

Council Briefing Agenda

Date: 10 June, 2021

Time: 10:30 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)

Cr Gavin Benney

Cr Vince Cocurullo

Cr Nicholas Connop

Cr Ken Couper

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Jayne Golightly

Cr Phil Halse

Cr Greg Innes

Cr Greg Martin

Cr Anna Murphy

Cr Carol Peters

Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Apologies

2. Reports

2.1. NTA Transportation Activity Update

1

3. Closure of Meeting

2.1 Northland Transportation Alliance - Transportation Activity Update

Meeting: Council Briefing
Date of meeting: 10 June 2021
Reporting officer: Calvin Thomas (General Manager NTA)

1 Purpose

To provide the WDC Infrastructure Committee Members with an update on Whangarei District Transportation activities delivered through the Northland Transportation Alliance (NTA) for the first nine months of the current financial year (1st July 2020 – 31st March 2021).

2 Background

The NTA is responsible for overseeing and managing the delivery of Transportation services for all Northland Councils (FNDC, KDC, NRC and WDC).

Each quarter the NTA Management team provide a summary report to the Alliance Leadership Group (NTA Governance) on activities and progress across the Region. Information from that report pertaining to Whangarei District Council is included within this update.

3 Discussion

Updates are provided for both the wider NTA Organisation and specific WDC transportation activities for the nine-month period of July 2020 to March 2021 (or later where updated information is available). Future briefing papers will provide similar information for the preceding quarter, aligning with existing Governance reporting provided to the Alliance Leadership Group.

3.1 NTA Deliverables, Vision and Values

In late 2020 the NTA Leadership Group and Management Team confirmed the following Organisational Strategic Deliverables:

- Industry Leader in Asset Management;
- Improve the reach of the public transport network;
- Deliver the Capital Works programme(s);
- Deliver the Maintenance programme(s);
- Lift the quality of customer experience; and
- Prove a demonstrable improvement in the Northland Transport Network.

An NTA Cultural Working Group (CWG) was then established involving NTA staff representatives from each Council and functional team.

The purpose of the CWG was to lead the development of the NTA's Vision and Values, designed to support achievement of the Strategic Deliverables.

The NTA Vision and Values have now been confirmed and endorsed (by both NTA Staff and the Alliance Leadership Group). The embedding process for the Values & Behaviours has commenced through the nominations for monthly NTA staff awards being linked to demonstration of these Values & Behaviours.

Each year there will be annual staff awards for each of the values along with an overall team award focused on the NTA Vision (to be awarded to the team who have encapsulated the ethos of the vision throughout the year).

NTA Vision



NTA Values



INTEGRITY - We are honest in all we do, and we deliver with openness and transparency



INNOVATION - We are open and flexible in the ways we work to deliver a better transport network for Northland



TEAM-WORK - We work together as one to deliver better and safer transportation for the people of Northland



RESPECT - We acknowledge, understand and accept diversity while supporting and celebrating good ideas



CUSTODIANS - Developing and improving Northland's transportation network



MANAAKITANGA - Generosity and care for our people, our partners, our communities and our visitors.

3.2 Financials

Average expenditure across the Region for “Business as Usual” activities in the nine months year to date was 63.9% of total budget (vs. 57.3% for same period of 2019/20). Actual NTA managed Regional transportation expenditure for the nine months year to date (\$97.632m) is up by 40% on the same period last year and already exceeds the total expenditure of the full 2019/20 financial year (\$93.3m).

WDC year to date transportation delivered expenditure is approximately 32% greater than the comparable period last year as summarised in the table below.

	9 month expenditure (July - March)		Year on Year comparison	
	2019/20	2020/21	\$	%
WDC (BAU)	\$ 28,462,894	\$ 34,434,991	\$ 5,972,097	21%
WDC (NTA Managed Ext. Funding)	Included Above	\$ 3,233,323	\$ 3,233,323	100%
	\$ 28,462,894	\$ 37,668,314	\$ 9,205,420	32%

With full resourcing of the functional based structure model in place, operational management and specialist staff are being utilised as intended to complete tasks across the three District Councils. This is evidenced through NTA timesheet data showing a stabilised percentage of cross council charging:

- 2019/20 Full Year (July 19 -> June 20) 15.5%;
- 2020/21 Nine Months (July 20 -> March 21) 15.7%.

