

Date: Wednesday 5 March 2025
Time: 12:30pm
Meeting Room: Local Board Chambers
Venue: 35 Coles Crescent
Papakura
Auckland

Papakura Local Board Workshop

OPEN NOTES ITEM ATTACHMENTS

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Local board budget update for
cost pressures

Papakura Local Board

March 2025





Item 3

Attachment A

Purpose of today's workshop

- Present updated financial positions for local boards
- Present options to manage local board cost pressures – in advance of feedback report in March business meeting



Budget refresh process

October-November

- high level review of significant contracts, key assumptions and identification of risks for further review.

November–February

- detailed review of costs, budgets, risks and assumptions.
- updates for further new Information.

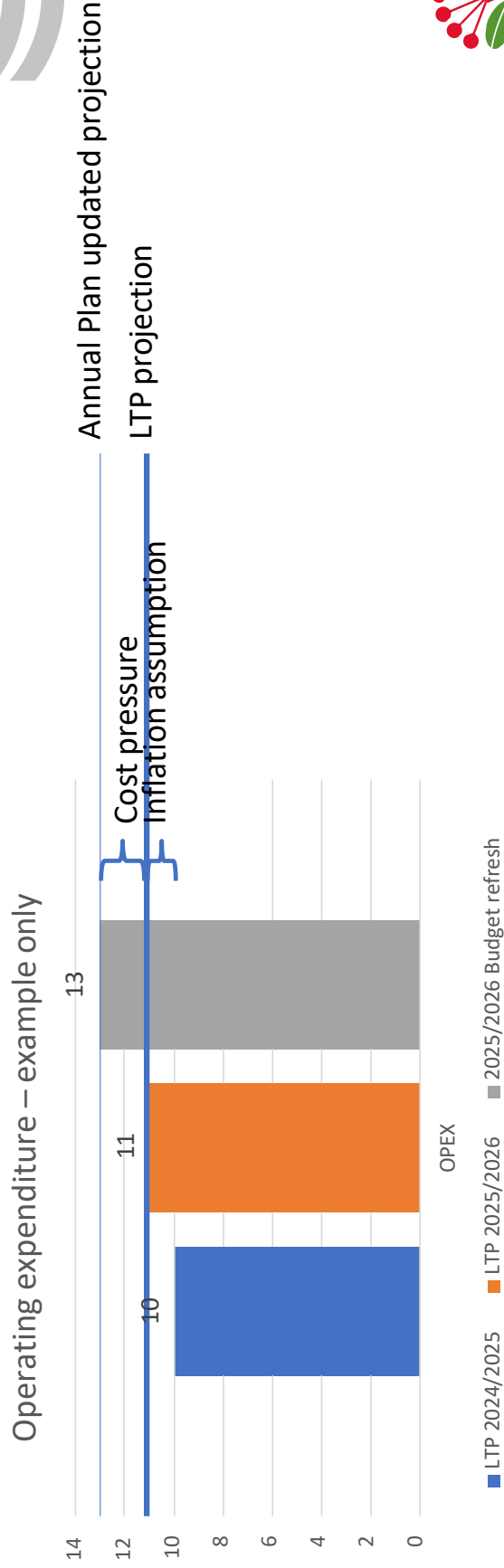


What are (operating) cost pressures?

Operating funding in the LTP included annual projected inflationary increases for costs to deliver services based on the best available information at the time.

Cost pressures are **unavoidable cost increases** to deliver existing planned service levels above these inflation adjusted funding levels based on updated information.

Under Fairer Funding, **there are no automatic increases to funding levels to meet additional cost increases.**





