

Relevant Information for Council

FILE: X007555 **DATE:** 12 November 2021

TO: Lord Mayor and Councillors

FROM: Bill Carter, Chief Financial Officer

THROUGH: Monica Barone, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.2 – 2021/22 Quarter 1 Review - Delivery Program 2017-2021

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 8 November 2021, further information was sought on the following:

- 1. Timing of the Oxford Street, Liverpool and College Street cycleways works, and who has contributed funding. Did the Government provide a timing extension for the previously announced funding?**

Oxford Street (Flinders Street - Lang Road) Cycleway Project:

This length of Oxford Street is a State Road. Transport for NSW is the road authority and is responsible for funding and delivering the cycleway in Oxford Street from Flinders Street to Lang Road.

Transport for NSW is currently developing the design for this project in consultation with both City of Sydney and Woollahra Council staff.

College Street, Liverpool Street (Castlereagh Street – College Street) and Oxford Street (College Street – Flinders Street) Cycleway Project:

Transport for NSW offered the City \$4.2M of funding last financial year, under the NSW Government's Roadside Public Spaces Program, towards the three cycleways: College Street, Liverpool Street (between Castlereagh Street and College Street) and Oxford Street (between College Street and Flinders Street).

Transport for NSW required the \$4.2M of funding to be spent in 2021/22. To utilise the NSW Government contribution within the time constraints, \$4M was assigned to the design and construction of the College Street cycleway, with the remaining \$0.2M assigned to the design of the Liverpool Street and Oxford Street cycleway elements of the total project.

The College Street cycleway construction will commence in early 2022. The Liverpool Street (between Castlereagh Street and College Street) and Oxford Street (between College Street and Flinders Street) is programmed to commence in early 2023 following Sydney World Pride.

2. Explanation of YTD and full year Sponsorship Income in the Q1 Report

The 2021/22 sponsorship budget was prepared and adopted before the second Delta wave of the Covid pandemic occurred, based upon expectations that all annual events including the Christmas, New Years' Eve, and Lunar New Year festivals would proceed as per the City's normal program. Given the timing of these events, the vast majority of sponsorship was budgeted to be received in Quarters 2 and 3, with only a minimal \$1,000 expected in Q1 for minor tree sponsorships.

The current forecast unfortunately reflects another very disrupted year, where many events have not been able to proceed, or have had to be significantly scaled back given the public health orders and community safety concerns. As such the forecast for this year is significantly reduced.

3. Top 20 capital works forecast variations for the 2021/22 financial year.

The Q1 Report, and presentation to Committee, highlighted the most significant variations to the City's capital works program, however there was a request to further detail the top 20 forecast budget variations by project within the 2021/22 financial year.

Name of the Project	2021/22 Current Budget	2021/22 Current Forecast	Budget vs. Forecast Variance \$	Comment
Existing Streets (Portman St) Upgrade	5,987,184	4,523,341	1,463,843	Latent conditions have had a minor impact on YTD spending, noting that potential savings may also be realised at completion of the project (Q3).
Zetland Ave (West) - Paul St to Portman St	5,435,561	4,318,636	1,116,925	Latent conditions have had a minor impact on YTD spending, noting that potential savings may also be realised at project completion.

Name of the Project	2021/22 Current Budget	2021/22 Current Forecast	Budget vs. Forecast Variance \$	Comment
Green Square to Ashmore Connection	4,331,772	9,808,720	(5,476,948)	Additional funds resolved for this project in the October Council meeting.
George Street South Pedestrianisation	26,993,043	22,996,899	3,996,144	Variance due to Covid health order restrictions, and delays to resolve latent site conditions.
Alexandria School and Park Synthetic Sportsfield - Joint Use	3,291,619	4,970,262	(1,678,643)	Project progressing ahead of the budget phasing, due to be completed this financial year.
Synthetic Sports Field - Crescent Park	974,490	249,587	724,903	Additional time taken to design the sportsfield to optimise outcomes for the community, within the available space.
King St Cycleway - Stage 2	2,700,000	1,062,317	1,637,683	Current year forecast reduced to reflect timing for delivery, and pending approvals from TfNSW.
Oxford St west and Liverpool St cycleways	8,505,757	5,134,794	3,370,963	Current year's forecast reduced to reflect new design of permanent cycleway for Oxford St.
Erskineville Alexandria Precinct Cycleway Links	4,852,779	2,927,306	1,925,473	Forecast reflects the redesign required for Railway Parade cycleway.
Joynton Avenue Stormwater Drainage Upgrade	2,522,387	645,769	1,876,618	Reduced expenditure forecast this year, as we've undertaken extended pre-work with prospective contractors to inform the tender.

Name of the Project	2021/22 Current Budget	2021/22 Current Forecast	Budget vs. Forecast Variance \$	Comment
Erskineville Trunk Drainage	1,436,353	504,905	931,448	Timing delay as Sydney Water reviews an optimal design solution, expected to be issued in early 2022.
Sydney Town Hall External Works Stage 3	3,174,105	4,477,583	(1,303,478)	Funds brought forward to the current financial year, reflecting progress to date, ahead of the original project timeline.
Corporation Building - Façade, Roof, Window, Awning Repairs	1,883,809	2,880,523	- (996,714)	Works forecast for completion this financial year. Costs include unanticipated latent conditions for additional sandstone and slate replacement, and slate tiles for roof.
Woolworths Building - Façade Remediation	2,632,179	3,680,317	- (1,048,138)	Construction progressing ahead of budget.
Lift Upgrade/Replacement – Various Sites	1,787,500	649,077	1,138,423	Forecast reduced to reflect anticipated lead times for procurement of lift equipment from overseas.
Portfolio Chiller Replacement	1,023,006	271,204	751,802	Project currently in tender phase. Forecast reduced to reflect supply chain impacts on overseas supply of equipment.
Electrical works - Switchboard Upgrade - 7 sites	1,333,865	462,266	871,599	Project currently in tender phase. Forecast reduced to reflect supply chain impacts on overseas supply of equipment.

Name of the Project	2021/22 Current Budget	2021/22 Current Forecast	Budget vs. Forecast Variance \$	Comment
Commonwealth Bank (546 George St) - BCA, Hydraulics Renewal	1,450,400	360,930	1,089,470	Forecast reduced to reflect finalisation of the scope required to satisfy building code of Australia (BCA) requirements.
Zetland Avenue - Mid (Joynton Ave to Portman St)	3,086,795	2,451,737	635,058	Potential savings that may be realised at completion of the project (Q4).
Wilcox Moffin Bdg (46-52 Mountain St) - Hydraulic and BCA	1,000,000	376,637	623,363	Project budget being re- phased as the majority of the project cost will be construction and required next financial year.
Total	80,315,809	69,924,436	10,391,373	

Memo from Bill Carter, Chief Financial Officer

Prepared by: Bill Carter, Chief Financial Officer

Approved



MONICA BARONE

Chief Executive Officer