The following table demonstrates the percentage of hours attributed to each Council YTD remains relatively well aligned with each Council's portion of overall YTD NTA managed District Council expenditure.

NTA Managed District Council Expenditure	YTD Expenditure (1st July 20 - 31 Mar 21)	YTD % of Expenditure	YTD NTA Hours	YTD Hours %
FNDC	\$ 37,117,889.15	39.1%	24967.75	39.0%
KDC	\$ 20,113,524.01	21.2%	14585.45	22.8%
WDC	\$ 37,668,313.74	39.7%	24483.8	38.2%
Total	\$ 94,899,726.90		64037	

WDC's unsealed road expenditure is tracking well, with 56% of the total annual budget expended to the end of March 2021. This expenditure timing is reflective of most unsealed works being completed in the spring and autumn seasons (with Autumn season now underway).

The primary budget line items related to routine unsealed road maintenance are:

WDC Unsealed Network activities	Budget	Expenditure to end March 21	% Complete
Unsealed Road Metalling	\$ 1,480,000	\$ 945,149	64%
Drainage Renewals *	\$ 1,173,435	\$ 685,798	58%
Unsealed Pavement Maintenance	\$ 1,790,000	\$ 916,919	51%
Routine Drainage Maintenance *	\$ 1,080,000	\$ 527,017	49%
	\$ 5,523,435	\$ 3,074,883	56%

* Budget item(s) cover both sealed & unsealed networks

3.3 Operational Highlights

Asset Management & Strategy

The final Regional Activity Management Plan (AMP) document, incorporating minor changes required by Waka Kotahi NZTA, and LTP adjustments to programmes by each Council, was completed by the end of January 2021 and has been made available on each Council's website.

The single AMP document is a strategic Business Case required by Waka Kotahi NZTA as part of the funding application for each Council. The AMP document is made up of a single Programme Business Case (defining the Problem), and the Detailed Business Case (specific funding requests for each Council's requested programme of works for 2021-24).

Some additional AMP Programme activities and improvement works may continue over the next few months but are likely to only impact the next version of the AMP document. Changes to the current final AMP document will only be required to be made if Waka Kotahi make significant changes to the requested programmes as a result of the moderation process, or Council's make significant changes to their programmes as a result of LTP consultation.

Waka Kotahi are presently considering the final submissions for the Maintenance, Operations and Renewals Programmes (MO&R), with the following feedback provided by Waka Kotahi as part of the review:

"This AMP is assessed as an excellent example of a Strategic Case, Programme Business Case (PBC), Detailed Business Case. The in-depth analysis of: Demand and Growth, Problems Benefits and Consequences, Root Cause Analysis, Option development, Low Cost Low Risk (LCLR) etc. provide sound evidence that the Northland Network is being managed with sound asset management principles. (Holistic, Systematic, Systemic, Risk based, Optimal & Integrated.)"

Section 4.17 State of the Network provides excellent modelling analysis and options assessment for the sealed pavement.

The PBC with; Root Cause analysis, Option Development and Assessment provide excellent evidence using PMRT and Peer Group comparison analysis and discussion.

The Principal Structures Engineer has reviewed the wc215 & 216 Programmes in depth with the AO consultant and made some suggestions to the programme which have been agreed.

NTA have been consistently diligent with completing and documenting the NZTA 2018/21 Funding conditions."

Any final submissions on the Council's Capital Improvements Programmes are to be submitted by 21st May and will be considered by Waka Kotahi in June. This will include the prioritisation process of major Regional projects by the Regional Transport Committee (RTC) following consideration of the Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP) consultation feedback received.