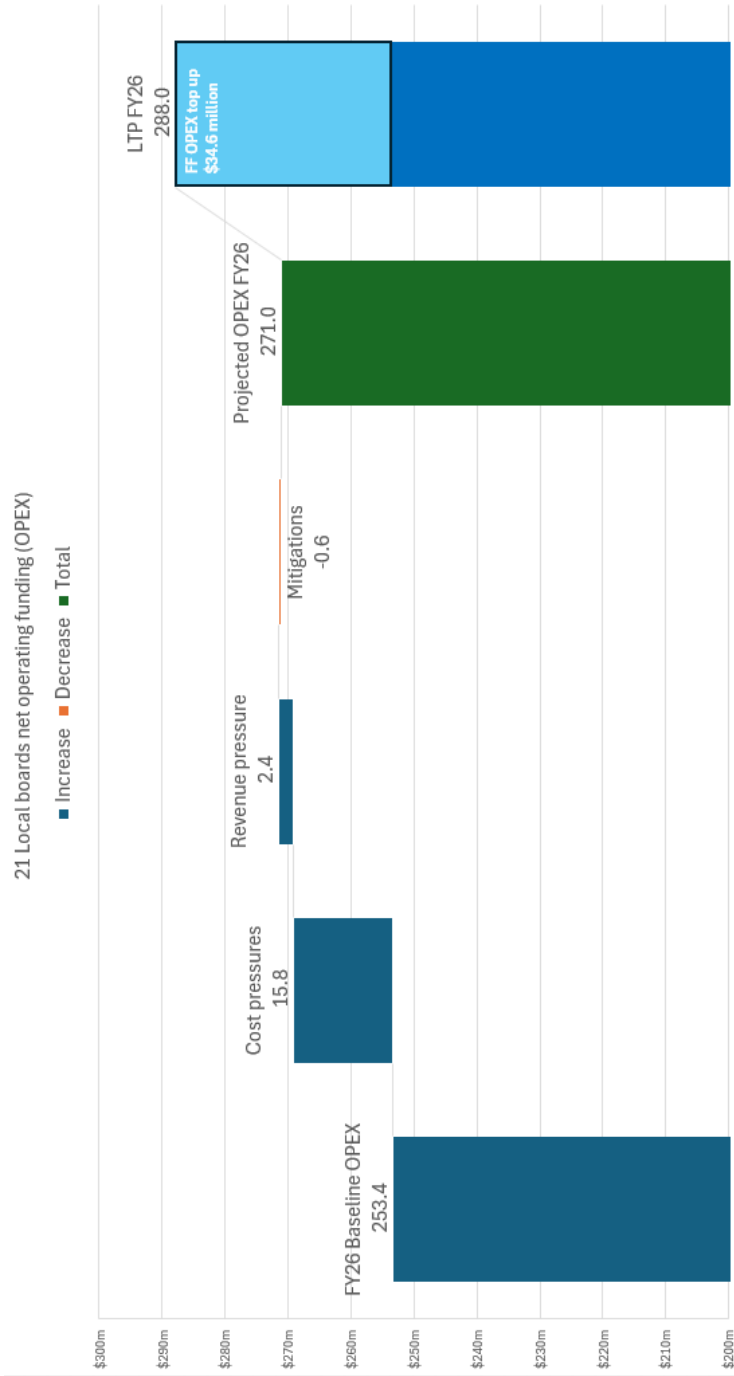
Themes of cost pressures – Community activity

Unavoidable cost increases to deliver existing, planned levels of service



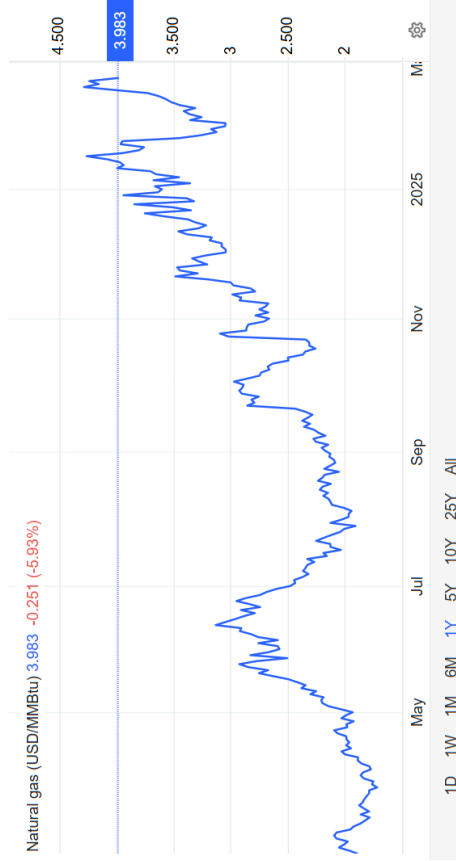
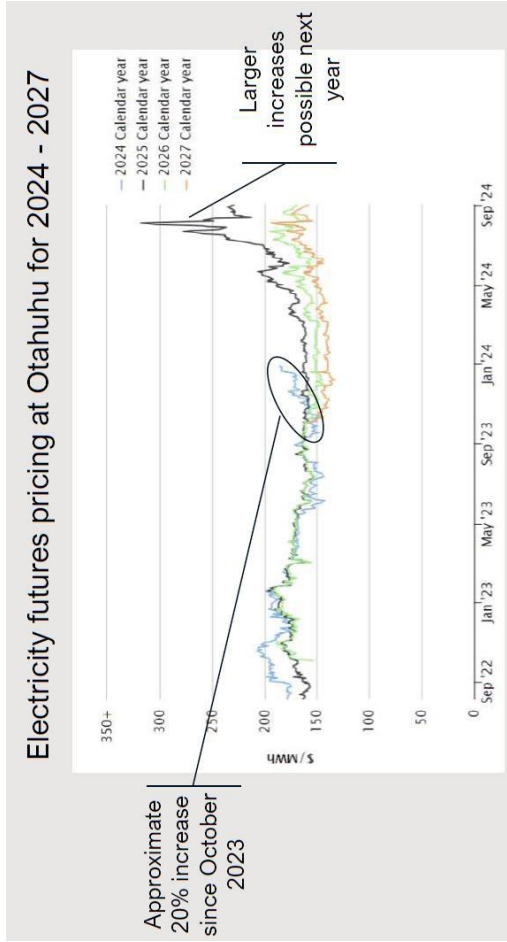
Theme	Description	Examples
Contractual/inflationary cost increases above assumptions	Where the cost of delivering existing and planned levels of service are forecast to unavoidably increase, typically tied to contracts, and are expected to be above projected LTP assumptions.	Utilities price increase. Increases in repairs and maintenance costs – Full facilities contracts.
Implementation of political decisions	Where the Governing Body has made a political decision or commitment which requires additional funding, not planned for in the Long-term Plan 2024-2034. Note: Regional funding for increased cost of new P&L contracts provided.	Implementing a living wage for contracted Pools and Leisure sites.
Improvements to meet planned level of service	Existing levels of funding is insufficient to deliver the planned level of service as agreed with each local board.	Increased staff rostering to reduce the likelihood of unplanned facility closures.
Ongoing challenges to revenue	Operating revenue is a key funding source for local boards. Adjustments may be proposed where a business unit indicates they may not meet the revenue targets set out in the LTP.	Pools and Leisure revenue.

