

## 6. BRIEFING PAPERS - CITY TRANSPORT UNIT - DRAFT 2004/05 BUDGET

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To assist the Committee to identify the key issues in the City Streets budget I provide the following information.

It is noted that two key documents were considered and approved by the Committee in December 2003 and they set the funding levels for City Streets activities over the next 20 years. Hence this budget is based on those documents. The documents were the Asset Management Plan, and the draft budget includes all of the changes resulting from this; and the Metropolitan Transport Statement (MCTS), which was adopted for consultation and the recommended funding was approved for consideration by the Annual Plan Subcommittee. Consequently the draft budget does not include this additional funding.

### ASSET MANAGEMENT PLAN CHANGES

The City Streets Asset Management Plan sets the levels of service and determines the funding requirements for all City Streets assets including maintenance, renewals and improvements. Key changes resulting from the approved plan are as follows:

#### Operating Budget

- Carriageway Maintenance - additional \$100,000 gross (\$57,000 net after Transfund Subsidy) for carriageway crack repairs
- Streetlighting - additional \$394,000 gross (\$201,301 net after Transfund Subsidy) for power price increases.
- Streetlighting - additional \$60,000 gross (\$34,200 net after Transfund Subsidy) for painting decorative streetlight poles
- Cycleways - additional \$120,000 gross (\$68,400 net after Transfund Subsidy) for sweeping selected on and off road cycleways.

#### Capital Budget

- Road Pavement Renewals - additional \$500,000 per annum for replacing weak road pavement layers
- Bridge Strengthening - additional \$300,000 per annum for bridge strengthening
- Footpath Resurfacing - additional \$621,000 per annum for footpath resurfacing to meet the 20 year cycle
- Signs Renewal - additional \$78,000 per annum for signs renewals
- Cycleways Renewals - additional \$10,000 per annum for the renewal of coloured cycle lanes and \$50,000 per annum from 2005/06 for the resurfacing of off-road cycleways
- New Bus Shelter - additional sums of \$739,000 in 2004/05, \$840,000 in 2005/06 and \$40,000 in 2006/07 for new shelters to meet the Passenger Transport Strategy target of 500 shelters
- New Cross Suburban Bus route infrastructure - additional sum of \$150,000 in 2005/06 for new cross suburban route.
- Road Network Improvements - additional funding from 2008/09 to bring the annual allocation to \$5m.
- Allowance for growth in renewal budgets - approximately \$64,000 per annum has been included for this.

#### Metropolitan Christchurch Transport Statement

As noted above the Council considered this document in December 2003 and no provision has been made in the draft budget for the extra funding proposed in it. Financial Services will provide information separately to the Annual Plan Subcommittee on the effect of the extra funding on the Council's overall financial position.

## **Opawa/Port Hills Road Project (Stages 2 and 3)**

As this project is on State Highway the costs associated with the State Highway assets cannot be capitalised and so budget has been shifted from the capital budget to the operating budget to allow for this. Stage 2 (from Garlands Road to Curries Road) is committed and will be constructed in 2004/05. Stage 3 (programmed for 2005/06) is not committed and a report will be presented to Sustainable Transport and Utilities Committee shortly requesting confirmation that the Council wishes to continue to fund this stage.

## **TRANSFUND REVENUE**

### **Increased Government Funding**

The Government recently announced significant increases in roading funding over the next ten years. No details are available yet on how this will be allocated and how much the City Council will receive. As the MCTS sets the Councils funding requirements over the next 20 years we would expect that the Transfund share of that will increase, and the Councils share will decrease, in line with the additional funding. The extra funding may also allow key strategic projects to be done earlier than was previously planned. The Committee will be advised and the budget will be updated as new information comes available.

### **Recently Approved Changes to Subsidy Rates**

Transfund recently announced two changes that increase the amount of revenue the Council receives. One is the increase in the amount that can be claimed in the Minor Safety Work Category. This will increase the amount of revenue the Council receives by \$470,000 per annum and this has been included in the draft budget.

The other change increases the subsidy rate for construction projects from 48% to 53%. This will result in approximately \$200,000 of additional revenue per year. This is included in the draft budget but not mentioned in the Pink Pages.

### **Capital Programme**

A number of changes have been made to the capital programme and they are detailed in the Pink Pages. Most of the changes are the result of detailed project planning work and the timing or budget provision has been changed to reflect the most up to date cost estimate and practical timeline. Projects that have not been scoped (eg Southern Access) have been shifted out in the programme to allow time to scope them.

Two central city projects (Major Amenity Improvements Output) have had name changes to better reflect the purpose of the projects. Both Colombo Street (Hereford Street to Lichfield Street) and Lichfield-Tuam Swap have been renamed Southern Central City Transport Projects. When specific projects are identified specific project names can be included.

### **Street Renewal Programme (Formally Kerb and Channel Replacement programme)**

The Committee will be aware that a new prioritisation process was approved and introduced during the year. Also the output name was changed to Street Renewal to better reflect the nature of the work. All projects from 2005/06 onward were reprioritised and the Pink Pages detail the new programme, and the streets that have dropped off the programme. In line with the new process Community Boards reprioritised some projects in their areas and the Pink Pages record those decisions.