



Date: Thursday, 10 April 2025
Time: 10:00 am
Meeting Room: Howick Local Board Meeting Room
Venue: Library Complex
7 Aylesbury Street
Pakuranga

Howick Local Board Workshop

OPEN AGENDA

MEMBERSHIP

Chairperson	Damian Light
Deputy Chairperson	Bo Burns
Members	Katrina Bungard
	David Collings
	Bruce Kendall
	John Spiller
	Mike Turinsky
	Adele White, JP
	Peter Young, JP

Claire Bews
Democracy Advisor

4 April 2025

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Email Howicklocalboard@aucklandcouncil.govt.nz for a link to join the workshop online

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Agenda Items

1 Ngā Tamōtanga | Apologies

At the close of the agenda no apologies had been received.

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

Local Board Workshop

File No.: CP2025/06122

- Note 1: This workshop has been called by the chairperson in consultation with the staff.
- Note 2: No working party/workshop may reach any decision or adopt any resolution unless specifically delegated to do so.

Te take mō te pūrongo Purpose of the report

1. To present the Howick Local Board workshop agenda for 10 April 2025.

Whakarāpopototanga matua Executive summary

2. Most workshops are open to the public to attend as observers in person or online.
3. Some sessions may not be open to the public. The staff / chairperson decide which sessions are open to the public, depending on the sensitivity of the information being discussed. If a session is not open, a reason will be provided below.
4. Email Howicklocalboard@aucklandcouncil.govt.nz for a link to join the workshop online.
5. Local Board workshops provide an opportunity for local boards to carry out their governance role in the following areas:
 - a) Accountability to the public
 - b) Engagement
 - c) Input to regional decision-making
 - d) Keeping informed
 - e) Local initiative / preparing for specific decisions
 - f) Oversight and monitoring
 - g) Setting direction / priorities / budget.
6. Workshops do not have decision-making authority.
7. Workshops are used to canvass issues, prepare local board members for upcoming decisions and to enable discussion between elected members and staff.
8. Members are respectfully reminded of their Code of Conduct obligations with respect to conflicts of interest and confidentiality.
9. The following will be covered in the workshop:

Session 1 – 10.00am – 12.00pm

Note: At this point in proceedings, the workshop will close to the public for the following reasons


CONFIDENTIAL WORKSHOP ITEM: Howick Local Grant round two

This part of the workshop is being held with the public excluded (confidential) as the workshop material contains some sensitive information

Session 2 – 12.00pm – 12.45pm	
CONFIDENTIAL WORKSHOP ITEM: Eke Panuku	
This part of the workshop is being held with the public excluded (confidential) as the workshop material contains some sensitive information	
Note: At this point in proceedings the workshop will reopen	
Break	
Session 3: 1.15pm – 1.45pm	
Community Broker Update to Board	
Presenter:	Asma Bashir - Community Broker, Community Wellbeing, Howick Local Board
Purpose:	Provide an update on Community Broker activities being delivered in 2024/2025
Governance role:	Keeping informed
Proposed Outcome/s:	Board members are updated on April Community Wellbeing in the rohe prior to the quarterly report
Attachment A:	Community Broker Update
Session 4 – 1.45pm – 2.30pm	
Marina Fitness lease expiry	
Presenter/s:	Matt Nash - Pools and Leisure Principal Advisor
Purpose:	To present proposed options on the lease for Marina Fitness, that expires on 17 August 2025
Governance role:	Setting direction, priorities and budgets
Proposed Outcome/s:	The Board were provided lease options on the Marina Fitness lease for discussion and review.
Attachment B:	Marina Fitness Lease Expiry 2025 - Presentation
Attachment C:	Marina Fitness Lease Expiry 2025 - Memo

Ngā tāpirihanga Attachments

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Community Broker April Update

Howick Local Board - 10 April 2025

Asma Bashir – Community Broker, Community Wellbeing

Purpose

- Provide a quarterly update on community broker activities being delivered in 2024/2025 prior to quarterly report
- Any future directions for the broker to explore



