I hereby give notice that an ordinary meeting of the Māngere-Ōtāhuhu Local Board will be held on:

Date: Wednesday, 17 June 2020
Time: 5:00pm
Meeting Room: This meeting will proceed via Skype for Business.
Venue: Either a recording or written summary will be uploaded on the Auckland Council website

Māngere-Ōtāhuhu Local Board
OPEN ADDENDUM AGENDA

MEMBERSHIP

Chairperson
Lemauga Lydia Sosene
Deputy Chairperson
Togiatolu Walter Togiamua
Members
Tuanu'u Nanai Nick Bakulich
Makalita Kolo
Anae Dr Neru Leavasa
Christine O’Brien
Harry Fatu Toleafoa

(Quorum 4 members)

Janette McKain
Local Board Democracy Advisor

15 June 2020

Contact Telephone: (09) 262 5283
Email janette.mckain@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
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<td>Local board resolution responses and information report - Local Board input into the Emergency Budget 2020/2021</td>
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Local board resolution responses and information report - Local Board input into the Emergency Budget 2020/2021

File No.: CP2020/06784

Te take mō te pūrongo / Purpose of the report
1. This report provides a summary of resolution responses and information reports for circulation to the Māngere-Ōtāhuhu Local Board.

Information reports for the local board:
2. The board provided feedback on what amount of savings the Māngere-Ōtāhuhu Local Board could achieve within its discretionary budgets, what service level reductions may be acceptable and the right balance of the four levers of savings proposed for the 2020/2021 financial year. A copy of the report and attachments are Attachment A. The boards feedback is Attachment B.

Ngā tütohunga / Recommendation/s That the Māngere-Ōtāhuhu Local Board:

a) note the feedback to the Finance and Performance Committee on what amount of savings the Māngere-Ōtāhuhu Local Board could achieve within its discretionary budgets, what service level reductions may be acceptable and the right balance of the four levers of savings proposed for the 2020/2021 financial year. Attachment B.

Ngā tāpirihanga / Attachments

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<td>Māngere-Ōtāhuhu Local Board feedback to the Emergency Budget 2020/2021</td>
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Ngā kaihaina / Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Janette McKain - Local Board Democracy Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Victoria Villaraza - Relationship Manager, Mangere-Ōtahuhu and Otara-Papatoetoe Local Boards</td>
</tr>
</tbody>
</table>
Local board input into the Emergency Budget 2020/2021

File No.: CP2020/06743

Matataputanga Confidentiality

<table>
<thead>
<tr>
<th>Reason:</th>
<th>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</th>
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</table>
| Interests: | s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.  
  s7(2)(k) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).  
  In particular, the report contains information around potential financial implications and emerging financial risks of COVID-19 in a highly uncertain environment. The release of this information could prejudice the position of the council and CCOs in sensitive commercial arrangements and negotiations. |
| Grounds: | s48(1)(a)  
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. |

Te take mō te pūrongo

Purpose of the report

1. To seek input on what savings can be identified within local board budgets and seek feedback on the balance of funding levers available for Auckland Council’s Emergency Budget 2020/2021.

Whakarāpopototanga matua

Executive summary

2. The economic impact COVID-19 will have on communities and the Auckland economy is still unclear. The initial budget projections provided a few weeks ago have been updated and we now need to identify further savings across the council family.

3. Updated budget projections were sought from council departments and CCOs based on a set of “most likely scenario” assumptions and collated to inform the projected group financial position.

4. The current modelling suggests that cash operating revenue for the group may reduce by $550 million, along with a lower reduction in operating expenditure of $150 million. The net operating cashflow position is projected to be worse than the previously reported scenarios.

5. The updated projections indicate that the group can invest around $2.6 billion of capital expenditure in the 2020/2021 financial year. However, funding this level of capital investment would result in a debt to revenue ratio of 305%, exceeding the council’s debt to revenue policy limit of 270% and have flow on impact on ratios for the following years.

