



Kaupapa Here
Tuku Pūtea Poari
ā-Rohe



Local boards funding policy 2025

Adopted 27 June 2024
Volume 2, Auckland Council Long-term Plan 2024-2034



Local Boards Funding Policy 2025

Purpose/Introduction

The Local Boards Funding Policy sets out how local boards are funded to meet the costs of:

- providing local activities
- administration support.

There are two sections to this policy. **Section A** applies to the financial year 2024/2025. Funding for local boards through financial year 2024/2025 will be allocated in accordance with the Local Boards Funding Policy 2024/2025.

The council has decided to implement a fairer funding approach for local boards from the financial year 2025/2026. **Section B** of the Local Boards Funding Policy applies from financial year 2025/2026. Funding for local boards from financial year 2025/2026 will be allocated in accordance with the Local Board Funding Policy 2025/2026.

Section A: Local Boards Funding Policy 2024/2025

1. Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the council's allocation of decision-making responsibilities for non-regulatory activities in section 3.5 of Volume 2 this long-term plan. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into three parts based on the nature of the service provided and the allocation of decision making between the Governing Body and local boards. The three classifications of activities are set out in the table below.

Nature of service	Nature of local board decision making role ¹	Examples of activiteis
Asset based services	Make decisions within parameters set by the Governing Body	Swimming pools, Libraries, Local parks
Locally driven initiatives	Make decisions on how locally driven initiative funding allocated from Governing Body is spent	Local events Local community grants
Locally driven capital projects	Make decisions on how locally driven capotal projects funding allocated from Governing Body is spent	Local park improvements Streetscape improvements
¹ Local boards make decisions in specific location, design, and build of new facilities, service standards, and renewals, within parameters set by the governing body. Local boards also decide on use of facilities, including change of use and leases. Local board's decision making is set out in full in the full in the "Allocation of decision-making responsibility of non-regulatory activities".		

Local boards have decision making responsibility for fees and charges for both asset-based services and locally driven initiatives within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

The funding details for local asset-based services, locally driven initiatives, locally driven capital projects and administration support are outlined below.

2. Funding for local asset-based services

Local asset-based services will be funded by:

- fees and charges set by the local board and collected from local asset-based services
- plus any other revenue including grants, donations, and sponsorships
- plus any revenue from a targeted rate set by the Governing Body to fund local asset based services
- plus general rate funding to meet the balance of costs of local asset based services being provided to each local board area, set by the Governing Body in the long-term plan after taking into account Governing Body expectations for fees, charges and other revenue.

3. Funding for locally driven initiatives (operational funding)

The amount of budget available to each local board for locally driven initiatives is determined by:

- fees and charges collected from locally driven initiatives
- plus any funding surplus from local asset based services in excess of projected funding by the Governing Body when setting general rates funding for local asset based services where the local board changes costs or revenue from local asset based services from the levels projected by the Governing Body
- minus any funding deficit from local asset-based services below that projected funding by the Governing Body when setting general rates funding for local asset-based services where the local board changes costs or revenue from local asset based services from the levels projected by the Governing Body

- plus any revenue from grants, donations, and sponsorships
- plus any revenue from a targeted rate set to fund local activities in the local board area plus an allocation from a budget pool for locally driven initiatives funded from the general rate.

3.1. Level of total budget available for locally driven initiatives

The total general rates funded budget available for locally driven initiatives will be set by the Governing Body and will be identified in the long-term plan or annual plan.

Each local board will be allocated a share of the total budget available after deducting the funding for the Aotea / Great Barrier Island Local Board and the Waiheke Island Local Board, see section 3.1.2 below. Each local board's share of the budget will be equivalent to its share of the regional population adjusted for deprivation and land area, excluding Aotea / Great Barrier Island and Waiheke Island. This is set out in the table on the next page.

