Komiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee

OPEN ATTACHMENTS

ADDITIONAL ATTACHMENTS UNDER SEPARATE COVER

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Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Memo

To: Finance & Performance Committee
cc: Executive Leadership Team; and Henderson-Massey, Waitakere Ranges, Hibiscus & Bays, Rodney, Upper Harbour, Kaipatiki, Devonport-Takapuna Local Boards
From: Rod Aitken
Subject: North/West hub to be located in Albany

2 August 2019

Following on from the memo sent on 6 June informing you about the commencement of an Expressions of Interest process for our North/West office hub, I want to update you on the process to-date.

The EOI closed on 26 June, and we received submissions for developments in locations including Silverdale, Smales Farm, Westgate, New Lynn and Albany. Respondents to the EOI were asked to provide information relating to design, developer track record and commercial readiness, local amenities, connectivity to motorway infrastructure and distance to a major public transport hub. Representatives of Regulatory Services, the division in council that has most office staff in the North/West that would relocate to the North/West hub, and Corporate Property reviewed the EOIs and attended site walkthroughs before making their recommendation.

The quality of the EOIs was extremely high. It proved to be a difficult decision; however, the selected short-listed sites are all in Albany. Albany already has an existing park and ride; the Northern busway is being extended and the work on the Northern Corridor will also be completed by the time the Hub is ready in mid-2022.

Following this review of the submitted Expressions of Interest (EOI), the Executive Lead Team has endorsed the decision for our new North/West Hub to be located in Albany.

Next steps in the process

- A Request for Proposal process will now commence for the short-listed sites in Albany
- Selection of the preferred developer/site in 3rd quarter 2019
- F&P Committee approval of lease in 4th quarter of this year.

Colliers International has been instructed by Panuku to act for Auckland Council in this process to identify and secure the office space required for the North/West hub.

Colliers will act as our single point of contact into the property market and will source and analyse property options and negotiate terms. The lease is likely to commence during 2022, which is aligned with the time council intends to vacate both its Orewa (Tasman and Pacific) and Henderson Admin buildings. A reminder that the customer service centres in both Orewa and Henderson will remain in those locations.

This advice is for your information and visibility. Please advise if you require any further information.

Rod Aitken
Head of Corporate Property
Memorandum

5 August 2019

To: Councillor Christine Fletcher and Members of the Finance and Performance Committee

Subject: Puketāpapa One Local Initiative

From: Paul Marriott-Lloyd, Senior Policy Manager, Parks and Recreation Policy

Purpose

1. To inform you of progress on the Puketāpapa Local Board’s One Local Initiative.

Key messages

- The Puketāpapa Local Board selected the retention and intensification of social housing at Liston Village as its One Local Initiative (OLI) under the Long-term Plan 2018-2028.
- The site is currently being acquired under the Public Works Act 1981 for open space purposes.
- The Finance and Performance Committee ear-marked funding of $17 - $33 million for the project, subject to a decision that the site is no longer required for open space and following indicative and detailed business cases.
- Staff are preparing a report on whether any part of the site is no longer required for open space.
- Workshops were held with the local board on 23 August 2018, 13 June 2019 and 27 June 2019. These focused on agreeing the scope of the OLI, and discussing the analysis approach, initial findings and potential options.
- Staff will seek the local board’s view on options for the site in August 2019.

Context

2. The Puketāpapa Local Board selected the development of social housing at Liston Village, Hillsborough as its One Local Initiative (OLI) under the Long-term Plan 2018-2028.

3. The legacy Auckland City Council had previously agreed to compulsorily acquire Liston Village under the Public Works Act 1981 for the provision of public open space. A staged acquisition of the site began in 2010 with final possession estimated to occur by approximately 2027.

4. The local board advocates that, once council has secured possession of the site, the land be partitioned between open space and social housing uses on an approximately 50/50 basis.

5. The local board’s objectives are to:
   a. address a perceived need for social housing for older people
   b. minimise disruption to existing residents at Liston Village
   c. improve public access to Monte Cecilia Park.

