



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

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# EXTRAORDINARY MEETING OF COUNCIL

## Open Agenda

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Meeting Date: Thursday 20 December 2018

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Time: 9.00am

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Venue: Large Exhibition Hall  
Napier Conference Centre  
Napier War Memorial Centre  
Marine Parade  
Napier

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Council Members Mayor Dalton (In the Chair), Councillors Boag, Brosnan, Dallimore, Hague, Jeffery, McGrath, Price, Tapine, Taylor, White, Wise and Wright

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Officer Responsible Chief Executive

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Administrator Governance Team

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# ORDER OF BUSINESS

## Apologies

Nil

## Conflicts of interest

## Public forum

David Kamper

Robin Gwynn

Minnie Ratima

Margaret Baker – Special Olympics Hawke’s Bay

## Announcements by the Mayor

## Announcements by the management

## Agenda items

1 Notice of Motion Aquatic Centre.....3

**Public excluded** .....20

# AGENDA ITEMS

## 1. NOTICE OF MOTION AQUATIC CENTRE

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	684073
<i>Reporting Officer/s &amp; Unit:</i>	Wayne Jack, Chief Executive

### 1.1 Purpose of Report

To receive and make a decision on the notice of motion in relation to the Aquatic Centre.

#### **Councillor submitted notice of motion**

That Council proceed with the notice of motion:

- i. That independent site, design, quantity survey and social impact assessments be undertaken for the Option 2 Aquatic Centre included in the 2018-28 Long Term Plan;
- ii. That the design of Option 2 be modified to address any findings from the independent assessment;
- iii. That Option 1 and the re-assessed Option 2 Aquatic Centre proposals go out for community consultation.

#### **Mayor's Recommendation**

That the Mayor does not support the notice of motion due to financial, site and construction risk.

### 1.2 Background Summary

Council adopted the LTP on 30<sup>th</sup> June 2018. This included the resolution that Council proceed with the proposed 25m x 25m Pools and Play option (new location) and retain the allocated \$41.3 million for this project in the LTP, subject to the following Caveats:

- Post-move development and funding plan put in place for Onekawa
  - \$500k in 19/20, \$700k in 23/24
- Outdoor space built-in to the new complex
  - (confirmed as within scope for tender)
- Scope of Tender agreed by Council before it goes out
- The site investigations for the new location being completed
  - (completed by Tonkin & Taylor)

All caveats relating to the motion have been resolved with the exception of the scope tender that is in the final stage of completion.

While working through the caveats the Councillors filed a notice of motion below.

#### Notice of Motion

On 5<sup>th</sup> December 2018 Councillors Tony Jeffery, Kirsten Wise, Maxine Boag, Apiata Tapine, Richard McGrath and Larry Dallimore (un-signed) filed a Request for an Extraordinary Council Meeting for Tuesday 11 December 2018 with the following notice of motion:

- a. That independent site, design, quantity survey and social impact assessments be undertaken for the Option 2 Aquatic Centre included in the 2018-28 Long Term Plan;
- b. That the design of Option 2 be modified to address any findings from the independent assessment;
- c. That Option 1 and the re-assessed Option 2 Aquatic Centre proposals go out for community consultation.