3.1.1. Allocation of total budget pool

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population ¹	90 per cent	Local board population divided by the total population of all local boards ³
Deprivation ²	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board ³
Land area	5 per cent	Local board land area divided by the total land area of all local boards ³
¹ adjusted each year to reflect changes in population estimates provided by Statistics New Zealand ² based on the most recently available update of the Index of Deprivation provided by the Ministry of Health ³ excluding Aotea / Great Barrier Island Local Board and Waiheke Local Board		

3.1.2. Funding for Aotea / Great Barrier, and Waiheke Island Local Boards

The amount of budget available for locally driven initiatives on Aotea / Great Barrier and Waiheke Islands is determined by:

- fees and charges collected from locally driven initiatives
- plus revenue from fees and charges for local asset based services in excess of that projected by the Governing Body where the local boards set higher fees, (see section 3 above)
- minus revenue from fees and charges for local asset based services below that projected by the Governing Body where the local boards sets lower fees, (see section 3 above)
- plus any revenue from grants, donations, and sponsorships
- plus any revenue collected from targeted rates set to fund local activities
- plus a general rates allocation

General rates funding will be provided to meet the balance of the costs of providing locally driven initiatives on Aotea / Great Barrier Island and the Waiheke Island. This will be based on the expenditure on these activities agreed with the Governing Body in their local board agreements each year net of revenue generated from the items in 1 to 5 above.

3.1.3. Transition

The table below sets out the transition mechanism that will be applied from financial year 2021/2022 onwards.

Local boards funded to the level of the allocation formula	Local boards funded above their allocation under the formula
Increases in the total budget for locally driven initiatives budget will be applied as per the formula	Locally driven initiatives budget will be held at its current absolute level (no increases for inflation) until it is exceeded by the allocation under the formula

3.2. Definition of local asset-based services and locally driven initiatives

The Governing Body, after considering local board feedback, will determine which services are local asset-based services and locally driven initiatives when the total budget for local activities is set.

4. Funding allocation for locally driven initiatives (capital funding)

This funding enables local boards to deliver small local asset-based projects, either directly, in partnership with the community, or through joint agreements between boards.

The budget available for locally driven capital projects will be set by the Governing Body and will be identified in the long-term plan or annual plan. These funds will be allocated to local boards on the following basis:

- one per cent of the total fund allocated to the Aotea/Great Barrier Island Local Board
- two per cent of the total fund allocated to Waiheke Island Local Board
- the remainder of the fund allocated to the remaining local boards, with each board's share equivalent to its share of the regional population adjusted for deprivation and land area, as set out in the table below:

Factor	Proportion of budget for locally driven capital projects	Local board share
Population ¹	90 per cent	Local board population divided by the total population of all local boards ³
Deprivation ²	5 per cent	Average local board deprivation divided by the total of the average deprivation of each local board ³
Land area	5 per cent	Local board land area divided by the total land area of all local boards ³
¹ adjusted each year to reflect changes in population estimates provided by Statistics New Zealand ² based on the most recently available update of the Index of Deprivation provided by the Ministry of Health ³ excluding Aotea / Great Barrier Island Local Board and Waiheke Local Board		

5. Funding allocation for other purposes

The Governing Body may make funds available to local boards for purposes other than local asset-based services, locally driven initiatives, locally driven capital projects or administrative support. These funds will be allocated to local boards on the same basis as funding for locally driven initiatives (capital funding).

6. Funding allocation for administrative support

The funding for administrative support is allocated by adopting the following method:

- Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member
- Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

7. Funding allocation for non-dedicated purposes

There is no allocation of non-dedicated (general purpose) funding to local boards in the Long-term Plan 2024-2034.

8. Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing Policy which can be found in section 3.1 of the Long-term Plan 2024-2034.

Section B: Local Boards Funding Policy 2025/2026

1. Background

Auckland Council's 21 local boards have decision making responsibility for local activities. The full list of local activities is set out in the council's allocation of decision-making responsibilities for non-regulatory activities in section 3.5 of this long-term plan. They include amongst others:

- local recreation services e.g. swimming pools
- local libraries
- local parks
- local events
- local community development.

Funding for local activities is split into operating expenditure (opex) and capital expenditure (capex).

Local boards have decision making responsibility for fees and charges within any parameters set by the Governing Body. For example, local boards can set the fees for adult entry to swimming pools but may not charge for the entry of children, under 16.

How local boards will be funded for various local activities and for administration support is set out below.

