

ROADING AND FOOTPATHS - OPERATING BUDGET 2024/25

Department: Transport

EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure budget for the Annual Plan 2024/25 for the Roding and Footpaths Group, as shown at Attachment A. A draft funding impact statement is shown at Attachment B.
- 2 A schedule of proposed fees and charges for the 2024/25 year is also presented at Attachment C.

RECOMMENDATIONS

That the Council:

- a) **Adopts** for the purposes of developing the Annual Plan 2024/25 and consulting with the community:
 - i) The draft 2024/25 operating budget for the Roding and Footpaths Group as shown/amended at Attachment A.
 - ii) The draft 2024/25 fees and charges schedules for the Roding and Footpaths Group as shown/amended at Attachment C.

OPERATING BUDGETS

Revenue

Rates

- 3 Rates have increased overall by \$10.1 million, 42.2%.

Grants and Subsidies (operating and capital)

- 4 Grants and subsidies operating revenue has increased by \$175k, 1.6%. This reflects the recovery of costs for ORC bus shelters and NZTA Waka Kotahi State Highway maintenance work.
- 5 Grants and subsidies capital revenue has decreased by \$3.067 million, 15.5%. NZTA Waka Kotahi funding for capital projects reflects the capital programme proposed for the 2024/25 year. The decrease combines an increase in subsidy on renewals of \$3.828 million with a decrease in subsidy on new capital expenditure projects of \$6.895 million.
- 6 NZTA Waka Kotahi funding constraints along with changing priorities, means that the draft budget assumes a shortfall in funding assistance on the eligible capital renewals budget. The

draft budgets limit renewals funding from NZTA Waka Kotahi to \$11.840 million (effectively 39%), short of the \$15.445 million based on the standard subsidy rate of 51%. The Council needs to continue investing in the renewal of the network to ensure levels of service are maintained, therefore the estimated shortfall will be funded by debt.

- 7 The draft Government Policy Statement on land transport 2024-34 has been released, and this is being reviewed to understand the Government's funding proposals, their impacts, and what they may mean for our levels of service.

Internal Revenue

- 8 Internal Revenue of \$262k is the Roding and Footpath activity's share of Better Off Funding.

EXPENDITURE

Personnel costs

- 9 Personnel costs have increased by \$359k, 7.3%. The budget includes a general salary increase and an increase of 3.0 full time equivalent staff (FTE). 2.0 FTE positions are being funded from the Better Off Funding programme.

Operations and maintenance

- 10 Operations and maintenance costs have increased by \$737k, 4.4%. This is made up of an increase of \$486k for the coastal management project to focus on seawall maintenance and long-term management of the Saint Clair to Lawyers Head coastline.
- 11 It also includes an increase of \$234k for bus shelter and State Highway maintenance work, all of which is 100% recoverable from the Otago Regional Council and NZTA Waka Kotahi.
- 12 Work to find savings in the network maintenance budget, to absorb increased costs such as contract price escalations, is continuing. Updates to the transport budget will be provided in May 2024, when more work has been done to understand the cost pressures and impact on service delivery. Any proposed changes to levels of services will be prepared in time for the development of the 9 year plan 2025-34.

Occupancy costs

- 13 Occupancy costs have increased by \$71k, 4.8% which reflects increases in insurance and rates.

Depreciation

- 14 Depreciation has increased by \$2.118 million, 7.5% reflecting the 30 June 2023 revaluation and the capital expenditure programme. This valuation reflects assets condition and recent contract rates.

Interest

- 15 Interest has increased by \$1.745 million, 28.4% reflecting an increase in interest rates and increased borrowing to deliver the capital expenditure programme.

FEES AND CHARGES

- 16 Fees and charges for activities in the Roding and Footpaths Group have generally been increased by 3% to reflect increased costs.

Signatories

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Attachments

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↓A	Roding and Footpaths Income Statement	143
↓B	Roding and Footpaths FIS	144
↓C	Draft Fees and Charges 2024/25 Roding and Footpaths	145

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 type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<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 adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and Māori will have an opportunity to engage on the Annual Plan 2024/25.

Sustainability

The Annual Plan 2024/25 is not proposing any changes to that provided for in the 10 year plan. . Major issues and implications for sustainability are discussed in the 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 draft budgets for the Roding and Footpaths Group for inclusion in the Annual Plan 2024/25.

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 are discussed in this report. The draft budgets will be included in the Annual Plan 2024/25, and will be consulted on.

Engagement – external

There has been no external engagement in developing the draft budgets for Roding and Footpaths Group.

SUMMARY OF CONSIDERATIONS

Engagement - internal

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

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Community Boards will have an opportunity to present on the draft 2024/25 Annual Plan.

