



SUPPLEMENTARY AGENDA

City Delivery Committee meeting Tuesday, 22 July 2025

Date: Tuesday, 22 July 2025

Time: 9.30am

**Location: Tauranga City Council Chambers
Level 1 - 90 Devonport Road
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

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9 BUSINESS

9.9 Value for Money in Capital Delivery

File Number: A18424117

Author: James Woodward, Manager: Performance, Monitoring & Assurance
Nick Chester, Principal Strategic Advisor
Bradley Duncan, Commercial Manager: Civil and Construction

Authoriser: Alastair McNeil, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. To inform the committee on how delivery of Council's capital projects will incorporate a value for money approach.
2. To confirm the mechanism for committee members to raise project concerns.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Value for Money in Capital Delivery"
- (b) Endorses the approach for capital delivery

EXECUTIVE SUMMARY

3. As part of the development of the Annual Plan 2025/26, Council adopted a definition for "Value for Money" and instructed staff to use it to guide the prioritisation of capital projects. There has also been clear direction to ensure projects continue to adhere strongly to value for money principles during the planning, design and implementation phases.
4. Staff have developed Value for Money principles that will be applied to all new capital projects. These are also supported by an independent review process that can be applied on any project where concerns around value for money may arise.
5. There are also a small number of projects where specific concerns have been raised relating to value for money and cost efficiency. Staff have investigated these projects and a more detailed overview of them is provided prior to any work commencing.
6. Having developed these principles and processes, staff are now able to begin the delivery of projects for the 2025/26 year.

BACKGROUND

7. Council have instructed staff to have an increased focus on value for money as part of the delivery of capital projects. This means focusing on cost efficiency, making well-informed decisions and being transparent. There is now a stronger focus on ensuring every dollar spent achieves the best possible outcomes for our community.
8. At the 12 & 14 November 2024 meeting ([minutes](#)), Council adopted the following definition of Value for Money to be used in the prioritisation of capital projects in the development of the Annual Plan 2025/26:

Value for Money is defined as the most advantageous combination of cost, quality, and sustainability, and refers to the efficient, effective, and economical use of public resources to achieve the best possible outcomes for Tauranga.

In this context:

- *cost means consideration of the whole life cost.*
- *quality means meeting a specification which is fit for purpose and sufficient to meet the needs of the people of Tauranga.*
- *sustainability means economic, social, cultural and environmental benefits, considered in the business case in support of council procurement.*

9. Staff have developed a process for applying value for money principles into capital delivery, which are focused on:
 - (a) Public perception of a good deal
 - (b) Push for Council favourable terms
 - (c) Provide a fresh set of eyes to projects
 - (d) Look for continual improvement.
10. These principles will be applied through internal project reviews, coordinated by council's Commercial Manager.
11. Benchmarks will also be an important part of securing value for money to ensure a level of consistency against industry standards in terms of costs, processes and performance metrics.
12. Further details of the review process are provided in Attachment 1 and presented to the committee.

STRATEGIC ALIGNMENT

13. This contributes to the promotion or achievement of the following strategic community outcome(s):

| | Contributes |
|----------------------------------------------------|-------------|
| We are an inclusive city | ✓ |
| We value, protect and enhance the environment | ✓ |
| We are a well-planned city | ✓ |
| We can move around our city easily | ✓ |
| We are a city that supports business and education | ✓ |

14. Successfully applying a value for money lens to projects can support all of council's community outcomes:
 - (a) *We are an inclusive city* - Projects can be assessed for how well they serve all community members, including those with disabilities, different age groups, and socio-economic backgrounds.
 - (b) *We value, protect and enhance the environment* – projects can be assessed for their impact on the environment and associated costs. These costs can therefore be mitigated through the planning and design stage.
 - (c) *We are a well-planned city* – Value for money promotes alignment with broader spatial plans ensuring projects contribute to a coherent urban form. Applying a value for money lens can also help avoid duplication and inefficiency as resources are directed to projects that complement existing infrastructure and future growth, reducing waste and overlap.

- (d) *We can move around our city easily* – A value for money approach can ensure projects that enhance movement for the greatest number of people at the lowest cost per user are prioritised.
- (e) *We are a city that supports business and education* – A value for money approach can support investment that may generate strong economic returns, and can help to support innovation and partnership with the private sector, leveraging external funding and expertise

FINANCIAL CONSIDERATIONS

- 15. Internal resource will be the default for any internal review, acknowledging that specialist resources or chargeable internal staff may be needed.
- 16. Any costs attached to an internal review may be charged to the relevant project
- 17. Delays to projects can cause cost overruns – the internal review will work inside project timelines. However, a recommendation of a review may be to pause a project subject to appropriate delegations.
- 18. All savings and benefits attached to an internal review will be recorded by the Commercial Manager.

