

Local Infrastructure Program Policy

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| Policy Type: | <input checked="" type="checkbox"/> Council <input type="checkbox"/> Operational |
| Policy Owner: | Director Organisational Services |
| Effective Date: | 6 November 2024 |
| Strategic Alignment: | <i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i> |
| Review Timeframe: | In accordance with the Corporate Documents Governance Policy |

1. Purpose

To establish the governance processes under which the Local Infrastructure Program is administered in Council.

2. Scope

This Policy applies to all Councillors, Councillor Advisors, and Council staff. Council staff includes employees, labour hire workers, independent contractors and volunteers.

3. Policy Statement

As part of Council's annual budget process, allocations are made to the Local Infrastructure Program, which is designed to deliver capital projects with direct benefit to the community. This Policy provides the framework for the administration of the Local Infrastructure Program in a way that accords with the *Local Government Act 2009*.

4. Principles

- 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 through the Local Infrastructure Program.
- Decisions about the allocation of Local Infrastructure Program funds must be made by Council. While individual Councillors are not the decision-makers for the allocation of Local Infrastructure Program funding they play a key consultative role.
- A clear and transparent framework for the forward planning of works under the Local Infrastructure Program is essential to enabling effective and efficient planning, scheduling, and delivery.
- Only the types of works specified in this Policy will be eligible for consideration under the Local Infrastructure Program.
- A clear approval process for works under the Local Infrastructure Program will be implemented.

5. Application of this Policy

This Policy must be consistently applied in accordance with Annexure 1.

6. Reporting

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 and/or Branches. Additionally, quarterly reports will be provided to Divisional Councillors by the Finance Manager providing details of project status and expenditure. The Table below summarises the reporting requirements:

| 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. |
| Quarterly | Finance Manager | Divisional Councillors | Approved project/program of works update, including delivery status and expenditure information. |

7. Roles and Responsibilities

Council, by resolution, is responsible for the allocation and approval of all Local Infrastructure Program expenditure, either as part of the annual budget or through a report to the City Governance Committee.

Councillors must manage any conflicts of interest arising in respect of any projects to be considered under the Local Infrastructure Program, in accordance with their obligations under the *Local Government Act 2009*.

The Finance Branch will be responsible for:

- the governance documents relating to the Local Infrastructure Program
- the maintenance of a register of all funding allocations under the Program
- the monthly reporting to the City Governance committee, as required by section 6 of this Policy.

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 also 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.

8. Human Rights

Under the *Human Rights Act 2019*, Council must not make a decision without considering and assessing the potential impact to human rights and giving consideration to any impacts before making a decision. Council does not consider that any human rights are impacted by this Policy.

9. Definitions

The following definitions apply to this Policy.

| Term | Definition |
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| 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 | 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 licensed contractor. |
| Material amendment | Amendments are considered material when a change to a previously endorsed project increases or reduces the funding allocation by a minimum \$10,000. |
| Minor capital works | Low value works able to be incorporated into existing capital delivery programs without requiring additional design or scheduling. |
| Portable and attractive asset | Portable and attractive assets are those assets, which by their nature are easily transportable or may be subject to the temptation of theft or misappropriation. |
| Program of works | An area of capital works (e.g., footpath repairs within a division) 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 needs as they emerge. |
| Project | A specific item of capital works to which funding is allocated. |

| Term | Definition |
|-----------------------|--|
| Special consideration | A request for budget allocation to a Local Infrastructure Program, that does not strictly comply with this policy. Such requests may be considered by Council on a case-by-case basis. |

10. Document Control

| Version Control | File No. | Document No. | Council Min No. | Description of Change | Effective Date |
|-----------------|-----------|--------------|-----------------|-----------------------|----------------|
| 1.0 | 1318562-1 | 16384082 | 806/2023 | Creation | 25/01/23 |
| 2.0 | 1318562-1 | 16384082 | 163/2024 | Substantive Amendment | 06/11/24 |

Annexure 1 – Application of the Policy

1. Local Infrastructure Program establishment and eligible funding application

- The purpose of the Local Infrastructure Program 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.
- Identification of emergent capital works will be based on community feedback or consultation with Divisional Councillors, with the relevant Branch Managers and officers providing expert advice to develop project scoping and cost estimates.
- 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 consultation with the respective Divisional Councillor.

2. Funding approval and amendment of the Local Infrastructure Program

- **New projects:** Projects and programs of works eligible for consideration under the Local Infrastructure Program must be in accordance with the criteria set out in this Policy and approved by resolution of Council and work cannot commence on a new project until the LIP project has been approved by resolution of Council.
- **Amendments to approved projects:** All amendments to approved allocations, including material amendments or cancellation of approved projects, or reallocation of funds between programs of works is required to be approved by Council through a report to the City Governance Committee. Transfer of projects between branches is not required to be reported.
- Local Infrastructure Program projects may also be funded, in whole or part, by other approved sources of funds through a Council budget decision.
- 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.
- During the caretaker period Local Infrastructure Program funds must not be allocated or committed. Reports will not be presented to the City Governance Committee seeking funding decisions during caretaker period.