6. Staff have considered a number of levers such as capital investment deferrals and asset recycling to mitigate the financial impacts of COVID-19. This has been discussed with the Finance and Performance Committee and local board chairs at workshops. The update and analysis are in Attachment A (Emergency Budget update).

7. The Finance and Performance Committee Chair has asked for local boards to consider this information and provide views on the following:
Māngere-Ōtāhuhu Local Board
17 June 2020

CONFIDENTIAL MEETING OF THE MĀNGERE-ŌTĀHU Local Board
May 2020

- What amount of savings could you achieve within your discretionary budgets?
- What service level reductions may be acceptable to your community next year?
- What is your board’s view on the right balance of the four levers?

The full letter from the Finance and Performance Committee Chair is Attachment B (Emergency Budget letter from Finance and Performance Committee Chair).

**Ngā tūtohunga**

**Recommendations**

That the Māngere-Ōtāhuhu Local Board:

a) provide feedback on what amount of savings the Māngere-Ōtāhuhu Local Board could achieve within its discretionary budgets for the 2020/2021 financial year.

b) provide feedback on what service level reductions may be acceptable to the Māngere-Ōtāhuhu Local Board community for the 2020/2021 financial year.

c) provide feedback on the right balance of the four levers of savings proposed.

**Ngā tāpirihanga**

**Attachments**

<table>
<thead>
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<th>No.</th>
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<td>A</td>
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<td>Emergency Budget letter from the Finance and Performance Committee Chair</td>
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</tr>
</tbody>
</table>

**Ngā kaihaina**

**Signatories**

<table>
<thead>
<tr>
<th>Authors</th>
<th>Beth Corlett - Advisor Plans &amp; Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Oliver Roberts - Manager - Central Teams Unit</td>
</tr>
<tr>
<td></td>
<td>Victoria Villaraza - Relationship Manager, Māngere-Ōtāhuhu and Otara-Papatoetoe Local Boards</td>
</tr>
</tbody>
</table>
**Emergency Budget update**

**Confidentiality**

<table>
<thead>
<tr>
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<th>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</th>
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<tr>
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</tr>
<tr>
<td></td>
<td>In particular, the report contains information around potential financial implications and emerging financial risks of COVID-19 in a highly uncertain environment. The release of this information could prejudice the position of the council and CCOs in sensitive commercial arrangements and negotiations.</td>
</tr>
<tr>
<td>Grounds</td>
<td>§4(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
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</table>

**Purpose**

1. The purpose of this document is to:
   b) Outline the levers available to the council to respond to this challenge and how different combinations of these levers might result in improved financial projections.

**Executive Summary**

2. Updated budget projections were sought from council departments and CCOs based on a set of “most likely scenario” assumptions and collated to inform the projected group financial position.

3. This updated set of assumptions suggest that the COVID-19 Alert levels will sit at 1 or 2 for the duration of the next financial year. Under these alert levels the council faces expectations of a return of all our services but not a return of all our revenue streams.

4. The current modelling suggests that cash operating revenue for the group may reduce by $550 million, along with a lower reduction in operating expenditure of $160 million. The net operating cashflow position is projected to be worse than the previously reported scenarios.

5. The updated projections indicate that the group can invest around $2.6 billion of capital expenditure in the 2020/2021 financial year. However, funding this level of capital investment would result in a debt to revenue ratio of 305%, exceeding the council’s debt to revenue policy limit of 270% and have flow on impact on ratios for the following years.

6. Staff have considered a number of levers such as capital investment deferrals and asset recycling to mitigate the financial impacts of COVID-19.
7. Three example response packages have been prepared to show how these levers might work together in achieving an acceptable outcome within our financial constraints.

Analysis and advice

Background

8. Prior to the COVID-19 disruption the council group had maintained a strong financial position. In the half year to December 2019 the group exceeded its direct revenue target by 7%, maintained control of operating expenditure and delivered a record level of capital investment. At the same time debt was kept at 245% of revenue and the group maintained an AA/Aa2 credit rating.

