

ANNUAL PLAN BUDGET UPDATE - ROADING AND FOOTPATHS

Department: Transport

EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure (opex) budgets for the 2023/24 Annual Plan year for the Roding and Footpaths Group as shown at Attachment A. A drafting funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
 - Asset and Funding (Business Support)
 - Capital Delivery
 - Maintenance
 - Network Development
 - Community Road Safety
 - Planning
 - Safety
- 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 Roding and Footpaths Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for the Roding and Footpaths Group as shown/amended at Attachment C.

OPERATING BUDGETS

Revenue

Rates

- 3 The rates contribution for the Group has increased by \$6.010 million, 29.9%.

External Revenue

- 4 External revenue has decreased by \$193k, -17.1% due to the transfer of the Road Stopping activity to Property Services (\$60k) and aligning Corridor Access revenue to actual volumes

(\$131k). Corridor Access request volumes have decreased since the city wide ultra-fast broadband rollout was completed.

Grants and Subsidies

- 5 The Waka Kotahi Funding Assistance Rate (FAR) has been dropping by 1.0% per annum, in 2023/24 it will reach 51.0% where it will remain. The volume of capital expenditure for Waka Kotahi co-funded projects directly impacts on the revenue received within a year. The exception is renewals funding which has a FAR rate for the 2023/24 year of 33%.
- 6 Grants and subsidies capital revenue has decreased \$4.285 million, -20.0%. Waka Kotahi funding for capital projects reflects the capital programme proposed for the 2023/24 year.
- 7 Grants and subsidies operating revenue has decreased \$368k -3.3% being subsidies from Waka Kotahi on maintenance, consultancy, and other eligible costs.

Expenditure

Personnel

- 8 Personnel costs have increased by \$489k, 11% reflecting salary changes and an increase in full time equivalent staff (FTE) of 3.2. This increase is offset by a reduction in consultant costs of \$107k as work will be undertaken in-house and a transfer of 1.0 FTE from 3 Waters.

Operations and Maintenance

- 9 Operations and maintenance costs have increased by \$532k, 3.3% to address coastal management costs including sea wall repairs and maintenance, surveying, and modelling for future intervention. Of this, \$426k was transferred from the Reserves and Recreational Facilities Group.

Occupancy costs

- 10 Occupancy costs have decreased by \$255k, -14.8%, reflecting reductions in insurance and electricity costs.

Consumables and General

- 11 Consumables and general costs have decreased by \$250k, -11.7% primarily driven by a reduction in business case consulting.

Depreciation

- 12 Depreciation has increased by \$2.812 million, 11.1%, reflecting the 30 June 2022 revaluation. This valuation reflects assets condition and recent contract rates.

Interest

- 13 Interest expense has increased by \$2.202 million as a result of the capital expenditure programme and higher interest rate.

FEES AND CHARGES

- 14 Fees and charges for activities in the Roding and Footpaths Group have increased by 3%.

Signatories

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Attachments

	Title	Page
↓A	Income Statement	42
↓B	Funding Impact Statement	43
↓C	Transport Fees Schedule	44

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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input 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 Roding and Footpaths Group activities primarily contribute to the objectives and priorities of the above strategies.

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 Māori 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 Roding and Footpaths 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 Roding and Footpaths 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.

Roading and Footpaths Income Statement for the Year Ended 30 June 2024

Actual 2021-22 \$000	Budget 2022-23 \$000	Draft Budget 2023-24 \$000	Budget Inc (Dec) \$000	Budget Inc (Dec) %
Revenue				
17,904 Rates revenue	20,081	26,091	6,010	29.9%
- Rates penalties	-	-	-	-
969 External revenue	1,128	935	(193)	-17.1%
12,403 Grants and subsidies operating	11,174	10,806	(368)	-3.3%
15,575 Grants and subsidies capital	20,972	16,687	(4,285)	-20.4%
1,430 Development contributions	721	721	-	0.0%
1,585 Vested assets	1,450	1,450	-	0.0%
- Internal revenue	-	-	-	-
49,866 Total revenue	55,526	56,690	1,164	2.1%
Expenditure				
4,018 Personnel costs	4,448	4,937	489	11.0%
18,642 Operations & maintenance	15,884	16,416	532	3.3%
1,561 Occupancy costs	1,724	1,469	(255)	-14.8%
2,188 Consumables & general	2,141	1,891	(250)	-11.7%
9 Grants & subsidies	12	12	-	0.0%
1,824 Internal charges	1,884	1,919	35	1.9%
24,604 Depreciation	25,297	28,109	2,812	11.1%
2,530 Interest	3,258	5,460	2,202	67.6%
55,376 Total expenditure	54,648	60,213	5,565	10.2%
(5,510) Net surplus/(deficit)	878	(3,523)	(4,401)	-501.3%

