LGWM Programme

Monthly Report for

December 2022

Issued on 17 January 2023

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Let's GET Wellington MOVING

WAKA KOTAHI NZ TRANSPORT AGENCY

greater WELLINGTON REGIONAL COUNCIL Te Pane Matua Taiao

Absolutely Positively Wellington City Council Me Heke Ki Pōneke

Programme Director's Report

This month the programme status section 9(2)(g)(i)

- The programme is acquiring significant additional capability to meet the key challenges for 2023. An expanded Executive Leadership Team will be in place during Q1, including additional capability in the commercial, project management and finance space.
- The Board approved the award of the supplier contract for the MRT/SHI Detailed Business Case in December. The supplier consortium team, led by Aurecon, will be co-located with the LGWM team and can begin work in late January section 9(2)(g)(i)
- These decisions will also be informed by the Urban Development Corridor Framework which will be presented to the Board in early 2023. The Framework will provide the template for the detailed Urban Development Growth Plan.
- section 9(2)(g)(i)
- Land acquisition for Aotea Quay was approved by the Wellington City Council in December, along with the required funding. WCC and Kiwirail are drafting a licence to occupy to enable work to begin while the property acquisition is being finalised. Early in the year we expect decisions will be made on Traffic Resolutions for Thorndon Quay and the Golden Mile by Wellington City Council.
- The remaining outreach arms have been installed for the Cobham Drive crossing. LGWM has requested a full explanation for the delays from the contractor.
- A preferred supplier of legal services to the Programme has been identified and contract negotiations are underway. Procuring legal services at a Programme level provides efficiencies.
- Consultation on Thorndon Quay and the Johnsonville to Nga Uranga City Streets projects has provided valuable input into finalisation of project design. Several other City Streets projects are ready for consultation in the new year.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Governance activity and upcoming significant decisions

LGWM Partnership Board

Update

The Board met twice in December 2022, making key decisions on the award of the contract for the Detailed Business Case (DBC) for the Mass Rapid Transit/State Highway Improvements programme and the resolution of outstanding design, scheduling and funding/cost issues with the Golden Mile Revitalisation Project. The Board next meets on 8 February, and will review critical priorities across all projects for the year ahead.

LGWM Governance Reference Group

Update

GRG membership is currently being discussed and the outcome will be discussed with the Minister.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Risk Management Summary – Key Programme Risks

Monthly Risk Update

Risk	Description	Risk Level	Key Additional Controls
Political environment	General election in late 2023 means a Q3 cut-off for major decisions. Councils' long-term planning may impact timing and prioritisation of LGWM projects	Medium	Regular meetings with GRG, Joint Councils and the Minister. LGWM leadership and Board to focus on meeting timeframes for key Transformational Programme decisions
Cost Pressure	Cost escalation risk across the infrastructure sector is impacting LGWM project budgets	High	Developing options for managing cost pressure while ensuring best value. Waka Kotahi Board requested a review of managed costs for the Programme in early 2023.
Misalignment with partner processes	Critical paths require a high degree of integration with approvals processes in areas such as funding, property, traffic regulation and consenting	High	Ensuring process integration through end-to-end project and programme-management

Extreme Risk

High Risk

- **Cost pressure across infrastructure sector**: Sector-specific cost inflation is impacting LGWM projects, highlighting scope/quality trade-offs
- **Partner process alignment**: A significant challenge as multiple LGWM projects enter pre-imp and construction phases

Medium Risk

- **Political environment**: Regular meetings with GRG, Joint Councils and the Minister will provide a forum for addressing issues around political alignment and priorities, and planning for pre-election brown-out period

Key Programme Risks – Next Steps

- Political environment: The Governance Reference Group (GRG) will resume regular meetings in early 2023 and seeks to develop a strategic agenda for its meetings for 2023, given key project milestones and upcoming decisions. LGWM will continue to brief joint Councils regularly to support their understanding of LGWM programme, benefits and challenges.
- Cost escalation: A focus on Programme and Project Management Practice to assist with effectiveness and efficiency. Enhanced senior financial capability within LGWM and periodic project assessments to identify options for managing cost pressure and delivering best value. These two actions will provide the Board with analysis and options at each key decision-point.
- Partner processes: Building LGWM's PMO and senior leadership capacity (alongside increased programme support resource within partners) will enable greater focus on medium to long term process integration.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Project updates

section 9(2)(g)(i)