Local board collective budget position



Cost pressures, revenue pressures, mitigations		
Cost pressures	Full Facilities scheduled maintenance	\$9.1m
	Utilities (Electricity/Gas)	\$5.2m
	Improved libraries rostering	\$1.5m
Revenue pressures	Pools and Leisure revenue shortfalls	\$1.9m
	Venue Hire revenue shortfalls	\$0.5m
	Leasing improvements	(\$0.6m)
Total 21 local boards		\$17.6m

Utilities pricing graphs





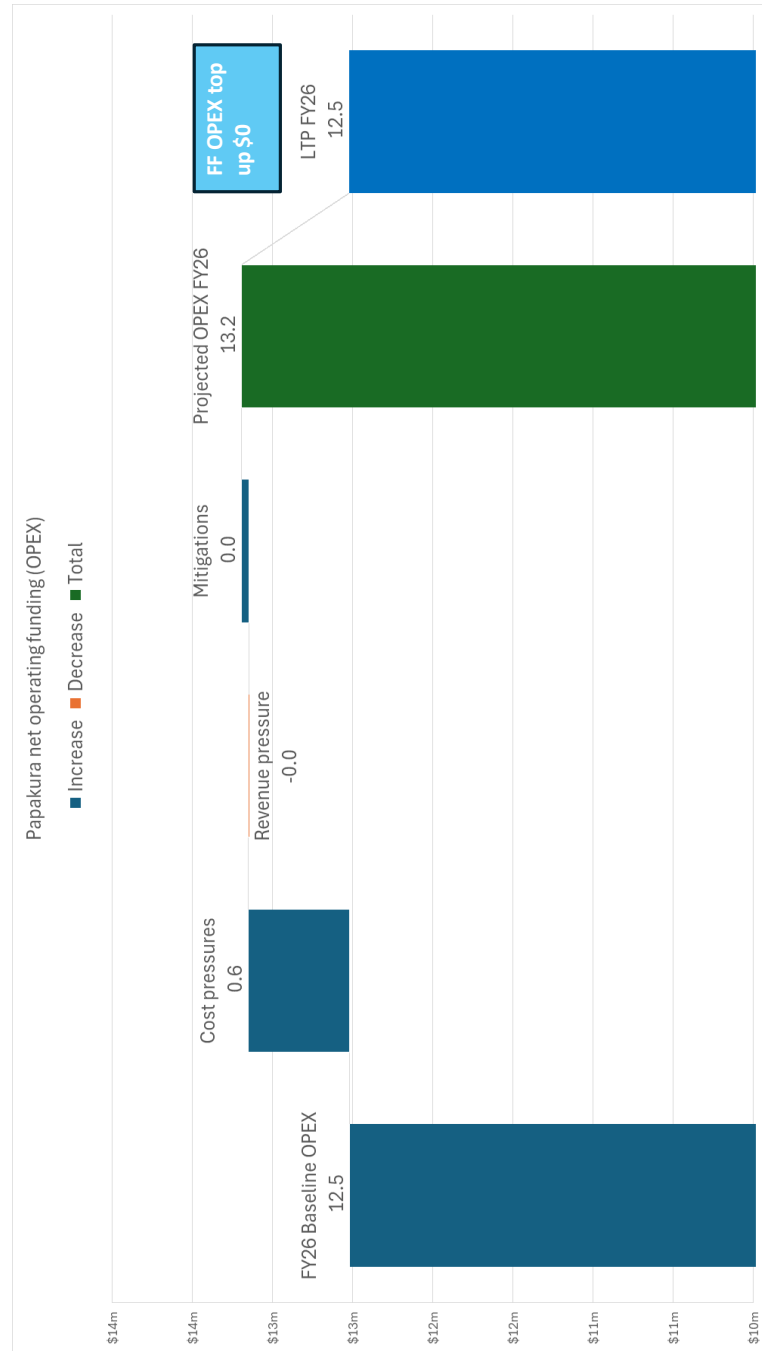
Local board budget position (updated with 2024/2025 LDI opex for comparison)