9. Group budgets have been refreshed in March to reflect updates to projected costs and timing of planned capital investments and operations. A number of new spending requests were identified and incorporated into the updated budget. Key requests include:
   - Up to $50 million for 2021 events
   - Additional funding for public transport growth of $12.7 million
   - Additional repairs and maintenance for community assets of $7.5 million
   - Additional net operating funding of $14 million and $8 million of capital expenditure for RFA
   - CRL related costs of $4.5 million

10. An update was provided to this committee on 16 April 2020 on the potential financial implications of COVID-19 on the council’s financial position.

Updated group position for financial year 2020/2021

Operating impacts

11. The potential impacts of the most likely scenario on operating budgets compared with previous scenarios are estimated as follows:

<table>
<thead>
<tr>
<th>Potential impacts on operating budgets</th>
<th>6 months disruption scenario</th>
<th>12 months disruption scenario</th>
<th>Current position – most likely scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash operating revenue</td>
<td>-$450m</td>
<td>-$650m</td>
<td>-$550m</td>
</tr>
<tr>
<td>Cash operating expenditure</td>
<td>-$200m</td>
<td>-$300m</td>
<td>-$150m</td>
</tr>
<tr>
<td>Net operating cashflow</td>
<td>-$250m</td>
<td>-$350m</td>
<td>-$400m</td>
</tr>
</tbody>
</table>

12. In the most likely scenario, cash operating revenue is forecast to reduce by $550 million. This is mainly due to slower development activity reducing regulatory revenue, development contributions and infrastructure growth charges. Water pricing and lower volumes due to drought conditions along with potential uptake of rates postponement is also adversely impacting projected revenues.

13. Cash operating expenditure is projected to be reduced by about $150 million compared to the March pre-COVID position. This is a smaller reduction compared to the previously reported scenarios primarily due to community facilities reopening under Alert Level 2 and return of full provision of public transport services.
14. Given this challenging financial position, council departments and CCOs have reviewed their existing operating budgets including any cost pressures submitted pre-COVID and reflected cost reductions where possible in the most likely scenario.

15. Proposed mitigation includes new savings reflected in parent numbers from material staff cost reductions and lower spend on consultancy, travel and training. Also, a reduction of $18 million has been factored in by Auckland Transport from staff pay and professional services as well as reducing its share of 2021 events cost to $20m.

16. Other notable reductions reflected in the current position include Accommodation Provider Targeted Rate (APTR) funded expenditure of $11 million in ATEED, and various operating costs reductions amongst other CCOs.
Capital impacts and funding

17. The potential impacts on capital investment of the most likely scenario compared with previous scenarios are estimated as follows:

<table>
<thead>
<tr>
<th>Potential impacts on capital budgets</th>
<th>6 months disruption</th>
<th>12 months disruption</th>
<th>Current position – most likely scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital delivery</td>
<td>-$300M</td>
<td>-$1,000M</td>
<td>-$500M</td>
</tr>
<tr>
<td>External capital funding</td>
<td>-$200M</td>
<td>-$400M</td>
<td>+$50M</td>
</tr>
<tr>
<td>Net capital funding requirement</td>
<td>-$100M</td>
<td>-$600M</td>
<td>-$100M</td>
</tr>
</tbody>
</table>

18. The updated impacts on capital delivery and net capital funding requirement vary significantly from previous scenarios. Under the updated assumptions, more capital projects can restart compared to the previous scenarios and therefore capital delivery reduction is forecast to be much lower than previously projected.

19. External capital funding is forecast to increase in line with projected higher delivery of transport capital projects which will be partially funded by NZTA capital subsidies as well as higher proceeds from asset sales.