2. Funding for local activities

Operating expenditure for local activities will be funded by:

- fees and charges set by the local board and collected from local assets
- plus any other revenue including grants, donations, and sponsorships
- plus any revenue from a targeted rate set by the Governing Body to fund local assets and services
- plus general rates funding provided as detailed in the next sections

The total general rates funded budget available for local activities will be set by the Governing Body and will be identified in the long-term plan or annual plan.

Capital expenditure budgets are set by the Governing Body and are mainly funded through borrowing, non-service asset sales, external contributions (grants and sponsorships), and development contributions collected for future growth.

Local boards can also raise funds through the service property optimisation approach.

3. General rates funding for local community services activity

Local community services include libraries, local parks and sports fields, recreation facilities, community halls and local arts facilities.

Each local board will be allocated separate shares of OPEX and CAPEX from a total budget decided by the Governing Body. When the equity formula (80:15:5) described below is applied to this total budget (excluding allocation to Aotea / Great Barrier and Waiheke Local Boards) it determines the equitable funding level for each local board.

For operational spending, the equity formula will be applied (at the beginning of each LTP) on a year-on-year basis starting from financial year 2025/2026. For capex, it will be on a three-year aggregate.

When the funding allocated to the local boards by the Governing Body is compared to the funding based on the equity formula, local boards funded above and below the equitable funding levels are identified.

Through LTP 2024-2034 the council has decided to provide additional funding to local boards funded below their equitable level to bring 19 local boards (including Aotea / Great Barrier and Waiheke local boards) to within 5 per cent of their equitable funding level in financial year 2025/2026 and to within 1 per cent of their equitable funding level in financial year 2026/2027, for opex. For capex, the decision is to move 18 local boards to within 5 per cent of their equitable funding level by financial year 2026/2027. The remaining local boards will remain funded above their equitable funding levels. This new funding will be applied, to local boards funded below their equitable level, based on the order of degree of variance from equitable funding level, i.e., local board with the largest variance gets funding first and so on. These changes will come into effect from 1 July 2025. Each local board's equitable funding level will be equivalent to its share of the regional population adjusted for deprivation and land area, excluding Aotea / Great Barrier and Waiheke. This is set out in the following table:

Factor	Proportion of total general rate funded locally driven initiative budget	Local board share
Population	80 per cent	Local board population divided by the total population of all local boards excluding Aotea / Great Barrier and Waiheke
Deprivation*	15 percent	Average local board deprivation divided by the total of the average deprivation of each local board.
Land area	5 per cent	Local board land area divided by the total land area of all local boards excluding Aotea / Great Barrier and Waiheke
*The information for this analysis will be provided by Auckland Council's Research & Evaluation team, based on the latest census data available.		

3.1 Funding from financial year 2027/2028

The 80:15:5 allocations will be updated with the latest population, deprivation and land area statistics through each LTP refresh. New funding provided through each LTP will be allocated to local boards funded below their equitable level to maintain the achieved equitable funding levels.

Local boards that are funded above their equitable funding level will get inflationary adjustments on their future budgets.

3.2 General rates funding for Aotea / Great Barrier and Waiheke local boards' local community services

The general rates funding for the island local boards will be as below:

- one per cent of the total general rates funding for local community services to be allocated to the Aotea / Great Barrier Island Local Board.

- two per cent of the total general rates funding for local community services to be allocated to the Waiheke Island Local Board.

3.3 General rates funding for items and local activities excluded from the application of the equity formula

The budget categories (within local community services activity) described in the table below are excluded from the application of the above equity (80:15:5).