LB Cost pressure	2025/2026 baseline OPEX funding	LDI opex (2024/2025) included in baseline OPEX for 2025/2026	Fairer Funding \$34.6m OPEX top up	Total net OPEX cost pressures	Additional OPEX available	Remaining cost pressure
Albert-Eden	10.7	1.5	3.7	2.5	1.2	
Devonport-Takapuna	9.6	1.3	0.0	0.5		0.5
Franclin	13.2	1.5	3.3	1.1	2.2	
Great Barrier	1.7	0.6	1.1	-0.0	1.2	
Henderson-Massey	20.8	1.9	0.0	1.0		1.0
Hibiscus and Bays	14.5	1.6	1.3	0.8	0.5	
Howick	21.2	2.2	0.1	1.0		0.9
Kaipatiki	11.0	1.3	2.1	1.0	1.1	
Mangere-Otahuhu	16.1	1.9	0.0	1.0		1.0
Manurewa	10.8	1.6	5.8	0.8	5.1	
Maungakiekie-Tamaki	13.4	1.3	0.8	0.5	0.3	
Orakei	11.4	1.3	1.0	0.2	0.8	
Otara-Papatoetoe	15.9	1.6	0.0	1.3		1.3
Papakura	12.5	1.4	0.0	0.7		0.7
Puketapapa	8.0	0.9	2.4	1.7	0.8	
Rodney	10.3	1.8	8.0	0.0	8.0	
Upper Harbour	12.0	1.1	0.0	0.9		0.9
Waiheke	4.6	0.7	1.0	0.1	0.8	
Waitakere Ranges	8.7	1.2	0.4	0.1	0.3	
Waitemata	16.8	1.4	0.0	0.6		0.6
Whau	10.3	1.3	3.4	1.8	1.6	
Total 21 local boards	253.4	29.3	34.6	17.6	23.9	6.9

This table includes each local board's LDI OPEX funding for 2024/2025 for comparison.

Supplementary to slide 8 of the presentation to LB Chairs Briefing and LB workshops

Papakura local board



Cost pressures, revenue pressures, mitigations		
Cost pressure	Full Facilities scheduled maintenance	\$0.36 million
	Utilities	\$0.21 million
	Libraries rostering	\$0.06 million
Revenue pressure	Pools and Leisure revenue change	\$ -
	Venue Hire revenue change	\$ -
Mitigations	Leasing revenue shortfall	\$0.04 million
	Total	\$0.67 million



Addressing local cost pressures with additional options

- Fairer Funding – local boards have funding envelopes based on equity. 13 local boards received additional OPEX to support a transition, 8 local boards did not.
- There is a need to address cost pressures for Annual Budget 2025/2026.
- Fulsome advice on strategic change options and opportunities across local services that can be implemented in time to address cost pressures will not be ready for the 2025/2026 financial year, and there may be a need for additional options to support local boards in the interim.
- Without additional options it is unlikely that local boards without sufficient new funding to offset the new emerging cost pressures will be able to manage these within existing funding levels.
- To support a smoother transition to Fairer Funding, staff have prepared **additional options for managing local cost pressures for 2025/2026** – first presented to the Joint Governance Working Party on 14 February 2025.





Resolution passed by JGWP February 2025

Resolution number JGWPC/2025/4

MOVED by Chairperson J Fairey, seconded by Deputy Chairperson C Handley:

That the Joint Governance Working Party:

- a) **tono / request advice on both an interim approach for FY25/26 to aid transition to Fairer Funding and an enduring solution for future financial years, noting initial advice on multiboard services which could address some of the transition issues will be coming to the April meeting of the JGWP but not in time for FY25/26**
- b) **tuhi tīpkoa / note the three identified options as potential ways to address local board cost pressures in the short term: Local boards manage within existing local board funding envelopes; recalibration of the \$35 million operating funding increase for 2025/2026; and seeking additional funding to accommodate cost pressures including utilizing the Delivering Differently budget**
- c) **tono / request that staff seek formal local board feedback on matters relating to local board cost pressures and report back to the Joint Governance Working Party in April 2025, to support a recommendation to the Governing Body for Annual Budget 2025/2026.**

CARRIED



Summary of options

Option 1: Manage within existing LB funding envelopes with support from staff

Option 2: Recalibration of the allocation of the \$35 million operating funding increase for local boards

Option 3: Provide additional funding for local services to accommodate cost pressures

A combination of these options is likely to be required.