Option 1 – Proposed Prebensen Drive new build

Option 2 – Onekawa extension

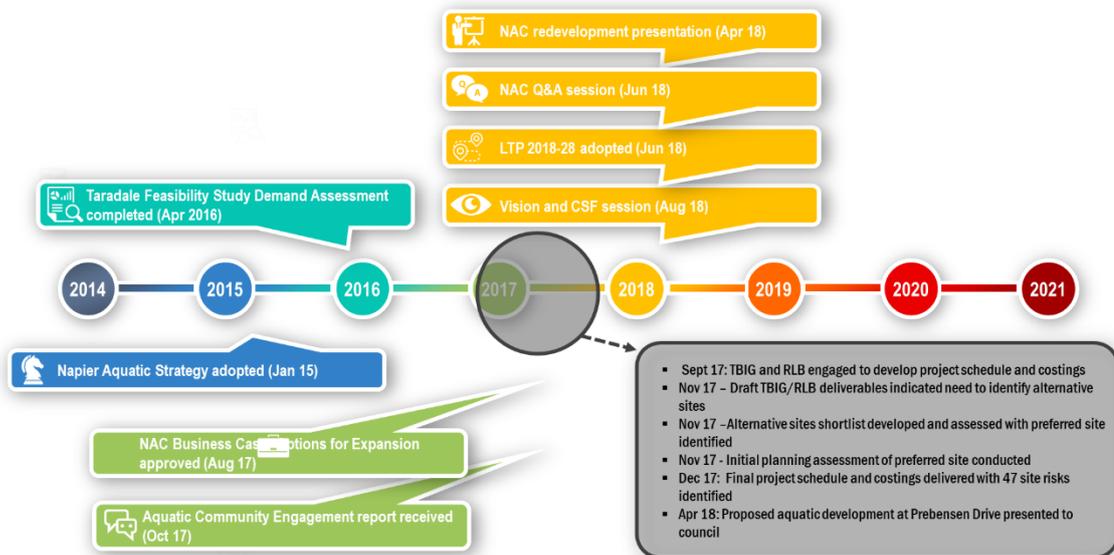
The following table sets out all Council and LTP seminars held in relation to the Aquatic Centre.

Date	Seminar Name	Objective
27.11.2018	New aquatic centre Public meeting	Present Aquatic Development and answer questions from the public
28.09.2018	Napier Aquatic Centre redevelopment seminar – Part II	<ul style="list-style-type: none"> <li>• Present Council vision and Critical Success Factors from previous seminar</li> <li>• Respond to questions posed during last session</li> <li>• Agree redevelopment scope for tender</li> </ul> <p><i>Outcome was verbal agreement to proceed with communications plan in support of Prebensen development</i></p>
3.08.18	Napier Aquatic Centre redevelopment seminar – Part I	<ul style="list-style-type: none"> <li>• Develop Vision and Critical Success Factors</li> <li>• Capture councillor questions to inform next seminar</li> </ul>
22.05.2018	Aquatic Centre Q&A Seminar	<ul style="list-style-type: none"> <li>• Provide responses to 40 questions from councillors regarding the Prebensen Drive development</li> </ul>
24.04.2018	Napier Aquatic Centre redevelopment proposal	Present the recommended Prebensen Drive option and the rationale

17.04.2018	Briefing on LTP engagement strategy	
10.04.2018	Council (Extraordinary)	Consultation Document for Napier City Council 2018-28 Long Term Plan (including proposed Prebensen development) for public consultation approved
13.03.2018	LTP	
26.02.2018	LTP	
14.02.2018	LTP consultation document	
31.01.2018	LTP – inform councillors of consultation items, discuss big 4 projects and updated capital plan	
14.12.2017	LTP capital programme review – whole day seminar	
04.12.2017	LTP infrastructure strategy and capital plan	
15.11.2017	LTP update	
8.11.2017	Council meeting	<ul style="list-style-type: none"> <li>• Summary of community engagement received</li> <li>• Development of designs, schedule and costings for Option 3 to be considered during the 2018-28 LTP process agreed</li> </ul>
25.11.2018	Community Services Committee	
04.10.2017	LTP update	
23.08.2017	LTP update	
30.06.2017	LTP Community Services overview	
16.06.2017	LTP City Strategy overview	
07.06.2017	LTP Infrastructure Services overview	
29.05.2017	LTP update	
26.05.2017	LTP update – Infrastructure focus	
10.05.2017	LTP update	
26.04.2017	Napier Aquatic Centre business case seminar	Present 4 options for redevelopment and officer recommendation to pre-consult with options 2 (Ivan Wilson expansion) and 3 (New build 25m)
24.03.2017	LTP update	

01.03.2017	Aquatic Centre update seminar – Community Services	Provide strategic context and information and gain input into potential options (GLG and Create)
16.12.2016	Napier Aquatic Centre business case	Provide strategic context and start to shape options for redevelopment (GLG and Create)

*Timeline*



*Vision and critical success factors*



*NRB Survey results*

The NRB survey results showed a satisfaction ratio of 51% for the current Swimming pool facility.

