

Report to the Future Melbourne Committee

Agenda item 6.8

City Activation Extended Outdoor Dining Program - Short Term Extension

Presenter: Roger Teale, Acting General Manager Infrastructure and Design

16 Feb 2021

Purpose and background

1. The purpose of this report is to seek endorsement to extend the Extended Outdoor Dining Program for three months to Wednesday 30 June 2021 (Refer attachment).
2. The Extended Outdoor Dining Program commenced in October 2020 as a key initiative to support Melbourne's hospitality industry during the COVID-19 pandemic. The program is being delivered in partnership with the Victorian Government through the \$100 million Melbourne City Recovery Fund (MCRF).
3. As agreed at the commencement of the program, infrastructure for parklets and intermittent laneway closures are due to be removed at the end of March 2021.
4. On Tuesday 2 February 2021 at Future Melbourne Committee, Council considered an Urgent Business Notice of Motion requesting management to prepare a report for the 23 February 2021 Council meeting to consider options for a short term extension of the current program by a further two months.

Key issues

5. The Extended Outdoor Dining Program has seen a significant uptake from hospitality businesses since the launch of the program with more than 844 permits being issued to businesses to extend trading space while social distancing measures are in place. This includes:
 - 5.1. 198 parklets to extend trading into City of Melbourne car parking/loading spaces (totalling 400 spaces), and
 - 5.2. The intermittent closure of 22 laneways to extend footpath dining into the street to support 57 businesses.
6. In January 2021, the Business Concierge team surveyed 150 businesses with parklet infrastructure, and discovered the initiative has assisted 81 per cent of businesses to reopen and 76 per cent of businesses to maintain seating capacity through the density restrictions.
7. As the MCRF budget allocated to the Extended Outdoor Dining program has not yet been fully expended and some savings have been identified, it is possible to extend the existing program by a further **three** months, to 30 June 2021. Council would continue to forgo revenue from car parking for the occupied spaces.
8. Should the proposed program extension be endorsed by Council, the following assessments will be undertaken to ensure the program is not adversely impacting functionality of the city:
 - 8.1. Assessment of parklet infrastructure in Loading Zones that may be required to support other businesses in the vicinity, and potential reinstatement of these spaces for loading,
 - 8.2. Assessment of parklet infrastructure for businesses who have not yet used their installed parklets or no longer wish to participate in the program, and
 - 8.3. Assessment of parklet infrastructure from a safety or amenity perspective.
9. A process for extending the program has been developed to minimise administration impact on permit holders. Our Business Concierge will make contact with all Outdoor Dining permit holders to ascertain interest in a permit extension. If there are no matters of concern as mentioned a permit extension will be issued to the business operator.
10. A comprehensive evaluation of the program is underway to assist Council in understanding economic benefit of the program and recommendations for the future. This evaluation will be presented for Council consideration at the March meeting as outlined in the resolution made on Tuesday 2 February 2021.

Recommendation from management

11. That the Future Melbourne Committee:
 - 11.1. Endorses the extension of the Extended Outdoor Dining Program until Wednesday 30 June 2021 and
 - 11.2. Notes that evaluation of the Extended Outdoor Dining program is underway and will be presented for consideration at Council on Tuesday 30 March 2021

Attachments:

1. Supporting Attachment (Page 2 of 3)

Supporting Attachment

Legal

1. The process is managed through permits under the Activities Local Law 2019. Legal advice has and will continue to be provide on all aspects of the project.
2. As agreed with the Victorian Commission for Gambling and Liquor Regulation, the process followed by Council to extend the outdoor dining permit will also provide an extension to a business' liquor licence if required.

Finance

3. Infrastructure costs to implement the Extended Outdoor Dining Program until the end of March are anticipated to be approximately \$5.5M.
4. It is expected that additional infrastructure cost to extend the Outdoor Dining Program would be approximately \$2.2M.
5. These costs can be accommodated in the existing Melbourne City Recovery Fund budget for the program. The cost for removing the infrastructure at the end of the program has been factored into budget estimates.
6. It is expected that the additional loss of car parking revenue in order to extend the outdoor dining program for three months would be approximately \$444,000. This estimate does not include potential revenue from parking fines.
7. As part of the MCRF, fees associated with outdoor dining permits have been waived until 30 June 2021.

Conflict of interest

8. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

9. The Extended Outdoor Dining initiative responded directly to the COVID-19 public health measures regarding social distancing requirements for indoor dining by providing an outdoor spaces as an alternative. The extension of time would continue to support COVID-safe measures that are in place across Victoria.
10. Throughout the course of the program, road safety assessment and audits have been undertaken to ensure all outdoor dining spaces created in the parking spaces and other temporarily closed roads are designed and constructed to meet safety standards.
11. The City Activation Program has benefitted from an overarching risk assessment, and appropriate measures have been established.

Stakeholder consultation

12. Proactive engagement with existing Extended Outdoor Dining permit holders will be undertaken immediately following the determination of Council.
13. Targeted stakeholder engagement will be undertaken where matters of concern are known, and will be managed on a case-by-case basis.
14. As part of the Extended Outdoor Dining Program engagement with resident groups is ongoing and will continue through any extension period and as part of the evaluation.

15. Outcomes of stakeholder engagement to evaluate the overall Extended Outdoor Dining Program will be presented as part of a Management Report to Council in March 2021.

Relation to Council policy

16. The Extended Outdoor Dining Program is an initiative identified in the COVID-19 City Reactivation and Recovery Plan.

Environmental sustainability

17. An extension to the Extended Outdoor Dining program demonstrates better use of resources by continuing to utilise the infrastructure provided for an additional three months. This makes better use of the inputs required to establish and dismantle the parklets in particular.