Budget category	Reason for excluding from application of equity formula
Growth funding	Funding (mainly capex and some associated consequential opex) prioritised for investment in new infrastructure to respond to population growth. This is funded through a mixture of development contributions and general rates-based borrowing.
Discrete projects	These are specific projects decided and funded through previous long-term plans and annual plans based on the plans and priorities of the council.
Various response budgets	<p>Slip remediation and coastal renewals - This budget is allocated based on the priorities in the slips prevention work programme which responds to coastal health and safety priorities across Auckland.</p> <p>Response budget associated with full facilities contracts – This is for reactive repairs and maintenance work outside of the full facilities contract scheduled maintenance.</p> <p>Sports renovations – For sports platform and infrastructure renovations programme</p> <p>Urgent minor capex – Urgent & minor capex works with high risk to health & safety, and disruption to service.</p> <p>Demolition budget – for the demolition and removal of high-risk unfit for purpose assets</p> <p>Green Assets OPEX – to respond to unplanned maintenance in the council’s green spaces.</p> <p>Regional Pest Management OPEX – Natural Environment Targeted Rate funding for Regional Pest Management Plan 2020</p> <p>Coastal Management OPEX – to respond to unplanned maintenance in the council’s coastal assets.</p> <p>Storm Damage – to respond to costs arising out of a major storm event</p>
Local targeted rates	Local targeted rates are collected for a specific purpose and to deliver outcomes in a specific location.
Specific funds	These are funds such as external grants, sales proceeds from asset divestment etc received to deliver a specific project.
Overhead costs and interest and depreciation	Local boards are allocated a share of the overhead costs such as interest, depreciation and corporate overheads based on the assets and services in each local board area.

Funding for the above items and other local activities such as local environment management, local planning and development, and local governance activities will be provided to each local board area, by the Governing Body in the long-term plan, based on the assets and services in each local board area.

3.4 Funding allocation for administrative support

The funding for administrative support is allocated as follows:

- Allocation for the costs related to elected members in a local board - number of elected members multiplied by the budgeted cost per elected member.

- b) Allocation for meeting other administrative costs - estimated cost of other administrative support for all local boards divided by the number of local boards.

In estimating the costs, the special circumstances of the Aotea/Great Barrier Island and Waiheke Island are taken into consideration to ensure equitable allocation of funds.

3.5 Funding allocation for non-dedicated purposes

There is no allocation of non-dedicated (general purpose) funding to local boards in Long-term Plan 2024-2034.

4 Funding sources for funds allocated for local activities

Funding sources for funds allocated for local activities are set out in the Revenue and Financing Policy which can be found in section 3.1 of the Long-term Plan 2024-2034.

3.4.a Fairer funding for local boards

Through this Long-Term Plan (LTP) 2024-2034 Auckland Council has decided to move to a fairer allocation of local board funding for local community services. This will be achieved through new funding provided through this LTP.

Local boards provide local community services like local parks, libraries, pools, recreation centres, community halls and events that support strong Auckland communities.

Through this LTP 2024-2034, the council has decided to move to a fairer funding allocation model for local board community services funding.

The Governing Body approved in principle an equitable funding model for local community services in 2021, after four years of investigation as part of the Governance Framework Review (GB/2021/138).

This model reflects the make-up of the communities in each local board area and allocates funding for local community services based on the following formula:

- 80 per cent based on population
- 15 per cent based on deprivation
- 5 per cent based on land area.

This is different to the current funding allocation for local boards' community services activities which is based on the assets in each local board area. Through this LTP, the council has confirmed that the new funding allocation formula will take effect from 1 July 2025.

Context

Analysis identified that asset-based funding for local community services is inequitable between local boards and largely an outcome of historic investment patterns prior to when the eight councils in the Auckland region merged in 2010.

Through the Long-term Plan 2021-2031, we identified that the increasing levels of investment demand by our ageing asset base is not financially sustainable. This is because the demand of investment required exceeds our capacity. We need to look after all Aucklanders and ensure that we provide access to services fairly.

A fairer approach to funding allocation is to allocate funding based on the current and projected future make-up of the community in each local board area. This will enable local boards to better respond to the needs of their communities.

A comparison of the asset-based funding for local boards with the new model revealed that some local boards are currently funded more than what they would be under the new model, while others are currently funded less.

Addressing local board funding equity through the Long-term Plan (LTP) 2024-2034

Through this LTP the Council aims to achieve significant funding equity for local community services activities within the first four years. This includes all local community services funding including both locally driven initiatives (LDI) funding and asset-based services (ABS) funding.

This involves providing new funding to local boards to reduce current inequities in local community services funding. This new funding is general rates (opex) and debt (capex) funded. The table below shows the total amount of new funding provided through this LTP for fairer funding.

	Additional Funding (\$m)	
	First three years of the LTP	10 Years of the LTP
Opex	84	460
Capex	56	231

Local board funding equity will be addressed separately for operating expenditure (opex) and capital expenditure (capex).

