

Local Infrastructure Program Policy

Policy Details

Policy title	Local Infrastructure Program (LIP) Policy
Directorate:	Organisational Services
Branch:	Finance
Responsible Manager:	Finance Manager
Date adopted:	25/01/2023 (minute number 806/2023)
Date for review:	2 years from the date of adoption or date of last review
Legislative basis:	Local Government Act 2009 Local Government Regulation 2012
Related Documents - forms and procedures	Local Infrastructure Program (LIP) Attachment A: LIP Guidelines.

1. Policy Purpose

The purpose of this policy is to:

- Establish the process by which an annual budget allocation may be made for the purpose of undertaking the Local Infrastructure Program.
- Clarify that individual Councillors are not the decision-makers for the allocation of Local Infrastructure Program funding but play a key consultative role.
- Establish a framework for the forward planning of works under the Local Infrastructure Program to enable effective and efficient planning, scheduling, and delivery.
- Establish the types of works that are eligible for consideration under the Local Infrastructure Program.
- Establish the approval process for works under the Local Infrastructure Program.
- Establish responsibilities and timeframes for reporting on Local Infrastructure Program works to Council.

2. Scope

This policy (inclusive of Attachment A) applies to all Councillors, Councillor Advisors, employees and contractors working for Council regardless of whether they are permanent, temporary, full-time, part-time, or casual.

3. Policy Statement

Program Establishment & eligible funding application

1. Each year Council may resolve to provide funds through the budget process to be allocated equally across the city's 12 divisions for the purpose of meeting emergent divisional requests for capital improvement projects as part of the Local Infrastructure Program.
2. The Local Infrastructure Program budget delivers capital projects with direct benefit to the community in accordance with the legislative and regulatory regime applicable at the time. This policy provides the framework for the administration of the Local Infrastructure Program in a way that accords with the Local Government Principles.
3. Projects and programs of works eligible for consideration under the Local Infrastructure Program must be in accordance with the criteria set out in Attachment A of this policy. Identification of emergent capital works will be based on community feedback and consultation with Divisional Councillors, with the relevant Branch Managers or their delegate providing expert advice to develop project scoping and cost estimates.
4. All Local Infrastructure Program proposals must be approved by Council resolution.

Funding approval and amendment of the Local Infrastructure Program

1. All projects or allocations to programs of works are required to be considered by Council and be adopted by resolution, either as part of the annual budget or through a report to the City Governance Committee.
2. Additionally, all amendments to approved allocations, including material amendments or cancellation of approved projects, or reallocation of funds between programs of work is required to be approved by Council through a report to the City Governance Committee.
3. Local Infrastructure Program projects may also be funded, in whole or part, by other approved sources of funds through a budget or Council decision.
4. Any future maintenance and operational requirements associated with a Local Infrastructure Program project must be funded through the Local Infrastructure Program for at least the first 12 months following completion of the project.
5. During the Caretaker period Local Infrastructure Program funds must not be allocated or committed.

Program administration and reporting

1. A report will be placed on the City Governance Committee agenda monthly or as required, seeking approval of new Local Infrastructure Program projects or amendments to previously approved Local Infrastructure Program projects. This report will also include the amount of Local Infrastructure Program funding allocated to projects/Branches and the Local Infrastructure Program funds remaining by division.
2. Quarterly reports will be provided to Divisional Councillors by the Finance Manager providing details of project status and expenditure for works completed.

Conflicts of interest

In identifying projects for inclusion in the divisional program, Managers or their delegate and Councillors will need to be conscious of any potential conflicts of interest and ensure that the Council conflicts of interest process is adhered to. If there are any declarable or prescribed conflicts of interest, a report will be prepared for Council to consider the matter.