The RTC formally deliberated on the submissions on Tuesday 11 May 2021 with staff now making the necessary changes to both plans (RLTP & RPTP) and table these at the 9th June 2021 RTC meeting with a recommendation they be approved for forwarding to the Northland Regional Council for their approval for submission to Waka Kotahi by 30 June 2021.

Final approval of the National Land Transport Plan (NLTP) and funding is scheduled to be considered by the Waka Kotahi Board by late August, with the final approved NLTP due to be published by early September 2021.

Development Applications (Transportation component)

Over the past 18 months, the NTA have been become more actively involved in the assessment of consent applications with respect to transport and roading impacts and assessment of required consent conditions in this area.

With Northland being one of the fastest growing regions in New Zealand, the volume, size and complexity of developments to be reviewed has increased. Since October 2019 the volume of consents processed via the NTA Safety and Transportation team has increased by an average of 300-400%, as demonstrated in the graph below.

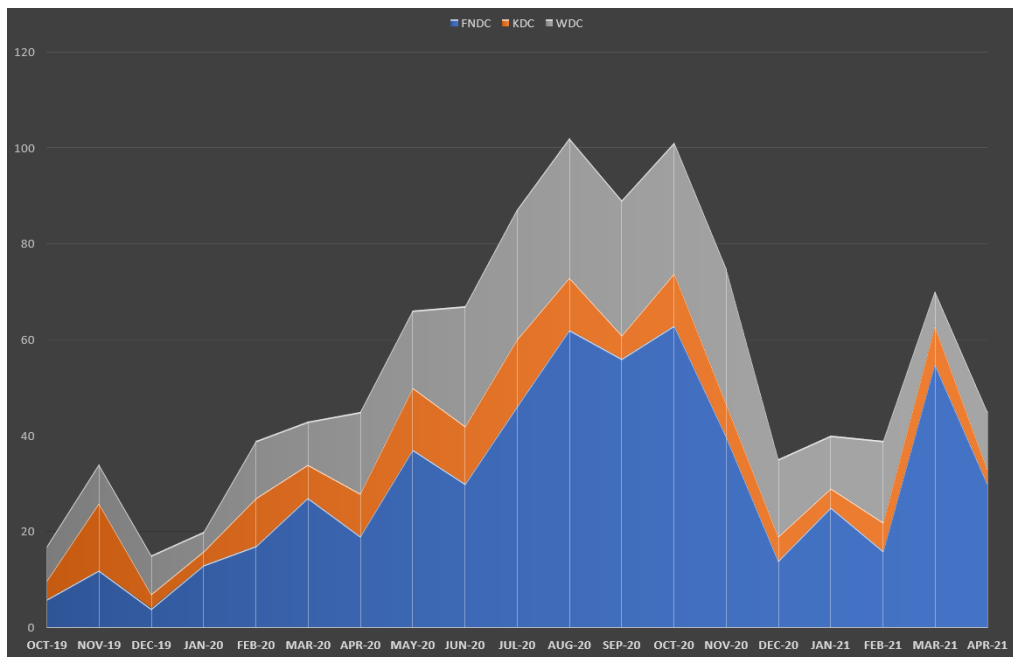


Figure 2 – Northland (NTA) volume of development applications - October 2019 to April 2021

To date the processing of the increasing volumes has been handled through contracting out a significant portion of application assessments to consultants, particularly for Development Engineering. As a result, there have been some inefficiencies, inconsistencies and workload issues, and much of our strategic planning for Traffic Engineer specifically has been stalled due to lack of resource internally, with these functions unable to be outsourced.

A resource assessment was completed in January 2021 where it was identified that considerable time is being spent by our current in-house Engineers in dealing with;

- Consents / Development Engineering
- Customer complaints systems (CRMs and RFS)
- District Plan and Policy Reviews

As a result of this review it was identified that engaging additional resources to enable bringing the delivery of these activities in-house will be more efficient and provide a more consistent level of service to Councils and our customers and in April 2021. As part of the wider NTA resource review, approval was given to proceed with recruitment of:

- A new role of **Senior Development Engineer - Transportation** to specifically manage and process the transportation components of the Development Engineering process (consent application reviews and approvals);
- An additional **Graduate Transportation Engineer** to assist Development Engineering Team with increased workload requirements;