### 1.3 Issues

The key issues regarding the notice of motion are summarised below.

Financial:

The sunken operational cost of the notice of motion will be between \$205,000 and \$390,000 (Option 1) and between \$330,000 and \$565,000 (Option 2). Furthermore the delay will add an estimated additional capital cost of \$2,422,404 (Option 1) and \$1,563,566 (Option 2).

Development:

Due to the nature of the construction risks at the Onekawa site and the expenditure necessary to mitigate, equivalent construction at Prebensen site will be inherently less expensive.

The option of progressing with a risk minimising design and build construction method on the Onekawa site is limited due to the appetite of the construction companies to absorb the risks associated with the site.

Independent advice from experts in the fields of construction, engineering, site contamination and sport facilities supports construction at the Prebensen site in preference to the Onekawa site.

### 1.4 Site Comparison

The **Prebensen site** is a greenfield site with known Geotech and no known contamination issues. It is set in an open field with few space constraints and easy access to main trunk routes for easy delivery of construction materials. The site has large areas available for site setup and materials laydown enabling ease of storage and on-site fabrication. There are no immediate neighbours, with the nearest residential neighbours being on the opposite side of Tamatea Drive, the other neighbours are industrial units over 50m distant.

The site has adjacent space available for expansion or development with synergetic facilities. It is accessible via main trunk routes, suburban routes, cycleways and pedestrian footpaths.

There is a drainage ditch on the site which means that a portion of the site has been identified as being prone to lateral spread. This area can be dedicated to landscaping with the main facility being positioned and built on the site so as to avoid this area. There are overhead powerlines in the vicinity, however these will not impact the building footprint and so do not need relocating to build the preferred facility.

The site will require Resource consent to change its current designation in order to enable the proposed use of the land for recreational purposes.

The area has no history of having a recreational facility, there is no traditional use or commerce currently in-situ supporting or reliant on this location. The site was previously the location of a trotting track.

The **Onekawa site** is a park area occupied by an existing Aquatic Centre, a training gym (HB Rugby Union relocating to Park Island mid 2019), a gymnastics facility, Plunket offices and tennis/netball courts with associated clubhouse. Much of the site covers a disused landfill. The site has been covered with a clean fill cover with the landfill content beneath. The site is surrounded with residential neighbourhoods by access via suburban streets.

The content of the disused landfill is known to contain contaminants that are hazardous to human health. Advice has been given by independent consultants regarding the risks to both residence and visitors, and costs that may be encountered should this be excavated. The mitigation that may be required as a result of risks resulting from the contaminants will affect costs and time to construct.

This site is frequented by visitors to all of the facilities within the park. Steps will need to be taken to ensure safety of these visitors as well as ongoing operations of all of the facilities. This may result in additional costs and time to construct as well as reduced operations of the facilities. Additional action will be required to minimise the impact of works carried out in this suburban setting.

The site has space constraints affecting site set up and on-site storage and fabrication during the construction phase that may affect time and cost to construct.

The site will require Resource consent as it will entail excavation and construction in a location known to contain hazards to human health.

To summarise construction at Prebensen will be of an all new facility constructed using methods, plant and materials of the current era. It will be a fit for purpose design meeting previously identified and agreed requirements and features. The facility will be constructed using tried and tested methods and materials. It will be a significant high value investment in a facility anticipated to have a lifespan in excess of 30 years.

