

23.24 Annual Plan instructions

SM018 Three-year plan instructions manual 2021-24

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Version 1.3

Instruction outline

Similar to 22/23 Annual Plan we will be doing a “light touch” annual plan review for 23/24 to set the State Highway Maintenance programme. Plans are required to be submitted by all Network teams (*including Structures Project Managers, TOC/Operations Network Managers, and P&S Nationally Delivered programmes Project Managers*) by **COB 28th April 2023**.

Submitted plans, prepared by the Principal Network Manager, are to be approved System Manager and shared with your Regional Manager.

[Find out more on HIP](#)

Key Facts

- The overall level of funding for the SH21-24 NLTP remains unchanged (allocation values available in InfoHub [folder](#)).
- We are seeking a “light touch” review of your 23/24 programme – the overall principles that guided the 21-24 investment still apply
- We have set a later submission date to allow you to better reflect Y2 delivery
- Allocations for 23/24 will be confirmed in June
- The impact of increased Emergency Works cost (beyond the \$220M allocated for 21-24) has been isolated and will be covered by crown funding.
- SM Approved plans due 28.04.23
- 23/24 Detailed Programmes due 31.08.23

21-24 NLTP overview

The total NLTP funding for SH Maintenance and Renewals activity class has maintained its level of investment of \$2.804B during a period of reduced income that has impacted other activity classes across Waka Kotahi. As well as this, more risk has landed than we originally allowed for due to factors such as COVID, traffic management, cost escalation, etc and the challenge that comes with these rising costs. All of which must be managed within the approved investment level.

Further, the planned renewal programme for this 21-24 NLTP has been the largest undertaken by Waka Kotahi and its delivery partners, putting immense pressure on capacity and resources for everyone. We are keen to capture as much of the completed work and understand the size of the remaining planned programme works as possible in the planning of 23.24 – it is for this reason we are asking for the 23.24 Annual Plan to be provided in April, and not March (as with previous years).

23/24 Annual Plan guidelines

Impact of Cyclone Gabrielle

Cyclone Gabrielle has impacted maintenance and renewal need, where maintenance and renewals can be delivered and the capacity of the sector to deliver our programme. While it is likely to take some time to fully understand these impacts, it is likely that previously submitted plans will require changes for many networks. As these plans are updated, we encourage network teams to carefully consider the overall deliverability of their 23/24 plans.

It is likely that further direction and guidance will be provided as the situation becomes clearer. Portfolio & Performance – Maintenance Team will work with you to manage these changes and support the development of your 23.24 Annual Plan programmes.

In light of the impact on 22/23 programmes and the reassessment required by those Networks directly impacted by Cyclone Gabrielle, Central and Upper North Island, Portfolio & Performance will accept CMRs up to 31st March 2023.

- a) CMR close off extended to 31/03/23 for Central and Upper North Island networks, Board approval not required but you will need to notify Board of these changes as best practice.
- b) CMR requests for networks not directly impacted by Cyclone Gabrielle will need to follow existing process and gain Board approval prior to submission.

Deliverable

You will need to update your Annual Plan spreadsheet for any changes to Summary, and upload a System Manager approved version to your Network [21.24 Three Year Plan](#) folder (**save as 23.24 Annual Plan (Network Name) - date (version)**). ¹

Copies will be exported by the Maintenance Portfolio Team 1st/2nd May to prepare consolidated reports for National review. Any changes you make in InfoHub folders following this will not be captured.

21-24 Principles

A sound and diligent approach should still be taken to refresh the 23.24 Annual Plans, while also preventing unnecessary rework or churn.

Keep to the principles outlined originally for the 21-24 NLTP (see Annual Plan [HIP](#) page).

Key Considerations

- Review your 23/24 plan to adjust for actual delivery in 21-22 and 22-23
- Ensure that your revised 23/24 plan maintains the same funding split between Maintenance (100 series) and Renewals (200 series) as your 3-year approved allocation
- Refresh your forecasts for cost fluctuations, growth and variations (see table 1 below)
- Carefully consider whether your revised 23/24 plan will be delivered – given sector capacity constraints and recovery etc.

Activity	Include 23/24 Plan	Review deliverability	SM to review and approve	CMR required?
Cost Fluctuations	Y	n/a	Y	Y
Asset Growth	Y	n/a	Y	Y
Traffic Growth	Y	n/a	Y	Y
TTM	Y	n/a	Y	Y
Variations to Contract	N	As required	Y	Y

Table 1: Nationally Funded activities

¹ Key Delivery item – 23.24 Annual Plan programme

Affordability

You are required to work within the total 3-year allocation (A): Oct-21 Approved 3-year allocation (available [here](#)) +/- funding allocation changes where applicable, i.e. fluctuations, TTM variations, APMT approved additional funding from Nationally Held funds and distributed in SAP.

Cost to deliver our state highway maintenance programme are generally coming in 10-15% higher than our NLTP bid across activities. When preparing your plan this will need to be considered and quantities managed to maintain affordability.