In conjunction with this recruitment two functional units will be created within the NTA Road Safety & Traffic Engineering Team being:

1. Road Safety & Traffic Engineer, and
2. Development Engineering.

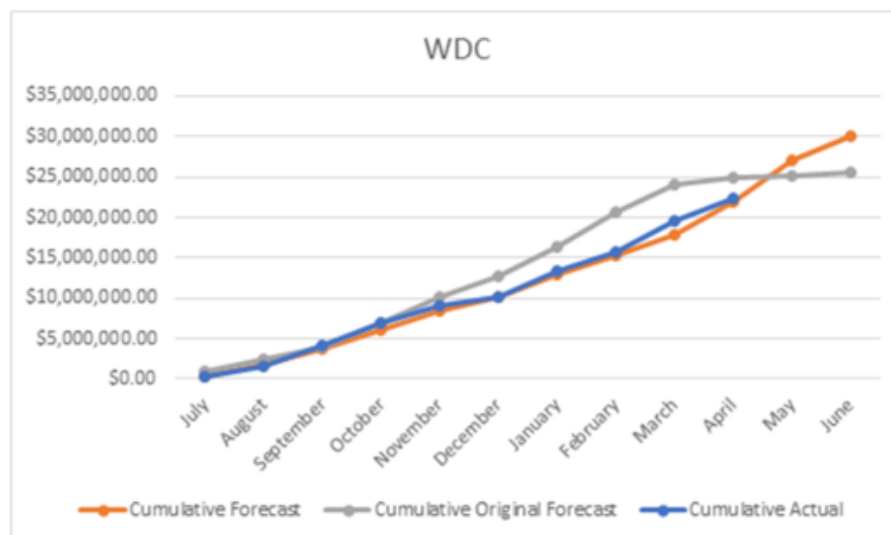
Road Safety & Traffic Engineering will focus on the planned/strategic activities, whereas Development Engineering will focus on the reactive activities such as consents and customer enquiries. The scope of the Development Engineering unit and its associated resources is to include:

- Pre-application meetings
- Land Use & Subdivision Consent application reviews
 - Section 92 requests for further information
 - Conditions of consent
 - Hearings
- Engineering Standard reviews
- Input into District Plan & Policy Reviews
- Customer Enquiries (RFS & CRM)

Recruitment of these positions is about to commence with a targeted start date of 1st July aligning with the new financial year.

Capital Works & Procurement

As demonstrated in the graph below, delivery of the significant 2020/21 WDC Transportation Capital Works programme is progressing well, with actual expenditure to date aligned with forecast.



The original forecast was undertaken at the start of the financial year when information was limited. The reforecast has occurred several times aided with additional information such as contractors' programmes, with difference in revised forecast as a result, noting the programme summary & budgets includes the WDC's externally funded projects where NTA is responsible for managing delivery (i.e. Redeployment footpaths).

Programme risks are assessed and reported at an individual project level with monthly update reports provided for each Council. Current carry-forwards related to this component of works are forecast at approximately \$1.265m (4% of total budgeted programme).

Seal Extension Programme update

Excellent progress has been made completed the significant seal extension programme during the 2020/21 summer construction season.

Though the unsubsidised sealing programme 10 individual sites have been targeted across 2019/20 and 2020/21, with 69% (6,671 meters) of a total of approximately 9,600 metres of sealing extensions completed.

Massey Road is scheduled to have sealing works completed prior to the end of the current financial year, with works at Irvine Road and Waiotui Road presently being designed with construction scheduled for the 2021/22 summer season.

