

5.1. Carryovers to the 2022/23 Budget

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Department Finance & Assets

Authorised by Chief Financial & Information Officer

Summary

For a variety of reasons (e.g. wet weather, resources diverted to natural disaster recovery works, local contractors working on multiple Council projects) a number of 2021/22 projects were not completed by 30 June 2022.

This report provides details of 2021/22 projects which were commenced but not fully completed prior to 30 June and so require a carryover of partial project budgets into the 2022/23 Operational Plan.

The Local Government (General) Regulation 2005 does not require carryovers to be revoted. Details of carryover requests are included in the attachment to this report. It is intended that the project carryovers be added to the 2022/23 Operational Plan.

For carryover works in progress, where a Purchase Order has been issued, a carryover of budget is considered only when there are insufficient funds or no budget in the following year.

Commentary

Revotes

Revotes refer to projects which have not commenced or been contracted and require Council to revote the entire project budget. In recent years, a significant value of project budget revotes has been sought from Council in each new financial year.

As a budget management improvement action, any 2021/22 projects which could not commence in that year or were multi-year projects, were removed from the budget at quarterly reviews and the budget was reallocated to the correct year. As a result, there are **nil** revoke requests for 2021/22 projects.

Capital Carryovers

The total amount of capital carryovers is **\$4.052M**. At the 2021/22 Quarter Three Budget Review, the revised capital works program budget was \$20.862M. The capital carryovers represent **20%** of the revised 2022/23 capital works program which was not completed by 30 June 2022.

The breakdown by fund is:

- General Fund \$2.566M
- Water Fund \$817K
- Sewer Fund \$669K

The breakdown by funding source is:

- Grants - \$1.817M
- General Fund Revenue - \$309K
- VPA / S94 - \$59K
- Waste Reserve - \$844K
- Water Fund - \$817K
- Sewer Fund - \$206K

The addition of the capital carryovers to the original 2022/23 capital works program results in a total capital program of **\$33.4M** of works. This is a large and ambitious program of works for the year ahead. Any changes or adjustments to the 2022/23 capital program need to be brought to Council's attention early, at the time of quarterly budget reviews.

Operational Carryovers

The total amount of operational carryovers is **\$1.608M**. The carryover request for the EPA Green Waste Clean-up Program is \$.1.3M (funded from an unexpended grant).

There are minimal General Fund revenue funded operational carryover requests.

Future Budget Improvements – General Manager's comment

In a multi-project program there can be plausible and sometimes unavoidable reasons why projects cannot be fully completed within the budgeted year. For the 2021/22 year, a number of the carryovers were due to a range of factors including wet weather, contractor / materials shortages etc.,

In some cases, funds are received late in the year. If work commences then that income needs to be fully taken up in that year, but the full offsetting expenditure cannot be achieved in the same timeframe (creating the need for a carry-over). Income is inflated for one year, and expenditure is inflated the year after. For these situations, going forward, more attention is required to improved phasing to ensure projects are completed in the planned budget year.

If a project cannot be completed in the planned year for a valid reason, it should be rephased at a Quarterly Budget Review. A Directorate Management Accountant is being recruited to assist budget managers whilst reporting to Finance.

Policy Implications

Nil.

Financial Implications

As detailed in this report.

Legal and Risk Management Implications

All expenditure by Council must be approved and voted in accordance with Section 211 of the Local Government (General) Regulation 2005.

Attachments

1. Operational Carryovers - to 2022-23 [**5.1.1** - 1 page]
2. Capital Carryovers - to 2022-23 [**5.1.2** - 2 pages]

Recommendation

THAT the Finance Committee endorse the inclusion in the 2022/23 Operational Plan of \$4,051,808 capital and \$1,608,160 operational carryover budgets, as detailed in the attachments.