6. The Finance and Performance Committee ear-marked funding of $17 - $33 million for the project, following:
   a. a decision that the full site is no longer required for open space
   b. negotiation with the seller to address potential legal issues arising from the proposed change of use
c. indicative and detailed business cases.

7. As a first step, the Committee directed the Parks and Recreation Policy Unit to develop an options paper considering the future use of Liston Village as reserve and to seek a decision as to whether any part of the site is no longer required for open space purposes.

Process to date

8. Staff are in the process of preparing their report. This has entailed:
   a. analysis of available data on user satisfaction and utilisation of Monte Cecilia Park
   b. an assessment of the open space value of the Liston Village site under Council’s Open Space Provision Policy
   c. an assessment of the impact of a potential partial disposal of the site
   d. identification and analysis of policy options
   e. identification of associated risks to council, including reputational, financial, or legal.

9. Assessment of the need for social housing is out of the scope of this report. This will be considered as part of any subsequent business case.

10. To date, staff have held three workshops with the local board to confirm the scope of the OLI and refine the range of policy options. These were held with on 23 August 2018, 13 June 2019 and 27 June 2019.

Next steps

11. Staff will report to the local board in August 2019 seeking their view on options for the site.
Komiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee
Workshop:
MINUTES

Minutes of a workshop held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on 23 July 2019 at 12.40pm.

PRESENT

Chairperson
Cr Ross Clow
Cr Desley Simpson, JP
Cr Josephine Bartley
Deputy Mayor Bill Cashmore
Cr Fa’anana Efeso Collins
Cr Linda Cooper, JP
Cr Chris Darby
Cr Hon Christine Fletcher, QSO
Cr Alf Filipaina
Cr Richard Hills
Cr Penny Hulse
Cr Daniel Newman, JP
Cr Greg Sayers
Cr Sharon Stewart, QSM
Cr Wayne Walker
Cr John Watson
IMSB Member Glenn Wilcox
Cr Paul Young

Deputy Chairperson

Members

From 12.51pm

From 12.46pm

From 1.42pm

From 12.51pm

APologies

Members

Cr Dr Cathy Casey
Mayor Hon Phil Goff, JP
Cr Mike Lee
IMSB Chair David Taipari
IMSB Member T Hohnack
Cr Sir John Walker, KNZM, CBE
Note: No decisions or resolutions may be made by a Workshop or Working Party, unless the Governing Body or Committee resolution establishing the working party, specifically instructs such action.

### Purpose of workshop:

To carry out a “deep dive” of the One Local Initiative process and review the status of each to allow members of the Finance and Performance Committee to ask questions.

### Apologies

Apologies from Cr C Casey, Mayor P Goff, IMSB Member Henare, IMSB Member Hohneck and IMSB Chair D Taipari for absence were noted.

### Declarations of Interest

Cr C Fletcher declared an interest in the Multi-sport facility and upgrade of Karaka Sports Park.

### One Local Initiative Programme for Local Boards - Workshop notes:

Matthew Walker – Group Chief Financial Officer; John Dragicevich – Manager Strategic Projects; Taryn Crew – Commercial Manager; Lisa Tocker – General Manager Service Planning and Integration; Rob Cairns – Head of Investigation and Design; and Justine Haves – Head of Service and Asset Planning outlined the 10-Year One Local Initiative Programme. A PowerPoint presentation and details of the programme were provided. Copies are appended to these minutes.

Cr R Hills joined the meeting at 12.45pm.
Cr J Watson joined the meeting at 12.51pm
Cr E Collins joined the meeting at 12.51pm.
Cr W Walker joined the meeting at 1.42pm.

It was noted that any OLI projects which involved Auckland Transport would be discussed in detail during the Finance and Performance Committee workshop on the Auckland Transport Capital Expenditure Programme scheduled to be held on 7 August 2019.

Staff agreed to update the ward councillors for OLI projects prior to them being discussed at local board meetings.

The workshop closed at 1.49pm.