Site	Approx. Treatment Length (m)	Sealing Status as @ 18th May 2021	% Completed	Comments
Seal Extension - Sites completed in 2019/20 programme				
Ody Road (Maintenance site)	219	Completed	100%	Completed in 2019/20
Thornburn Road (Maintenance site)	252	Completed	100%	Completed in 2019/20
Seal Extension - Ratepayer Contribution sites (2019/20 Carry over programme)				
Franklin Road (Ratepayer contribution site)	500	Completed	100%	Completed in early 2020/21 FY
Attwood Road - Kokopu road to Crossett road intersection.	1480	Completed	95%	Final ancillary items, signs, concrete work to be completed May/June
Massey Road - Intersection of Glenmohr road to just past Wairimu	1500	In progress	85%	Sealing scheduled to be complete in late May followed by final ancillary items, signs, concrete work to be completed by June .
Brooks Road - From the one-lane bridge to approx. No. 231 Brooks Road.	2300	Completed	100%	Original design length of 2000m increased to approx 2.30km included sealing section from SH1 to Bridge at start of road (End RP 2360m) Final ancillary items, signs, concrete work to be completed May/June
Tahunatapu Road - Full length	1090	Completed	100%	Final ancillary items, signs, concrete work to be completed May/June
Nook Road - From existing seal	830	Completed	100%	Final ancillary items, signs, concrete work to be completed May/June
Seal Extension - Ratepayer Contribution sites (2020/21 approved sites)				
Irvine Road	251	Yet to start	100%	Lab testing in progress to support design - construction scheduled for 2021/22
Waiotui Road	1200	Yet to start	100%	Lab testing in progress to support design - construction scheduled for 2021/22
Total approximate length planned (m)	9,622			
Total approximate length completed to date (m)	5,700			
% of Sealing Completed	59%			

MBIE Worker Redeployment programme – Transport items

All work associated with the original MBIE funded Te Tai Tokerau Worker Redeployment Funding (\$9.32m total / \$2.781m WDC component) was completed in February 2021, with activities related to the additional \$4m WDC/FNDC Storm Damage funding continuing through until May 2021.

The table below provides a Regional summary of the Employment Outcomes at the peak of the programme:

	Total People Working	Previously Unemployed	Youth (15-24)	Māori	Pasifika	Women
Peak Employment (October)	293	98	72	126	25	50

In addition to exceeding the programme's employment objectives, significant opportunities for Northland's Local and Maori/Pasifika owned businesses as summarised below.

	Actual Value of Work	% of total (\$9.32m)	
		Actual %	Target %
Local Business (Total)	\$ 5,024,668	54%	40%
Maori / Pasifika Business	\$ 1,373,066	15%	15%

Maintenance & Operations

Over the last five (5) months all the Regional Maintenance & Renewal Contracts have met the 90% compliance target, with both WDC contracts achieving >90% since November 2020. While a good result, there remains a concern that the performance scores regionally do not accurately reflect the actual condition of the roads, particularly the unsealed road networks.

Period	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
FNDC North FH	91%	94%	96%	99%	99%	99%	98%	98%	98%
FNDC South BSL	98%	97%	94%	97%	96%	96%	91%	96%	96%
WDC North FH	98%	93%	88%	95%	99%	97%	96%	94%	99%
WDC South DWN	88%	86%	87%	86%	93%	93%	90%	95%	93%
KDC BSL	96%	97%	98%	92%	93%	98%	97%	94%	99%

The unsealed road network typically suffers deterioration over the dry summer months (i.e. corrugations and loose gravel roads) that are problematic to treat by grading when still dry. Nonetheless the requirement to meet response times remains a priority that all the Contractors are falling behind on. Non-Conformance Records (NCRs) have been issued where response times are behind, with payment penalties applied to the respective monthly claims.

There are presently seven (7) graders in operation on the WDC network (4 x FH || 3 x Downer).

The NTA is reviewing the data and weightings apportioned to the various activities for any opportunities to better align these to drive desired outcomes. It must be noted the majority of the 36 KMPs assessed are 'behavioural' measures, against Contract specifications, not actual physical road condition measures. Nonetheless there requires further analysis of the KPM calculations, with emphasis on ensuring confidence to extend the contracts beyond June 2022 is provided.

No major issues have been reported or observed relating to quality of workmanship and the NTA remain confident the Contractors will meet their achievement targets.

