endorses a maximum 1:1 funding contribution for playspace projects from existing Council budgets.**
- 3. Notes Council's contribution for the Lilydale Heritage Station project comprises third party funding and Council's component of the Lilydale Revitalisation Project.**

RELATED COUNCIL DECISIONS

26 September 2023 Council Forum: Initial list of proposed projects for GSF 2023-2024 program.

DISCUSSION

The 2023-2024 Growing Suburbs Fund (GSF) program opened on 25 August 2023. This year's program will be administered through the Victorian State Government's Office for Suburban Development in the Department of Jobs, Skills, Industry and Regions.

This year's program presents the following changes:

- Total pool of funds: \$10 million (reduced from \$50 million in 2022-23).
- Only Interface Councils can apply (a reduction from 16).
- Maximum amount that can be awarded to any council: \$2.0 million (reduced from \$7.5 million).

Projects must commence within 18 months of the funding announcement and be completed within 24 months of construction commencement.

Purpose and Background

The following list of projects is proposed for Council consideration:

Name	Total Project Cost (,000)	Council contribution (,000)	GSF contribution (,000)
Mount Evelyn Recreation Reserve Playspace	\$300	\$150	\$150
Kemp Reserve Playspace	\$250	\$125	\$125
Bimbadeen Reserve Playspace	\$300	\$150	\$150
Lilydale Heritage Station	\$1,620	\$810 ¹	\$810
Total	\$2,470	\$1,235	\$1,235

- Only includes \$16,500 of Council rates from the Lilydale Revitalisation Project. The balance comprises \$500,000 Victrack contribution, \$200,000 LXP rent of Council land, \$93,500 DJSIR funding through the Lilydale Revitalisation Project

Officers' recommendation:

Submission of these four projects is recommended based on the maximum GSF amount of \$2 million potentially to be awarded to any one council and the available matching contribution from Council.

Submission of the Lilydale Train Station is subject to:

- Successful vetting by GSF representatives
- Final risk review including of project costs to ensure the defined scope of works is achievable with the allocated budget and contingency.
- An in-principal agreement with VicTrack (currently in development)

STRATEGIC CONTEXT

This report contributes to the following strategic objectives listed in Council Plan:

- High Performing Organisation

Council Plan 2021-25 states that, as part of our Vision for 2036, "... We are visible, transparent, accountable and communicate clearly and honestly. Council resources are managed responsibly, and principles of fairness and consistency are applied to avoid unnecessary burdens for rate payers."

The development of a robust process to audit and evaluate infrastructure, projects and external funding opportunities provide transparent and evidence-based project justification and prioritisation across asset classes and services.

The outcomes of this work through the delivery of the capital expenditure program and projects which have received external funding will also positively impact on the following strategic objective(s) in the Council Plan:

- Connected and Healthy Communities
- Quality Infrastructure and Liveable Places
- Protected and Enhanced Natural Environment
- Vibrant Economy, Agriculture and Tourism.

Options considered

The initial suite of projects considered by officers to be submitted in to the GSF program included:

- Mount Evelyn Recreation Reserve Playspace (Total project cost \$300,000)
- Yarra Junction Recreation Reserve Playspace (Total project cost \$900,000)
- Kemp Reserve Playspace (Total project cost \$250,000)
- Bimbadeen Reserve Playspace (Total project cost \$300,000)
- Community Garden Food Systems (Total Project cost \$160,000)
- Regenerative Interactive Wetlands (Total project cost \$600,000)
- Lilydale Heritage Station (Total project cost \$1,620,000)

Recommended option and justification

- Mount Evelyn Recreation Reserve Playspace (Total project cost \$300,000)
- Kemp Reserve Playspace (Total project cost \$250,000)
- Bimbadeen Reserve Playspace (Total project cost \$300,000)
- Lilydale Heritage Station (Total project cost \$1,620,000)

Yarra Junction Recreation reserve is not recommended as the total project cost will likely be increased as the project is now proposed to incorporate additional all-abilities upgrades to meet high needs participants in the Valley region of Yarra Ranges. As Council is about to commence a Place Plan and Urban Design Framework process in Yarra Junction, which is anticipated to take 18 to 24 months, it is recommended that a funding application be deferred by 12 months to ensure Council is able to meet the delivery timelines required under the grant guidelines.

Community Garden and Food Systems is not recommended as there is no allocated council budget in its Capital Expenditure Program, and council's co-contribution will require borrowings or deferral of other projects with higher priority to create capacity.

Cool Squared Water and Solar at Warburton Water World is not recommended as its funding is likely to require borrowings or deferral of other projects to create capacity.

This project's feasibility planning is not complete and there is a significant risk with the limited consultation that has been undertaken for this project at this point. Ongoing costs to Council for future maintenance of constructed assets would also need to be fully determined once the feasibility is complete.

FINANCIAL ANALYSIS

Based on the recommended project applications for submission into the Growing Suburbs Fund 2023-24 Program, the total grant amount that Council will be seeking is \$1,235,000.

The playspace contribution totalling \$425,000 is proposed to be allocated from existing capital allocations for playspace projects.

The contribution to the Heritage Station project is proposed to be allocated from a combination of VicTrack (\$500,000), LXP rent of Council land (\$200,000) and Lilydale Revitalisation Project (\$110,000, comprising \$93,500 DJSIR funding and \$16,500 of Council rates).

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan

High Performing Organisation

Under 'High Performing Organisation', the Council Plan 2021-2025 states that as part of our Vision for 2036 "... *We are visible, transparent, accountable and communicate clearly and honestly. Council resources are managed responsibly, and principles of fairness and consistency are applied to avoid unnecessary burdens for rate payers.*"

The core functions of the Capital Investment Planning team align closely with this strategic objective and Vision for 2036. The development of a robust process to audit and evaluate infrastructure, projects and external funding opportunities will provide transparent and evidence-based project justification and prioritisation across asset classes and services.

The outcomes of this work through the delivery of the capital expenditure program and projects which have received external funding will also positively impact on the following strategic objective(s) in the Council Plan:

- Connected and Healthy Communities
- Quality Infrastructure and Liveable Places
- Protected and Enhanced Natural Environment
- Vibrant Economy, Agriculture and Tourism.

RELEVANT LAW

Applicable laws have been considered as part of the assessments of each individual project. This includes legislative requirements.

SUSTAINABILITY IMPLICATIONS

Economic Implications

Each project has its own local economic benefit, the implications of each will be articulated in the grant application.

Social Implications

The social implications of each project will be documented in the grant application.

The social implications of playspaces are generally well understood. The Heritage Station project opens up the potential for Council to lease this building for community use.

Environmental Implications

Environmental implications are considered on a project-by-project bases and will be addressed as part of the Grant Application Assessment.

COMMUNITY ENGAGEMENT

The engagement undertaken on each project will be documented within the Grant Application Assessment report.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

The list of proposed projects for submission has been developed in consultation with Council executives and officers.

External collaboration on the projects occurs with relevant state agencies and the Yarra Ranges community.

RISK ASSESSMENT

An assessment of each project has been undertaken through a risk-based lens as well as considering the risk to Council should the project not proceed.

Further risk assessments will be undertaken on the projects as they progress through their planning and delivery stages.

The Lilydale Train Station Building submission has the potential for latent conditions and associated cost variation, however, there have been investigations and remediation works already carried out by LXRP during the level crossing removal project thereby reducing the risk, and the proposed design has some degree of flexibility to enable adjusting scope to comply with budget. The proposed GSF funding would maximise delivery and community outcomes and includes contingency commensurate with the building condition.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

Nil