OPERATIONAL CARRYOVER REQUESTS

| Project No. | Project | Revised Budget | 2021/22 Actuals | 2021/22 Commitment | Carryover Request | Funding Source | Details |
|-------------|---|----------------|-----------------|--------------------|---------------------|----------------------------------|---|
| 800106 | Strategic Planning Documents | \$ 31,500 | \$ - | \$ 31,500 | \$ 31,500 | S94 Reserve | .id population forecast - \$22k, Development Contributions Framework Presentation Workshop 9 - \$9.5K |
| 400202 | Barton Avenue, Wallerawang - Land | \$ 13,500 | \$ - | \$ 13,500 | \$ 13,500 | Land Bank reserve | Survey not completed by 30 June |
| 200148 | IWCM Strategy | \$ 303,779 | \$ 169,042 | \$ 134,862 | \$ 134,862 | Grant \$125K, Water Fund \$9,862 | Multi-year project |
| 100719 | EPA Clean Up Program | \$ 1,500,000 | \$ 197,970 | \$ - | \$ 1,302,030 | Grant | Unspent 2021/22 grant |
| 100743 | Natural Disaster - Trotting Track & Building Repair | \$ - | \$ 163,914 | \$ 4,009 | \$ 4,009 | NDRA claim | Project not completed by 30 June |
| 600244 | Community Recovery Officer | \$ 198,030 | \$ 184,172 | \$ - | \$ 13,858 | Grant | Unexpended grant funds |
| 800196 | Bus Shelters & Street Seats | \$ 43,830 | \$ 26,161 | \$ - | \$ 18,442 | GF Revenue | Order for bus shelters placed mid-June, shelters take months to fabricate, so we probably won't see the shelters until October. |
| | | | | | \$ 1,518,201 | | |

BCRRF - Stream 1 Funding - grant funding to be spent by June 2023

| Project No. | Project | Revised Budget | 2021/22 Actuals | 2021/22 Commitment | Carryover Request | Funding Source | Details |
|-------------|--|----------------|-----------------|--------------------|-------------------|----------------|---|
| 600246 | Bushfire Recovery & Community Day | \$ 81,628 | \$ 24,232 | \$ - | \$ 57,269 | Grant | |
| 600248 | Get Ready Series, Emergency Resources, Evacuation Centre inf | \$ 3,700 | \$ - | \$ - | \$ 11,700 | Grant | Budget transferred from 600247, 600252-600255 |
| 600249 | The Day After Yesterday | \$ 11,428 | \$ 2,938 | \$ - | \$ 8,490 | Grant | |
| 600250 | Bushfire recovery exhibit | \$ 6,350 | \$ 9,518 | \$ - | \$ 1,082 | Grant | Budget transferred from 600247, 600252-600255 |
| 600251 | Community Heritage Garden Project | \$ 13,944 | \$ 6,435 | \$ - | \$ 7,509 | Grant | |
| 600256 | Community Grants Program | \$ 5,524 | \$ 5,023 | \$ - | \$ 3,909 | Grant | Budget transferred from 600247, 600252-600255 |
| | | | | | \$ 89,959 | | |

| | |
|--------------|---------------------|
| Total | \$ 1,608,160 |
|--------------|---------------------|

CAPITAL CARRYOVER REQUESTS**Infrastructure Services**

| Project No. | Project | Revised Budget | 2021/22 Actuals | Carryover Request | Details |
|-------------|---|----------------|-----------------|---------------------|---|
| 100739 | Lake Lyell Telemetry | \$ 20,000 | \$ 10,843 | \$ 5,975 | Project to be completed early in 2022/23 |
| 400195 | Public toilet block - Sporting Fields | \$ 191,000 | \$ 151,534 | \$ 39,466 | Plumbing and electrical has to be dug up and pipes and electrical hooked up before we can start concrete work and weather affecting working on the oval |
| 400038 | Rydal Toilet Block | \$ 277,538 | \$ 154,682 | \$ 10,627 | Project to be completed early in 2022/23 |
| 600267 | Renovation of Wallerawang Parks and Gardens Depot Buildings | \$ 19,441 | \$ 19,790 | \$ 1,895 | Materials on order from Bunnings |
| 100634 | Mutton Falls Road - Tablelands Way Project | \$ 583,241 | \$ 29,973 | \$ 553,268 | There have been delays due to wet weather and resources being unavailable |
| 100629 | Sodwalls Tarana Road - Roads to Recovery | \$ 438,332 | \$ 386,469 | \$ 51,863 | Works are at 80% complete with some areas affected by the wet weather, sealing of the road could be possible in the next 3 to 4 weeks. |
| 100677 | Dunville Loop and Genowlan Road | \$ 264,400 | \$ - | \$ 264,400 | Work area severely affected by the wet weather with remediation works being completed in the last 2 weeks and the capital project due to start |
| 100676 | Hassans Walls Road and Braceys Lookout Road | \$ 230,410 | \$ 19,358 | \$ 211,052 | Due to the storm recovery works this project was delayed in getting started |
| 100663 | Marjorie Jackson - Carpark / Entrance road seal | \$ 30,000 | \$ 6,036 | \$ 23,964 | Due to weather the carpark has degraded beyond a simple overlay, the top layer of seal needs removal. While this would be a simple and quick preparation(3-4 days) it can only be done once soccer season is finished. |
| 100716 | Diamond Swamp Road & Sodwalls Road intersection | \$ 211,078 | \$ - | \$ 211,078 | This is to be integrated with the work on Sodwalls Tarana Road and Muttons Falls Road |
| | | | | \$ 1,373,588 | |

