

KIRKHAM ROAD (FROM COURTNEYS RD TO RETREAT RD), BELGRAVE SOUTH- SYLVIA ROAD, HODDLES CREEK - HARBERTS ROAD, DON VALLEY AND CHAUNDY ROAD, BELGRAVE SOUTH SPECIAL CHARGE SCHEME FINAL COSTING

Report Author: Manager Design and Delivery
Responsible Officer: Director Built Environment & Infrastructure
Ward(s) affected: Lyster;

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 the Final Cost of Works for the following Special Charge Schemes:

- Kirkham Road (from Courtneys Road to Retreat Road), Belgrave South
- Sylvia Road, Hoddles Creek
- Harberts Road, Don Valley
- Chaundy Road, Belgrave South – Road Improvement Works.

RECOMMENDATION

That

- 1. Council approves the Final Cost of Works with no variation in the landowner apportionment charges for the following Special Rate and Charge Schemes:***
 - (a) Kirkham Road (from Courtneys Road to Retreat Road), Belgrave.***
 - (b) Sylvia Road, Hoddles Creek.***
 - (c) Harberts Road, Don Valley.***
 - (d) Chaundy Road, Belgrave South.***
- 2. Landowners included in the Special Rate and Charge Scheme be advised of the result of the final costing of the scheme.***

RELATED COUNCIL DECISIONS

At the meeting held on the 26 July 2022 Council declared a Special Charge Scheme for the construction of Kirkham Road (from Courtneys Road to Retreat Road), Belgrave South and Sylvia Road, Hoddles Creek. The declared charge per development unit was \$8,883 and \$14,060 respectively.

At the meeting held on the 13 December 2022 Council declared a Special Charge Scheme for the construction of Harberts Road - Don Valley. The declared charge per development unit was \$10,531.

At the meeting held on 23 November 2021 Council declared a Special Charge Scheme for the construction of Chaundy Road, Belgrave South. The declared charge per development unit was \$7,633.

In accordance with the provisions of Section 163 of the Local Government Act 1989, notice was served upon all persons for the special charge.

DISCUSSION

Purpose and Background

To determine the Final Cost of Works for the Special Charge Scheme- Infrastructure Improvement projects and report the following details:

- Final apportionment costs to liable property owners.
- 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 Final Cost of Works with no variation in the landowner apportionment charges for the following Special Rate and Charge Schemes:

- Kirkham Road (from Courtneys Road to Retreat Road), Belgrave South.
- Sylvia Road, Hoddles Creek.
- Harberts Road, Don Valley.
- Chaundy Road, Belgrave South Special Charge Scheme.

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 (not applicable for these schemes).
4. Council contribution for abuttal to public land is calculated (applicable for Kirkham Road and Chaundy Road projects).
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 development unit exceeds the agreed ceiling 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.

Kirkham Road (from Courtneys Road to Retreat Road), Belgrave South.

Works have been completed for the improvement of Kirkham Road (from Courtneys Road to Retreat Road), Belgrave South.

The final costing of the project is complete. Details are summarised in the table below.

<i>Kirkham Road, Belgrave South</i>	<i>Initial Estimate</i>	<i>Final Cost</i>	<i>Difference</i>
Total Cost of Works	\$158,264	\$238,383	\$80,119
Council SCS Costs	0	0	0
Council Reserve contribution	\$8,370	\$12,607	\$4,237
Council's 20 % Contribution	\$29,979	\$45,155	\$15,176
Council contribution for landowner costs above *agreed ceiling	0	\$60,706	\$60,706
Total Council Scheme Cost	\$38,349	\$118,468	\$80,119
Landowner cost per dev.unit	*\$8,883	\$13,379	\$4,496
Total Landowner Costs (excluding financing)	\$119,915	\$180,621	\$60,706

The Special Charge Scheme has been completed at a cost difference of \$80,119 compared to the initial scheme estimate. These additional funds were sourced from Council's Roads to Recovery allocation for the 2022/2023 and 2023/2024 financial years.

As the actual landowner costs exceed the Special Charge Scheme ceiling amount of \$8,883, which was the ceiling amount for residential properties specified when the scheme was declared, the actual costs to landowners will not vary.