Roading and Footpaths 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	26,054
Targeted rates	37
Subsidies and grants for operating purposes	9,906
Fees and charges	935
Internal charges and overheads recovered	-
Interest and dividends from investments	-
Local authorities fuel tax, fines, infringement fees, and other receipts	900
Total operating funding (A)	37,832
Applications of operating funding	
Payments to staff and suppliers	24,725
Finance costs	5,460
Internal charges and overheads applied	1,919
Other operating funding applications	-
Total application of operating funding (B)	32,104
Surplus/(deficit) of operating funding (A-B)	5,728
Sources of capital funding	
Subsidies and grants for renewals expenditure	7,272
Subsidies and grants for other capital expenditure	9,415
Development and financial contributions	721
Increase/(decrease) in debt	24,964
Gross proceeds from sale of assets	-
Lump sum contributions	-
Other dedicated capital funding	-
Total sources of capital funding (C)	42,372
Application of capital funding	
Capital expenditure	
- to meet additional demand	-
- to improve the level of service	26,017
- to replace existing assets	22,083
Increase/(decrease) in reserves	-
Increase/(decrease) in investment (DCHL)	-
Increase/(decrease) of other investments	-
Total application of capital funding (D)	48,100
Surplus/(deficit) of capital funding (C-D)	(5,728)
Funding balance ((A-B)+(C-D))	-

Group - Transport

	2022/23 fees (GST Inclusive)	2023/24 proposed (GST Inclusive)	\$ change	% change
Transport				
Construction Parking Areas - Installation and Reinstatement of Area				
12m length	\$807.30	\$831.52	\$24.22	3.00%
18m length	\$932.60	\$960.58	\$27.98	3.00%
6m length	\$683.20	\$703.70	\$20.50	3.00%
Relocation of pay and display machines.	\$1,118.20	\$1,151.75	\$33.55	3.00%
Investigation and administration - fixed fee	\$74.80	\$77.04	\$2.24	3.00%
Construction Parking Areas - Monthly Hire, All "Residential Zones" as defined in the Dunedin City District Plan				
12m length	\$310.30	\$319.61	\$9.31	3.00%
18m length	\$465.80	\$479.77	\$13.97	3.00%
6m length	\$155.40	\$160.06	\$4.66	3.00%
Construction Parking Areas - Monthly Hire, All zones except "Residential Zones" as defined in the Dunedin City District Plan				
12m length	\$620.10	\$638.70	\$18.60	3.00%
18m length	\$932.60	\$960.58	\$27.98	3.00%
6m length	\$310.30	\$319.61	\$9.31	3.00%
Corridor Access Requests (CAR)				
Corridor Access Fee (incorporating the completion and maintenance inspections)	\$326.50	\$336.30	\$9.80	3.00%
Footpath and shallow transverse crossings (no fee providing an application is submitted)	\$0.00	\$0.00	\$0.00	
Openings less than 0.25m ² (no fee providing an application is submitted)	\$0.00	\$0.00	\$0.00	
Penalty Fee for No/Unapproved CAR	\$693.80	\$714.61	\$20.81	3.00%
Re-inspection Fee (Non-Conforming works)	\$138.40	\$142.55	\$4.15	3.00%
Encroachments on road reserve (per annum)				
Consent application fee for non-standard sign and other uses	\$249.90	\$257.40	\$7.50	3.00%
Fill points for private fuel lines on road reserve (per annum)	\$63.10	\$64.99	\$1.89	3.00%
Overhead/Underground pedestrian road crossings - Crossings are on a 'lease' basis with payment being on a 'fixed term' basis or subject to a yearly review.	\$0.00	\$0.00	\$0.00	
Residents' Parking				
Refund if you move on during the year	-\$55.00	-\$56.65	-\$1.65	3.00%
Replacement Permit	\$11.10	\$11.43	\$0.33	3.00%
Residents' parking permit (applied 1 January 2022 to 30 June 2022) up to 6 months	\$112.00	\$115.36	\$3.36	3.00%
Residents' parking permit (applied 1 July 2021 to 30 June 2022) up to 12 months	\$223.80	\$230.51	\$6.71	3.00%
Residents' parking permit (annually)	\$223.80	\$230.51	\$6.71	3.00%
Road Stopping Proposal				
The fee to process a road stopping proposal (the applicant must also pay the actual costs involved in the stopping and the value of the land)	\$1,049.30	\$1,080.78	\$31.48	3.00%