Option 1: Local boards manage within existing local board funding envelopes, with support from staff to find efficiencies and enhance revenue for asset-based services

Under this 'status quo' approach, local boards would address cost pressures by:

- Utilising new operating funding (share of \$35m top-up funding)
- Adopting and seeking staff on opportunities which can be implemented for 2025/2026 to increase revenue or reduce costs
- Working with staff to seek cost efficiencies and revenue enhancements during the year – as part of their day-to-day operational management of these services.

Risks and impacts

- Advice not fully ready and implementable across the full local board service portfolio for 2025/2026.
- Available advice may be limited to those tailored to local priorities and reducing these will impact the delivery of local board plan outcomes.
- May not align with the principle of no local board being worse off in its service levels in the first year of transition.



Option 1: Local board financial position

LB Cost pressure	2025/2026 baseline OPEX funding	Fairer Funding \$34.6m OPEX top up	Total net OPEX cost pressures	Additional OPEX available	Remaining cost pressure
Albert-Eden	10.7	3.7	2.5	1.2	
Devonport-Takapuna	9.6	0.0	0.5		0.5
Franklin	13.2	3.3	1.1	2.2	
Great Barrier	1.7	1.1	-0.0	1.2	
Henderson-Massey	20.8	0.0	1.0		1.0
Hibiscus and Bays	14.5	1.3	0.8	0.5	
Howick	21.2	0.1	1.0		0.9
Kaipatiki	11.0	2.1	1.0	1.1	
Mangere-Otahuhu	16.1	0.0	1.0		1.0
Manurewa	10.8	5.8	0.8	5.1	
Maungakiekie-Tamaki	13.4	0.8	0.5	0.3	
Orakei	11.4	1.0	0.2	0.8	
Otara-Papatoetoe	15.9	0.0	1.3		1.3
Papakura	12.5	0.0	0.7		0.7
Puketapapa	8.0	2.4	1.7	0.8	
Rodney	10.3	8.0	0.0	8.0	
Upper Harbour	12.0	0.0	0.9		0.9
Waiheke	4.6	1.0	0.1	0.8	
Waitakere Ranges	8.7	0.4	0.1	0.3	
Waitemata	16.8	0.0	0.6		0.6
Whau	10.3	3.4	1.8	1.6	
Total 21 local boards	253.4	34.6	17.6	23.9	6.9

Under option 1, after addressing cost-pressures there would be \$23.9m FF top-ups remaining across 13 local boards.

8 local boards without a top-up will continue to have a \$6.9m cost pressure to manage within their funding envelope.



Option 2: Recalibration of the allocation of the \$35 million operating funding increase for local boards in 2025/2026

Under this approach, a portion of the \$35m new operating funding for 2025/2026 could be used as temporary support for local boards unable to fully offset cost pressures.

- Allocation of the \$35m to individual local boards may change compared to LTP
- A one-year recalibration continues to make progress towards funding equity over 4 years
- No impact to rates
- Noting some of the \$35m additional funding may be unused if insufficient new, implementable options are identified

Risks and impacts

- Funding equity gap for 2025/2026 slightly larger, departure from LB Funding Policy 2025
- A one-year approach - local boards may have cumulative cost pressures to solve in FY26/27
- Continued application slows progress to significant funding equity
- Perceived retreat on historical commitments through the LTP for individual local boards



Option 2: Local board financial position (100% cost pressure coverage)

Scenario: 100% cost pressure funded from \$34.6m FF OPEX top up	2025/2026 baseline OPEX funding	100% cost pressures covered	FF top up under 100% coverage	Net OPEX position
Albert-Eden	10.7	2.5	1.9	14.4
Devonport-Takapuna	9.6	0.5	0.0	10.4
Franklin	13.2	1.1	1.2	13.7
Great Barrier	1.7	0.0	0.7	2.4
Henderson-Massey	20.8	1.0	0.0	22.9
Hibiscus and Bays	14.5	0.8	0.0	15.7
Howick	21.2	1.0	0.0	22.7
Kaipatiki	11.0	1.0	0.5	13.1
Mangere-Otahuhu	16.1	1.0	0.0	16.9
Manurewa	10.8	0.8	3.8	15.8
Maungakiekie-Tamaki	13.4	0.5	0.0	11.3
Orakei	11.4	0.2	0.0	11.8
Otara-Papatoetoe	15.9	1.3	0.0	18.1
Papakura	12.5	0.7	0.0	13.7
Puketapapa	8.0	1.7	1.1	9.9
Rodney	10.3	0.0	5.7	16.1
Upper Harbour	12.0	0.9	0.0	13.4
Waiheke	4.6	0.1	0.3	5.0
Waitakere Ranges	8.7	0.1	0.0	8.9
Waitemata	16.8	0.6	0.0	17.9
Whau	10.3	1.8	1.7	13.9
Total 21 local boards	253.4	17.6	17.0	288.1

Under option 2, after addressing the full \$17.6m cost pressure, the remaining \$17m top-up would be distributed in line with the equitable funding method in the Local Board Funding Policy 2025.



