

**1.        CARRYOVER VOTE FOR MEDICAL CENTRE EXTENSION**

**Introduction**

This report seeks Council's approval to carryover funds unexpended from the previous financial year that were allocated to the Medical Centre Extension.

**Background**

Council have allocated \$400,000 in the 2017/18 financial year for the purposes of extending the Narromine Shire Council Family Medical Centre. Tenders for this project have now closed and funds above the \$400,000 in the 2017/18 budget are required to be allocated from reserves in order to award the tender and progress the project. Council have previously allocated \$400,000 in the 2016/17 financial year with expenditure of \$8,280.27.

**Issues**

The estimated cost of the new extension was based on costs of previous works carried out on the building and the use of Cordell's estimating guide which is used by all building contractors. This figure was also reviewed and agreed to by Barnsons Pty Limited and Council's Manager Health, Building and Environmental Services.

Tenders have now been assessed and require carryover of unexpended funds from reserves allocated in 2016/17 financial year in order to cover the cost of construction and enable the General Manager, under delegated authority, to award the Tender. Therefore, an additional \$200,000 will be required to be allocated from reserves with the balance of the project being funding through loans in accordance with the 2017/18 adopted Operational Plan. This means that the total required from reserves will be \$400,000 (currently balance of reserves is \$424,188).

**Assessment**

- a)        *Legal Implications Including Directives and Guidelines***  
Local Government Act 1993; Local Government (General) Regulation 2005 Part 7 – Tendering; Local Government Code of Accounting Practice & Financial Reporting; DLG Tendering Guidelines;
- b)        *Financial Implications / Considerations***  
Council has budgeted \$600,000 for this work.
- c)        *Policy Provisions – Council Policy and Practice***  
Narromine Shire Council Procurement Policy

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**d) Strategic Implications – Implications for Long Term Plans / Targets**  
**Community Strategic Plan 2027**, Item 1.1.7 Retain and enhance existing health services including the Narromine and Trangie Hospitals, Trangie Surgery and the Narromine Shire Family Medical Centre

**Delivery Program Strategy 2017/18 – 2020/21 1.1.7.1** Maintain Services provided by the Council owned Medical Centre and Trangie Doctor's Surgery to meet the needs of the users.

**Summary / Conclusion**

There was \$400,000 allocated in the 2016/17 financial year for the purposes of extending the Narromine Shire Council Family Medical Centre. At the time of allocating these funds, Council was waiting on the outcome of a grant application to fund 50% of the works. During the 2016/17 financial year, Council was advised that the grant application was unsuccessful. Although this work was commenced with plans of the facility being finalised, the majority of these funds were not expended and are available for carryover into the 2017/18 financial year.

**RECOMMENDATION**

That Council carryover \$200,000 allocated from the 2016/17 financial year for the purposes of awarding the medical centre extension contract in accordance with Clause 211 of Local Government (General) Regulation 2005.

Kerrie Murphy  
**Director Infrastructure and Engineering Services**