

SHI and MRT IBC Integration and Scope

Agenda Item:	4
Item for:	Approval
Addressee:	Partnership Board
Owner:	David Dunlop
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Purpose

This paper outlines the change in scope for the Mass Rapid Transit (MRT) and Strategic Highway Improvements (SHI) IBCs, the next steps for their delivery, and requests Board approval of the updated scope.

Executive Summary

To successfully deliver the MRT and SHI IBC's the programme team has considered the technical work completed, taken lessons learned from the work completed in 2020 and the 2020/2021 sprint phase and recommend that a Programme Report and a single Combined MRT & SHI IBC be delivered. The key reasons for this are:

1. The Programme Report will provide funders, partners, stakeholders, and the public a clear understanding of the integrated programme. This will include all elements of the programme, the dependencies and how they fit together, and delivery staging.
2. The practicalities of delivering two separate packages that are significantly connected and impact on the single complex transport system has been challenging. The programme is now at a stage that the individual packages have developed separate options in previous work, it is now the right time to combine these pieces of work and deliver the remainder of the work through a single system based assessment. The Combined MRT & SHI IBC will provide a stronger one transport system assessment and business case, and provide time and cost efficiencies in its delivery.

To successfully deliver the two documents in a short timeframe the team require the Board's clear strategic direction regarding the scope and objectives to ensure that the team can focus on delivery of the work to avoid time consuming changes.

Background

The MRT and SHI packages delivered separate Draft Interim IBCs in October 2020. These were reviewed by the partners technical advisors with strong feedback requesting clarification of how the two packages integrated with the wider programme and with each other. To enable partners to make good system wide

decisions the partners will require a clear understanding of the benefits of the whole of programme preferred solution, how the different components are integrated, how it will be implemented, and the overall cost implications. The remainder of this paper outlines how this will be achieved, the scope assumptions that require Board approval, risks, and timeframes for the business case delivery.

Scope changes

The previous technical assessments identified that the current scope constrains the programmes ability to deliver on the objectives of the programme. A few key scope changes require Board approval to enable the programme assessments to be completed. The proposed scope changes are outlined in **Attachment 1 Proposed Scope changes**.

Next steps

The next steps are illustrated in **Attachment 2, MRT and SHI next steps**. The key points to note include:

1. The “Programme Report” and “Combined MRT/SHI IBC” will be issued together for the review and approval of the MRT and SHI components.
2. The “Programme Report” will provide a clear understanding of the whole of programme in regards to the Scope, Problems, Objectives, Options assessment, and delivery (Management Case) of the programme. It will set out how the different packages fit together to achieve the programme objectives and the role of each package.
3. The Combined MRT/SHI IBC will provide the additional detail of the separate project components required to meet the Programme Report requirements. It will also provide any additional details required for the business case process at a package and project level.
4. The schedule for delivery is very compressed. The next steps are robust and scheduled as efficiently as possible to achieve an early as possible delivery. The driver for timeframes are the requirements to reflect the updated objective weightings in previous work, meet RMA and business case requirements, and enable a successful public engagement process to be delivered.
5. Attachment 3 outlines the key risks and mitigations proposed to deliver the next steps within the proposed schedule.

Key Issues

Risk Analysis

The proposed schedule for delivery of the Programme Report and Combined MRT and SHI IBC is very compressed. Approval processes within the programme and partners is streamlined and cannot absorb delays or changes in scope. To mitigate this, it will be necessary for the Board to confirm the scope in Attachment 1 and support the programme by messaging that additional scope cannot be accommodated and help prioritise resources to achieve reviews and approvals as necessary. The Technical Assessment sprint phase teamwork approach with partners technical advisors forming part of the team will be enhanced during the next steps.

The WCC Draft District Plan engagement is currently scheduled for October and November 2021. The proposed engagement periods for LGWM will overlap. To mitigate this, it will be necessary for the LGWM and Planning for Growth teams to continue meeting regularly to align the necessary technical details and messaging to ensure consistency.

Financial Implications

Additional costs have been incurred during the sprint phase, and additional costs will be incurred by the Programme to review previous work to reflect the recent Objective weighting changes, and complete the

remaining programme assessment work. The additional costs will be absorbed within the existing programme budgets.

A successful programme wide public engagement period that covers MRT and SHI is key to the future success of the LGWM programme. A budget has been identified to cover this scope; however, the public engagement approach, scope and delivery details are yet to be agreed. There is a risk that the cost to resource and deliver a successful engagement process may increase over the allowed budget once the engagement process is developed. To mitigate this early engagement planning will be undertaken to confirm costs early and identify if additional budget is required, or if there is a need to reduce scope.

Legal and Compliance

The RMA legal advisor and Waka Kotahi IQA team have provided advice that the proposed process meets the RMA options assessment process and business case process requirements. The IQA team support the strengthened one system approach of the assessments that will be completed through the Programme Report and Combined MRT and SHI IBC.