With the additional funding provided through this LTP, 19 local boards will get to within 5 per cent funding equity in opex in financial year 2025/2026 and within 1 per cent funding equity in opex in financial year 2026/2027. Two local boards will remain funded above their equitable level for opex. For capex, 18 local boards will get to within 5 per cent funding equity by financial year 2026/2027. Three local boards will remain funded above their equitable level for capex. The levels of equity achieved in the financial year 2026/2027 will continue for future years.

The following items which relate to local community services are excluded from the scope of fairer funding analysis for the reasons outlined below:

Out of scope	Reason
Growth funding	<p>Funding prioritised for investment in new infrastructure to respond to population growth. This funding is estimated based on the demands of future population growth and planned for investment in future population growth areas.</p> <p>Auckland Council's Development Contributions Policy is developed based on this estimated growth funding requirement. Re-allocation of this funding based on the proposed funding allocation model would result in shifting funding away from high-growth areas. This would lead to under-investment in infrastructure to respond to future growth.</p> <p>Also, any change like this may require the council to recalculate the development contributions (DCs) set to recover the growth share of the cost of the new investment priorities. If the resulting DCs were lower, some DCs that have already been paid may have to be refunded.</p> <p>If the overall mix of capital expenditure proposed by the recipient local boards has a calculated lower growth share, it could impact the total capital available as the rates funded element may be limited.</p>
Discrete projects	These are specific projects decided and funded through previous long-term plans and annual plans based on the plans and priorities of the council.

	This would mean the council is not delivering on past decisions. Because some of these projects have external funding support, failure to provide council funding for these projects could result in the loss of this external funding support.
Various response budgets	<ul style="list-style-type: none"> • Slip remediation and coastal renewals This budget is allocated based on the slips prevention work programme priorities which respond to coastal health and safety priorities across Auckland. • Response budget associated with full facilities contracts This budget is for reactive repairs and maintenance work outside of the full facilities contract scheduled maintenance. • Sports renovations This budget is for sports platform and infrastructure renovations programme. • Urgent minor capex This is for urgent and minor capex works with high risk to health & safety, and disruption to service. • Demolition budget This is for the demolition and removal of high-risk unfit for purpose assets. • Green Assets OPEX This is to respond to unplanned maintenance in Council's green spaces. • Regional Pest Management OPEX The Natural Environment Targeted Rate funding relating to the implementation of the Regional Pest Management Plan 2020. • Coastal Management OPEX This is to respond to unplanned maintenance in Council's coastal assets. • Storm Damage This is to respond to costs arising out of a major storm event.
Local targeted rates	Local targeted rates are collected for a specific purpose and to deliver outcomes in a specific location.
Specific funds	These are funds such as external grants, sales proceeds from asset divestment etc. received to deliver a specific project.
Overhead costs and interest and depreciation	Local boards are allocated a share of the council's overhead costs such as interest, depreciation and corporate overheads. Local boards do not have direct decision-making over these budgets.

The funding changes will be implemented in a staged approach, with the new funding allocation model taking effect from 1 July 2025. This means any change to funding levels for local boards will take effect in year 2 of LTP 2024-2034.

This allows staff time to provide advice to elected members in preparation for the changes to take effect. Fairer funding analysis will be refreshed every three years through the LTP process to consider the latest demographic statistics.

Island local boards

The allocation formula does not apply to Aotea/Great Barrier and Waiheke Local Boards. This is because the population of these island local boards is too small to be considered through a funding model that is largely based on population.

Instead, the funding allocation for the Aotea/Great Barrier and Waiheke Local Boards is based on a fixed percentage of the total funding available for both operating and capital budgets.

The fixed percentage funding allocations are 1 per cent of the total funding available for Aotea Great Barrier, and 2 per cent for Waiheke.

Policy changes required

To implement the council's decision to move to a fairer allocation of local board funding, a change to the Local Boards Funding Policy is required. The current Local Boards Funding Policy 2022, in Section A of the Local Boards Funding Policy in section 3.4 of Volume 2, is in effect until 1 July 2025. The new Local Boards Funding Policy, including the new funding allocation, which will take effect from 1 July 2025 can be found in Section B of the Local Boards Funding Policy in section 3.4 of Volume 2.