Crime prevention fund

- Neighbourhood Support New Zealand Neighbourhood Activator – connecting with community groups for expo in May
- Our Ormiston, our Place initiative
- Blueprints and Sowers Trust update



- Met with New Zealand Council of Social Services
- Connecting Youth Council to Auckland Chamber
- Meeting with East Auckland Tourism
- Organising meeting with Anchorage Park Community House users group



Marina Fitness
Lease expiry

Howick Local Board Workshop

10 April 2025

Matt Nash - Principal Advisor, Pools and Leisure

Purpose

Seeking direction from the Howick Local Board on the following options:

- Renew the property lease and maintain operations
- Explore outsourcing opportunities
- Not renew the lease

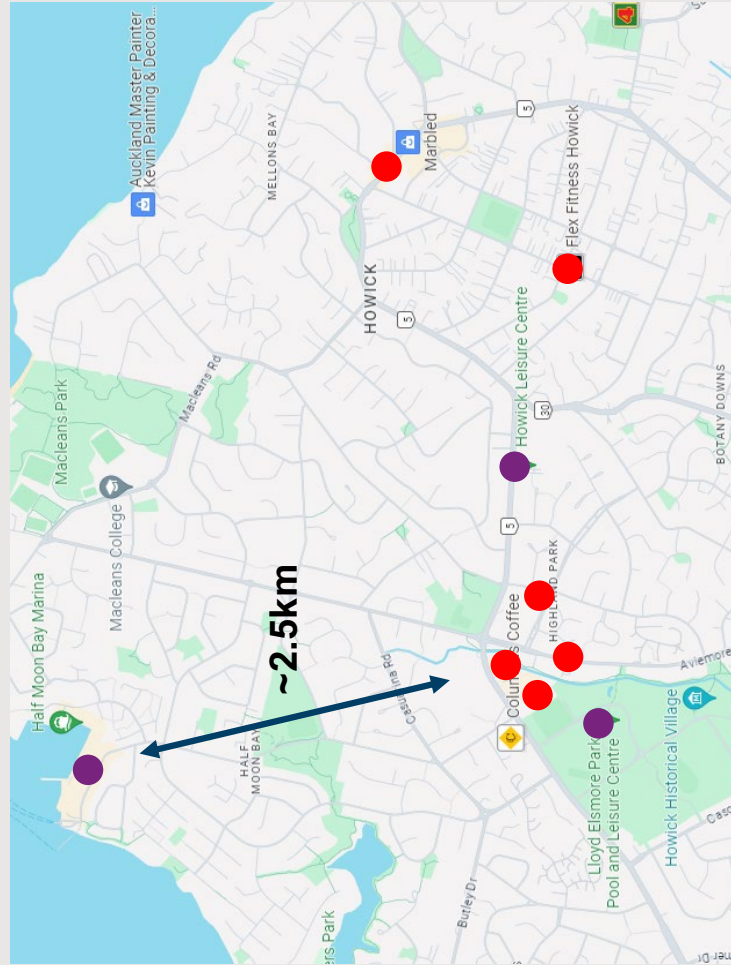


Summary

- Lease expires 16 August 2025
- Auckland Council has 2 rights of renewal (3 years each)