Option 3: Provide additional funding for local services to accommodate cost pressures to be either funded by higher rates increases or savings for other activities

Under this approach, the Governing Body could provide additional funding for local services.

- This could be achieved within existing overall LTP funding levels from:
 - Improvements in LTP assumptions, such as interest rates, depreciation costs
 - Balancing funding levels across a wider range of council services, including savings from other activities
- The Governing Body has the flexibility to make minor adjustments to rates, however the political direction is clear that higher rates must be a last resort.

Risks and impacts

- Could impact on other services if funding is re-allocated
- Inequitably allocating additional funding to local boards departs from LB Funding Policy 2025 and slows progress towards funding equity



Improvements to cost allocation and budget accuracy

Some net-zero transfers between Regional and individual Local Boards are needed to more accurately reflect the full cost and funding required to deliver local community services at a Local Board level.

Approximately \$25 million in regional to local funding movements are needed to align costs and budgets to the relevant activity and governance decision maker.

- There is no impact to council's overall finances from these changes, however this does impact relative local board funding equity.
- There is no impact to levels of service being delivered in local board areas.

Transfers from Regional to Local boards- \$25m

Arboriculture and ecological contracts	\$10.90m
Community Wellbeing – centralised costs e.g. staffing	\$4.15m
Pools and Leisure – centralised costs e.g. staffing, training	\$4.38m
Pools and Leisure – outsourced provider contracts	\$3.95m
Parks and Community Facilities – FFC scheduled costs	\$2.07m
Total 21 local boards	\$25.45m

Impact of net zero re-baseline and transfers

Net opex (\$m)	LTP year 2 OPEX funding	Community wellbeing	Parks & community facilities	Pools and Leisure	Total	OPEX funding after transfers and rebaselining
Regional		-4.1	-13.0	-8.3	-25.4	
Albert-Eden	14.4	0.1	1.2	0.6	1.9	16.3
Devonport-Takapuna	9.6	-0.1	0.5	0.1	0.5	10.2
Franklin	16.4	0.1	0.6	0.8	1.5	17.9
Great Barrier	2.8	0.0	0.1	0.1	0.1	2.9
Henderson-Massey	20.8	0.2	0.9	2.1	3.2	24.0
Hibiscus and Bays	15.9	0.1	0.5	0.6	1.2	17.0
Howick	21.2	-0.4	1.0	0.5	1.0	22.2
Kaipatiki	13.2	0.0	0.7	0.8	1.5	14.6
Mangere-Otahuhu	16.1	0.8	0.6	0.7	2.1	18.1
Manurewa	16.6	0.5	0.4	0.6	1.5	18.2
Maungakiekie-Tamaki	14.2	0.0	0.8	1.1	1.9	16.0
Orakei	12.4	0.2	1.0	0.1	1.3	13.7
Otara-Papatoetoe	15.9	0.6	0.5	0.4	1.4	17.4
Papakura	12.5	0.2	0.3	-0.7	-0.2	12.4
Puketapapa	10.4	-0.1	-0.1	0.4	0.2	10.6
Rodney	18.3	0.2	0.8	1.0	1.0	19.3
Upper Harbour	12.0	0.7	0.9	0.1	1.7	13.7
Waiheke	5.6	0.1	0.2		0.3	5.9
Waitakere Ranges	9.1	0.1	0.6		0.7	9.8
Waitemata	16.8	1.0	1.2	0.3	2.6	19.4
Whau	13.7	-0.2	0.2		0.0	13.8
Grand Total	288.0	0.0	0.0	0.0	0.0	313.4

- Includes:
- Regional to local
 - Between local boards
- Notable items
- Arb and Eco contracts
 - Centralised costs for Pools and Leisure, Libraries
 - Realignment of Full Facilities contracts – scheduled costs
 - Cost increases for contracted Pools and Leisure sites

Next Steps

- Report to March business meetings to seek local board feedback to Joint Governance Working Party on options to manage local board cost pressures
- Staff will seek a Joint Governance Working Party recommendation to the Governing Body as part of Annual Budget 2025/2026 decisions.