4. Definitions

Term	Definition
Caretaker period	Section 90A of the <i>Local Government Act 2009</i> provides that the caretaker period starts on the day when public notice of the holding of the election is announced by the Electoral Commission of Queensland and ends on the day on which the last declaration of the poll is displayed by the Returning Officer.
Councillors	All elected representatives including the Mayor.
Eligible lessees	Are lessees of Council facilities that have an existing tenure agreement in accordance with Council's <i>Licence or Lease of Council owned or Controlled Land to Sporting, Recreational and Community Organisations Policy</i> or, <i>Remissions to Sporting, Recreational and Community Organisations Policy</i> . In addition, to be eligible lessees the lessee must not have any outstanding debt with Council.
Local Infrastructure Program	A program that provides Council with an ability to implement and fund divisional based infrastructure works that address the specific needs of each division.
Low-risk Local Infrastructure Program projects	A LIP project will generally be considered low risk if: <ul style="list-style-type: none"> • The project does not require statutory approvals, including building, planning, environmental, and plumbing etc. • Will not impact an existing building approval; • Does not put existing assets at risk; and • Works will be carried out by licenced contractor.
Program of works	An area of capital works for which the details of specific projects are not known at the time of funding allocation, but for which funds are set aside to meet particular needs as they emerge (e.g., footpath repairs within a division).
Project	A specific item of capital works to which funding is allocated.
Minor capital works	Low value works able to be incorporated into existing capital delivery programs without requiring additional design or scheduling.
Material amendment	A change to a previously endorsed project which increases estimated cost beyond that which can be funded with approved allocations or reduces estimated cost by more than \$10,000.
Special consideration	A request for budget allocation to a Local Infrastructure Program, that does not clearly fall within this policy and associated guidelines. Such requests may be considered by Council on a case-by-case basis.

Document Control

File:	1318562-1	Document Id:	16384082
--------------	-----------	---------------------	----------

Amendment History

Version Number	Description of Change	Author / Branch	Date
1.0	Creation	Finance	25 January 2023

Logan City Council

Local Infrastructure Program (LIP) Policy

Attachment A: LIP Guidelines

Purpose

The purpose of the Local Infrastructure Program (LIP) is to provide Council with the ability to respond to and implement divisional based infrastructure programs that address the specific local needs of each division.

These are projects which are not listed as approved projects on the Whole of Council capital program. The projects within the Local Infrastructure Program will be delivered by the relevant Branch Manager within their area of responsibility, in partnership with the respective Divisional Councillor.

Programs of Works

Local Infrastructure Program funding may be allocated to specific projects or a broad program of works under the following categories:

- Footpaths
- Gravel Roads (GRASS)
- Local Traffic Improvements
- Park Enhancement
- Sport, Recreation and Community Infrastructure Improvements
- Community Services Infrastructure (including safety cameras)
- Public Art

Identification of specific projects or programs of works will be developed through consultation between Divisional Councillors and the Branch Managers or their delegate responsible for the above capital works categories, utilising community feedback or other information as appropriate. Ideally, the program of work will be developed to cover several years to allow forward planning. In many cases, there is an existing forward program or register of works which will form the starting point for consultation with each Councillor.

Councillors in their capacity as divisional representative may also initiate discussions with other Branch Managers or their delegate if they identify capital projects that do not fit in the categories identified above. Such projects will be considered by the Branch Manager as part of the broader program of works.

It is recognised that there will be emergent issues and opportunities that arise that will necessitate changes to the forward program. However, it is expected that once a project has commenced it will be delivered in full. Additionally, there may be opportunities for the Branch Manager to make minor amendments in timing of projects to achieve optimal use of funds.

Timelines for Divisional Allocations

The primary mechanism for establishment and allocation of funding is through the annual budget process. To meet budget timeframes, by 31st March annually, Divisional Councillors working with Branch Managers, or their delegate are encouraged to identify Local Infrastructure Program significant projects requiring detailed planning & scheduling. These Local Infrastructure Program projects and respective funding allocations will be adopted by Council as part of the annual budget.

Additional Local Infrastructure Program allocations, material amendments to previously adopted projects or reallocation of funds between program of work categories require approval by resolution of Council. This will be achieved through reports to the City Governance Committee.

Any future maintenance and operational requirements, not funded under another Council program, must be funded from the Local Infrastructure Program for at least the first 12 months following completion of the project.

Local infrastructure projects may be funded by other approved sources of funds through a budget or Council decision. Local Infrastructure Program funding may also be used to fund qualifying minor capital works projects that may arise from time to time.

Caretaker Period

During the Caretaker period funds must not be committed from Local Infrastructure Program allocations.