The existing RACIE is being updated to reflect the structure changes but has not yet been officially approved. To achieve the compressed schedule proposed the streamlined approval processes are required. It is recommended that the Board approve the following approval process:

1. Partners (Councillors) Approve Final IBC
2. LGWM Board Approve Objective weightings and scope change, Engagement Strategy, Technically Preferred Option prior to engagement, Preferred option. Consultation with Partners (Councillors) will occur.
3. Consult with LGWM Board regarding Engagement material, Interim IBC, Draft IBC, Final IBC-
4. Programme Director approves remaining technical and engagement approvals, with consultation with PLT.

Strategic Issues

Understanding affordability of the programme is an important factor for the programme partners. It is recommended that the Programme Report presents a cost range for the programme during the IBC phase. The reason for this is, the IBC stage is early in the project life cycle with relatively high cost uncertainty, and it is assumed that the ownership and delivery cost agreement principles will not be confirmed by the partners during the IBC phase. It is recommended that the funding agreements occur during the DBC phase once improved cost certainty and ownership models are understood.

Future Board engagement

The Programme team will be back to:

1. Obtain staged approvals for the Public engagement Strategy to enable efficient approvals
2. Provide updates on the Program Report and Combined MRT and SHI IBC to provide no surprises and enable efficient approvals
3. Raise any changes in risk to delivery or schedule

Recommendation

It is recommended that the Board:

Approves the MRT and Strategic Highways to be delivered as one IBC

Approves the scope changes proposed in Attachment 1 to enable the efficient delivery of the Programme Report and the Combined MRT and SHI IBC

Approves the streamlined approval processes proposed to be applied to the Programme Report and Combined MRT & SHI IBC, prior to the RACIE being updated and approved to reflect the structure changes.

Notes the risks identified in Attachment 3 for the proposed delivery schedule

Approves the Programme Report provides a cost range at the programme level and not at partner level.

Attachments

Attachment 1: Proposed Scope changes

Attachment 2: MRT and SHI next steps

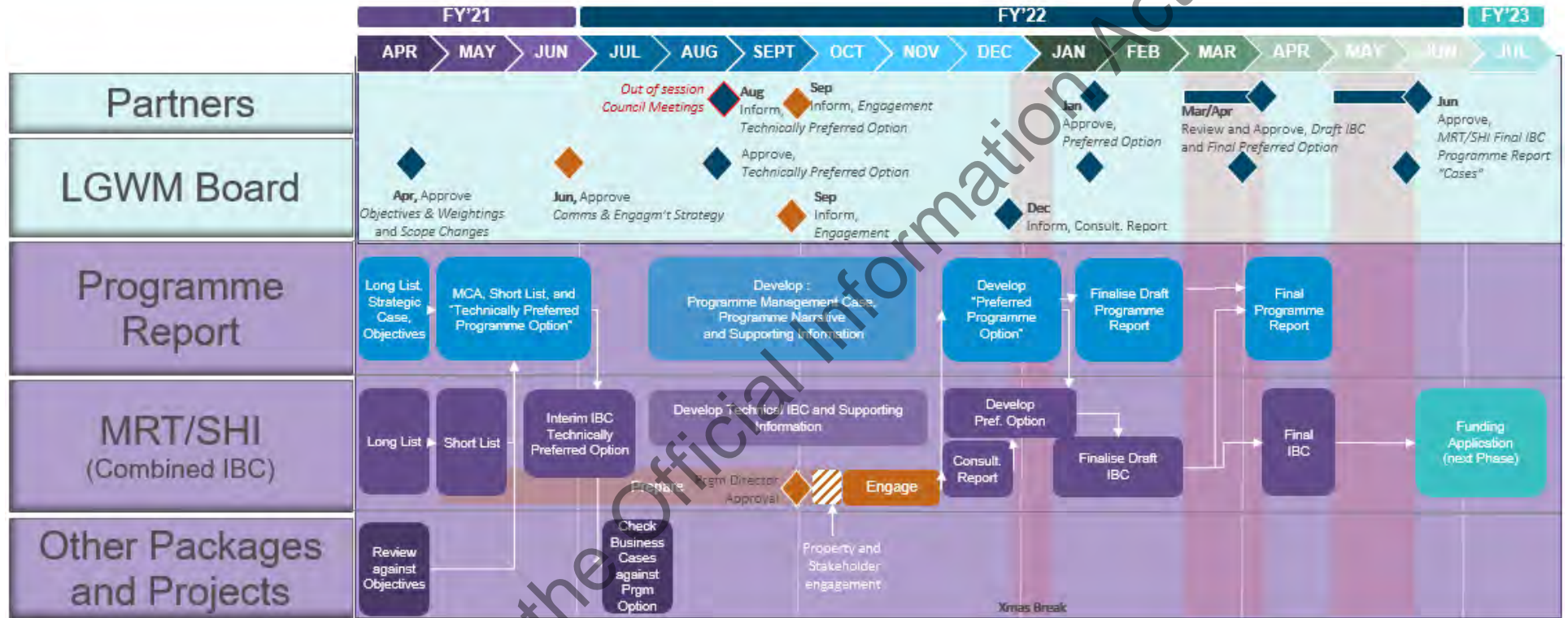
Attachment 3: Key Risk and Mitigations

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Attachment 1: Proposed Scope changes