20. Further reductions to the capital programme have been reflected in the current situation to mitigate the adverse impact on the overall cashflow and the debt to revenue ratio.

21. These include the council parent holding capital delivery to current year forecast of $550 million, which would mean a focus on renewals, committed healthy waters and downtown projects and deferrals for community investment.

22. In addition, there is a reduction of $55 million to planned capital expenditure for Auckland Transport. The impact of this reduction requires deferral of uncommitted growth projects, road corridor projects, lowest priority spend within renewal and safety programmes as well as some delays for Eastern Busway, park and rides and local board initiatives.

Debt management

23. Despite the extensive mitigation action, the high level of revenue reduction results in a debt to revenue ratio of around 306%, exceeding the council’s debt to revenue policy limit of 270%. This will also have a flow on impact with ratios exceeding limits for the following three years.

24. The projected debt to revenue ratio impacts for the mostly likely scenario compared with previous scenarios are set out in the following table:

<table>
<thead>
<tr>
<th></th>
<th>6 months disruption</th>
<th>12 months disruption</th>
<th>Current position - most likely scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to revenue in 2020/2021</td>
<td>286%</td>
<td>290%</td>
<td>305%</td>
</tr>
<tr>
<td>Debt to revenue policy limit</td>
<td>270%</td>
<td>270%</td>
<td>270%</td>
</tr>
</tbody>
</table>
25. The following chart shows that debt ratio impacts under the most likely scenario.

![Graph showing debt ratio impacts]

**Response to the Emergency Budget challenge**

*Available levers*

25. In planning additional actions to mitigate the impacts of COVID-19 on the budget for 2020/2021 the council has a number of levers.

<table>
<thead>
<tr>
<th>Lever</th>
<th>Description</th>
</tr>
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</table>
| Revenue                       | Actions to increase revenue are not seen as practical at this time.  
                                | Significant reductions in demand for our services are a key driver of the pressure on our financial position.  
                                | Price increases are projected to be at or below 10-year Budget settings.  
                                | General rates increases have been modelled at 3.6%. |
| Operating cost reductions     | In addition to savings already included in the current position the council could choose to reduce service levels in some areas either just for one year, or permanently. |
| Capital investment deferrals  | While maintaining commitment to the 10-year Budget investment programme the council could choose to defer some projects and reduce investment levels for 1-2 years. |
| Accept higher debt profile    | The council could choose to accept higher projected debt levels. While this might put the council credit rating at risk a temporary elevation may be seen as a prudent response. |
| Asset recycling               | In order to maintain a capital investment programme, the council might choose to dispose of, or grant concessions over, some assets in order to reinvest the proceeds in higher priority infrastructure. |
Examples of assets that could be considered would be surplus property or off-street car parks.

| Central government funding | The current position includes allowances for central government funding through regular transport subsidies, and the Crown taking ownership of projects through the New Zealand Upgrade Programme. It is possible that additional government funding might be made available as part of a fiscal stimulus package from central government to support economic recovery. Given the level of uncertainty around this it would not be appropriate to plan for this but if it became available it would enable the council to increase its investment programme or reduce borrowing. |

26. To show how these levers might work together three example response packages have been prepared.

Response Package A

27. The actions included in this package are:

- Deferrals of a substantial portion of the 2020/2021 capital programme (27%, $700m) and an additional deferral from 2021/2022 (10%, $300m). This would result in capital investment of $1.9 billion in 2020/2021 and $2.6 billion in the following year.
- Temporary service level reductions for one year sufficient to save $50 million.
- Asset disposals or concessions worth $100 million.

28. Budgeting for a package of this nature would require accepting a projected debt-to-revenue level of 289% in 2020/2021, reducing down to our policy limit of 270% the following year.
Response Package B

29. The actions included in this package are:
   
   - Deferrals of a smaller portion of the 2020/2021 capital programme (14%, $350m) and an equivalent additional deferral from 2021/2022 ($350m). This would result in capital investment of $2.2 billion in 2020/2021 and $2.5 billion in the following year.
   