Sylvia Road, Hoddles Creek

Works have been completed for the improvement of Sylvia Road, Hoddles Creek.

The final costing of the project is complete and summarised in the table below.

<i>Sylvia Road, Hoddles Creek</i>	<i>Initial Estimate</i>	<i>Final Cost</i>	<i>Difference</i>
Total Cost of Works	\$281,199	\$307,644	\$26,445
Council SCS Cost	0	0	0
Council Contribution eg- reserve etc	0	0	0
Council's 20 % Contribution	\$56,240	\$61,529	\$5,289
Council contribution for landowner costs above *agreed ceiling	0	\$21,156	\$21,156
Total Council Scheme Cost	\$56,240	\$82,685	\$26,445
Landowner cost per dev. unit	*\$14,060	\$15,382	\$1,322
Total Landowner Costs (excluding financing)	\$224,959	\$246,115	\$21,156

The Special Charge Scheme has been completed at a cost difference of \$26,445 compared to the initial scheme estimate. These additional funds were sourced from Council's Roads to Recovery allocation for the 2022/23 and 2023/24 financial years.

As the actual landowner costs exceed the Special Charge Scheme ceiling amount of \$14,060, which was the ceiling amount for residential properties specified when the scheme was declared, the actual costs to landowners will not vary.

Harberts Road, Don Valley

Works have been completed for the improvement of Harberts Road, Don Valley.

The final costing of the project is complete and summarised in the table below

Harberts Road, Don Valley	Initial Estimate	Final Cost	Difference
Total Cost of Works	\$243,522	\$344,422	\$100,900
Council SCS Cost	0	0	0
Council Contribution eg- reserve etc	0	0	0
Council's 20 % Contribution	\$48,704	\$71, 273	\$22,569
Council Contribution for reduction in landowner charge – 0.5 dev unit	0	\$5,265	\$5,265
Council contribution for landowner costs above *agreed ceiling	0	\$78,332	\$78,332
Total Council Scheme Cost	\$48,704	\$154,871	\$106,167
Landowner cost per dev. unit	*\$10,531	\$14,882	\$4,351
Total Landowner Costs (excluding financing)	\$194,817	\$267,884	\$73,067

The Special Charge Scheme has been completed at a cost difference of \$100,900 compared to the initial scheme estimate. These additional funds were sourced from Council's Roads to Recovery allocation for the 2022/23 and 2023/24 financial years.

As the actual landowner costs exceed the Special Charge Scheme ceiling amount of \$10,531, which was the ceiling amount for residential properties specified when the scheme was declared, the actual costs to landowners will not vary.

Chaundy Road, Belgrave South

Works have been completed for the improvement of Chaundy Road, Belgrave South.

The final costing of the project is complete and summarised in the table below

Chaundy Road, Belgrave South	Initial Estimate	Final Cost	Difference
Total Cost of Works	\$152,655	\$160,037	\$7,382
Council SCS Costs	0	0	0
Council contribution eg- reserve etc	\$76,327	\$80,018	\$3,691
Council's 20 % Contribution	\$30,531	\$32,007	\$1,476
Council contribution for landowner costs above *agreed ceiling	0	\$2,215	\$2,215
Total Council Scheme Cost	\$106,858	\$114,240	\$7,382
Landowner cost per dev. unit	*\$7,633	\$8,002	\$369
Total Landowner Costs (excluding financing)	\$45,796	\$48,011	\$2,215

The Special Charge Scheme has been completed at a cost difference of \$7,382 compared to the initial scheme estimate. These additional funds \were sourced from Council's Roads to Recovery allocation for the 2021/22 and 2022/23 financial years.

As the actual landowner costs exceed the Special Charge Scheme ceiling amount of \$7,633, which was the ceiling amount for residential properties specified when the scheme was declared, the actual costs to landowners will not vary.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan: 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 exceed the Special Charge Scheme ceiling amounts, which was the ceiling amount for residential properties specified when the schemes were declared, the actual costs to landowners 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 Scheme was declared that, if there are any savings when final costings of the works are determined upon completion of the scheme, the savings will be reapportioned, and the landowner component of the savings will then be passed onto landowners.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration from other Councils, Governments or statutory bodies was sought in final costing the Special Charge Schemes.

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

Nil