

PART A REPORTS

ANNUAL PLAN BUDGET UPDATE - GOVERNANCE AND SUPPORT SERVICES

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure (opex) budgets for the 2022/23 Annual Plan year for the Governance and Support Services Group. The following activities are provided for:
 - Business information services
 - Civic and administration
 - Civil defence
 - Communications and marketing
 - Corporate leadership
 - Corporate policy
 - Customer services agency
 - Finance
 - Fleet operations
 - Human resources
- 2 A schedule of proposed fees and charges for the 2022/23 year is also presented at Attachment B.

RECOMMENDATIONS

That the Council:

- a) **Approves** the draft 2022/23 operating budget for the Governance and Support Services Group as shown/amended at Attachment A.
- b) **Approves** the draft 2022/23 fees and charges schedules for Governance and Support Services as shown/amended at Attachment B.

OPERATING BUDGETS

Revenue

Rates

- 3 The rates contribution for this Group has decreased by \$5.572 million, reflecting the transfer of funding to support departments with increased depreciation costs – see external revenue comment below.

External Revenue

- 4 External revenue has increased by \$5.894 million. The draft budget includes a \$5.500 million dividend from Dunedin City Holdings Limited to assist with the funding of increased depreciation across Council. DCHL has indicated that, due to the performance of the companies, there is an unexpected dividend available.
- 5 Other revenue increases relate to the recovery of local body election costs and the transfer of Land Information Memorandum (LIM) revenue from Building Services.

Expenditure

Personnel Costs

- 6 Personnel costs have increased by \$340k, 2.0%. This increase combines the following key changes:
 - Additional resources to deliver on the Maori Partnerships and zero carbon initiatives
 - Additional resources in the Major Projects and Procurement teams, to enable more efficient project delivery and insourcing
- 7 The increase in personnel costs have been partially offset by a \$1.500 million increase to the vacancy allowance.

Operations and Maintenance

- 8 Operations and maintenance costs have increased by \$67k.
- 9 This increase combines the following key changes:
 - a) \$1.183 million increase in contract costs in BIS reflecting the requirement to support an increase in users and additional systems and applications,
 - b) \$541k costs associated with the 2022-2023 local body elections,
- 10 The increase in operations and maintenance costs have been partially offset by a \$1.500 million saving.

Consumables and general costs

- 11 Consumables and general costs have decreased by \$456k.

- 12 This increase combines the following key changes:
- a) An increase of \$393k in BIS provides for software licence fees, specialist advice for LIM applications and aerial photography.
 - b) An increase of \$133k in Civic and Administration relates to elected member remuneration and other administrative costs.
- 13 The increase in consumables and general costs have been partially offset by a \$1.000 million saving.

Depreciation

- 14 Depreciation has increased by \$874k relating to capital expenditure in BIS and Fleet Operations.

FEES AND CHARGES

- 15 There are no changes to the fees and charges schedule.

Signatories

Authoriser:	Gavin Logie - Chief Financial Officer
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Attachments

	Title	Page
↓A	Governance and support services draft budget for 2022/23	9
↓B	Governance and support services draft fees and charges for 2022/23	10

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Governance and Support Services Group contributes to the delivery of all of the objectives and priorities of the strategic framework.

Māori Impact Statement

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Maori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

Sustainability

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides a draft budget for the Governance and Support Services Group for inclusion in the draft 2022/23 Annual Plan.

Financial considerations

Financial considerations are detailed in the report.

Significance

The 10 year plan 2021-31 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

Engagement – external

There has been no external engagement in updating the draft budget for the Governance and Support Services Group.

SUMMARY OF CONSIDERATIONS

Engagement - internal

Staff and managers from across council have been involved in the development of the draft budget.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Projects identified in Community Board Plans were considered in the development of the budgets for the 10 year plan, and Community Boards were consulted at this time. Community Boards will have an opportunity to present on the draft 2022/23 Annual Plan.

Corporate Support Activities Summary

Income Statement for the Year Ended 30 June 2023

Actual		Budget	Draft Budget	Inc (Dec)	Budget Inc (Dec)
2020-21		2021-22	2022-23		
\$000		\$000	\$000	\$000	%
Revenue					
760	Rates revenue	6,643	1,071	(5,572)	-83.9%
1,055	Rates penalties	850	850	-	0.0%
16,786	External revenue	10,710	16,604	5,894	55.0%
97	Grants and subsidies operating	-	-	-	-
-	Grants and subsidies capital	-	-	-	-
-	Development contributions	-	-	-	-
-	Vested assets	-	-	-	-
25,525	Internal revenue	25,635	26,519	884	3.4%
734	Tax refund	450	450	-	0.0%
44,957	Total revenue	44,288	45,494	1,206	2.7%
Expenditure					
15,196	Personnel costs	16,707	17,047	340	2.0%
7,868	Operations & maintenance	5,277	5,344	67	1.3%
145	Occupancy costs	163	171	8	4.9%
10,443	Consumables & general	11,238	10,782	(456)	-4.1%
766	Grants & subsidies	407	408	1	0.2%
6,850	Internal charges	6,770	6,975	205	3.0%
1,924	Depreciation & amortisation	1,470	2,344	874	59.5%
(3,397)	Interest	1,230	1,360	130	10.6%
39,795	Total expenditure	43,262	44,431	1,169	2.7%
5,162	Net surplus/(deficit)	1,026	1,063	37	3.6%

Group - Governance and Support

	2021/22 fees	2022/23 proposed	% change
Administration Services			
Official Information			
First hour free, thereafter charged per half hour	\$38.00	\$38.00	0.00%
Photocopy first 20 pages A4 black and white free, thereafter charged per page	\$0.20	\$0.20	0.00%
Archives Reference Services			
Archivist's Fee			
First half hour free, thereafter charged per hour. Full details are provided in the Council Reference Service Policy available from Archives.	\$50.00	\$50.00	0.00%
Finance			
Credit card surcharge			
Up to 2% of the transaction value			
Information Services			
Hazard Information Report			
Commercial - Hazard Information Report	\$192.00	\$192.00	0.00%
Residential - Hazard Information Report	\$182.00	\$182.00	0.00%
Land Information Memorandum			
Commercial - Land Information Memorandum	\$377.00	\$377.00	0.00%
Residential - Land Information Memorandum	\$357.00	\$357.00	0.00%
Residential (non-urgent) - Land Information Memorandum	\$305.00	\$305.00	0.00%
Mapping Services			
GIS services available - cost on application			