

**MINISTERIAL BRIEFING NOTE**

<b>Subject</b>	Update on the Urban Cycleways Programme
<b>Date</b>	29 November 2018
<b>Briefing number</b>	BRI- 1531

Contacts for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 <sup>st</sup> contact
Brett Gliddon	General Manager – System Design and Delivery	s9(2)(a)		✓
s9(2)(a)	Senior Manager – System Design	s9(2)(a)		

**Action taken by Office of the Minister**

- Noted
- Seen by Minister
- Agreed
- Feedback provided
- Forwarded to
- Needs change [please specify]
- Withdrawn
- Overtaken by events

29 November 2018

Minister of Transport and Associate Minister of Transport

## Update on the Urban Cycleways Programme

### Purpose

1. The purpose of this briefing is to update you on the progress of the Urban Cycleways Programme (UCP) since our last update in November 2017 (BRI-1136) and the updates on UCP you've received as part of our quarterly reporting.
2. The construction timeframes of some UCP projects need to be extended. We recommend that you agree to carry forward funding for these projects to 30 June 2021.
3. **Out of Scope**
4. For the remainder of the UCP, we recommend that you agree to receive our progress reports as part of our normal schedule of quarterly reports.

### Background

5. In August 2014, the former Government announced the \$100 million UCF. This led to the development of the \$333 million UCP, a programme dedicated to delivering improved urban cycling infrastructure between late 2014 and June 2018.
6. The Minister of Transport and the NZTA agreed the expectations and responsibilities for the Crown's investment in the UCP in a memorandum of understanding (MoU) known as the Output Plan. You need to approve any amendments to the UCP.
7. When the UCP was launched, the NZTA agreed other MoUs with Approved Organisations to deliver the UCP's projects. These MoUs were agreed when many of the projects were still at a concept stage. As the projects progressed through detailed design, it became apparent that the scope, timeframe and cost of some projects would need to be varied.
8. In March 2017, the then Minister of Transport considered our advice on options to amend UCP's cash flow and delivery commitments (BRI-0964). To enable us to fully utilise the \$100 million UCF by 30 June 2018, he agreed to enable the UCF share to be claimed ahead of the agreed National Land Transport Fund (NLTF) and local share spend with the Approved Organisations whose construction would continue into 2018/19.
9. **Out of Scope**  
 of projects to 50. The UCP funding for the removed projects was reallocated to other UCP projects.
10. In the budget process for the 2018/19 financial year, we obtained approval to carry forward \$26.5 million of UCF funding for the UCP's ongoing projects.
11. By 30 September 2018, 29 of the 50 UCP projects have been completed and people are already experiencing the benefits.
12. **Out of Scope**

Out of Scope

### Extending the delivery timeframes of some UCP projects

13. Some Approved Organisations have told us that they need to extend the construction timeframes for some UCP projects beyond June 2019 and up to 2021 in some cases (Appendix 1a).

Out of Scope

### Carrying forward UCF funding

15. Even with the ability to claim UCF share ahead of the agreed NLTF and local share spend, extending the delivery timeframes of the UCP projects means we won't fully utilise the \$100 million UCF funds by 30 June 2019. Based on current forecasts, we are seeking your approval to carry forward approximately \$7.5 million from 30 June 2019 to 30 June 2021.
16. The remaining 11 UCP projects are included in the *National Land Transport Programme 2018-21*. We estimate that they will be completed by 30 June 2019. However, if they were delayed by any unforeseen circumstances, we would also seek to carry forward any unused funding for them.

### Reallocating underspent UCF funding

17. Clause 3.7 of the Output Plan states that underspends in project costs should be deducted from the Crown's investment.
18. Alternatively, they can be reallocated to existing UCP projects that have had cost or scope increases, or that received less than their intended share of the UCF allocation.
19. After we reconciled the accounts for 2015-18, we found there had been some or

Out of Scope

### Reporting on the UCP's progress

20. The Output Plan (clauses 2.4, 2.5 and Schedule B) states that we must provide you with a quarterly report the UCP's progress.
21. As we manage UCP projects as part of our walking and cycling programmed activities, we propose that in future we will incorporate our UCP project updates into the normal quarterly reports we provide you. We would also raise with you on an exception basis any UCP issues that need your consideration or agreement.

**It is recommended that you:**

1. **Note** the information in the briefing, including the changes to the scope and delivery timeframes of UCP projects as outlined in appendix 1 and appendix 1b.

Noted

2. **Agree** that unspent UCF funding for projects can be carried forward up to 30 June 2021

Agreed

**Out of Scope**

4. **Agree** that future reporting on the UCP will be incorporated into the NZTA's normal schedule of quarterly reports.

Agreed

**s9(2)(a)**

**Brett Gliddon**

General Manager, System Design and Delivery

Date: &- Bcj Ya VYf 2018

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**Hon Phil Twyford, Minister of Transport**

Date: 2018

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**Hon Julie Anne Genter, Associate Minister of Transport**

Date: 2018

## APPENDIX 1a

Projects with UCF allocated, which will not meet delivery timeline of 30 June 2019						
Agency	Project name	Expected Completion Date	UCP Funding Allocated	Unclaimed UCP Funding as at 30 June 2018	Forecast Unclaimed UCP Funding as at 30 June 2019	Major reasons for delay
Auckland Transport	City Centre Network	June 2020	\$ 9,890,000	\$ 2,629,990		Auckland Transport completed a significant review of all of its transport projects including those for cycleways. As a result the delivery timelines for all of their UCF supported projects were revised within their overall reprogrammed transport programme. Several projects within the packages have had to be re-scoped and re-designed, and completion may have dependencies on other works.
	Western Connections	December 2021	\$ 2,230,000	\$ -	-	
	Eastern Connections	June 2021	\$ 10,010,000	\$ 7,508,340		
	Links to public transport	March 2021	\$ 3,180,000	\$ 2,357,027		
Total Auckland			\$ 25,310,000	\$ 12,495,357	\$ 4,000,000	

# Out of Scope

## APPENDIX 1b

Projects with UCF allocated, where scope or price has changed and funding is available to be re-allocated						
Agency	Project name		Original UCP Funding Allocated	Surplus UCP Funding as at 30 June 2018	Forecast Unclaimed UCP Funding as at 30 June 2019	Reasons for underspend
Auckland Transport	UCP Tranche 1 projects		\$ 3,185,000	\$ 282,986	\$ 282,986	When tranche 1 projects were formulated it was recognised that the preliminary expenditure estimates could differ from the final agreed project costs. The surplus is from five Auckland projects which could be reallocated to other projects within their existing delivery programme.

# Out of Scope