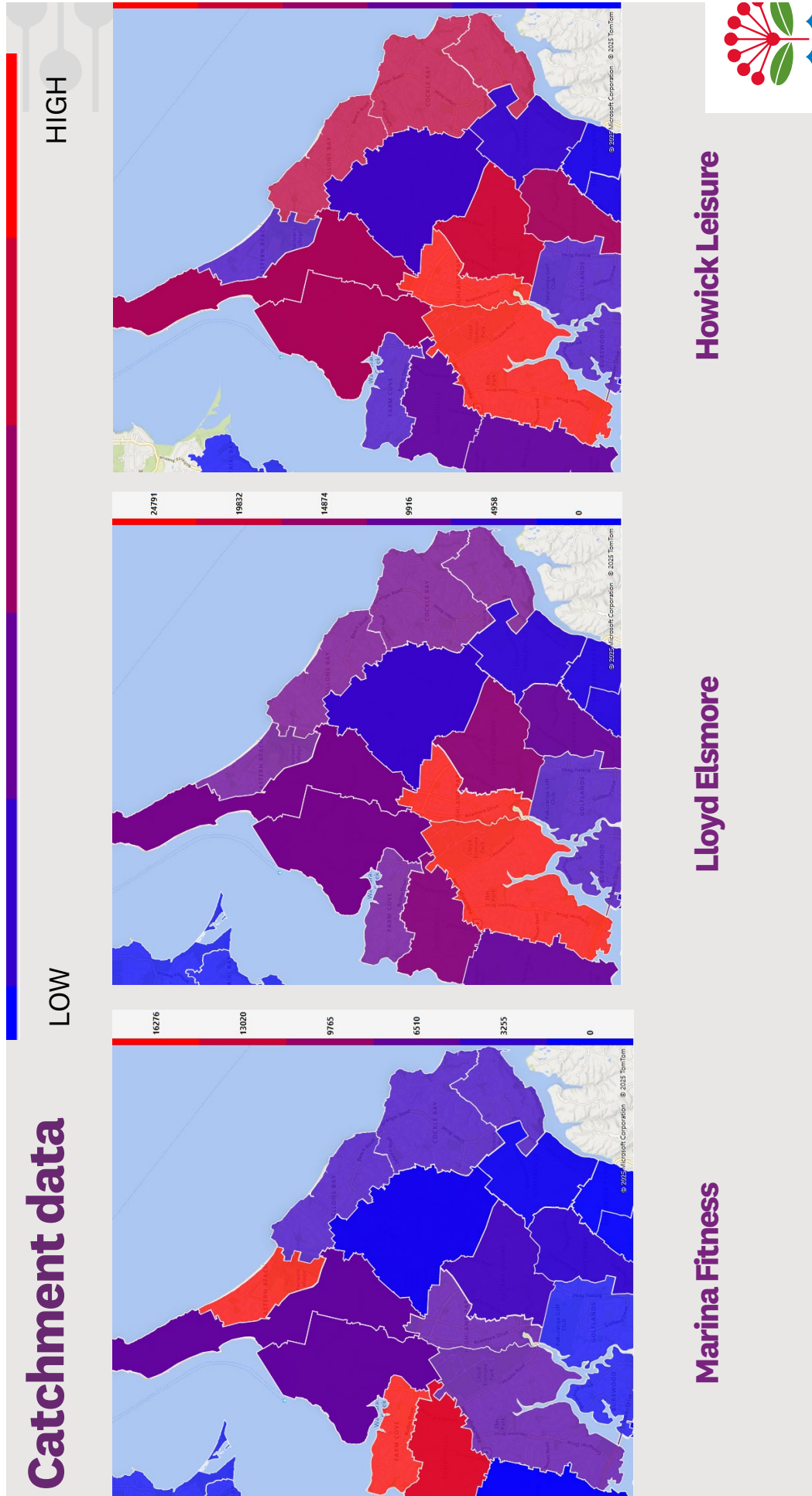
Fitness provision in the area



- Anytime Fitness – 2.5km
- Jetts Highland Park – 2.6km
- Snap Fitness (coming soon) – 2.7k
- Lloyd Elsmore Pool and Leisure Centre – 2.8km
- Yes Fitness Highland Park – 2.9km
- Growing Younger Fitness Studio - 3km
- Howick Leisure Centre – 3.4km
- Jetts Howick – 4km
- Flex Fitness – 4.5km

Other more specialised fitness providers like F45 Howick and The Box Office (Boxing Studio) are not listed.







