

## **10.12.Unspent funds to be carried over from 2021/22 to 2022/23**

**AUTHOR:** Darren Goode, Manger Accounting Services

**ENDORSED BY:** Margaret Palmer, Director Corporate Services

**ATTACHMENTS:** Nil

### **PURPOSE:**

The purpose of this report is to seek approval to make the necessary adjustments to the 2022/23 budget, to incorporate the funding required to be carried forward from 2021/22 to 2022/23 to complete projects still in progress at 30 June 2022.

### **EXECUTIVE SUMMARY:**

Due to a combination of pandemic lockdowns in the first half of the financial year, inclement weather throughout much of the year, supply chain issues, contractor availability and staff turnover, many non-recurrent projects were not completed as scheduled by 30 June 2022.

To fund the completion of these projects it has been necessary to carry forward \$27.7 million from the 2021/22 budget to the 2022/23 budget. Of this amount, \$25 million is required to fund the completion of capital projects, and \$2.7 million is required to fund the completion of non-capital projects (i.e. operating expenditure).

In the March Quarterly Budget Review, reported to the Governance & Finance Committee on 9 May 2022 and subsequently to Council on 23 May 2022 in the minutes of the committee meeting, \$36.7 million of funding for the North Sydney Olympic Pool Redevelopment was transferred from the 2021/22 budget to the 2022/23 budget due to that project running behind schedule. \$2.2 million of that amount was subsequently spent by 30 June 2022. This, in addition to some initial funding being spent in advance for two other projects scheduled to commence in 2022/23, has necessitated a \$2.3 million reduction to the 2022/23 budget.

### **FINANCIAL IMPLICATIONS:**

As \$3.7 million of the required budget adjustments is funded from grant funding due to be received in 2022/23, the amendments to the 2022/23 budget will result in an increase in the net drawdown from reserves of \$21.7 million, from \$40.3 million allowed for in the original budget to \$62 million.

### **RECOMMENDATION:**

- 1. THAT** the information contained in this report be received.
- 2. THAT** Council approves the amendments to the 2022/23 budget outlined in this report.

## LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

### 5. Our Civic Leadership

#### 5.1 Lead North Sydney's strategic direction

## CONSULTATION REQUIREMENTS

Community engagement is not required.

## DETAIL

Due to a combination of pandemic lockdowns in the first half of the financial year, inclement weather throughout much of the year, supply chain issues, contractor availability and staff turnover, many non-recurrent projects were not completed as scheduled by 30 June 2022.

To fund the completion of these projects it has been necessary to carry forward \$27.7 million from the 2021/22 budget to the 2022/23 budget. Of this amount, \$25 million is required to fund the completion of capital projects, and \$2.7 million is required to fund the completion of non-capital projects (i.e. operating expenditure). \$10 million of the \$27.7 million is tied to grant funding.

The \$2.7 million of non-capital funding includes financial support from the NSW Government towards the increased cost of Council's 2022/23 SES & NSW Fire & Rescue Contribution. The contribution from the NSW Government was \$417,868 and this was received on 20 June 2022. As the funds were untied, they were accounted for as income in 2021/22 but internally restricted as at 30 June 2022. To avoid negatively impacting the 2022/23 budget, this amount has subsequently been carried forward to 2022/23.

The capital projects which require funds to be carried forward from 2021/22 to allow their completion are listed below, along with the amount to be carried forward and the funding source(s).

Project / Program	Amount (\$)	Funding Source
Neutral Bay & Cremorne Masterplan Implementation	2,164,053	Capital Works Reserve
St Leonards Park Masterplan Implementation	1,333,595	Capital Works Reserve
Drainage Reconstruction	1,303,131	Capital Works Reserve
Footpaths Reconstruction	806,894	Capital Works Reserve
Kirribilli & McMahons Point Village Streetscape Upgrade	766,870	Capital Works Reserve
North Sydney CBD - Central Laneways Upgrade	521,556	Capital Works Reserve
Bike Facilities Program - Other	404,750	Capital Works Reserve
Indoor Sports Centre Ventilation Improvements	373,534	Capital Works Reserve
Road Pavement Reconstruction	346,981	Capital Works Reserve
Fred Hutley Reserve Playground Upgrade	282,443	Capital Works Reserve