   - More substantial temporary service level reductions for one year sufficient to save $100 million.
   
   - Asset disposals or concessions worth $100 million.

30. Budgeting for a package of this nature would require accepting a projected debt-to-revenue level of 294% in 2020/2021, reducing down to 274% the following year, and below both our policy limit of 270% and internal ceiling of 265% the year after.

Response Package C

31. The actions included in this package are:
   
   - Deferrals of $350 million from the 2020/2021 capital programme and an equivalent additional deferral from 2021/2022 ($350m). This would result in capital investment of $2.2 billion in 2020/2021 and $2.5 billion in the following year.
   
   - No service level reductions
   
   - Asset disposals or concessions worth $350 million.

32. Budgeting for a package of this nature would require accepting a projected debt-to-revenue level of 289% in 2020/2021, reducing down to our policy limit of 270% the following year.
14 May 2020

Dear Local Board members

Re: EMERGENCY BUDGET 2020/2021 – YOUR FEEDBACK PLEASE

I want to thank the local board chairs and delegates for the spirit and willingness in the way you have contributed to the conversations we have had at the recent Finance and Performance Committee workshops. I also want to thank other board members for your input into those discussions. I strongly believe, as elected members, we have all demonstrated a joint commitment to lead Auckland Council through the substantial economic, social and financial impacts of COVID-19.

It is still unclear as to the specific economic impact COVID-19 will have on our respective communities and the Auckland economy. Sadly, the initial budget projections provided a few weeks ago have been updated and we now need to identify further savings across the council family.

Together we need to make some difficult decisions to reduce our operating and capital spend over the next year so that the council is in the strongest possible position to deliver the outcomes that are important to Aucklanders and regain a robust long-term financial position. We all know local boards play a critical role in understanding the impacts of budgetary decisions on their specific local communities.

We have heard your clear message that, as much as possible, “core” community services need to be maintained and we should target our investment into projects which protect our assets and support local communities through this challenging period. You have also told us we should be investing in projects that help local businesses to stimulate activity, protect jobs and boost economic confidence along with the importance of partnering with local community groups who have strong “on-the-ground” knowledge as to where support is most needed.

As a council we now have a major revenue shortfall and we have a limited number of levers we can use to address that. We can:

- reduce operational spending, which may impact service levels, see some people lose their jobs, and require all of us to focus our energy on doing only what adds the greatest value;
- defer capital projects, focusing that spend on building required infrastructure and targeting it to areas which have the greatest downstream impacts on rebuilding our economy, protecting jobs and supporting the community;
- choose to borrow more and accept higher projected debt levels. While this might put the council credit rating at risk a temporary elevation may be a prudent response;
- in order to maintain a capital investment programme, choose to dispose of, or grant concessions over, some assets in order to reinvest the proceeds in higher priority infrastructure.

There are multiple options with regards to which levers we pull and to what level. Each has its own set of trade-offs and considerations. However, our financial team tell us that on its own, no single lever will deliver the outcome we require.

CCCs account for approximately fifty-five percent of council’s operational budget. They have already come to us prepared to offer up savings. However, today at the Emergency Committee meeting, we requested

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each CCO identify additional savings opportunities along with associated implications to contribute towards further mitigations now required.

Every area of the business is being asked to play their part. As we have done with our CCOs, we want to request that you consider what savings, or further savings, you could find within your budget. Specifically, we want your views on the following:

1. What amount of savings could you achieve within your discretionary budgets?
2. What service level reductions may be acceptable to your community next year?
3. What is your board’s view on the right balance of the four levers?

Your lead financial advisors will be appropriately briefed and available to assist you with preparing your answers to those questions.

As an important part of our shared governance structure, your feedback will also help shape what information goes out for public consultation. To that end, and with apologies for the tight timeframes, can you please send your feedback by COB Tuesday 19 May to annual.budget@aucklandcouncil.govt.nz.

