

ROBERT AND BLACK STREET, LILYDALE PLUS ADRIENNE AND MAXWELL COURT, MILLGROVE SPECIAL CHARGE SCHEME FINAL COST OF WORKS

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Responsible Officer: Director Built Environment & Infrastructure
Ward(s) affected: Melba; O'Shannassy;

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 presents to Council for approval the Final Cost of Works for the following Special Charge Schemes:

- Robert Street and Black Street, Lilydale
- Adrienne Court and Maxwell Court, Millgrove – Road Improvement Works.

RECOMMENDATION

That

- 1. Council approve the Final Cost of Works (Attachment 1) associated with the Robert Street and Black Street, Lilydale Special Charge Scheme with a variation (small reduction) in the landowner apportionment charges outlined in Attachment 2.***
- 2. Council approve the Final Cost of Works (Attachment 3) associated with the Adrienne Court and Maxwell Court, Millgrove with no variation in the landowner apportionment charges.***
- 3. Landowners included in the Special Charge Schemes be advised of the result of the final costing of their scheme and payments adjusted for the Robert Street and Black Street, Lilydale Scheme.***

RELATED COUNCIL DECISIONS

At the meeting held on the 23 November 2021 Council declared a Special Charge Scheme for the construction of Robert Street and Black Street, Lilydale.

At the meeting held on 23 November 2021 Council declared a Special Charge Scheme for the construction of Adrienne Court and Maxwell Court, Millgrove.

DISCUSSION

Purpose and Background

Council's *Special Charge Scheme Policy for Infrastructure Improvements* recommends that upon completion of the final costing of the project that a report be presented to Council advising:

- That the works are complete and the costs finalised.
- Of the final apportionment costs to liable property owners.
- Of the details of any variation between the original estimate and final costing.

The *Local Government Act 1989 (section 165)* requires that where savings are achieved with a special rate or special charge, Council must make a refund proportionate to the contributions received by the Council, to the current owners of the relevant land.

Recommended option and justification

This report recommends that Council approve the:

1. Final Cost of Works (Attachment 1) associated with the Robert Street and Black Street, Lilydale Special Charge Scheme with a variation (small reduction) in the landowner apportionment charges outlined in Attachment 2.
2. Final Cost of Works (Attachment 3) associated with the Adrienne Court and Maxwell Court, Millgrove Special Charge Scheme with no variation in the landowner apportionment charges outlined in Attachment 4.

FINANCIAL ANALYSIS

The methodology for determining the apportionment of costs for a scheme is as follows:

1. Estimate of Cost is established.
2. Council costs for any external works (to the scheme) are deducted from the Estimate of Cost (not applicable for these schemes).
3. A calculation of broader community benefit is determined as a percentage of the sum of Estimate of Cost less Council cost for external works.
4. Council contribution for abuttal to public land (not applicable for these projects) is calculated.

5. A sub-total is established of Estimate of Cost less any applicable costs for external works, less Council contribution for broader community benefit, and less contribution for abuttal to public land.
6. The sub-total is then apportioned amongst landowners.
7. If the costs per Residential Development unit exceeds the Federal Government ceiling amount of \$7,000, a further contribution is made by Council on the basis that should there be any savings achieved in delivering the scheme compared to the Estimate of Cost, that this subsidy will be first reduced before any savings become available to landowners.

The same process is then applied in the distribution of the actual costs incurred for the scheme.

Robert Street and Black Street, Lilydale

Works have been completed for the improvement of Robert Street and Black Street, Lilydale.

The final costing of the project is complete. Details are outlined in Attachments 1 & 2 and summarised in the table below.

| Robert Street and Black Street, Lilydale | Project Estimate | Actual Cost | Saving (overrun) |
|--|-------------------------|--------------------|-------------------------|
| Total Cost of Works | \$192,500 | \$171,610 | \$20,890 |
| Council non-Scheme Costs | | | |
| Costs outside of scheme eg- footpath | Nil | Nil | Nil |
| Council SCS Costs | | | |
| Council's 20% Contribution (part of broader community benefit) | \$38,500 | \$34,322 | \$4,178 |
| Contribution for abuttal to public land | Nil | Nil | Nil |
| Contribution for landowner costs above Federal funding ceiling \$7,000 per dev. unit | Nil | Nil | Nil |
| Total Council Scheme Cost | \$38,500 | \$34,322 | \$4,178 |

| | | | |
|---|-----------|-------------------------|----------|
| Total Council Project Costs (incl. costs outside scheme) | \$38,500 | \$34,322 | \$4,178 |
| Landowner Costs | | | |
| Cost per dev. unit | \$7,000 | \$6,240 (below ceiling) | \$760 |
| Total Landowner Costs (excluding financing) | \$154,000 | \$137,288 | \$16,712 |