Expansion of the facility at Onekawa will be an expansion to an existing facility. This will entail having to tailor construction methods, plant and materials to allow integration of the differing ages of components and construction. The mitigation that may be required as a result of risks resulting from the contaminants in the disused landfill will affect cost and time to construct. It will meet previously identified and agreed requirements and features, however some compromise on performance may be reasonably anticipated. This option currently lacks the ability to provide the equivalent leisure and play areas. Capital expenditure efficiencies may be gained as a result of expansion and use of existing facilities. Lifespan of the facility and ongoing maintenance requirements may undermine the capital expenditure efficiencies gained.

## **1.5 Significance and Engagement**

Council adopted the Long Term Plan Consultation document on 10th April 2018 which included two options for a new Pool as part of the Long Term Plan Consultation document [page 8 and 9]. The decision at that time was unanimous, which signalled that Councillors were supportive of the options and the way in which they were being presented to the community for their feedback.

A resolution with a majority vote of 8-3 during the deliberations of the Long Term Plan in favour of moving to Prebensen Drive was reached at that time which included a number of caveats. Council officers have subsequently worked with Council to provide and satisfy the caveat requirements with the exception of the scope of the tender that is in the final stages of completion.

To review a decision of Council at this time that reconsiders an existing decision, would impact on Council's Significance and Engagement Policy.

In the event that this motion is carried, Council will be required to proceed with Public Consultation. This is likely to be considered a significant change to the Long Term Plan, and would trigger a Long Term Plan Amendment if Council was to move to this as its preferred option.

A Council paper would be required for the unbudgeted costs associated with this notice of motion.

Note that the decision during the LTP process regarding the Aquatic Centre was made through a Special Consultative Procedure.

### 1.6 Financial

The expected time lines and impact for the consideration of the motion and the impacts on the timing of the project have been assessed as:

- Impact of assessment and time delays as a result of additional reports, however continuing with Prebensen site**

12 month time delay/ estimated cost range of \$205,000 to \$390,000 for additional reports + \$2,422,404 total build cost based on a 12 month time delay on construction.
- Impact of assessment and time delays for Onekawa site and changing decision**

20 month time delay/ estimated cost range of \$330,000 to \$565,000 + \$1,563,566 total build cost based on a 20 month time delay on construction.
- Impact on construction costs of any modifications to the design based on the independent assessment**

Cost impact is currently unknown.

	Start	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	
Downtime	Dec 18	■	■																				
Geotech	Feb 19			■	■	■	■	■	■														
Concept Design	May 19					■	■	■	■	■													
Social impact assessments	Mar 19				■	■	■	■	■														
Quantity Surveyor	Aug 19								■	■	■												
Council Election	Jul 19								■	■	■	■	■										
Public Consultation	Oct 19											■	■	■	■	■	■	■	■	■	■	■	■
Detailed Design *	Jan 20														■	■	■	■	■	■	■	■	■

Direct Cost Incurred to Carry Motion **	Low	Medium	High
Geotechnical engineering report	35,000	50,000	65,000
Quantity Surveyor	15,000	20,000	30,000
Social Impact Assessment	20,000	30,000	40,000
Project Management	30,000	40,000	60,000
Public Consultation	45,000	60,000	75,000
In-house time and resources	60,000	80,000	120,000
<b>Option 1 - Sunken Cost</b>	<b>205,000</b>	<b>280,000</b>	<b>390,000</b>
Design	125,000	150,000	175,000
<b>Option 2 - Sunken Cost</b>	<b>330,000</b>	<b>430,000</b>	<b>565,000</b>

\*\* The above values used were based on historical cost and will require refinement if the Councillors decide to progress with this motion.

Table below sets out projected cash flows for the additional costs for both options due to timing delays going to construction.