Four Year Programs

Managers or their delegate will work with each Divisional Councillor towards establishing 4-year forward programs which will provide opportunity for efficient planning and delivery. This will be particularly critical for significant divisional projects requiring multiyear planning, design, and delivery. It is not the intent of the Local Infrastructure Program to accumulate funds across multiple terms of Council to contribute to major infrastructure projects. The preferred approach is to break major long-term projects into stages that can be completed within the four-year period or to see them funded separately through the budget process (possibly with a Local Infrastructure Program contribution).

It is recognised that some committed projects may require funding to carry over beyond the 4-year timeframe to allow project completion.

Coordination of the Local Infrastructure Program

The Finance Branch will be responsible for the governance documents relating to the Local Infrastructure Program and will maintain a register of all funding allocations under the Program.

Relevant Branch Managers will be responsible for providing expert advice in the identification and scoping of potential works, and for developing cost estimates to enable funding to be allocated. Once endorsed, Branch Managers are responsible for the planning, design, and delivery of approved projects, and for providing monthly updates to Divisional Councillors regarding progress and expenditure against approved works.

General Guidelines for individual projects

The following guidelines will apply to the projects to be included in the Local Infrastructure Program:

1. The project, or program, **must** be for capital improvements only.
(A capital improvement is defined as expenditure of \$1,000 and over. It does not include portable and attractive assets. Portable and attractive assets are those assets, which by their nature are easily transported or maybe subject to the temptation of theft or misappropriation.)
2. All projects, or programs, must be conducted in the Logan City Council local government area.
3. All projects must be either delivered or project managed by Logan City Council to ensure compliance with all accountability and probity requirements other than;
 - a) under a Joint Development Agreement on State owned and controlled land (refer to Section 11), or
 - b) for low-risk projects delivered by eligible lessees of Council owned or controlled land, as requested by the Divisional Councillor (refer to Section 12).
4. No projects on private property will be eligible for funding under this program.
5. Funding must not be used for recurrent expenditure (for example, salaries or wages, telephones, electricity, debt payments, postage charges, insurance, etc).
6. Consideration should be given to ongoing recurrent commitments, or ongoing maintenance other than ordinary asset maintenance which will impact on future Council Budgets. Projects with large ongoing maintenance costs will need to have the recurrent maintenance funding approved by Council before the project can proceed.
7. Project designs and estimates must incorporate the first twelve (12) months maintenance of the completed work.

8. For large civil or park development projects, funding will be allocated to these large-scale projects over a longer term of two years or more, with, for example, project development and design funding in year 1, followed by construction funding in year 2.
9. A Local Infrastructure Program allocation may be made to a program of work category (such as Local Traffic Improvements) in circumstances where specific projects have not been identified. In these circumstances, the allocation will be restricted to \$50,000 per category. The aim of these allocations is to enable the Manager or their delegate, in consultation with the Councillor, to respond to urgent or unprogrammed capital and infrastructure projects during the financial year.
10. The Councillor, in conjunction with the responsible branch, should always aim in the first instance to identify specific projects that will be funded by the Local Infrastructure Program through the Budget process.
11. Local Infrastructure Program funds may be used to cover the cost of stakeholder consultation regarding the planning, design, and delivery of LIP projects.
12. Where, following consultation, the relevant Manager and the Divisional Councillor have differing views on the scope or scale of a project, the project will be referred to the relevant Director for further consultation. Where the matter cannot be resolved with the Director, a report will be prepared for the Council to consider the matter.

Budget Approval and Ongoing Management

All allocations from the Local Infrastructure Program, that aren't approved as part of the annual budget adoption, will be subject to Council approval through the City Governance Committee. The Finance Branch will be responsible in liaison with all Local Infrastructure Program recipients, for the preparation of this report.

An account will be established within the Finance Branch to record the annual Local Infrastructure Program funding allocation, along with a register of projects on a Divisional basis.

Once Council has resolved to approve projects or an allocation to a program of works, the Finance Branch will transfer funding to the branch responsible for the delivery of the works.

Branch Managers will be responsible for maintaining detailed and accurate financial records regarding progress and expenditure on approved capital works at a sufficient level to allow regular reporting.