Existing scope	Proposed scope	Reason for change
Two separate IBCs for MRT and SHI	One combined MRT and SHI IBC	To provide a single system assessment of the significant investments and provide efficiencies in the IBC delivery. Note: This approach is supported by RMA legal and Waka Kotahi IQA experts.
MRT route “from the railway station to Newtown, and Newtown to the airport”	MRT route “from the railway station to the eastern and southern suburbs”	The current scope prescribes the route solution, rather than an outcome and allowing the evidence to confirm the best route to achieve the objectives. Current evidence indicates that other MRT routes may better deliver on the urban development and mode shift objectives at a reduced cost compared to the current scope requirements.
Congestion charging is not included in the current Indicative Package provided to the LGWM programme for consideration in the IBCs.	Include congestion charging as a tool that can be investigated by the LGWM Programme to provide recommendations on the benefits and potential implementation of congestion charging. Due to insufficient time high level assumptions and sensitivity testing will be included in the Programme Report and IBCs to identify what impact congestion charging could have. The programme will return to the LGWM Board to request approval for the scope and additional funding required to proceed with a Business Case for congestion charging.	Congestion charging was a key component of the Recommended Programme of Investment from the PBC which was removed for consideration within the IBCs. Congestion charging can provide considerable benefits to the programme including contributing to mode shift, carbon and financial outcomes for the programme. It is also a realistic option that should be considered during option assessment processes to minimise RMA legal challenges for not considering a reasonable and minimal environmental effects option.

Attachment 2: MRT and SHI next steps



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Attachment 3: Key Risk and Mitigations

Assumption	Risk Description	Proposed mitigation
<p>To achieve the proposed schedule the programme cannot wait until the Councillor meetings to confirm the Objectives and Weightings for the assessment work to commence. It is assumed that the Objectives and weightings that are agreed by the LGWM Board at 28 April meeting (today) will be used to commence assessment work immediately</p>	<p>There is a risk that if the objectives and weightings require changes following Partner approvals that rework of the assessment work would be required resulting in delays to delivery of the Interim IBC and public engagement period</p>	<p>If there are changes to the objectives, they will need to be treated as a sensitivity test.</p>
<p>Approval processes require just one step approval for each required approval</p>	<p>There is a risk that approval requests are not granted at the first attendance of LGWM Board or Councillor meetings resulting in delays</p>	<p>Undertake a staged approach to inform approvers early to provide the best chance of obtaining approvals at the required time. This is particularly relevant to the Technically Preferred option and the Engagement Strategy approvals</p>
<p>To achieve the engagement period proposed the detailed engagement material will start following the Board approval of the Technically Preferred option but developed at risk prior to Partner (Councillors) approval. Awaiting the regular September Councillor meetings will delay public engagement until November/December.</p>	<p>There is a risk that Councillor approval requires changes to the Technically Preferred option resulting in delays to completing engagement material and the engagement period.</p>	<p>Recommend that special out of cycle council meetings be held to Consult and obtain feedback on the Technically Preferred option as early as possible after the LGWM Board meeting to minimise the risk to delaying the engagement period.</p>
<p>The Draft IBC reporting will start development following Public engagement but in parallel to Partner Approval processes. It is assumed that the programme will understand the key changes likely to be required by the Partners as a result of the Public Engagement feedback and commence the Draft IBC.</p>	<p>There is a risk that the delivery of the Draft IBC will be delayed if the Partners confirm that the Preferred Option is required to be reasonably different to the Technically Preferred option following public engagement.</p>	<p>Provide a robust and evidenced based public engagement process that provides clarity on the benefits of the Technically Preferred option to obtain strong support from the Partners and the public during the public engagement period. In addition, the programme team take a risk-based approach and if substantial public feedback and early post engagement feedback from the Board and Partners indicates substantial changes to the Preferred option may be likely then the programme should delay progressing the Draft IBC until clarity is obtained.</p>

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<p>Due to the limited time available a collaborative option development and assessment process is unable to be undertaken with Stakeholders to identify a Technically Preferred option</p>	<p>There is a risk that stakeholders consider the option selection process excludes suitable input from various different stakeholder groups</p>	<p>Provide a robust engagement process to outline the range of options considered and ensure the engagement clearly outlines the partners genuine desire to obtain feedback and openness to changing the technically preferred option should better options be identified that achieve the programmes objectives</p>
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