Service comparisons (as of 28 February 2025)

Centre	Members	YTD <u>Fitness</u> visits	FTE
Marina Fitness	755	39k	3.46
Lloyd Elsmore Fitness	2,538	124k	6
Howick Leisure Centre Fitness	420	29k	2.91





Ngā mihi Pātai?

Memorandum

28 March 2025

To: Howick Local Board

Subject: Marina Fitness lease options

From: Matt Nash

Contact information: matt.nash@aucklandcouncil.govt.nz

Purpose

1. To outline the options available to the Howick Local Board with respect to the upcoming lease expiry of Marina Fitness at Half Moon Bay.

Summary

2. Auckland Council leases the premises at 1 Ara Tai Road, Half Moon Bay, that Marina Fitness occupies.
3. Marina Fitness is the only pools and leisure facility in the Auckland Council network where the building is not owned by council. It was established on 17 August 2009.
4. The lease was extended for a period of 12 months from 17 August 2024 pending the outcome of the Section 17A Value for Money process.
5. On 1 August 2024, the Governing Body resolved to retain the current model for Pools and Leisure. This means that all the centres within the Howick Local Board area continue to be operated directly by Auckland Council.
6. Marina Fitness has 755 active members, and in the first half of financial year 2024/2025 had 29,253 visits from members and casual users.
7. Marina Fitness has a year-to-date net promoter score (NPS) of +83 and a customer satisfaction score of 97 per cent.
8. Staff have prepared three options for the local board's consideration and seek direction to enable engagement with the landlord in the coming weeks.

Context

9. Marina Fitness is a fitness centre operated by Auckland Council. It is located at 1 Ara Tai Road, Half Moon Bay. It is the only pools and leisure centre in the network where the facility is not owned by Auckland Council.
10. While Auckland Council owns the land, the site is subleased (via Eke Panuku Development) to a third party who owns the buildings. Pools and Leisure leases the tenancy occupied by Marina Fitness.
11. Marina Fitness was established in August 2009 under the legacy Manukau City Council. At this time the Marina Precinct was being developed with shops, offices and cafes. The development presented an opportunity for council to lease premises in the Compass building and provide an additional fitness facility for the local population.
12. The nearest council fitness facilities are Lloyd Elsmore Park Pool and Leisure Centre (LEP) and Howick Leisure Centre (HLC). These centres are located at a distance of 2.8km and 3.4km respectively from Marina Fitness.



13. The larger footprints and expansive grounds of the above-mentioned centres provide ample room for growth in both membership and service offerings, both within and outside the buildings themselves. Conversely, Marina Fitness' small physical footprint and lack of outdoor space, present some constraints for sustained growth and the expansion of service offerings.
14. Marina Fitness, and all legacy Manukau City Council controlled fitness facilities, were united under Auckland Council management in 2010 during the amalgamation of the seven legacy councils in the Auckland region.
15. The Compass building is owned by a charitable trust, the Marina Maritime Foundation (MMF). Marina Maritime Foundation is administered by a Board of Trustees, all personally involved in the operation of the marina.
16. Since council's original lease in 2009, there have been two contract renewals with MMF. One renewal took place in 2015 and another in 2018. These renewals increased the base rental, and additional price adjustments occurred through consumer price index (CPI) and operational levy increases. As the lessee, Auckland Council covers all operational levies and utility expenses associated with its lease in the Compass building. These include water and electricity, rubbish collection, repairs and maintenance, and security expenses.
17. In 2018, the annual lease expense (excluding utilities) was \$128,400 per annum. In 2021, a five per cent capped CPI increase was applied, bringing the lease expense to \$134,820 until the contract's end in August 2024. Additionally, council pays approximately \$31,310 in annual operational levies, resulting in a total rent and levy expenditure of around \$166,130 per year from 2018 to 2024.
18. In August 2024, the landlord granted a one-year lease extension, including a five per cent CPI increase, raising the lease expense to \$141,560 (\$178,497 including operational levies). The current lease will now expire on 16 August 2025, with two further rights of renewal, each for three years. Direction from the Howick Local Board is required regarding the future of Marina Fitness