It is the intent of the Local Infrastructure Program that each divisional allocation be committed in the financial year in which it was allocated. Unspent divisional allocations at the end of the financial year may be re-provisioned in the following financial year with the support of a Council resolution. However, it is not encouraged to "bank" funds until the final years of a Council term. The Finance Branch will manage requests for re-provisions at the end of the financial year, including seeking a Council resolution.

As all funds from this program are allocated internally for the delivery of capital works through Council's branches, these funds will be accounted for as part of Council's normal accounting, auditing and reporting requirements.

Surplus Local Infrastructure Program funds, from amounts allocated to a project or for unspecified divisional works will be identified and returned to unallocated Local Infrastructure Programs funding for the relevant Division.

Where a branch receives Local Infrastructure Program funding for unspecified or various minor divisional projects, the branch is permitted to reconcile to the total allocated amount rather than each individual project.

Reporting

Reporting for the Local Infrastructure Program will be undertaken as follows

Frequency	Report of	Report to	Information provided
Monthly or as required	Director, Organisational Services	City Governance Committee	New projects or amendments to previously approved Local Infrastructure Program projects. The amount of Local Infrastructure Program funding allocated to projects/Branches and the LIP funds remaining.
Quarterly	Finance Manager	Divisional Councillors	Approved project/program of works update, including delivery status and expenditure information.

Local Infrastructure Program on State Owned and Controlled Land for Local Sporting and Community Clubs

Local Infrastructure Program funding may be provided to local sporting and community clubs using State owned and controlled land. Any expenditure on State owned and controlled land will require Council approval.

To be eligible to receive approved Local Infrastructure Program funding, local sporting and community clubs using State owned and controlled land must:

1. Have an executed Joint Development Agreement (or similar legal document) with the Department of Education and Council assuring the club tenure with the school for a period of no less than 10 years;
2. If an executed Joint Development Agreement (or similar legal document) with the Department of Education and Council assuring the club tenure with the school for a period of no less than 10 years has not been executed, have evidence of a preparedness to enter such agreement. Noting funding will not be released until a Joint Development Agreement (or similar legal document) has been executed.
3. Funding will be capped at \$50,000 per division per year.
4. The types of capital improvements will be limited to entry level infrastructure, such as field equipment, field lighting, covered reserve bench dugouts, field upgrades, shelter sheds and any other related infrastructure approved by Council resolution.
5. Any proposals for capital improvements will be decided on merit basis by the school principal and the Education Department's Regional Infrastructure Manager. School P&C's will be informed of the proposal.
6. Funding will be provided either direct to the sporting or community club or the school depending on which party is required to coordinate the works (funding will be distributed by the Sport, Leisure and Facilities Branch).
7. Ongoing asset maintenance will become the school and club's joint responsibility.
8. Tri-party signage is to be installed at the school ground that acknowledges Council, the club's and the school's contribution to the project with any proposed signage to be approved by the Department of Education before installation.
9. Funding will not be approved for school related education and training materials.
10. All details of the respective parties' responsibilities and contributions will be reflected in an agreement based on the individual circumstances of the project.

The Sport, Leisure and Facilities Branch is responsible for applying for Local Infrastructure Program funding in liaison with the relevant Councillor and will manage the distribution of funds to schools in adherence with the requirements.

Low-risk Local Infrastructure Program projects delivered by Eligible Lessees of Council owned or controlled land.

Local Infrastructure Program funding may be provided to eligible lessees of Council owned or controlled land for low-risk projects.

Councillors are encouraged to seek guidance from the Manager of Sport and Community Infrastructure or their delegate in relation to projects that are proposed under the 'Low-Risk' category. Examples of projects that would be considered low-risk are as follows:

- Fencing, landscaping and external hardscaping (paths and concreting);
- Field works and irrigation;
- Hardwired, closed loop security systems;
- Minor electrical works carried out by a licenced electrician (new lights, security lights); and
- Goals and similar fixed sporting equipment.

The relevant Branch will prepare and submit to the Director of Community and Lifestyle a memorandum with a recommendation for approval and any special conditions.

If approved, the lessee will be required to enter into a legal agreement with the required conditions included, and the funding agreement will be managed by the Sports Leisure and Facilities Branch.

Special Consideration

Any Local Infrastructure Program proposal, that does not clearly fall within the policy and these guidelines, may be considered by Council on a case-by-case basis.