

CAPITAL INVESTMENT POLICY

Policy Reference No.	POL/209
File No.	HCC15/589
Strategic Objective	5.3 Provide responsible and transparent governance, services and infrastructure which respond to community needs
Adopted by Council	10 April 2017
Re-Adopted	22 June 2020
Date for Review	June 2024
Responsible Officer	Director Corporate Services
Department	Corporate Services

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1 POLICY STATEMENT

- 1.1 Council is committed to the life cycle management, including the renewal and where relevant disposal, of Council owned or managed infrastructure and community assets; the delivery of new Council infrastructure and community assets identified in Precinct Structure Plans; and recognises the importance of these assets in supporting the delivery of Council services identified in Service Plans.
- 1.2 Council is committed to the highest level of governance and transparency in decision making in the prioritisation of Capital Works projects and their timing to be included within the Capital Works Program.

2 PURPOSE

- 2.1 This Capital Investment Policy enables the funding and delivery of infrastructure and service-based asset projects and council equipment that support the Council objectives identified in Hume Horizons 2040.
- 2.2 The Policy aims to ensure that Council:
 - 2.2.1 commits to the full funding of all renewal needs;
 - 2.2.2 maximises developer contributions and external funding to deliver all new growth assets identified in Precinct Structure Plans;
 - 2.2.3 delivers all adopted Strategic commitments; and
 - 2.2.4 enables flexibility to respond to community submissions through discretionary projects.

3 SCOPE

- 3.1 The scope of this policy is limited to the development and approval of the Capital Works Program and its reporting from the 2020/21 financial year onwards.
- 3.2 This Policy applies to Capital Works projects that are proposed to be undertaken on assets owned, managed or leased by Council including land.

4 ACCOUNTABILITIES AND RESPONSIBILITIES

- 4.1 Capital Works Program responsibilities and relationships have been established as follows:
 - 4.1.1 Council
 - a) To understand the community's aspiration in setting Policy direction.
 - b) As part of the annual budget process:
 - adopt a draft Capital Works Program for community consultation prepared in accordance with this Policy, and
 - having considered community submissions, adopt a Capital Works Program in accordance with the relevant sections of the Local Government Act proclaimed at the time.

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4.1.2 Executive Management Team

- a) To ensure that this Policy is implemented.
- b) To ensure a draft Capital Works Program for is available for Council to consider annually.
- c) To facilitate applications for capital works external grant funding opportunities.

4.1.3 Asset Management Steering Committee

- a) Undertake an annual review of the calculation of Demanded Renewal Needs and determine asset renewal projects to be included in the draft Capital Works Program.

4.1.4 Growth Areas Infrastructure Planning Committee

- a) Annually review all Precinct Structure Plans (and associated Development or Infrastructure Contribution Plans) to identify growth related projects to be included in the draft Capital Works Program.

4.1.5 Project Sponsor

- a) To complete the required Capital Works project proposal form in full.

4.1.6 Finance & Property Development Manager

- a) Coordinate the development of the Capital Works Program in accordance with the Capital Investment Guidelines.
- b) Develop and maintain the Capital Investment Guidelines.
- c) Provide Capital Works Program reporting to Council; the Executive Management Team; and the Capital Works and Building Maintenance Manager on a timely basis.

4.1.7 Capital Works & Building Maintenance Manager

- a) Coordinate and undertake the delivery of the Capital Works Program in accordance with the Capital Works Program Delivery Management Guidelines.
- b) Develop and maintain the Capital Works Program Delivery Management Guidelines.

5 POLICY IMPLEMENTATION

5.1 Policy Elements

5.1.1 Project Investment Priority

Council will adopt the following priority order in which to invest available capital works funding:

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- a) Asset Renewal – based on calculated renewal demand. Renewal based projects will typically be organised into a program of works.
- b) Growth - projects scoped and identified within adopted Development and Infrastructure Contribution Plans.
- c) Committed – Strategic projects adopted by a prior Council resolution that includes a Strategy; Master Plan or Action Plan, where the development of the strategy or plan was identified in the Council Plan.
- d) Externally Funded – projects that Council has received confirmation of Federal or State Government grant funding that requires either a committed commencement date, milestone dates or completion date.
- e) Discretionary – all other identified projects up to an ideal maximum of 10% of the Capital Works Program in any financial year.

5.1.2 Project Significance Levels

Council will adopt the following project significance levels (and annual renewal programs) that explain the level of information required to support the project to be considered for inclusion in the Capital Works Program.

- Major Greater than \$5m
- Large \$1m to less than \$5m
- Medium \$200k to less than \$1m
- Small Less than \$200k

Growth funding for operations and maintenance will only be provided for Major and Large projects related to Growth and Committed projects.

5.1.3 Selection Criteria and Weighting

- a) Asset Renewal and Growth Projects

Project identification and prioritisation for asset renewal and growth projects will be reviewed by October each year by the Asset Management Steering Committee and the Growth Areas Infrastructure Planning Committee respectively for inclusion in the Capital Works program.

- b) Committed Projects

Committed projects will be prioritised in accordance with the annual program of works in the adopted strategy, master plans or action plan.

- c) Externally Funded Projects

Externally funded projects can be projects from any of the priority categories and for any project significance level. It is expected that projects submitted for external funding will be ready, at a minimum, for Procurement. This requires that the project has completed all investigations, internal referrals and designs.

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d) Discretionary Projects

Discretionary Project proposals will be assessed on the following criteria and weighting:

- Fit to Council Plan Outcomes 20%
- Need & Benefits 30%
- Urgency 20%
- Financial Impacts 30%

5.2 Policy Review

The review of the operation of this Policy will occur every four years.

6 DEFINITIONS AND ABBREVIATIONS

Precinct Structure Plans	Master plans for whole communities adopted by the Victorian Planning Authority. PSP's identify development contributions to fund new and upgraded or expanded infrastructure.
Service Plans	Is a four year action plan developed during the final stage of the service planning framework.
Capital Works Program	Council's annual and four-year program as set out in Council's adopted Annual Budget and rolling Strategic Resource Plan.
Demanded Renewal needs	The funding required to renew Council's assets in a timely manner as calculated through strategic asset management modelling and condition assessments and as identified in Council's Asset Management Plans.
Project Sponsor	The person or group (community or sporting) who proposes a project for inclusion in the draft Capital Works Program.

7 RELATED DOCUMENTS

7.1 The Capital Investment Policy will be consistent with Hume Horizons 2040, the Council Plan and associated Strategic Resources Plan.

7.2 Council Policies

- Asset Management Policy
- Service Planning Framework Policy
- Procurement Policy

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- d) Parking on Narrow Streets Policy
- e) Fencing of Council Reserves Policy
- f) Grant Seeking & Management Policy (under development)

7.3 Guidelines

- a) Capital Investment Guidelines
- b) Capital Works Program Delivery Management Guidelines

Date Adopted	##/##/####
Date Re-Adopted	##/##/#### [Leave blank if N/A]
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