The Special Charge Scheme has been completed at a cost saving of \$20,890 compared to the initial scheme estimate. The savings have been reapportioned and the landowner costs have been reduced by \$16,712 which is a reduction in per development unit cost of \$760. Councils 20% contribution has reduced by \$4,178.

Adrienne Court and Maxwell Court, Lilydale

Works have been completed for the improvement of Adrienne Court and Maxwell Court, Millgrove.

The final costing of the project is complete. Details are outlined in Attachments 3 & 4 and summarised in the table below.

| Adrienne Court and Maxwell Court, Millgrove | Project Estimate | Actual Cost | Saving (overrun) |
|---|-------------------------|--------------------|-------------------------|
| Total Cost of Works | \$177,397 | \$142,405 | \$34,992 |
| Council non-Scheme Costs | | | |
| Costs outside of scheme eg- footpath | Nil | Nil | Nil |
| Council SCS Costs | | | |
| Council's 20 % Contribution (part of broader community benefit) | \$35,480 | \$28,481 | \$6,999 |
| Contribution for abuttal to public land | Nil | Nil | Nil |
| Contribution landowner costs above Federal | \$33,418 | \$5,424 | \$27,994 |

| | | | |
|--|-----------|-----------|----------|
| funding ceiling \$7,000 per dev. unit | | | |
| Total Council Scheme Cost | \$68,897 | \$33,905 | \$34,992 |
| Total Council Project Cost (inc. costs outside of scheme) | \$68,897 | \$33,905 | \$34,992 |
| Landowner Costs | | | |
| Cost per dev.unit- ceiling | \$7,000 | \$7,000 | Nil |
| Total Landowner Costs (excluding financing) | \$108,500 | \$108,500 | Nil |

The Special Charge Scheme has been completed at a cost saving of \$34,992 compared to the initial scheme estimate. The savings have been reapportioned, firstly applied to the council contribution for landowner costs above the Federal funding ceiling of \$7,000 with a reduction of \$27,994. The Council 20% contribution has reduced by \$6,999. As the actual landowner costs exceed the Federal Government ceiling amount of \$7,000, the actual costs to landowners will not vary.

APPLICABLE PLANS AND POLICIES

The construction of local roads as a Special Charge Scheme meets the *Council Plan 2021-2025* strategic objective of Quality Infrastructure and Liveable Places. Local road construction also has benefits related to the strategic objective of a Vibrant Economy, Agriculture and Tourism.

Council's *Special Charge Scheme Policy for Infrastructure Improvements* sets out in detail the procedures for managing Special Charge Schemes.

RELEVANT LAW

Special Charge Schemes for Infrastructure Improvements are implemented under the special charge provisions of the *Local Government Act 1989*.

SUSTAINABILITY IMPLICATIONS

Economic Implications

As the actual landowner costs still exceed the Federal Government ceiling amount of \$7,000 (per Residential Development Unit), these costs will not vary.

Social Implications

Social implications were considered when Council declared the Special Charge Scheme.

Environmental Implications

Environmental implications were considered when Council declared the Special Charge Scheme.

COMMUNITY ENGAGEMENT

Landowners were advised at the time that the Special Charge was declared that, if any savings were identified upon completion and final costing of the works, the savings would be reapportioned, with the landowner component passed onto landowners.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Council's funding for the Special Charge Scheme was sourced from the Federal Government's Road for Community Initiative.

RISK ASSESSMENT

Risk assessment of the works was considered when Council declared the Special Charge Scheme.

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

1. Final Cost of Works – Robert and Black Street, Lilydale
2. Final Apportionment – Robert and Black Street, Lilydale
3. Final Cost of Works- Adrienne and Maxwell Court, Millgrove
4. Final Apportionment – Adrienne and Maxwell Court, Millgrove