People & Services

| Project No. | Project | Revised Budget | 2021/22 Actuals | Carryover Request | Details |
|-------------|--|----------------|-----------------|-------------------|--------------------|
| 600298 | Streets As Shared Spaces - Made in Lithgow | \$ 266,785 | \$ 206,440 | \$ 60,345 | Multi-year project |
| 400197 | Union Theatre Seating & Kitchen Upgrade | \$ 80,000 | \$ 41,667 | \$ 38,333 | Multi-year project |
| | | | | \$ 98,678 | |

Finance & Assets - Information Technology

| Project No. | Project | Revised Budget | 2021/22 Actuals | Carryover Request | Details |
|-------------|------------------------------------|----------------|-----------------|-------------------|--------------------|
| 600013 | CCTV Security Cameras | \$ 29,343 | \$ 10,262 | \$ 19,081 | Multi-year project |
| 600223 | HR Modules TechOne | \$ 48,400 | \$ 23,520 | \$ 24,880 | Multi-year project |
| 600224 | Intramaps | \$ 12,000 | \$ 6,041 | \$ 5,959 | Multi-year project |
| 600270 | Customer Request Management System | \$ 98,900 | \$ 57,645 | \$ 41,255 | Multi-year project |

\$ 91,175

Water, Wastewater & Waste

| Project No. | Project | Revised Budget | 2021/22 Actuals | Carryover Request | Details |
|-------------|---|----------------|-----------------|---------------------|--|
| 500021 | Lithgow Resource Recovery | \$ 3,654,410 | \$ 2,810,802 | \$ 843,608 | Multi-year project, wet weather delay to road works |
| 500048 | EPA Bushfire Recovery Program Grant - LSWF | \$ 158,789 | \$ - | \$ 158,789 | Late 2021/22 grant, day cover in transit |
| 200159 | Portland Foundations Trunk Infrastructure | \$ 1,185,000 | \$ 784,565 | \$ 400,435 | Multi-year project, due for completion Oct 2022 |
| 200161 | Vickers Street WPS Electrical Upgrade | \$ 90,000 | \$ 52,574 | \$ 38,632 | Order nearly fulfilled |
| 200163 | Oakey Park WFP Soda Ash Dosing Upgrade | \$ 200,000 | \$ 2,564 | \$ 145,025 | Order nearly fulfilled, delay to availability of parts |
| 200164 | Wallerawang No.1 Sewerage Pumping Station renewal | \$ 903,980 | \$ 669,224 | \$ 176,518 | Order nearly fulfilled, due for completion Oct 2022 |
| 200165 | Clarence to Wallerawang Pipeline | \$ 250,000 | \$ 16,887 | \$ 233,113 | Multi-year project, \$332,161 to be added at Q1 review |
| 300026 | Lithgow Sewerage Treatment Plant | \$ 916,226 | \$ 890,713 | \$ 29,501 | Order nearly fulfilled |
| 300034 | Cullen Bullen Sewer Upgrade | \$ 1,033,069 | \$ 570,323 | \$ 462,746 | Multi-year project |
| | | | | \$ 2,488,367 | |
| | | | | \$ 4,051,808 | |