

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 2023/24 Annual Plan year for the Governance and Support Services Group as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B. The activities include:
 - Business information services (BIS)
 - Civic and administration
 - Civil defence
 - Council communications and marketing (CCM)
 - Corporate leadership
 - Corporate policy
 - Customer services agency (CSA)
 - Finance
 - Fleet operations
 - Human resources
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

RECOMMENDATIONS

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the Governance and Support Services Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for the Regulatory Services Group as shown/amended at Attachment C.

OPERATING BUDGETS

Revenue

Rates

- 3 The rates contribution for this Group has decreased by \$1.579 million.

External Revenue

- 4 External revenue has increased by \$5.673 million. The draft budget includes an increase of \$5.500 million in dividends from Dunedin City Holdings Limited.
- 5 Other revenue increases are due to a new budget to recover costs from the Otago Regional Council (ORC) relating to South Dunedin Future costs. The other change is a reduction in recoveries for the election.

Expenditure

Personnel Costs

- 6 Personnel costs have increased by \$1.391 million 8.0%. This increase is made up of the following key changes:
- Māori, Partnerships and Policy – 1.5 FTE increase. This is made up of 1 FTE to assist with the development of the 10 year plan. The other 0.5 FTE increase relates to sustainability and zero carbon, and South Dunedin future initiatives. These are offset by savings in operating costs or are being funded by external revenue recoveries.
 - Corporate and Quality – 7.7 FTE increase. These increases relate to the provision of back-end support for the programme of work being undertaken by Council, and include increases in Human Resources, Health and Safety, Quality improvement, BIS, web-team and the Project Management Office. The Housing Advisor position is now also provided for in the budget.
 - City Development Engineer – 1 FTE. This position is to co-ordinate the delivery of infrastructure to support growth.
 - In-house legal - 1 FTE. This new position is being funded by 3 Waters reform.

Operations and Maintenance

- 7 Operations and maintenance costs have decreased by \$549k, -9.3%.
- 8 This decrease combines the following key changes:
- a) \$599k decrease in election costs,
 - b) \$196k decrease in contract costs in BIS and a reduction in the use of contractors for system development work,

These decreases have been partially offset by:

- c) \$50k increase in contracted services to assist the Project Management Office transition to a new project management system.

- d) \$29k increase in CSA due to an increase in the cost of the after-hours service.
- e) \$34k increase in Corporate policy for Quality of Life project fieldwork and survey development.

Consumables and general costs

- 9 Consumables and general costs have increased by \$260k, 2.5%.
- 10 This increase combines the following key changes:
 - a) An increase in budget of \$354k for the 10 year plan 2024-34 development including an audit fee of \$145k.
 - b) An increase in budget for South Dunedin Future projects \$224k (recovered from the ORC).
 - c) An increase in elected member remuneration \$132k.
 - d) A decrease of \$237k in BIS due to cost reductions for internet/fibre service, software licence fees and aerial photography costs.
 - e) A decrease of \$145k in CCM due to reductions in software and media monitoring costs.

Depreciation

- 11 Depreciation has increased by \$958k relating to capital expenditure in BIS and Fleet Operations.

Interest

- 12 Interest has increased by \$1.169 million relating to the capital expenditure programme and higher interest rates.

Signatories

Author:	Gavin Logie - Chief Financial Officer
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
↗A	Income Statement	50
↗B	FIS Statement	51
↗C	Governance Fees Schedule	52

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 2023/24 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 202/24 Annual Plan.

Governance and Support Income Statement for the Year Ended 30 June 2024

Actual		Budget	Draft Budget	Inc (Dec)	Budget Inc (Dec)
2021-22		2022-23	2023-24		
\$000		\$000	\$000	\$000	%
Revenue					
7,079	Rates revenue	1,579	-	(1,579)	-100.0%
1,053	Rates penalties	850	1,000	150	17.6%
3,749	External revenue	16,604	22,277	5,673	34.2%
	- Grants and subsidies operating	-	100	100	-
	- Grants and subsidies capital	-	-	-	-
	- Development contributions	-	-	-	-
	- Vested assets	-	-	-	-
25,533	Internal revenue	26,519	27,126	607	2.3%
371	Tax refund	450	370	(80)	-17.8%
37,785	Total revenue	46,002	50,873	4,871	10.6%
Expenditure					
16,423	Personnel costs	17,282	18,673	1,391	8.0%
4,929	Operations & maintenance	5,890	5,341	(549)	-9.3%
132	Occupancy costs	171	199	28	16.4%
8,936	Consumables & general	10,582	10,842	260	2.5%
395	Grants & subsidies	408	411	3	0.7%
6,724	Internal charges	6,975	7,292	317	4.5%
2,057	Depreciation & amortisation	2,344	3,302	958	40.9%
(81)	Interest	1,287	2,456	1,169	90.8%
39,515	Total expenditure	44,939	48,516	3,577	8.0%
(1,730)	Net surplus/(deficit)	1,063	2,357	1,294	121.7%

Governance and Support Funding Impact Statement for the Year Ended 30 June 2024

	Draft Budget 2023/24 \$000
Sources of operating funding	
General rates, uniform annual general charges, rates penalties	569
Targeted rates	431
Subsidies and grants for operating purposes	100
Fees and charges	1,492
Internal charges and overheads recovered	27,126
Interest and dividends from investments	19,722
Local authorities fuel tax, fines, infringement fees, and other receipts	-
Total operating funding (A)	49,440
Applications of operating funding	
Payments to staff and suppliers	35,466
Finance costs	2,456
Internal charges and overheads applied	7,292
Other operating funding applications	-
Total application of operating funding (B)	45,214
Surplus/(deficit) of operating funding (A-B)	4,226
Sources of capital funding	
Subsidies and grants for renewals expenditure	-
Subsidies and grants for other capital expenditure	-
Development and financial contributions	-
Increase/(decrease) in debt	(7,871)
Gross proceeds from sale of assets	120
Lump sum contributions	-
Other dedicated capital funding	-
Total sources of capital funding (C)	(7,751)
Application of capital funding	
Capital expenditure	
- to meet additional demand	-
- to improve the level of service	(4,183)
- to replace existing assets	(1,489)
Increase/(decrease) in reserves	-
Increase/(decrease) in investment (DCHL)	2,550
Increase/(decrease) of other investments	(403)
Total application of capital funding (D)	(3,525)
Surplus/(deficit) of capital funding (C-D)	(4,226)
Funding balance ((A-B)+(C-D))	-

Group - Governance

	2022/23 fees (GST Inclusive)	2023/24 proposed (GST Inclusive)	\$ change	% change
Administration Services				
Official Information				
Photocopy first 20 pages A4 black and white free, thereafter charged per page	\$0.20	\$0.20	\$0.00	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	0.00%
Finance				
Credit card surcharge				
Up to 2% of the transaction value	\$0.00	\$0.00	\$0.00	0.00%
Information Services				
Hazard Information Report				
Commercial - Hazard Information Report	\$192.00	\$192.00	\$0.00	0.00%
Residential - Hazard Information Report	\$182.00	\$182.00	\$0.00	0.00%
Land Information Memorandum				
Commercial - Land Information Memorandum	\$377.00	\$377.00	\$0.00	0.00%
Residential - Land Information Memorandum	\$357.00	\$357.00	\$0.00	0.00%
Residential (non-urgent) - Land Information Memorandum	\$305.00	\$305.00	\$0.00	0.00%
Mapping Services				
GIS services available - cost on application	\$0.00	\$0.00	\$0.00	0.00%