Discussion

Service provision

19. Marina Fitness is a stand-alone fitness centre that serves the population of the wider Half Moon Bay area, encompassing the Bucklands and Eastern beaches. While the site footprint is comparatively small in size to other fitness centres, Marina Fitness provides a boutique style, high-end service offering in a desirable location with views of the water. Its location, next to the ferry terminal, is convenient for some central city commuters.
20. Because of these characteristics, Marina Fitness is one of just two Auckland Council fitness facilities which fall into 'gold tier' pricing. The 'gold tier' pricing means that the fees are set higher than those for other Auckland Council facilities (the other 'gold tier' facility being Tepid Baths in Auckland City).
21. Marina Fitness has an active membership base of approximately 755 members. From March 2024 to February 2025, Marina Fitness has had 57,486 visits. This is up 14 per cent compared to the same period the year prior. This trend is consistent with most fitness centres across the wider network. It is attributed to the COVID-19 rebound and concentrated membership recruitment efforts.
22. Due to the small size of the facility, there is competition for equipment and space during busy periods. Due to the capacity limitations of the site, there is limited opportunity to expand the current membership and increase the financial return on investment.
23. In recent weeks, there has been strong advocacy from Marina Fitness members requesting that the Marina Fitness lease be renewed. This advocacy has mostly been through emails to Elected Members and the Auckland Council Community Directorate.

Financial performance

24. Since its inception in the 2009/2010 financial year, Marina Fitness has mostly operated at a net deficit. The centre saw strong financial performance in financial years 2017/2018 and 2018/2019, achieving a net surplus of approximately \$50,000 in both years.
25. However, financial performance declined significantly in the 2019/2020 financial year due to the impact of COVID-19. While Marina Fitness has since rebounded, membership remains eight per cent below its October 2019 peak.
26. In the 2023/2024 financial year, Marina Fitness recorded its highest net operating surplus to date, delivering a surplus of \$80,717, excluding depreciation. However, this was \$71,025 below budget, due to overspending on staff, the lease and other costs, as well as a slight revenue shortfall.
27. The table below shows the budget and recent performance of the centre.

Table one: Budget financial years 2024/2025 and 2025/2026 revised budget as at 28 February 2025

	Actuals Full Year 2023/24	Year to Date Actuals (8 months ending Feb 25)	2025 Budget	2026 Budget
Fees and user charges revenue	(510,392.65)	(374,814.84)	(572,940.28)	(584,818.85)
Other operating revenue	(1,116.94)	(744.63)	(23,882.09)	(30,215.99)
Staff	210,501.34	132,749.70	154,986.18	161,454.68
Repairs and maintenance	3,579.88	120.00	1,785.57	1,821.23
Outsourced works and services	25,917.80	16,220.10	35,000.01	47,438.46
Other expenditure on activities	190,793.57	131,506.47	194,958.07	207,020.03
Grand Total	(80,717.00)	(94,963.20)	(210,092.54)	(197,300.44)

28. As of February 2025, Marina Fitness has a year-to-date net profit of \$94,963.20 but is \$70,471.19 behind budget.
29. It's worth noting that the Marina Fitness Team Leader manages both Howick Leisure Centre Fitness and Marina Fitness, spending approximately 16 hours per week at Marina Fitness. However, their full salary is allocated to Howick Leisure Centre's cost centre, meaning it is not reflected in Marina Fitness' expenses.
30. It should be noted that these figures also do not consider extra expenses (corporate overheads) absorbed within other departments of Auckland Council. Departments such as Finance, People and Culture, Parks and Community Facilities, and Health and Safety.
31. Corporate overheads contribute to understanding the total costs of operating any council facilities. A general allocation of overheads is determined centrally for the purposes of preparing local board financial reporting.