10 Year One Local Initiative Programme
F&P Committee
July 2019

Genesis of the 10-Year One Local Initiative Programme

- OLIs are the Local Board’s one advocacy item agreed through the 2018-28 LTP.
- The Governing Body signaled a commitment to progress all OLIs.
- Allocation of funding through the LTP mirrored a staggered approach allocating funding to OLIs further progressed than others, and business case funding for others.
Financial Status

- Many of the OLIIs although approved through the LTP had limited scoping behind the ideas.
- Business case requirements under the Investment Delivery Framework (IDF) Indicative and Detailed are well underway.
- The business case process will confirm the scope, timing and cost of the projects.
- Proceeding to delivery without robust planning and investigation can create significant risk of project cost increases and assets which are not fit-for-purpose.
- With the scope and business cases still being determined and not all funding sources identified, financial implications will require ongoing consideration.

Funding assumptions in the LTP

- Assumptions built into the projects estimates and timing in the LTP;
  - DC policy changes anticipated,
  - Sport and recreation fund approval and external funding is secured,
  - Willingness of sellers where acquisition required,
  - Local Boards commit allocation of LDI where indicated,
  - Business cases will be funded out of OLI funding.

- Business case aims to confirm the cost, timing and scope of the projects and to ensure options fall within or less of estimates.
- This reduces risk of inadequate funding.
- Savings in OLIIs will be returned to the unallocated fund.
**OLI funding update – recap of the LTP**

- Funding being identified includes:
  - External sources
  - Development contributions
  - Investment using the Sport & Rec fund
  - These funding sources will be investigated through development of the business cases

* Assumptions taken: Henderson Pool in next decade and Maungakiekie-Tamaki is cost neutral

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**Current OLI funding update**

- As business cases are approved, funding is allocated through F&P committee
- Allocations approved at F&P committee through the year
- An update of further allocations will be presented at August F&P meeting
Governance Model

- The Strategic Projects Unit which reports into Rod Sheridan, General Manager Community Facilities has full oversight over the OLI programme being accountable for driving programme delivery, consolidated reporting, and acting as local board advocate working through escalations and brokering solutions as required.
- The Chief Executive has delivered a memo to Auckland Transport Chief Executive and Auckland Council Directors reinforcing the importance of the OLI programme and mandating the role of Strategic Projects Unit as it works across council and CCO’s processes and teams.
- SPU will produce individual OLI dashboards to reflect current and future state as each project travels through the Investment Delivery Framework.
- Programme Control Steering Group has been established, convened by Matthew Walker, CFO, made up of Senior Council and Auckland Transport managers who oversee OLI projects on the timeline.

Improved reporting

- There will be regular reporting comprising:
  - Finance and Performance Committee quarterly reporting,
  - Individual dashboards provided quarterly to each Local Board and Ward Councillors,
  - If within the reporting cycle significant changes occur an interim report will be released.
- The Strategic Projects Unit has an ongoing offer to meet any Local Board at any place and any time to deal with any immediate concerns.
- The Strategic Projects Unit will also assist Local Boards in their interface with CCO’s.
- Project leads will continue to work closely with Local Boards to update on individual projects and obtain decisions and approvals.
Critical Milestones Met

- Alignment of OLI scope with Local Board vision.
- Eight OLIs have now reached detailed business case phase; Albert-Eden, Franklin, Manurewa, Howick, Rodney, Upper Harbour, Waitakere Ranges and Waitakere Local Board OLIs.
- Flat Bush Library and Community Centre nearing detailed design and consents.
- Ngati Otaru Park development delivery commences in October 2019.
- Pilot project steering group for Waitemata Local Board OLI with community and Local Board representatives.
- Waiheke Local Board NZTA co-funding confirmed to progress OLI single stage business case.
- Local Board workshops and updates ongoing.

Brief Current State of the 10-Year One Local Initiative Programme
Brief Current State of the 10-Year One Local Initiative Programme

10 Year One Local Initiative Programme Deep Dive