

### 3.11. I&E - 26/08/24 - Main Street CBD Stage 2 Footpath Revitalisation Program - Funding Advocacy

#### Strategic Context for this matter:

**Developing Our Built Environment** To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

**Strengthening Our Economy** To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

**Author:** Jonathon Edgecombe – Director Infrastructure Services & Economy

**Responsible Officer:** Leanne Kearney – Assets & Infrastructure Planning Manager

#### Executive Summary

The purpose of this report is to recommend that Council advocate to both the Commonwealth and State Governments to reinstate and confirm commitment of funding to complete Main Street Footpath Revitalisation Stage 2 program.

#### Administration's Recommendation

THAT Council write to responsible Ministers, on behalf of the Lithgow community, for the following:

- A) The Commonwealth government to reinstate \$1,938,911 funding to enable the completion of the Main Street CBD Stage 2 Footpath Revitalisation program; and
- B) The State Government to ensure their commitment of \$1,500,000 funding to enable the completion of the Main Street CBD Stage 2 Footpath Revitalisation program is secure.

#### Attachments

Nil

#### Reference to any relevant previous minute

Nil

#### Background and discussion

Main Street Footpath Refurbishment Stage 2 is a project that aims to improve the street appeal and functionality of Lithgow's central business district, from Bridge Street to Cook Street.

The proposed works build on the Stage 1 works involving upgrades to Cook Street Plaza, and the intersection of Eskbank Street and Main Street which were completed in 2020.

Proposed works include:

- A revamped streetscape, including replacement of old and dated pavers (which become hazardous during wet weather periods) with modern concrete - enhanced with slate borders and brick banding tying in to Lithgow's great industrial heritage;
- replacing drainage systems to ensure asset protection;
- improved safety balustrade, street furniture, a parking zone review (including disability access / loading zones and bus zones); and
- new green scaping.

Local businesses have suffered greatly due to recent events including the Black Summer Bushfires, several declared natural flooding disasters, and the heavy impacts from the global COVID-19 pandemic. The Administration is acutely aware that works within the Central Business District will once again impact trading of these businesses, and as such, have conducted thorough and extensive community consultation processes (set to continue once final designs are provided by the end of August) to ensure that all measures can be incorporated into the construction phase to minimise the impacts on local businesses.

Results from this important community project will be improved pedestrian connectivity, enhancement to shop frontages to attract new businesses / retain existing business, and improvement to public spaces such as Pioneer Park to compliment business activity by providing a space for community events.

To date, Council has completed the following works as part of this project:

- **Pioneer Park Works (25% of full Stage 2 work):**
  - Demolition of existing men and women's amenities,
  - Installation of Exeloo public amenities and fencing,
  - Replacement of existing bus shelter, and
  - Landscaping works (park area only, not roadway or footpath verges)
- **Survey and Design Work (15% of full Stage 2 work):**
  - Traffic study for entire stage,
  - Infrastructure Survey (including service locations),
  - Preliminary Design and component options (lighting, street furniture, construction materials, landscaping), and
  - Liaison with infrastructure service providers (Endeavour Energy, Jemena Gas, Telstra and NBN Co).
- **Consultation (10% of full Stage 2 work):**
  - Consultation with elected representatives,
  - Engagement with businesses directly impacted by proposed works,
  - Open community consultation (project specific), and
  - Community consultation feedback from public exhibition of Council's Integrated Planning and Reporting Process (Operation and Delivery Plans).

**Project Expenditure as at 30 June 2024 (\* denotes Council funding):**

PJ	Description	19 / 20	20 / 21	21 / 22	22 / 23	23 / 24	TOTAL
400156 *	Pioneer Park Toilets	53,480	285,355				<b>338,835</b>
600245	Pioneer Square - Streets as Shared Spaces		189,187	19,358			<b>208,545</b>
100832	Main Street Lithgow Footpath Revitalisation (BCRRF)				17,989	74,250	<b>92,239</b>
100710	Main Street Lithgow Footpath Revitalisation (Resources for Regions Fund)			5,600	22,279	112,388	<b>140,267</b>
		<b>53,480</b>	<b>474,542</b>	<b>24,958</b>	<b>40,268</b>	<b>186,638</b>	<b>779,886</b>

This project total cost is \$4,309,358.00, comprising of funding from NSW Government through Resources for Regions Round 8 (R4R8) of \$1,500,000, Commonwealth Government via Building Better Regions Fund - Infrastructure Projects Stream - Round 5 (BBRF) providing \$1,938,911, and Council allocating the remaining funding of \$870,447 for the full project.

Council has been challenged by elements in this project, including:

1. The inability to retain a dedicated Project Manager for the entirety of the project. The project has been managed by three different Project Managers, two of which were internally recruited and have since resigned from the Council. To move the project forward with haste, Council engaged a contract, external project manager and still, this person resigned from their employer before completion of the works.
2. The impacts of several natural disasters relating to floods, bushfires and the COVID-19 pandemic impacting the ability of Council to maintain a flow for the project to progress in a speedy manner. Combined with the difficulty of attracting an ongoing project manager, this has contributed to ongoing challenges in maintaining compliance with grant conditions for BCRRF and R4R8.

### Consultation and Communication

In May 2024, Council received notice that the BBRF Grant Agreement was due to expire on 8 June 2024. Council promptly commenced discussions with the Department, where feedback from the department indicated that they would look favourably upon Council's request for an extension of time for the project to be completed, noting that the BBRF funding would be able to be fully expended by 30 December 2024 to complete 50% of the Stage 2 works. Several requests for information were submitted to Council by the Department, most with very unreasonable deadlines ranging between 1 hour to 12 hours, including:

- Council was requested to submit a satisfactory variation request within 12 hours. Council sought clarification on the requirement, and when a reply was received from the Department, this timeframe reduced to 8 hours. Council Officers prioritised this task, and submitted a thoroughly detailed submission for consideration within the timeframe required.
- Even though the Australian Government was funding just \$1.5m of a \$4.3m project, Council received a reply stating that, as the entire project could not be fully delivered by 31 December 2024, an extension of time was not approved, and Council was now given 16 hours to complete the completion report for the Department to consider payment for works completed to date. Whilst Council commenced work on the required report, Council's request for

clarification did not receive a response from the Department until the day the submission was expected.

- Council was then advised that, as Council's reply was received 3 hours after the deadline, it would not be considered, and Council was then given 2 hours to submit a completion report, including 3 years worth of financial transactions and invoices.
- A reply was received requesting further information to be provided within 1 hour for assessment of payment.

Council was advised *"The program delegate has determined that the Grant Agreement is expired as at 8 June 2024 and no grant funds are payable to Lithgow City Council. Please note that this decision is final. "*

In May 2024, Council also commenced discussions and provided a submission to Resources for Regions Department to request a variation for an extension of time for the grant, which is still being assessed.

### **Policy**

Nil

### **Legal**

Nil

### **Risk Management**

Without the reinstatement of the Commonwealth funding, Council will need to reduce the scope of works to split Stage 2 into substages of 2a (from Bridge Street to Eskbank Street) to be completed from current available funding, and 2b (from Eskbank Street to Cook Street) to be completed when additional grant funding is sourced.

Without the confirmation of NSW State funding, Council will not be able to proceed with the project past the design stage.

### **Financial**

- Budget approved - \$4,309,358
- Cost centre – 400156, 600245, 100832, and 100710
- Expended to date - \$779,886
- Future potential impact – reduction of budget by \$3,438,911