Project / Program	Amount (\$)	Funding Source
Wandakiah Wharf Reconstruction	281,992	Capital Works Reserve
North Sydney CBD - Lighting Upgrade	273,600	Capital Works Reserve
Coal Loader Pop-up Bar	273,560	Capital Works Reserve
Bus Shelters Replacement	272,143	Capital Works Reserve
Streetscape Lighting Upgrade	242,357	Capital Works Reserve
Merret Playground Upgrade	241,436	Capital Works Reserve
Central Depot Office Refurbishment	230,702	Capital Works Reserve
Gross Pollutant Traps Upgrade	194,613	Capital Works Reserve
Bike Facilities Program - Young Street	178,854	Capital Works Reserve
McMahons Point Pocket Park	167,866	Capital Works Reserve
Bike Facilities Program - Ernest Street	155,859	Capital Works Reserve
Wendy's Secret Garden Retaining Wall Reconstruction	150,000	Capital Works Reserve
Various Parks Path Upgrade	139,209	Capital Works Reserve
Neutral Bay & Cremorne Streetscape Upgrade	129,385	Capital Works Reserve
Coal Loader Shade Structure	123,911	Capital Works Reserve
Council Chambers AV Project	105,550	Capital Works Reserve
Kerb & Gutter Reconstruction	100,251	Capital Works Reserve
Smoothey Park Path Upgrade	100,149	Capital Works Reserve
Caltex Site Tunnel 2 Resurfacing	100,000	Capital Works Reserve
Digital 3D Model of North Sydney	96,000	Capital Works Reserve
Traffic Facilities - Pedestrian Crossing Lighting Upgrade	92,521	Capital Works Reserve
Central Depot Library Archive Storage Room Refurbishment	80,000	Capital Works Reserve
Gore Cove Walking Track Upgrade	70,712	Capital Works Reserve
1 James Place Building Refurbishment	69,893	Capital Works Reserve
Road Furniture - Timber Fences	69,074	Capital Works Reserve
Public Amenities Strategy Implementation	65,181	Capital Works Reserve
Small Watercraft Storage	62,100	Capital Works Reserve
1 James Place Façade Waterproofing	55,564	Capital Works Reserve
Tunks Park Amenities Block Upgrade	48,573	Capital Works Reserve
Anderson Park Sportsfield Reconstruction	38,245	Capital Works Reserve
North Sydney CBD - Street Furniture	36,981	Capital Works Reserve
Don Bank Museum Building Refurbishment	30,818	Capital Works Reserve
Bike Racks for Sportsfields	30,000	Capital Works Reserve
Sawmillers Reserve Kayak Ramp Renewal	27,500	Capital Works Reserve
Cammeray Park Irrigation	26,748	Capital Works Reserve
Parking Meters Upgrade Consultancy	25,000	Capital Works Reserve
Sportsfield Signage	20,000	Capital Works Reserve
Crows Nest Public Domain Masterplan Implementation	16,573	Capital Works Reserve
Neutral Bay Community Centre Building Refurbishment	15,948	Capital Works Reserve
Coal Loader Platform Improvements	13,549	Capital Works Reserve
Parking Service Officers Handheld Infringement Devices	13,176	Capital Works Reserve
Ward Street Car Park Building Refurbishment	10,534	Capital Works Reserve
Tunks Park Synthetic Cricket Wickets	6,085	Capital Works Reserve
Traffic Facilities - Palmer Street Pedestrian Crossing Upgrade	2,300	Capital Works Reserve
Stanton Library Furniture	1,607	Capital Works Reserve

Project / Program	Amount (\$)	Funding Source
1 James Place Lease Incentive Fitout	400,000	Income Producing Projects Reserve
Parking Meters Upgrade Consultancy	7,108	Income Producing Projects Reserve
IT - Authority Upgrade	5,837	IT Hardware & Software Reserve
Performance Planning Solution	5,600	IT Hardware & Software Reserve
Fleet Vehicles Replacement	711,187	Plant Reserve
Holtermann Street Car Park Upgrade Consultancy	2,029,702	Specific Purpose Grant
Young Street Plaza Streetscape Upgrade	1,924,899	Specific Purpose Grant
Quarantine Boat Depot Upgrade	733,583	Specific Purpose Grant
Anderson Park Sportsfield Reconstruction	635,196	Specific Purpose Grant
Bike Facilities Program - Young Street	552,200	Specific Purpose Grant
Traffic Facilities - Military Road LATM Solutions	482,977	Specific Purpose Grant
Neutral Bay & Cremorne Streetscape Upgrade	398,669	Specific Purpose Grant
Tunks Park Amenities Block Upgrade	308,744	Specific Purpose Grant
Anderson Park Sportsfield Lighting	199,153	Specific Purpose Grant
Bike Facilities Program - Ernest Street	176,750	Specific Purpose Grant
Gore Cove Walking Track Upgrade	175,538	Specific Purpose Grant
Anderson Park Outdoor Fitness Equipment	154,205	Specific Purpose Grant
Traffic Facilities - Ben Boyd Road Traffic Calming	150,000	Specific Purpose Grant
Traffic Facilities - Crows Nest Road at McHatton Street Pedestrian Refuge	150,000	Specific Purpose Grant
Traffic Facilities - Burton Street Pedestrian Crossing Upgrade	134,295	Specific Purpose Grant
McMahons Point Pocket Park	125,000	Specific Purpose Grant
Traffic Facilities - Clarke Street at Willoughby Road Pedestrian Crossing Upgrade	120,000	Specific Purpose Grant
Traffic Facilities - Waters Road Pedestrian Crossing Upgrade	120,000	Specific Purpose Grant
Primrose Park Tennis Court Upgrade	104,836	Specific Purpose Grant
Tunks Park Creekline Remediation	20,140	Specific Purpose Grant
Tunks Park Synthetic Cricket Wickets	3,459	Specific Purpose Contribution
Hume Street Plaza	1,991,143	Developer Contributions
Traffic Facilities - Military Road LATM Solutions	110,850	Developer Contributions
Family Day Care Centre Playground Equipment	40,580	Developer Contributions
Kelly's Place Playground Upgrade	27,424	Developer Contributions
Crows Nest Public Domain Masterplan Implementation	158,928	Crows Nest Mainstreet Levy
Neutral Bay & Cremorne Masterplan Implementation	97,075	Neutral Bay Mainstreet Levy
<b>Total</b>	<b>25,045,004</b>	

