

Adoption of Facilities Management Policies & Strategy

23 September 2026



Purpose

To introduce and seek the adoption of the Draft Facilities Management Policy, Draft Facilities Strategy and Draft Surplus Facilities Divestment Policy for consultation through the 2027-37 LTP process.

Why This Matters

Our facilities carry a high cost liability. They must support and enable critical outcomes agreed by Council

Facilities are not an objective by themselves but they do support agreed service delivery, community functions, economic development and enable regulatory obligations compliance.

Current Portfolio Fiscal Snapshot

Measure	Current Position
Replacement Value	\$564M
Asset Groups	5
Strategy Horizon	30 Years
Annual Depreciation	\$11.7M
Forecast Renewals for stable compliant condition	\$10.8M

What We Heard from EMs workshops and Inputs

- **Need clear ownership and lead agency responsibilities**
- **Need better facilities purpose and long-term liabilities information**
- **Need long term direction to enable focus of limited resources onto the most critical services supported by facilities**

Strategic Challenges Effectiveness, Efficiency, Sustainability

- Address legacy reactive maintenance **not efficient**
- Asset condition degradation **not sustainable**
- Address facilities underutilisation **not effective/efficient**
- Effects of geothermal environment **not properly addressed**
- Legacy renewal backlog – **escalating reactive costs**
- Assets data visibility – **reduced effectiveness of planning**
- Strategic investment priority ambiguity – **not efficient**
- Ensure financial liabilities – **not sustainable to general ratepayer**

Strategic Framework

1. Portfolio optimization to address critical functions
2. Transparent decision making for each asset based on function
3. Sound, safe, reliable, sustainable asset management
4. Financial sustainability – limited resources to optimum use

Portfolio Optimisation

Where we are now

- Portfolio viewed as a total
- Some facilities have low utilization for liability incurred
- Future purpose of assets needs strategic clarity

Where we want to be

- Every facility classified and prioritised aligned with importance
- Investment is focussed on highest importance assets
- Clear pathways for retention, repurpose or removal

Better Decision Making

Key objectives

- Clear facilities purpose and management practice
- Consistent business case for requirements
- Portfolio-based critical investment decisions
- Transparent investment prioritisation framework
- Improved community transparency
- Matching limited resources to most important agreed needs

Sound Asset Management

Current Maturity: Basic

Target Maturity: Core

Focus areas:

- Collection and management of asset condition data
- Systematic and sustainable maintenance planning
- Renewals liabilities forecasting
- Full long term lifecycle management

Financial Sustainability

- Replacement Value: \$564M
- Annual Depreciation: \$11.7M
- Annual Forecast Renewals: \$10.8M
- Appropriate Maintenance Need: \$5.4M

Investment decisions must balance service needs, risk and affordability

Surplus facilities Divestment Policy

Purpose

Establish a transparent and consistent framework for assessing and divesting Council-owned facilities that are surplus to Council agreed requirements

The Policy Ensures

- Strategic alignment with Council directed priorities
- Responsible, effective and efficient stewardship of public assets
- Consideration of current and future community needs informed by Council direction
- Compliance with all legal and prudent governance requirements
- Transparent and accountable decision-making for all ratepayers

Divestment is not about selling assets. It is about ensuring Council owns and stewards the right assets for the future.

How council determines a Property is Surplus

Assessment Framework

Before any facility can be declared surplus, it must demonstrate:

1. The facility is no longer needed for a critical purpose
2. There is no foreseeable strategic or community benefit from retaining the asset and its liabilities
3. The costs and risks of ownership outweigh the value delivered as defined by Council

Property Disposal Decision Framework

Step 1 Property identified as potentially surplus.

Step 2 Operational surplus assessment completed.

Step 3 Strategic, historical, cultural, mana whenua and Māori land and legal assessment completed and included in a Business Case to Council.

Step 4 Council decision on desired primary outcomes and preferred disposal pathway (Strategic Disposal, Ordinary Surplus Property Disposal or Mana Whenua Right of First Refusal)

Recommendation

Council to:

- Adopt the Facilities Policy
- Adopt the Facilities Strategy
- Adopt the Surplus Facilities Divestment Policy

as supporting information to the 2027-37 LTP
consultation process

Patai?