Direction Setting – 5 March 2025



Te Koiwi Pond and Bruce Pulman Park Reserve Pond enhancements

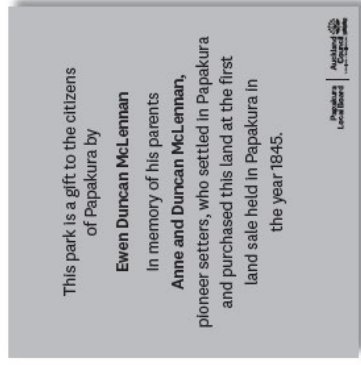
- Seeking direction – Decision inferred a 50/50 split between the two projects
- Donna Carter is seeking direction for a different split – 20 / 80?
 - 20% - Te Koiwi Reserve pond
 - 80% - Pulman Park ponds



ID	Local Environmental work programme	2024/2025 budget	Additional amount approved PPK/2025/18 (reso d)
614	Te Koiwi Pond enhancement	\$33,000	\$10,000
4408	Bruce Pulman Park Reserve Pond enhancement	\$35,000	Combined between the two projects

McLennan Park plaques and signage

- Seeking direction to proceed with McLennan Memorial Park signage
- The project manager advises there has been lengthy discussions with the McLennan family to get to this point



2. Anodised Plaques, 400mm x 400mm x 1 of each



1. 3mm Stainless Steel Letters, 1800mm wide



McLennan Park plaques and signage continued

McLennan Memorial Park

McLennan Memorial Park was donated by Ewen Donald McLennan on 14 November 1947, in memory of his parents, Anne and Duncan, pioneer settlers, who settled in Papakura and purchased this land at the first land sale in Papakura in 1845. The Deed of Gift states "this piece of land is to be held by the Council for all time as a sports and recreation ground for the use and benefit of the Citizens of Papakura Borough".

The land which McLennan Memorial Park now forms part of, was originally swamp and scrub land of little value. The McLennan's developed this land into a farm called Ferraig.



Swampland in the McLennan land.



The McLennan Homestead.

A large homestead was built for their family, not far from the present-day McLennan Memorial Park playing fields.



Croquet Pavilion.

The McLennan's supported a large variety of sporting and cultural activities. Papakura's first Golf Course, Bowling Green, Croquet Court, and Cricket Club were all on Ferraig land. The Croquet and Bowls pavilion was located close to where the McLennan Memorial Park entrance gates now stand.