Roading and Footpaths Income Statement for the Year Ended 30 June 2025

Actual		Budget	Draft Budget	Budget Inc	Budget Inc
2022/23		2023/24	2024/25	(Dec)	(Dec)
\$000		\$000	\$000	\$000	%
Revenue					
20,081	Rates revenue	23,919	34,011	10,092	42.2%
-	- Rates penalties	-	-	-	-
851	External revenue	1,065	1,135	70	6.6%
11,589	Grants and subsidies operating	10,730	10,905	175	1.6%
27,195	Grants and subsidies capital	19,762	16,695	(3,067)	(15.5%)
281	Development contributions	720	720	-	-
-	- Vested assets	1,450	1,450	-	-
336	Internal revenue	-	262	262	-
60,333	Total revenue	57,646	65,178	7,532	13.1%
Expenditure					
4,001	Personnel costs	4,938	5,297	359	7.3%
23,516	Operations & maintenance	16,585	17,322	737	4.4%
1,474	Occupancy costs	1,469	1,540	71	4.8%
2,888	Consumables & general	1,741	1,691	(50)	(2.9%)
4	Grants & subsidies	12	-	(12)	(100.0%)
2,095	Internal charges	1,919	1,975	56	2.9%
27,593	Depreciation	28,109	30,227	2,118	7.5%
3,784	Interest	6,142	7,887	1,745	28.4%
65,355	Total expenditure	60,915	65,939	5,024	8.2%
(5,022)	Net surplus/(deficit)	(3,269)	(761)	2,508	(76.7%)
Expenditure by Activity					
8,096	Business Support	10,333	12,309	1,976	19.1%
24,646	Maintenance	18,016	18,738	722	4.0%
27,889	Capital Delivery	28,631	30,637	2,006	7.0%
931	Community Road Safety	649	674	25	3.9%
862	Network	807	819	12	1.5%
2,290	Planning	1,637	1,941	304	18.6%
641	Road Safety	842	821	(21)	(2.5%)
65,355	Total expenditure	60,915	65,939	5,024	8.2%

Dunedin City Council
Funding Impact Statement
for the Year Ended 30 June 2024 for Roading and Footpaths

	2023/24 Annual Plan \$000	2024/25 Long-term plan \$000	2024/25 Annual Plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	23,882	27,501	34,001
Targeted rates	37	36	40
Subsidies and grants for operating purposes	9,830	10,900	10,005
Fees and charges	1,065	1,231	1,134
Internal charges and overheads recovered	-	-	262
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	900	925	900
Total operating funding (A)	35,714	40,593	46,342
Applications of operating funding			
Payments to staff and suppliers	24,745	26,367	25,850
Finance costs	6,142	3,124	7,887
Internal charges and overheads applied	1,919	1,970	1,975
Other operating funding applications	-	-	-
Total application of operating funding (B)	32,806	31,461	35,712
Surplus/(deficit) of operating funding (A-B)	2,908	9,132	10,630
Sources of capital funding			
Subsidies and grants for renewals expenditure	8,012	7,006	11,840
Subsidies and grants for capital expenditure	11,750	9,635	4,855
Development and financial contributions	720	503	720
Increase/(decrease) in debt	26,954	17,040	13,181
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	47,436	34,184	30,596
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	1,741	-
- to improve the level of service	28,261	17,145	10,720
- to replace existing assets	22,083	30,030	30,506
Increase/(decrease) in reserves	-	-	-
Increase/(decrease) in investment (DCHL)	-	-	-
Increase/(decrease) of other investments	-	(5,600)	-
Total application of capital funding (D)	50,344	43,316	41,226
Surplus/(deficit) of capital funding (C-D)	(2,908)	(9,132)	(10,630)
Funding balance ((A-B)+(C-D))	-	-	-

	2023/24 fees	2024/25 proposed	\$ change	% change
Roading and Footpaths				
Transport				
Construction Parking Areas - Installation and Reinstatement of Area				
12m length	831.52	\$856.47	\$24.95	3%
18m length	960.58	\$989.40	\$28.82	3%
6m length	703.70	\$724.81	\$21.11	3%
Investigation and administration - fixed fee	77.04	\$79.35	\$2.31	3%
Relocation of pay and display machines	151.75	\$156.30	\$4.55	3%
Construction Parking Areas - Monthly Hire, All "Residential Zones" as defined in the Dunedin City District Plan				
12m length	319.61	\$329.20	\$9.59	3%
18m length	479.77	\$494.16	\$14.39	3%
6m length	160.06	\$164.86	\$4.80	3%
Construction Parking Areas - Monthly Hire, All zones except "Residential Zones" as defined in the Dunedin City District Plan				
12m length	638.70	\$657.86	\$19.16	3%
18m length	960.58	\$989.40	\$28.82	3%
6m length	319.61	\$329.20	\$9.59	3%
Corridor Access Requests (CAR)				
Corridor Access Fee (incorporating the completion and maintenance inspections)	336.30	\$346.39	\$10.09	3%
Footpath and shallow transverse crossings (no fee providing an application is submitted)	-	-	-	-
Openings less than 0.25m ² (no fee providing an application is submitted)	-	-	-	-
Penalty Fee for No/Unapproved CAR	714.61	\$736.05	\$21.44	3%
Re-inspection Fee (Non-Conforming works)	142.55	\$146.83	\$4.28	3%
Encroachments on road reserve (per annum)				
Consent application fee for non-standard sign and other uses	257.40	\$265.12	\$7.72	3%
Fill points for private fuel lines on road reserve (per annum)	64.99	\$66.94	\$1.95	3%
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.	-	-	-	-
Residents' Parking				
Refund if you move on during the year	-56.65	-\$58.35	-\$1.70	3%
Replacement Permit	11.43	\$11.77	\$0.34	3%
Residents' parking permit (applied 1 January 2022 to 30 June 2022) up to 6 months	115.36	\$118.82	\$3.46	3%
Residents' parking permit (applied 1 July 2021 to 30 June 2022) up to 12 months	230.51	\$237.43	\$6.92	3%
Residents' parking permit (annually)	230.51	\$237.43	\$6.92	3%
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)	1,080.78	\$1,113.20	\$32.42	3%