## CGPI Set at RLB Percentage Rates

Inflation RLB	0.00%	3.90%	3.50%	3.20%	3.20%	3.20%	
<b>Napier Aquatic Centre Option 1</b>							
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
Option 1 LTP Costing	2,300,000	13,388,200	24,387,840	1,323,080	-	-	41,399,120
Present value of project	2,300,000	13,100,000	23,360,000	1,240,000	-	-	40,000,000
Project Slide 12 month Future Value	-	2,389,700	14,087,282	25,924,383	1,420,159	-	43,821,524
Additional Cash requirement	-	89,700	699,082	1,536,543	97,079	-	2,422,404
<b>Napier Aquatic Centre Option 2</b>							
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
Option 2 LTP Costing	1,150,000	6,694,100	12,193,920	661,540	-	-	20,699,560
PV	1,150,000	6,550,000	11,680,000	620,000	-	-	20,000,000
Project Slide 18 month FV	-	597,425	4,140,155	10,115,614	7,043,531	366,401	22,263,126
Additional Cash requirement	-	22,425	218,105	671,604	615,801	35,631	1,563,566

\*\* The cost and timeline of Option 2 was based on the capital spend profile of Option 1 in the LTP. This value will change as and when collected data stemming from the requested motion is received.

\*\*\* Rates revenue used in all calculations was the reported FY 2017/18 rates revenue of \$53,699,000

In addition to the above costs for reports and time delays, SPM asset data has signalled \$4.3m of maintenance work would be required for the current Onekawa site (excluding project management and other related costs) to maintain the existing building that has not been considered in current budgets as it was not the preferred option adopted in the Long Term Plan.

## 1.7 Social & Policy

The notice of motion requested a social impact assessment. It is noted that it is unclear as to whether the social impact assessment includes Napier in its entirety or applies to the local area, that has not been performed on previous Council projects or policy changes.

Segmenting the local area is problematic because the swimming pool complex is a destination specific facility that services the whole of Napier City. Thus accessibility issues need to be considered for all members of the Napier community. Given it is already known that there is a very high reliance on vehicles to get patrons to the swimming pool, it is difficult to understand exactly how a social impact assessment on the whole city will add value to our understanding of community accessibility.

In terms of economic impacts on local retailing and the viability of the Onekawa shops two matters are material:

- I. The District Plan zoning for this suburban commercial area is not centred on the pool facility. Suburban commercial areas are exactly that, to service the local community catchment, therefore they are zoned and exist for the residential community around them not as a consequence of a facility that is destination specific.
- II. Related to the above, destination specific facilities that exist to attract patrons beyond the local community are more often than not without suburban shops as part of their District Plan zoning framework. Facilities such as Golf clubs, tennis clubs, McLean Park, Pettigrew Arena, Regional Sports Park, Meanee Speedway are all stand alone, as are the Lido in Palmerston North and Splash centre in Whanganui to name but two swimming complexes in provincial cities.

Social impact assessment (SIA) is a study designed to predict and measure the effects of a public or private policy, programme or project on the surrounding population's lifestyle, culture, community, health, environment, quality of life and political system. It includes processes for analysing, monitoring and managing the intended and unintended

social consequences of these interventions. These intended and unintended consequences include impacts to lifestyle, cultural, economic, community, amenity/quality of life, health, environmental and political systems.

While no specific social impact assessment has been carried out for the pool options, it is widely known that public swimming pools have positive impact on social inclusion indicators including health, water safety, sports participation, social connections, and leisure and play benefits. The Napier Aquatic Strategy specifically refers to aquatic facilities being “unique community assets that provide significant health, fitness and social benefits to the Napier and the wider Hawke’s Bay community.”

The Napier Aquatic Centre Business Case developed in 2017 draws upon the National Facility Strategy for Aquatic Sports, which identifies two major categories of demand. These are;

- Competitive demand – sport and competition-based activity including training and competitive events (Sport Development outcome)
- Community demand – recreation activity which includes swimming, school activity programmes, learn to swim and a range of facility based activities such as hydro-slides and wave pools (Health and Fitness, Physical Literacy and Leisure and Play outcomes).

