

Ministry of Business, Innovation and Employment Funding Agreement – Climate Change Resilience Programme

Meeting: Kaipara District Council
Date of meeting: 28 July 2021
Reporting officer: Joanne Reid, Delivery Manager

Purpose | Ngā whāinga

To seek Council approval to enter into a Funding Agreement with the Ministry of Business, Innovation and Employment (MBIE) to enable Council to uptake \$6m central government funding for the delivery of the Kaipara District Council Climate Resilience Programme (comprising of the Dargaville to Te Kopuru Stopbank project and Raupo upgrade project).

Executive summary | Whakarāpopototanga

Kaipara District Council (Council) was successful in its application for funding for the Kaipara District Council Climate Resilience Programme, identified as Shovel Ready by the Infrastructure Reference Group (IRG).

\$6m of funding has been allocated to the programme across the following projects: Dargaville to Te Kopuru Stopbank project (\$3.5m) and Raupo Upgrade project (\$2.5m).

The Ministry of Business, Innovation and Employment (MBIE) has provided a funding agreement (Attachment A) representing the total of \$6 funding for the programme, this agreement is required to be approved by Council.

If Council is prepared to sign the agreement, then it is likely that funds will be made available and the projects will be able to progress.

Recommendation | Ngā tūtohunga

That the Kaipara District Council

- a) Approves signing of the Kaipara District Council Climate Resilience Programme funding agreement with the Ministry of Business, Innovation and Employment.
- b) Delegates the Chief Executive to execute the Kaipara District Council Climate Resilience Programme funding agreement.

Context | Horopaki

In Budget 2020, Cabinet agreed to provide a \$3 billion investment in infrastructure to support New Zealand's economic recovery as part of the 11 May COVID-19 Response and Recovery Fund. The Government established the Infrastructure Reference Group (IRG) to identify a pipeline of projects to support.

Council was previously successful in its application's for funding through the Infrastructure Reference Group (IRG) for several projects. This included the Kaihu Valley Rail Trail project, Mangawhai Shared Path project and Kaiwaka Footbridges projects.

A further application was submitted for the Kaipara District Council Climate Resilience Programme, which has recently been successful in achieving \$6m of funding allocation.

Discussion | Ngā kōrerorero

A funding agreement has been drafted by the Ministry of Business, Innovation and Employment (MBIE). Council will use the funding to deliver the following:

Dargaville to Te Kopuru Stopbank project (\$3.5m)

Upgrade the existing Stopbank from Dargaville to Te Kopuru. The works will include determining a design cross section required to protect the land from a 100-year ARI climate change adjusted storm event. Works will be undertaken to upgrade the stop banks to a specified level and allow for future increase in protection heights.

Raupo Upgrade project (\$2.5m)

Install a dual sluice gate coupled with a single floodgate assembly on Canal G (Ruawai). This will also include the construction of the foundation and accessories work to tie the structure into the canal banks. It is anticipated that both gates will be precast concrete constructed and supplied by a local supplier.

Options

Option 1: Approve entering the agreement (Attachment A) with MBIE for the Kaipara District Council Climate Resilience Programme.

Option 2: Do not approve entering the agreement (Attachment A) with MBIE. MBIE have clarified that no further changes will be made to the contract and that any contracts not executed will put funds at risk.

The recommended option is **option 1**.

Policy and planning implications

None

Financial implications

Subject to Council approving the Kaipara District Council Climate Resilience Programme Funding Agreement, the projects would be 100% subsidised by central government.

Risks and mitigations

The key potential risks and liabilities associated with the funding agreement are:

- MBIE is not required to make any payments under the Agreements until the following conditions have been satisfied (in the Ministry's sole discretion): which include the Project being on track to be completed by the Completion Date.
- MBIE retain several discretions to withhold the funding (or part of it) or terminate the agreement. Clause 4.2 of the General Terms in particular, which gives MBIE the right to terminate the agreement on 10 business days' notice.

The funding agreement, as with any agreement of this type, includes MBIE imposing conditions on the release of funds. There are summarized as follows:

- Satisfaction of the condition's precedent at agreement level;
- Satisfaction of conditions related to release of funding for deliverables;
- Final Approval of any instalments payable for deliverables;

The project team will be monitoring and managing progress to meeting these contractual obligations and conditions under the guidance and governance of the Externally Funded Projects Committee of Council. Regular programme reporting will provide progress updates towards achieving these conditions.

There is a risk that any change in Government priorities may result in the Government reallocating any funding previously announced but not formally contracted by way of an executed Funding Agreement. The mitigation to this is to progress the execution of the contract.

Significance and engagement | Hirahira me ngā whakapāpā

The decisions or matters of this report are considered to have a low degree of significance in accordance with Council's Significance and Engagement Policy. No feedback is required, and the public will be informed of Council's decision via the agenda and minutes publication of this meeting, on the website and through other channels if appropriate.

Next steps | E whaiake nei

Should Council approve the resolution, the Kaipara District Council Climate Resilience Programme Funding Agreement will be signed by the Chief Executive Officer.

The project team will then commence delivery of the Kaipara District Council Climate Resilience Programme within the scope outlined in the Funding Agreements.

Attachments | Ngā tapiritanga

	Title
A	Kaipara District Council Climate Resilience Programme Funding Agreement