	Project	Start	Finish (Approved)	Phase	Budget $m	Comment
Three-Year Programme	Thorndon Quay Hutt Road	Dec-21	Apr-23	Pre-Implementation	12.0	section 9(2)(g)(i) [redacted] and discussions with WCC and Waka Kotahi are in train to confirm funding options that would enable construction to begin as scheduled in early 2023.
	Golden Mile	Nov-21	Feb-23	Pre-Implementation	5.7	The LGWM Partnership Board approved the 60% design and cost estimates on 8 December, noting that provision for southbound cycling on Willis Street is still to be resolved. Increases in construction-related costs were also approved, after detailed work to review design, engineering and costing assumptions. Further cost savings are being sought.
	Central City Pedestrian Improvements	Jul-21 Apr-22	Mid-22 Late-22	Detailed Design Construction	0.6 1.8	Construction has started on the waterfront at Jervois/Harris. The overall project is on track for completion in Q1 of 2023.
	Cobham Drive shared crossing and safer speeds	Jul-19	Nov-22	Implementation	2.4	After rectification of the issue with bauxite surfacing, the opening of the crossing was further delayed by the contractor failing to supply two light outreaches. Note the arms were installed on 16 January.
People-Friendly City Streets	People-Friendly City Streets (Tranche 1) • *Targeted Improvements* • *Johnsonville/ Ngā Ūranga* • *Taranaki/ Wallace/ John Streets* • *South West CBD* • *Featherston Street* • *CBD to Miramar* • *Bowen Street* • *Taranaki St* • *Newtown to Berhampore*	Oct-21	Jun-24	SSBC	10.8	Design and construction planning is progressing for the Targeted Improvements projects across the City. Engagement results for the Johnsonville/Ngā Ūranga will feed into the ongoing design process. Business cases for Bowen St, Taranaki Street, CBD to Miramar and Newtown to Berhampore are progressing. Preparation and planning continues for the next round of public engagement planned for March 2023 which will include at least five People-Friendly City Streets projects.
Transformational Programme	Mass Rapid Transit	Mar-20	Late-22	IBC	6.2	The Board approved the DBC procurement contract award, enabling the supplier to begin work in January 2023. The Urban Development Corridor Framework will be presented to the Board in early 2023, and will provide the template for the detailed Urban Development Growth Plan. The Travel Behaviour Change SSBC received Waka Kotahi Board approval in December 2022, and implementation planning is underway.
	Strategic Highway Improvements	Mar-20	Late-22	IBC	5.8	
	Travel Demand Management	Jul-21	Mid-22	SSBC	2.3	

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Communications, media & engagement

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

LGWM in the media

At the end of December, the Dominion Post reported on delays to Cobham Drive and when it is expected to be operational. The story was relatively neutral.

Following a WPQ at the end of last year asking for more detail on costs related to the Cobham Drive project, The National Party produced a PR focusing on consultant costs. Following a media enquiry from a Dominion Post political reporter, LGWM replied with more detail on what the related costs entail. A story was published on 12 January, which was fairly balanced.

Issues/Risks

The main reputational risk is related to perceived delays to projects and delays between consultation and works starting. This is becoming challenging because cost escalation often requires further Board approval before the results of consultation can be shared. Failing to complete this step sets expectations for the public from consultation processes that may not be affordable.

Stakeholder Engagement: What stakeholders are saying (themes)

Stakeholder engagement activity will resume in February 2023.

Proactive content

LGWM is planning to communicate our intentions to carry out underground investigation work for the Golden Mile project in January to affected stakeholders with work to commence in early 2023. We are also planning some media engagement on the process of investigation.

We will undertake traffic resolution engagement in the first quarter of 2023 for the Golden Mile project and release the engagement report on the July 2022 engagement in order to close the loop with stakeholders and communicate more detailed design. This was delayed in part due to the risk above where costs had escalated and needed Board consideration before we communicated engagement outcomes and design influence.

section 9(2)(g)(i)

LGWM will be looking to engage with the public and stakeholders on a timeline for construction of the new roundabout early in 2023.

We also expect Thorndon Quay traffic resolutions will go to the WCC Council Committee for consideration in February 2023.

Communications & Engagement Activity

LGWM will be carrying out early engagement with public and stakeholders on a range of People Friendly City Streets projects in March 2023. These engagements will focus on introducing public and stakeholders to pedestrian, cycling and bus priority improvements. This includes the CBD to Miramar Town Centre project, Taranaki and Wallace St projects, Newtown to Berhampore and Featherston and inner-city projects.

Upcoming Activities

section 9(2)(g)(i)

The programme will also be planning for some early engagement and communications in the first quarter with stakeholders and residents along the study area including with the youth.