The strategy further identifies the motivations of participation in aquatic activity and identifies that a key feature is that the combination of ‘youth’ (learn to swim), ‘relaxation’ and ‘social’ motivations equates with 74% of the total motivation for participation in aquatic activity.

Motivation	% of Participants	Customer Outcome Area
Fitness	23%	Health and fitness
Competition	3%	Sport development
Relaxation	25%	Leisure and play
Social	13%	Leisure and play
Youth	36%	Physical literacy
<b>Total</b>	<b>100%</b>	

The remaining major component of ‘fitness’, which represents 23% of the total motivation drivers, is associated with healthy lifestyle choices as much as sport training further contributing to positive social benefits. The business case therefore concluded that the preferred option of a new build pool complex (25m pool) provides a mix of water areas and temperatures to be able to meet the needs of multiple user groups at the same time. It provided flexibility of pool temperatures to meet a greater range of community needs and flexibility to adapt to future needs to the social benefit of the Napier community.

Intended consequences of the aquatic development are understood, linked to Napier City Council vision and outcomes for its community and explicitly worded in all strategic documents, business cases and the vision and critical success factors developed and agreed by council. There are some negative consequences of the proposed move that have been raised and discussed, namely proximity to Maraenui and the economic impact to the Onekawa shops, as there is with any complex decision. The critical question is the impact that 1.6km of distance (3.5km by road) will have between the aquatic development approved in the LTP and the alternative option of developing at Onekawa. Throughout the process these negative social consequences were outweighed by the

positive social consequences, and therefore the need for a social impact assessment for the development has not been agreed by council, nor raised as a decision point for council ahead of this motion. It is difficult to see a social impact assessment across lifestyle, cultural, economic, community, amenity/quality of life, health, environmental and political systems to be impacted much by the 1.6km of distance.

### **1.8 Risk**

The risks associated with the notice of motion includes:

- Risks highlighted during site selection process.
- Risks associated with appending a new build to the existing facility (Option 2).
- Risks associated to the refurbishment of the existing Onekawa site.
- Risks associated with the lost opportunity for achieving value through Intellectual Property reuse and schedule extension.
- Risks associated with not comparing options for equivalent service outcomes and only on capital value.
- Risks associated with not considering alternative site use scenarios for the Onekawa reserve (densification and land swap for Prebensen for example).

### **1.9 Options**

The options available to Council are as follows:

- a. Vote to carry the motion
- b. Vote to reject the motion.

### **1.10 Development of Preferred Option**

Option B – vote to reject the motion.

Professional advice has been received recommending that if Council has alternative sites available to meet the current and future needs of the community for Aquatic Facilities then it would not recommend continuing to develop the Onekawa site due to the known risks.

Due to the nature of the construction risks at the Onekawa site and the expenditure necessary to mitigate, equivalent construction at Prebensen site will be inherently less expensive.

### **1.5 Attachments**

- A Onekawa site construction risks [↓](#)

## Onekawa site construction – Project Risk Assessment

In evaluating Onekawa as a development site 47 notable risk items have been identified. The risk level prior to mitigation identified the risk levels at:

Project Phase Initiation:

Risk	Mitigation Measure	Residual Risk Level	Mitigation Cost
Feasibility Exercise determines that project not feasible	Feasibility exercise to be completed	High	Major: Potential to end project
Negative public perception	Robust Consultation process, Proactive communication	Significant	Communication and consultation costs
Alternative sites proposed as better option by other groups creates negative impact - questions viability	NCC clearly define consultation outcome to make sure that decision is defensible	Significant	minor
Further consultation delays project	NCC to confirm consultation complete	Significant	significant - consultation costs plus additional time
Consultation results in "loudest" stakeholders getting scope tailored to them, rather than best solution	Ensure robust consultation process to ensure best solution for all	Moderate	minimal

Project Phase Programming:

Risk	Mitigation Measure	Residual Risk Level	Mitigation Cost
Notified resource Consent delays programme	Programme allowance for notified resource consent	Significant	Potential programme impact
Programme doesn't meet public / council expectations	Realistic programme to be prepared and agreed. Messaging to stakeholders to be carefully managed	Significant	minimal