LEGAL IMPLICATIONS / RISKS

- 19. Commercial negotiations that occur as a result of an independent review may include the use of Council's legal team.

SIGNIFICANCE

- 20. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
- 21. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- 22. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.

ENGAGEMENT

- 23. Taking into consideration the above assessment, that the issue is of medium significance, officers are of the opinion that no engagement is required prior to Council making a decision.

NEXT STEPS

- 24. Council's Capital Programme for the 2025/26 year will be underpinned by the value for money principles and supported by the internal review process.
- 25. Any project queries raised through the Elected Member requests will be answered by project teams with support from the Commercial Manager.

ATTACHMENTS

Nil

9.10 25/26 Capital Programme

File Number: A18429694

Author: James Woodward, **Manager:** Performance, Monitoring & Assurance

Authoriser: Alastair McNeil, **General Manager:** Corporate Services

PURPOSE OF THE REPORT

1. The purpose of this report is to provide an update on the status of the 25/26 Capital Programme.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "25/26 Capital Programme".
- (b) Approve to include the Papamoa Shared Pathway – Parton Road Reserve with a budget of \$1m, offset with a recalculation and reduction in the Public Art Framework budget for 2025/26.

EXECUTIVE SUMMARY

1. Answers to previous queries from elected members concerning different projects for FY 25/26 are attached to this report.
2. As per previous resolution to include the Papamoa Shared Pathway project in the 2025/26 capital programme envelope.

BACKGROUND

3. Within the terms of Reference for the City Delivery Committee is the following role:

To measure delivery of projects by ensuring that approved projects are effectively planned and delivered in full, on time, in scope and within budget.

The 25/26 programme has categorised projects into the following, the full detailed list of projects categorised is presented as **Attachment 1**.

| Category | Description |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renewals | Renewals of existing assets |
| Projects under construction or committed | Projects that are under construction, contractually committed, or to comply with legal requirements. |
| Projects underway but not yet committed | Projects that are currently in the planning or design phase. |
| New Projects | New projects commencing in 25/26 |
| Projects for Information Updates | Four projects that have been identified to provide further detailed information. <ol style="list-style-type: none">a) Pyes Pa Memorial Park Crematoriumb) Tauranga Waterfront Railway Crossings |

| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------|
| | c) Tauranga Wharewaka Pavilion d) Waterfront Central Plaza |
| Existing projects beyond FY26 | Projects that are have expenditure to date, but have no budget in FY26, budgets to progress sit in FY27 or later |
| New Projects beyond FY26 | New projects commencing from FY27 or later |

4. Carry forward of unspent budget from 2024/25 FY that has not already been incorporated into the 2025/26 Annual Plan budget will be worked through in July/August, and presented back to the committee as “Approved (Revised Budget)”. This is currently estimated to be \$30-40m.

5. During Annual Plan Deliberations a resolution was passed to include the Papamoa Shared Pathway into the 2025/26 capital programme

Resolution CO/25/14/43 (k) Agrees to deliver the Papamoa Shared Pathway – Parton Rd to Taylor Reserve within the \$498m capital programme envelope, at a cost of no more than \$1m

A reduction in the public art framework has been identified as an appropriate offset to enable this project to be included.

It should be noted that the Annual Plan Capital Programme has been increased to \$502m and adopted since this resolution was passed.

STATUTORY CONTEXT

6. No relevant statutory context

STRATEGIC ALIGNMENT

7. This contributes to the promotion or achievement of the following strategic community outcome(s):

| | Contributes |
|----------------------------------------------------|-------------|
| We are an inclusive city | ✓ |
| We value, protect and enhance the environment | ✓ |
| We are a well-planned city | ✓ |
| We can move around our city easily | ✓ |
| We are a city that supports business and education | ✓ |

The capital programme attached is as per the adopted Annual Plan 25/26, directly contributing to the strategic outcomes.

OPTIONS ANALYSIS

8. No options are presented

FINANCIAL CONSIDERATIONS

9. No financial considerations are presented

LEGAL IMPLICATIONS / RISKS

10. For the purposes of this report, risks are treated at the project level

CONSULTATION / ENGAGEMENT

11. For the purposes of this report, consultation / engagement is managed at a project level

SIGNIFICANCE

12. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
13. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
14. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

15. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

Click here to view the [TCC Significance and Engagement Policy](#)

NEXT STEPS

16. Unless by resolution, FY 25/26 projects will continue as planned.
17. Any subsequent project queries from Council can be raised through normal channels and forwarded to the GM for project responses.

ATTACHMENTS

Attachment 1 of this report will be provided separately.