3. Projects and Programs of Works

Local Infrastructure Program funding may be allocated to specific capital projects within divisions which provide direct benefit to the community.

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

- Footpaths
- Local traffic improvements

- Park enhancement
- Sport, recreation, and community infrastructure improvements
- Community services infrastructure
- Public art
- Mural art

Councillors in their capacity as the divisional representative may also initiate discussions with Branch Managers or their officers if they identify capital works that do not fit in the categories identified above. The inclusion of any additional categories must be approved by resolution of Council in accordance with the process outlined in section 10.

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.

4. Timelines for Divisional Allocations

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

5. Four Year Programs

Branch Managers will work with each Divisional Councillor towards establishing 4-year forward programs which will provide opportunity for efficient planning and delivery.

This is 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. Significant long-term projects should be broken into stages that can be completed within the 4 four-year period or 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.

Any unallocated divisional funding from one budget year will carry over to the next budget year for the relevant division.

6. General Guidelines for individual projects and works within programs

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

- (a) The project, or program, **must** be for capital improvements only.
(A capital improvement is defined as expenditure of \$1,000 and over.)
- (b) Local Infrastructure Program funding must not be used for the purchase of portable and attractive assets.
- (c) All projects, or programs, must be conducted in the Logan City Council local government area.
- (d) All projects must be either delivered or project managed by Logan City Council to ensure compliance with all accountability and probity requirements other than those projects:
 - (i) under a Joint Development Agreement with the Department of Education on State owned and controlled land (refer to section 8), or
 - (ii) for low-risk projects delivered by eligible lessees of Council owned or controlled land (refer to section 9).
- (e) Local Infrastructure Program funding must not be used to purchase assets that will not be owned by Council, and projects on private property will not be eligible for funding under this program.
- (f) Local Infrastructure Program funding must not be used for recurrent expenditure (for example, salaries or wages, telephones, electricity, debt payments, postage charges, insurance, etc).
- (g) Consideration should be given to any ongoing recurrent commitments, or ongoing maintenance other than ordinary asset maintenance which will impact on future Council budgets. Projects with significant ongoing maintenance costs will need to have the recurrent maintenance funding approved by Council before the project can proceed.
- (h) Project designs and estimates must incorporate at least the first 12 months maintenance for the completed work.
- (i) For large civil or park development projects, funding will be allocated to these large-scale projects over a longer term of 2 years or more, with, for example, project development and design funding in year 1, followed by construction funding in year 2.
- (j) 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, per division, per annum. The purpose of these allocations is to enable the Branch Manager, in consultation with the Divisional Councillor, to respond to urgent or unprogrammed capital and infrastructure projects during the financial year.
- (k) The Divisional 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.
- (l) Local Infrastructure Program funds may be used to cover the cost of stakeholder consultation regarding the planning, design, and delivery of LIP projects.

- (m) Where, following consultation, the relevant Branch 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 decide the matter. It will be the responsibility of the relevant Director to present a report of this type.

7. Budget Approval and Ongoing Management

All allocations from the Local Infrastructure Program, that are not 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 the Local Infrastructure 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.

8. 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 e.g. State school facilities. Any expenditure on State owned and controlled land will require Council approval.

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

- Have an executed Joint Development Agreement (or similar legal document) with the State of Queensland and Council assuring the club tenure with the school for a period of no less than 10 years, or 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.
- All details of the respective parties' responsibilities and contributions will be reflected in a Joint Development Agreement (or similar legal document) based on the individual circumstances of the project.
- Local Infrastructure Program funding for local sporting and community clubs using State owned and controlled land will be capped at \$50,000 per division per year.
- 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.
- Local Infrastructure Program funding will be provided either directly 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 and Community Infrastructure Branch).
- Ongoing asset maintenance will become the school and club's joint responsibility.
- 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 State of Queensland before installation.
- Local Infrastructure Program funding will not be approved for school related education and training materials.

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

9. 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 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 licensed electrician (new lights, security lights); and
- Goals and similar fixed sporting equipment.

If approved, the lessee will be required to enter into a funding agreement which will be managed by the Sport and Community Infrastructure Branch.

10. Special Consideration

Any Local Infrastructure Program proposal, that does not strictly comply with this Policy may be considered by Council on a case-by-case basis.

In deciding a special consideration request, Council must consider:

1. The facts and circumstances of the request.
2. Whether the proposal is consistent with the overall intent of this Policy.
3. Whether there is a more suitable funding mechanism.
4. Whether there is a public interest in approving the request.