## Project Phase Execution:

Risk	Mitigation Measure	Residual Risk Level	Mitigation Cost
Unfavourable media reports	Active engagement with media, planned communications	Significant	Communication costs
Additional expense to dispose of contaminated fill if can't store on site	Contingency allowance, obtain early advice from environmental consultants	Significant	Contingency allowance = \$800,000
Service level agreements for other Park users (eg netball) constrain design and construction	Check legal status and engage early with stakeholders	Significant	minor - consultation
NCC expectations for Environmentally Sustainable Design don't align with budget	Ensure that expectations are clearly defined early and included in the design brief and budget	Significant	Significant if risk realised
Unforeseen pool closure impacts project	Carefully plan and monitor construction methodology to avoid unforeseen closures	Significant	minimal
Small local construction market increases price	Engage with market early, make tender attractive to multiple bidders, allowances within estimate	Significant	Major
Contractor disputes impact cost / programme	Procure contractors with proven track records, ensure known contract risks are included within tender documents	Significant	Significant if realised
Contractor / Supplier liquidation	Procure contractors with proven track record, performance bond and/or retentions within contract	Significant	Significant if realised
Construction Cost Escalation	Escalation Allowance within budget	Significant	\$3,500,000 allowance for escalation

Limited number of specialist pool suppliers impacts cost	Procurement strategy for specialist components need to be integrated with design process.	Significant	minimal
Exchange rate changes result in increased costs for materials procured from overseas	Contingency allowance	Significant	???
Building Consent Approval delays commencement on site	Programme allowance, early engagement with TA to confirm process and expectations	Significant	Potential programme impact
"Architectural License" exceeding design brief increases cost	Ensure that design brief is clearly defined to NCC expectations and budget and that design is aligned with this brief via Design Management, Value Management and Value Engineering as required	Significant	Potential major cost impact
Scope Creep	Agree scope and adhere to it via robust change control procedure	Significant	Major impact if realised
Existing geotechnical conditions increase costs for foundation systems	Field tests during design to determine actual condition so that most suitable foundation system can be determined. Contingency allowance for construction	Significant	\$400,000 contingency allowance
HBRC Discharge Consent to dispose of contaminated fill increases project cost and time	Contingency allowance, obtain early advice from environmental consultants	Significant	\$100,000 contingency allowance
Landscaping requirements increase cost	Ensure project landscape requirements are included in brief and budget	Significant	minimal
Cost increases versus trade estimate typical for a project of this size and complexity	10% Contingency allowance within estimate	Significant	10% contingency allowance = \$3,500,000

Poor health and safety management leads to serious harm injury	Procure contractor with proven track record and SiteWise certification, review SSSP documentation, closely monitor during construction	Significant	minimal
Public safety impacted by construction	Procure contractor with proven track record and SiteWise certification, closely monitor during construction, ensure separation of construction from public is documented and adhered to by contractor	Significant	minimal
Design leads to serious harm injury during construction or operation	Safety in design reviews	Significant	minimal
Complex resource consent and/or environment court requirement adds cost	Seek early planning advice and consult early	Significant	Major: \$250,000 contingency allowance within estimate
Unbudgeted organisational costs	Early review of budget by NCC and clear definition of organisational costs to be included in budget	Significant	moderate
Intolerance from public if extended pool shutdown required	Plan work to not require extended shutdowns	Moderate	minimal
In-ground obstructions	Survey during design where practical, contingency allowance	Moderate	moderate impact - contingency allowance incl. with geotech
Exiting trees constrain design	Check heritage designation during design	Moderate	minimal
Existing Service condition means replacement required during project	Review early and make allowance within estimate	Moderate	minimal