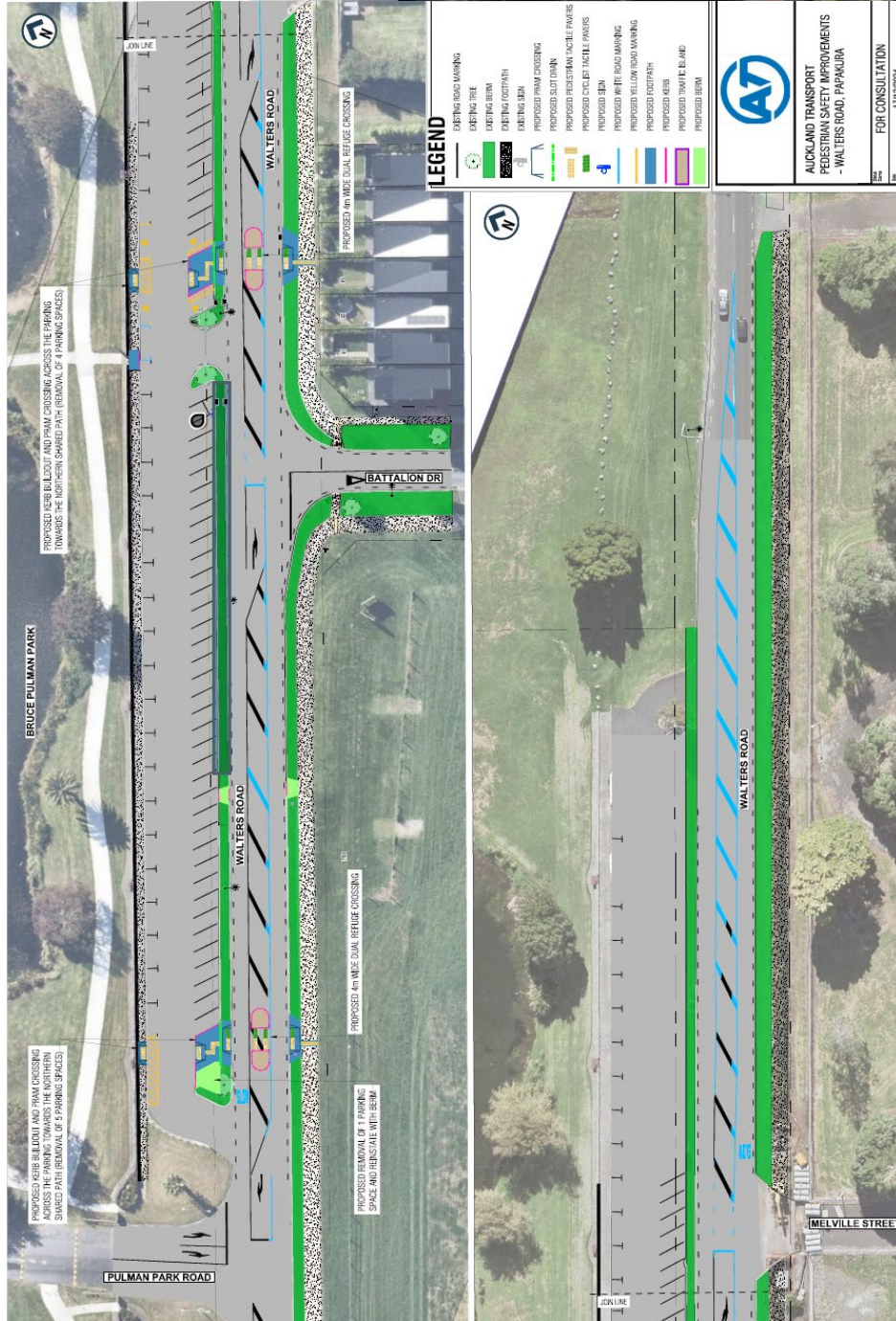


Golf Clubhouse.





Walters Road, Papakura - Pedestrian Improvements



- Do you want to make comment on this proposal
- Bruce Pulman Drive is a cul de sac

LEGEND

- EXISTING ROAD MARKING
- EXISTING TREE
- EXISTING BEAM
- EXISTING FOOTPATH
- EXISTING SIGN
- PROPOSED PAVEMENT CROSSING
- PROPOSED SLOTTED DRAIN
- PROPOSED PEDESTRIAN SAFETY PAVERS
- PROPOSED CYCLES TACTILE PAVERS
- PROPOSED SIGN
- PROPOSED W/TE ROAD MARKING
- PROPOSED YELLOW ROAD MARKING
- PROPOSED FOOTPATH
- PROPOSED KERB
- PROPOSED TRAFFIC ISLAND
- PROPOSED BEAM

A7

AUCKLAND TRANSPORT
PEDESTRIAN SAFETY IMPROVEMENTS
- WALTERS ROAD, PAPAOKURA

FOR CONSULTATION
17/10/2024



Item 3

Attachment B

Papakura/Franklin Citizenship Ceremony – Hawkins Theatre – 15 May 2025 - 6:30 pm

- A Franklin Local Board member is asking if they can please be part of the official party handing out certificates on stage
- His sister-in-law will be receiving her citizenship certificate at the above ceremony



Engagement

- Mel will speak to this.



Item3

Attachment B

Discussion on draft 2025/2026 work programme

- Vic will speak to this

WORKSHOP – 12 March 2025

Time	Topic	Purpose	Proposed outcome
9.15-10am (45mins)	Development Contributions 2025 proposal	Define board position and feedback	To assist local boards and help them provide feedback on the draft Contributions Policy 2025 public consultation and feedback held in September to December 2024.
10-11am (60mins)	Waka Kotahi (NZTA) Quarterly Update	Information dissemination	To provide a quarterly update on NZTA projects.
11-11.30am	Te Reo Training		
11.30-12pm (30mins)	Accessibility Assessments for 5 Papakura Parks	Define board position and feedback	To Inform the board about past and current work in the accessibility assessment space, raise awareness of universal design and seek feedback on the shortlisted parks.
11.30-12.30pm (60mins)	Lunch		





WORKSHOP – 12 MARCH 2025 CONTINUED

Time	Topic	Purpose	Proposed outcome
12.30-1.30pm (60mins)	2025/2026 Community Grants Programme Review	Provide direction on preferred approach	To review the 2024/2025 grants to confirm the Local Board outcomes and priorities for the new 2025/2026 Community Grant Programme
1.30-2pm (30mins)	Auckland Transport bi-monthly board catch up - pre business meeting March 2025	Provide direction on preferred approach	To present what is intended to go in the Auckland Transport bi-monthly March 2025 business meeting report and seek direction on potential resolutions.
2-2.10pm (10mins)	Break		

WORKSHOP – 12 MARCH 2025 CONTINUED

Time	Topic	Purpose	Proposed outcome
2.10-3.10pm (60mins) last item of the day	Direction Setting	Provide direction on preferred approach	To inform the board on upcoming events/meetings and seek board's feedback. For members to provide strategic updates related to meetings/ briefings they have attended, highlighting opportunities for board decision making or advocacy.





Reminder upcoming events

- Fri 7 Mar 2025 – 7pm – 8.30pm – Auckland NZ Temple Open House for invited guests (Mormon Temple) – **Confirmation of who is attending**
- Sat 8 Mar 2025 – 10am – 2pm – ParkFest, Central Park – Have Your Say Event
- Fri 14 Mar 2025 – 5.30 – 8pm - Papakura Youth Council Local Board meet and greet with rangatahi, Te Paataka Koorero o Takaanini
- Sat 15 Mar 2025 – 6pm – 8.30pm – Movies at the Park, Central Park - Have Your Say Event
- Wed 19 Mar 2025 – 9.30am – 10.30am – Have Your Say Event, Papakura Library



Updates from members

For members to provide strategic updates related to meetings/ briefings they have attended, highlighting opportunities for board decision making or advocacy.