Customer accessibility

32. Marina Fitness is on the second story of the Marina Compass Building. It shares this floor with a physiotherapist, day spa and a medical clinic. The centre has disability access in the way of a lift and has an accessible accessway and bathroom to support wheelchairs.
33. The centre is the only fitness facility in Half Moon Bay. The nearest privately owned alternative is Anytime Fitness in Highland Park (2.5km from Marina Fitness) and Jetts Highland Park (2.6km from Marina Fitness).
34. Of the 755 members at Marina Fitness, 409 hold a membership type which enables use of all council-operated fitness and leisure centres. The remaining 346 are on a 'Gym it' or similar membership, which provides single site access.

Options analysis

35. Staff have identified three options for the Howick Local Board to consider and provide further direction.

Option one: Renew the lease for three years

36. Staff expect the landlord to welcome a continuation of the lease.
37. Early indications suggest a rent increase of three to five per cent which will be within budget (see table one above).

Option two: Explore outsourcing to one of the two council service partners

38. Through the Section 17A Value for Money process, both the YMCA North Incorporated and Community Leisure Management expressed an interest in operating Marina Fitness.
39. Based on the request for proposal responses, as part of the Value for Money process, outsourcing would result in an increased cost for the local board.
40. Outsourcing the centre would require engagement with both staff and their unions – the Public Service Association (PSA) and the Amalgamated Workers Union NZ (AWUNZ) – in accordance with Governing Body resolution GB/2024/107. This resolution states that no outsourcing should proceed without:
 - thorough, good faith consultation with staff and the relevant unions
 - taking account of the views of local boards as to the preferred service delivery model for their local facilities
 - clear evidence of benefits provided, such as improved provider performance, maintained quality of service delivery, and health and safety performance, that meets legislative and Poolsafe requirements.
41. Should the local board wish to consider outsourcing, members who use other centres within the local board area would be adversely impacted. They would need to purchase memberships from both Auckland Council and the operator of Marina Fitness.

Option three: Choose not to enter a new lease

42. The local board may choose not to enter into a new lease arrangement.
43. Should the local board wish to close the service, the current budget, as set out in the current Long-term Plan (LTP), will need to be absorbed by other services within the local board area. This would equate to an estimated \$2.165 million, excluding depreciation, over the remaining years of the LTP (financial years 2026 to 2034).
44. Staff expect that some members would be retained if the service closed and would transfer to the nearby LEP or Howick centres.



45. A period of staff consultation would be required if the local board were to consider not renewing the lease.
46. Marina Fitness has an allocated full-time equivalent (FTE) of 3.46 (138.5 hours) across six staff members. Currently, the fitness centre is operating with five staff, with one 25-hour position vacant. Two Marina Fitness staff also work permanent shifts at the neighbouring council gyms of LEP and HLC.

Options comparison

47. The following table provides a high-level assessment of each option against shared criteria.

Table 2: Options analysis

Option	Financial impact	Customer Impact	Strategic objectives
Option 1: Renew the lease for three years	✓ Within budget, expected rent increase of 3-5% manageable. Centre projected to run at a net profit.	✓ Retains service for 755 members, maintains high NPS and customer satisfaction.	— Maintains existing service levels but does not directly advance long-term strategic priorities.
Option 2: Explore outsourcing to one of the two council service partners	— Forecasted higher overall cost due to subsidies, and management fees, which may negatively impact budget.	— Service Partner and Service Model changes could impact customer experience.	✗ Conflicts with Governing Body resolution GB/2024/107 on outsourcing limitations.
Option 3: Exit the lease and consolidate services at other nearby centres	✗ The current LTP budget (\$2.165M for 2026-2034) must be absorbed by other local board services.	✗ Disrupts service for 755 members, some may not transition to other centres.	— No noticeable impact on strategic objectives.

48. Based on the details on the options and analysis, **Option 1** is recommended.

Next steps

49. Based on the local boards' direction, staff will engage with the landlord (MMF) to commence negotiations.
50. Staff will present back to the local board the negotiated position for decision, and if required, any impacts on staff and engagement and consultation considerations.



51. Staff will execute the final local board resolution.

Attachments

N/A