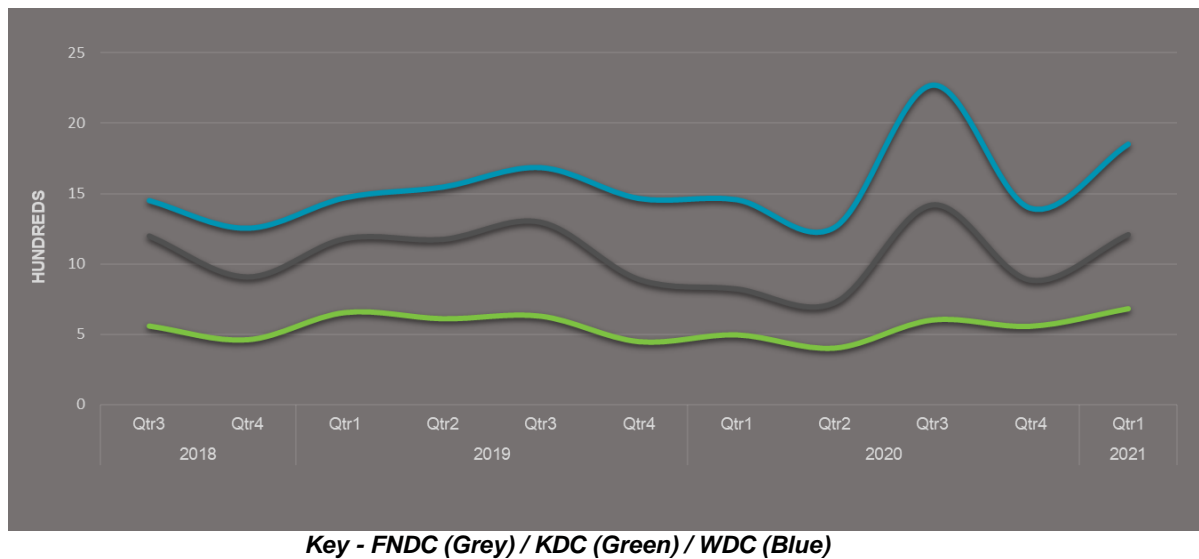
The 3rd Quarter summary for the WDC MO&R Contracts is as follows:

- **WDC North Area** (Fulton Hogan):
 - Fulton Hogan concentrated their pre-summer unsealed works on doing only wet, grade and rolls on key tourist routes and planning their major unsealed road strengthening works for autumn (now underway).
 - All resealing has been successfully completed
 - Rehabilitations and Seal Extension projects are on track.
 - Improvement on identification and programming of longitudinal shrinkage and tension cracking for sealing to waterproof roads before winter remains a focus for the NTA.
- **WDC South Area** (Downer)
 - Downer started the year conservatively in their delivery as they re-set their organisation structure under their new business management personnel, although with this now becoming embedded we are seeing a lift in performance, delivery and responsiveness (reflected in improved KMP scores).
 - All the planned Resealing is complete
 - Rehabilitations are on track with only Rewa Rewa Road remaining to be completed
 - *Note – Rewa Rewa Road is mainly Asphalt surfacing (AC) finish and has less risk of rain delay than a convention chip sealing). Through incorporating learnings from Mill Road, extra being put into effort into planning and communicating a Traffic Management Plan with the adjacent business is aimed to make this difficult site in an urban commercial location go as smoothly as possible.*

Customer Interactions

There remain challenges with the unsealed networks with significant dissatisfaction in customer surveys and this is also evidenced by the high volumes of complaints, particularly regarding the extent of corrugations in the dry summer period. There will be a significant increase in unsealed road maintenance activities as the grader resources, that have been tied up with construction works, are freed up to attend the unsealed road maintenance needs.

The chart below commences from the 1st July 2018 (commencement date of current Maintenance Contracts) with interaction numbers returning to a pre-pandemic normal level. The spike in July 2020 results from the significant weather event and a seasonal increase in the first quarter of 2021 is seen as a result of deteriorated unsealed road network conditions as the impact of dryer weather continues.



4 Attachments