

Marae Beach Landing funding reallocation

Meeting: Externally Funded Project Committee
Date of meeting: 17 March 2021
Reporting officer: Joanne Reid, Programme Manager

Purpose/Ngā whāinga

To seek approval for the reallocation of the remaining Marae Beach Landing project budget (\$395,292) to the Pouto Wharf project.

Executive summary/Whakarāpopototanga

Due to lack of engagement in the Marae Beach landing proposition, the Ministry of Business, Innovation and Employment (MBIE) have advised they are happy to endorse the reassignment of the remaining beach landing budget (\$395,292) to another proposition within the Wharves funding agreement (Attachment A). The Pouto Wharf project (budget of \$1.8m) currently has an estimated cost range of \$1.8-2.5m to complete the construction phase. This project has been identified as the most suitable candidate for the funding reallocation, to further mitigate the risk of a budget shortfall.

Recommendation/Ngā tūtohunga

That the Externally Funded Projects committee

- a) Approves the reallocation of the Marae Beach landing project budget (\$395,292) to the Pouto Wharf project

Context/Horopaki

In June 2019, MBIE allocated \$4,950,000 of funding from the Provincial Growth Fund (PGF) to begin the redevelopment of the Kaipara harbour. Within this funding, \$400k was allocated to develop a Marae Beach Landing within the Kaipara.

The project investigated the opportunity of creating a beach landing with three maraes, none of the three engaged have requested the beach landing be progressed at their location.

The context behind the marae declines has been shared with MBIE, who have advised they are happy to endorse the reassignment of the remaining beach landing budget (\$395,292) to another proposition within the Wharves funding agreement.

Discussion/Ngā kōrerorero

The preferred option for Pouto Wharf (Fisherman's Rock accessed off beach via revetment access path) currently has an estimated cost range of \$1.8-2.5m to complete the construction phase (project budget is currently \$1.8m). Actions being pursued to bring the project within budget include cost savings through value engineering, contractor innovation and providing flexibility in the construction programme to align with head contractor work programme. To further mitigate the risk of a budget shortfall, Pouto Wharf has been identified as the most suitable candidate for the reallocation of the Marae Beach Landing funding.

Options

Option 1: Approve the reallocation of the remaining Marae beach landing budget (\$395,292) to the Pouto Wharf project

Option 2: Reallocate the remaining Marae beach landing budget (\$395,292) to the Pahi Wharf Project

Option 3: Submit a request to MBIE for the funding to be reallocated to a project outside of the Wharves funding agreement

The recommended option is **option 1**.

Option 1 is the recommended option in reflection of the identified budget shortfall within the Pouto Wharf project.

Option 2 is not recommended due to the current Pahi wharf budget being sufficient for the scope of the project.

Option 3 is not recommended due to feedback from MBIE that a request to re-allocate outside of the Wharves funding agreement would likely be unsuccessful and may put the funding assignment at risk of being rescinded.

Policy and planning implications

None

Financial implications

None

Risks and mitigations

There is a risk the budget requirement for Pouto Wharf continues to exceed the available budget post Marae Beach Landing funding transfer, this risk will be managed by the team through the mitigations mentioned in the discussion section of this paper.

There is a risk the Pahi wharf project costs exceed budget post the transfer of Marae Beach Landing funds to the Pouto wharf project. This risk is deemed acceptable due to the current issue regarding budget on the Pouto Wharf project.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

Formally apply to MBIE requesting the reallocation of Marae Beach Landing funding to the Pouto Wharf project.

Attachments/Ngā tapiritanga

	Title
A	Kaipara Wharves funding agreement