These are difficult times, very difficult times. But we need to stand together and be courageous with our decisions. Our focus must be on what our communities need most as well as the need to make prudent budget decisions. I strongly believe we can collectively lead Auckland through the challenges COVID 19 has presented and get back on track to delivering the long-term outcomes that are important to Auckland.

To each one of you, thank you for your support and the advocacy you bring to the table.

Ngā mihi

Dealey Simpson, Auckland Councillor | Orakei ward
Chair of Finance and Performance
021971796
Level 26, 135 Albert Street, Auckland
www.aucklandcouncil.govt.nz

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Māngere-Ōtāhuhu Local Board input to the 21 May 2020 - Emergency Management Committee meeting on the proposed Annual Budget 2020/2021

1. Context

   a. The local boards were requested to provide input to the Emergency Management Committee on priorities and issues to help determine the proposed 20/21 Annual Budget.

   b. In the absence of detailed analysis, the Māngere-Ōtāhuhu Local Board has developed a set of principles to help guide its response to the impact of COVID-19 on council’s budgets. The local board’s general principles are to:

      - Contribute to community health and wellbeing through provision of facilities and services
      - Address community needs within the local board’s role and available resources
      - Learn and develop strategies to address issues of inequality that affect mostly vulnerable and low-income households
      - Support the council approach towards regional recovery

2. Māngere-Ōtāhuhu Local Board input to the 20/21 Annual Budget

In summary

The Māngere-Ōtāhuhu Local Board:

   a. Will consider a reduction in its budget but will keep the current levels of services being provided by local libraries.

   b. Are open to reductions in the arts, events and environmental projects that do not impact on safety.

   c. Are open to deferring investment in new assets but are keen to keep pace with renewals as needed, especially in vulnerable communities where parks and open spaces are essential.

   d. Will support savings from its LDI Opex budget to a maximum of 15% (approximately $300,000) towards the region’s economic recovery strategy.
Q.1. What amount of savings could you achieve within your discretionary budgets?

Retain

a. Libraries – library operations and hours need to remain. Many locals are experiencing barriers to quality home internet connections, caused by the higher usage during the COVID-19 lock down. This trend is likely to continue and become the new norm. The libraries’ internet service can support those families with poor internet connections for learning, keeping in touch with whānau, working remotely, banking and securing employment opportunities.

Stagger

b. Programmes and activities that support art, creative and cultural expressions – these disciplines influence society by translating experiences across space and time. Keeping as many of these programmes encourages community pride, support cultural identity, supports economic opportunities and develops local resilience during times of struggle and hardship.

c. Programmes and activities that help address climate change and sustain the local ecology - the COVID-19 lock down was reported to have rejuvenated elements of the local natural environment. The board would like to support these gains by retaining as many of these programmes as possible – not only to support the environment but also to deliver on community pride and education objectives.

Q. 2. What service level reductions may be acceptable to your community next year?

Retain

a. Sustain essential services to maintain clean streets, keeping pavements in good condition; parks and facilities are maintained to offer low-cost activities for families, supporting health, wellbeing and local pride.

b. Renewals and projects that have secured funding towards delivery: David Lange Park, Walter Massey Park pathways, Ōtāhuhu Portage Crossing project and other projects that have long-term and growth funding allocated.

c. The Manukau Ward residents recorded the highest number of calls for assistance to Auckland Council’s helpline during the COVID-19 lock down. Low-income families, working poor, contract workers, the elderly and vulnerable individuals were mainly the groups that needed support. The local board is calling for Auckland Council to retain its current Emergency Service provision throughout the recovery phase, as the implications of the pandemic are yet to be fully realised and improvements to household incomes are reported to be years away.
Stagger

d. Full facilities contracts are reviewed to identify elements that can be considered to stagger service delivery such as lawn maintenance in less popular local parks.
e. Local leisure centres and swimming pool operations are reviewed to identify opportunities for savings however, this requires quality analysed information to avoid disadvantaging any sectors of the local community for example, the local workforce is mostly shift workers; those needing a shower and bathroom use these facilities; closures at any time will disadvantage these groups.
f. To review the venue for hire network and identify under-utilised venues to be removed from the network until required. However, advise is required to the cost benefits of different scenarios including maximising use of all venues to increase revenue, or, removing venues from the network and gain savings from utility savings.

