

## 4.3. Road and Footpaths Budget

(Report prepared by S Murrin)

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### Purpose of report

1. Roothing is Councils single biggest item of expenditure at 17.2% of total expenditure. This paper will give an overview of that expenditure.

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### RECOMMENDATION

That the report be received.

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### Background

2. Roothing expenditure is broken down into three categories, Maintenance, Renewals and Capital expenditure (improvements).
3. Expenditure is split into subsidised and unsubsidised. Subsidised expenditure attracts a subsidy from Waka Kotahi. Currently subsidy for Council's standard rooting programme is set at 51%.

### Maintenance

4. The Waka Kotahi Subsidised Roothing Programme is funded in a 3 year block and is known as the 2021-24 National Land Transport Programme (NLTP). The 2023-24 year is the last year of the current NLTP.
5. Some Councillors may recall that early in 2021 following Levels of Service workshops, MDC submitted a bid to the NLTP for a sum of \$53.6m for the 3 year Council Subsidised Roothing Programme. However, Council was advised by Waka Kotahi back in May 2021 that their NLTP was only likely to be funded at \$43.6m. Therefore a \$10m cut to the programme.
6. At the time Marlborough Roads made adjustments to the programme to fit the reduced budget. The effect of the reduced programme was that over time the Network would deteriorate further, and Levels of Service would decline.
7. Waka Kotahi received a considerable amount of feedback from Councils that the reduced budgets were not sufficient to maintain the Nation's Roothing network. In October 2021 Waka Kotahi confirmed that MDC's Subsidised Roothing Programme would be increased and, funded to a level of \$51.6m. It was confirmed by the committee at the November meeting that the Roothing programme be increased from \$43.6m to \$51.6m as Council had already budgeted for a programme of \$53.6m.
8. Council budgets have been adjusted to align with Waka Kotahi funding. This means the entire programme will receive Funding Assistance Rate (FAR) of 51%.
9. The following paragraph shows the significant items of budgeted maintenance expenditure for the 2023-24 financial year. Expenditure for subsequent years is similar with only inflation adjustments budgeted.
10. Subsidised Maintenance
  - a) Sealed pavement maintenance - \$1,428,901
  - b) Unsealed pavement maintenance - \$679,923
  - c) Environmental maintenance - \$1,035,821
  - d) Network services maintenance - \$1,171,029

- e) Footpath maintenance - \$182,729
  - f) Network and Asset Management - \$1,253,456
  - g) Emergency Reinstatement - \$2,000,000
  - h) Minor Events - \$400,000
  - i) Routine Drainage Maintenance - \$531,190
11. The total subsidised maintenance programme is \$9,643,883 for this year.
12. Major items of unsubsidised maintenance are:
- a) Street cleaning - \$611,578
  - b) Jetties - \$60,000

### Renewals

13. The significant subsidised renewals budgeted for 2022-23 are listed below. Again, only inflation adjustments are budgeted for subsequent years.
- a) Unsealed road metalling - \$1,616,737
  - b) Sealed road resurfacing - \$4,348,017
  - c) Sealed pavement rehabilitation - \$1,672,916
  - d) Structural Component Replacements - \$411,986
  - e) Drainage renewals - \$813,762
  - f) Footpath renewals - \$533,086
14. The total subsidised renewal programme for the year is \$9,771,038
15. The main unsubsidised renewals are:
- a) Jetty replacements - \$107,000
  - b) Seal extensions - \$100,000

### Capital improvements

16. The only major capital improvements proposed in the long term plan are bridge replacements. There is a total of \$7.64m budgeted over 2 years 2025-27 for the High Street Bridge and a further \$7.4m is budgeted in 2027-28 for the Wither Road West Bridge, across the Taylor River. The Blenheim Integrated Transport Study referred to in paragraph 24 will evaluate whether Wither Road West is the most suitable place for an additional crossing of the Taylor River or somewhere else.
17. Subsidised capital improvements are generally funded under the 'Low Cost, Low Risk' (LCLR) work category. This work category permits the funding of projects up to a total of \$2m without the need to go through the Waka Kotahi Business Case process.
18. In the past this work category was known as Minor Safety projects and the focus was on road safety improvements. The majority of the recent Battys/New Renwick Road Roundabout was funded from this work category. The remaining funding came from Development Levies.
19. Now with the re-defining of the work category a range of projects are funded from this activity, which includes Walking and Cycling projects. Unfortunately, none of Council's proposed Walking and Cycling Projects received Waka Kotahi subsidy.
20. The LCLR budget is also a three-year programme to align with the 2021-24 NLTP.
21. The proposed budget for the current three-year programme is \$1,669,525

22. Significant project budgets over the period are:
- a) Road to Zero – Speed Management Plan and Implementation- \$480,000
  - b) Alfred St – Raised Pedestrian Crossing and Safety Improvements - \$100,000
  - c) Outer Sounds Roads delineation improvements - \$180,000
  - d) Various Seal Widening Projects - \$600,000
  - e) Alfred/Seymour Intersection Improvements - \$310,000
23. Also funded within the roading budgets are small townships at \$625,000 per year and the Blenheim Northwest zone at \$276,981.

### Risks not Currently Budgeted

24. The Blenheim Integrated Transport Study is currently underway. It is very likely this process will identify improvements required across the network. These improvements would need to be budgeted in future years.
25. The Elmslie Bay (Te Aumiti/French Pass) jetty is coming to the end of its life. The recommendation from WSP is that the current land span is in reasonable condition and only requires moderate maintenance, however the Hammer head needs to be replaced. Marlborough Roads are still considering options for this and will need to be budgeted in the future.
26. Additionally, the Te Aumiti/French Pass launching ramp has also come to the end of its life. The majority of its use is recreational, but it is critical infrastructure for the barge service to Rangitoto ke ti Tonga/D’Urville Island. Marlborough Roads are currently receiving pricing for this.
27. Peoples’ expectations for improved Levels of Service, particularly on our Low Volume Access Roads are increasing. Pressure is coming from some communities to review these Levels of Service.
28. Other than the \$2,000,000 budgeted for Emergency Reinstatement, there is no further allocation for Council share of the reinstatement works from the 2021 and 2022 storm events.
29. Inflation is causing substantial cost increases. The contractual cost adjustments on the NOC contract are currently running at around \$100,000 per month. This needs to be found from existing budgets. With predictions that inflation is going to carry on at current rates for the foreseeable future it will put more pressure on budgets.

### Current Budget Situation

30. For the first of the three years of the NLTP, the 2021-22 year roading expenditure was around \$3.5m below budget. The under expenditure was moved forward and added to the 2022-23 programme. The 2022-23 budget is currently tracking to again be around \$3.5m underspent. The main reason for this is resources have been engaged in storm recovery.
31. The proposal is to again move this under expenditure forward to the 2023-24 programme. Inflation will likely cost around \$1.5m with the rest being put into LOS improvements particularly in the drainage programme.

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