The non-capital projects which require funds to be carried forward from 2021/22 to allow their completion are listed below, along with the amount to be carried forward and the funding source(s).

Project / Program	Amount (\$)	Funding Source
SES & NSW Fire & Rescue Contribution (State Government funding support)	417,868	Capital Works Reserve

Project / Program	Amount (\$)	Funding Source
Website Upgrade	168,558	Capital Works Reserve
Denison & Mount Street Public Domain Study	106,590	Capital Works Reserve
Records Management Review	48,328	Capital Works Reserve
Albany Street & Willoughby Road Power Pole Removal	48,117	Capital Works Reserve
Hayes Street Wharf Amenities Refurbishment	47,425	Capital Works Reserve
Monford Place Road Closure	41,079	Capital Works Reserve
Precincts System Review	40,000	Capital Works Reserve
North Sydney Oval Grandstands Repainting	39,475	Capital Works Reserve
Various Parks Path Maintenance	31,183	Capital Works Reserve
Military Road Corridor Planning Study	30,000	Capital Works Reserve
Nutcote Museum Repainting	26,727	Capital Works Reserve
Warringah Freeway Compulsory Land Acquisition	25,000	Capital Works Reserve
Waverton Park Bowling Club Land Contamination Consultancy	20,000	Capital Works Reserve
80 Pacific Highway Subdivision	15,089	Capital Works Reserve
1 Elizabeth Plaza Subdivision	10,781	Capital Works Reserve
Digitisation of Property Files	8,694	Capital Works Reserve
Bike Facilities Maintenance	5,463	Capital Works Reserve
Youth Week Activities	3,827	Capital Works Reserve
Affordable Housing Review	43,730	Community Housing Major Maintenance Reserve
Neutral Bay & Cremorne Streetscape Tree Planting	472,010	Specific Purpose Grant
Faster Regionally Significant Development Applications Pilot Program	230,749	Specific Purpose Grant
Food Waste Collection Trial	180,000	Specific Purpose Grant
Albany Street & Willoughby Road Traffic Control Signal Relocation	145,100	Specific Purpose Grant
Pacific Highway & Berry Street Culvert Replacement	104,911	Specific Purpose Grant
NSW Planning Portal Integration	80,000	Specific Purpose Grant
North Sydney Metro Station Planning	55,029	Specific Purpose Grant
Cigarette Butt Litter Project	17,711	Specific Purpose Grant
Catchment Study	16,461	Specific Purpose Grant
Youth Week Activities	2,892	Specific Purpose Grant
Youth Opportunities Program	2,000	Specific Purpose Grant
Street Trees Planting	9,331	Developer Contributions
Food Waste Collection Trial	166,818	Domestic Waste Management Levy
Young Street Plaza Seating Repainting	5,542	Neutral Bay Mainstreet Levy
<b>Total</b>	<b>2,666,488</b>	

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projects are listed below, along with the amount of the budget adjustment required and the funding source.

<b>Project / Program</b>	<b>Amount (\$)</b>	<b>Funding Source</b>
North Sydney Olympic Pool Redevelopment	2,264,632	North Sydney Olympic Pool Redevelopment Reserve
Corporate IT Systems Integration	23,371	IT Hardware & Software Reserve
St Leonards Park Playground Upgrade	29,070	Specific Purpose Grant
<b>Total</b>	<b>2,317,073</b>	

As \$3.7 million of the required budget adjustments is funded from grant funding due to be received in 2022/23, the amendments to the 2022/23 budget will result in an increase in the net drawdown from reserves of \$21.7 million, from the \$40.3 million allowed for in the original budget to \$62 million.