Q. 3. What is your board’s view on the right balance of the four levers?

<table>
<thead>
<tr>
<th>Four levers</th>
<th>Local board comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>reduce operational spending, which may impact service levels, see some people lose their jobs, and require all of us to focus our energy on doing only what adds the greatest value;</td>
<td>Delivering the local board’s principles under budget restrictions, somewhat supports this approach in terms of adding value to what the board has developed and achieved over the years. However, the board would like to know the community’s views and hear quality advice regarding the implications of reducing operational spending before the local board makes its final decision.</td>
</tr>
<tr>
<td>defer capital projects, focusing that spend on building required infrastructure and targeting it to areas which have the greatest downstream impacts on rebuilding our economy, protecting jobs and supporting the community;</td>
<td>Support consideration of deferring capital projects; however, costs and benefits would need to be assessed regarding impacts on the local economy and community infrastructure including local providers securing procurement opportunities.</td>
</tr>
<tr>
<td>choose to borrow more and accept higher projected debt levels. While this might put the council credit rating at risk a temporary elevation may be a prudent response;</td>
<td>Support borrowing, however, this would need to be balanced with how this can support service delivery and capital investments, stimulating economic growth without jeopardising council’s borrowing facility for the long term.</td>
</tr>
</tbody>
</table>
in order to maintain a capital investment programme, choose to dispose of, or grant concessions over, some assets in order to reinvest the proceeds in higher priority infrastructure.

The local board supports a combination of the levers in alignment with its principles towards economic recovery and balanced with provisions to support community priorities including building local resilience and supporting health and wellbeing. That said, the board support some sales to council assets that are projected to support regional long-term strategies. Also, concessions and optimisation of assets are supported by the board.

3. Response Packages

a. The local boards are yet to be provided with analysed information outlining the various budget proposals, however, they seek to prioritise specific projects, initiatives and service areas as follows:

b. Local capital initiatives including growth funded projects (Ōtāhuhu Portage Crossing, Māngere Town Centre asset improvement, Williams Park and Moyle Park) and partnership funded opportunities (David Lange Park)

c. The projects within capital development programmes that should be considered core enabling works to preserve health and safety, support the resilience and under-capacity of existing infrastructure or support key economic activities

d. The reduction of various scenarios of service levels including access to council facilities, services or funding i.e. community grants

4. Engagement

a. The local board request that Auckland Council work toward one clear goal when engaging with the local community. If the community receives clear, simple, relatable information and relevant insights, local trust and loyalty can be forged, creating community understanding of Auckland Council’s position and the decisions it has to make for the 20/21 Annual Budget.

b. The best way to do this is through mailbox drops, particularly for older residents. The 20/21 Annual Budget phase one engagement received around 50% online submissions. It is important that council tries to meet as many communities as possible, particularly those communities that have limited access to quality internet connections.

c. Bilingual translations need to become standard practice.

d. Use local stakeholders to support Auckland Council deliver engagement activities.

e. Use simple, clear, short and relevant messaging, including usage of more visuals. Materials need to be visually clear about the impact of budget cuts etc. (e.g. infographics).

f. Engagement needs to be very clear on the implications of reducing the rates increase.

g. It is important to keep the language simple (council engagement doesn’t always hit this mark).

h. The message needs to be very clear and simple, highlighting what impact budget cuts will have for each option (i.e. what impact will each level of rates increase have on projects / services).