Requirement to maintain carparking for other users creates conflict and impacts construction	Early engagement with affected stakeholders	Moderate	minor
Material supply issues impact cost or programme	Specify proven products	Moderate	Moderate
Water supply method impacts project cost	Include allowance for bore on site within estimate	Moderate	minimal
Costs to demolish existing facility exceed budget allowance	Early review of existing building information so that scope to decommission can be known and budgeted for	Moderate	minimal
Landfill gas impacts construction	Ensure that contractor's methodology accounts for possibility and includes adequate procedures to deal with it	Low	minor

## Project Phase Completion:

Risk	Mitigation Measure	Residual Risk Level	Mitigation Cost
Pool damaged when empty due to hydrostatic pressure	Design to account for hydrostatic pressure, include valves etc as required	Significant	minor
Design compromised by working around existing buildings	Engage Master Planning early to ensure that design not compromised, test constraints if it is	Significant	significant - master planning costs
Significant damage to pool in flooding event	Ensure that design of foundations accounts for flooding possibility to keep damage from flood event to salvageable levels	Significant	minimal
High maintenance costs for new pool	"Whole of Life" costs to be considered in the design brief and budget	Significant	Significant but cost built into budget

Other projects in Hawkes Bay reduce expected use of Aquatic Centre	Nil - NCC note that Business Case has proven this risk is rare	Significant	minimal
Credibility Risk if 50m pool not built	If scope required to change be clear on messaging, potentially more consultation	Significant	Communication / consultation costs
Achieving different temperatures within 50m pool not feasible or cost-prohibitive	Review early with designers and/or suppliers	Significant	Major if realised
Project impacts existing roading network	Internal review by NCC roading engineers	Moderate	minor

## Supporting information on Risks identified

### 1. Design Risk

The design risk associated with Option 2 will move this risk from the developer in Option 1 to the Council in Option 2, as the Council will become responsible for the design. This is due to the difference between a design and build (Option 1) and traditional design then build (Option 2).

This risk will most probably attract the following cost

- Increase in insurance liability
- Extending of project timeframe by between 6 to 8 months
- Design and defects liability

### 2. Construction cost Risk (associated with adding new to existing structures)

- Expert advice from Sport New Zealand stated that the redeveloping of an existing site comes with a cost premium of 20%.
- This cost will bring no material benefit to the development
- Time delays from what were signalled in the Long Term Plan will increase the overall cost of the project due to inflation and construction increasing total cost

### 3. Life cycle and future development Risk

- The current facility is scheduled to be refurbished within the next 15 years. This refurbishment could limit the access to not just part, but to the whole facility.
- This and all future refurbishments will also come at an estimated 20% premium for attaching New to Old
- The best long term outcome might not be achieved with a piecemeal approach to upgrade

### 4. Hidden cost impact of adding new to old

- By adding a new build to an existing facility will immediately age the existing facility. This will in turn expedite redevelopment of the existing facility.
- The history of the Conference centre refurbishment is evidence of such an issue.

### 5. Increase operational expense

- Optimisation of staff utilisation will be hampered in a facility where the additions were patched to existing.
- There is a significant difference in operational cost of facilities that were built for purpose vs. those that were appended to meet the need.

### 6. Specialist recommendations not to extend at Onekawa

- Graeme Proffitt of Pattle Delamore Partners (PDP), contaminated soil surveys and reports
- Jamie Delich of Sport New Zealand, who advised on pool size, usage profiles, cost of integrating old with new

# PUBLIC EXCLUDED ITEMS

That the public and all staff, with the exception of the Team Leader Governance, be excluded from the following parts of the proceedings of this meeting, namely:

## Agenda Items

1. Chief Executive Remuneration

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

<b>General subject of each matter to be considered.</b>	<b>Reason for passing this resolution in relation to each matter.</b>	<b>Ground(s) under section 48(1) to the passing of this resolution.</b>
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:

## Agenda Items

1. Chief Executive Remuneration	7(2)(a) Protect the privacy of natural persons, including that of a deceased person  7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
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