Your total 3-year request (B): 21/22 Actual, 22/23 EOY forecast and your refreshed 23/24 Annual Plan should not exceed total 3-year allocation.

Where a Work Category varies by more than 2% of the Total 3-year allocation, a detailed description of why it has changed is to be provided on the Summary Tab of your 23.24 Annual Plan to assist in transparency and understanding of variances.²

Total 3-year allocation	21/22 Actual	22/23 EOY forecast	23/24 Annual Plan	Total 3-year request	% Variance
(A)	ex. SAP	ex. SAP	<i>Refreshed Plan</i>	(B)	(A) / (B)

Requests for additional allocations or transferring allocations from renewals to maintenance work categories will require a Change Management Request to approved by APMT and cannot be assumed in preparation of 23/24 Annual Plan.

Capability / Deliverability

The successful delivery of your programmes relies upon industry capacity: resources, people, plant and materials. Caution against optimism bias when refreshing your programmes and plan.

We ask that where the quantity delivered on renewal activities is programmed for less than available funding (by WC), that an explanation be provided in Summary³

Sealed Road Surfacing and Sealed Road Rehabilitation renewals

Your indicative 3-year surfacing and rehab renewals programme is managed in Juno.

You should review your 23/24 programme and adjust it to reflect any carry over works and/or works escalated or deferred. Working with your AIA and agree plan, with consideration given to deliverability and affordability as detailed above.

- While there are no planned RAPT tours, you are still able to request AIA input, feedback, joint visit of specific sites and the like as required.
- Detailed programmes to be finalised by 31st August 2023 ahead of Baseline Setting in September (extract copies of your programmes in Juno will be used as at 15th September).

Other renewals

Your 3-year allocation was approved based on your [3-Year Plan](#), that included indicative programmes.

As above, you should review your 23/24 programme and adjust it to reflect any carry over works and/or works escalated or deferred, giving consideration to deliverability and affordability.

- Detailed programmes to be finalised by 31st August 2023 ahead of Baseline Setting in September Structures Component replacement

² Key Delivery item – Variance Reporting on Affordability

³ Key Delivery item – Variance Reporting on Programme Delivered

Structures

As part of moving to managing Structures at the Contract level (not Network level as previously), all Structures Management Contracts (SMC) are required to submit an Annual Plan ([internal users click here](#)). This has not been done consistently and/or uniformly in previous years, causing significant delays to distributing allocations and the inability to easily track funding.

Funding requested through the Structures Annual Plans is for Professional Services and Physical Works overseen by the Regional Consultant or Alliance. Do not include any NOC projects.

Please do not modify the format of the template. Regions will be asked to correct any formatting errors or modifications. For any issues or queries please contact Jessica.mcfarlane@nzta.govt.nz.

Your updated 23/24 Annual Plan - Structures must be complete and loaded into the Contract's InfoHub folder by the 14th of April 2023⁴ to be reviewed by Jessica McFarlane, ahead of submission to P&P.

For SMC managed projects, **SAPR Forms** are required to be submitted and approved to the Structural Performance Team in conjunction with the Annual Plan request and are received by no later than 1st April 2023. Earlier submissions are encouraged. SAPR's are required for Work Category 114 and 215 projects over \$20k in value. The SAPR Form can be found in [InfoHub](#).

Declared Surplus

Where, because of affordability, deliverability, capacity, exigent circumstances (Cyclone Gabrielle) etc, you identify funding allocation of an activity/activities is in excess of forecasted need, it is incumbent that this be declared surplus, do not include in 23.24 Annual Plan. Any surplus will give us the opportunity to assist other regions and networks.

Supporting Information

Annual Plan information page	https://www.nzta.govt.nz/roads-and-rail/highways-information-portal/processes/strategic-activity-management/annual-planning/
Tracker Guidelines	https://www.nzta.govt.nz/assets/Highways-Information-Portal/Processes/Strategic-activity-management/Annual-planning/Annual-planning-docs/Achievement-tracker-process-guidelines-september-2021.pdf
3-Year Plan folders	https://infohub.nzta.govt.nz/otcs/cs.dll?func=ll&objId=47772420&objAction=browse
Achievement Tracker folders	https://infohub.nzta.govt.nz/otcs/cs.dll?func=ll&objId=47776009&objAction=browse
M&O Dashboard	https://app.powerbi.com/links/7FTtvJeXxQ?ctid=7245e48c-a9ff-4b28-98ef-05cfa8edb518&pbi_source=linkShare&bookmarkGuid=56830343-1b18-4adf-9766-8418d0a915d7

Further support and advice, please email: Rochelle.leach@nzta.govt.nz so these can be co-ordinated, and responses shared with stakeholders.

23/24 Annual Plan **Weekly Standup** meetings have also been scheduled in Teams every Wednesday from 1:00 – 1:30, led by Robert Choveauz, and it is strongly encourage to join and discuss development of your Annual Plans with peers.

⁴ Key Delivery item – 23/24 Annual Plan – Structures draft to InfoHub and notify Jess.

Key Dates

22.23 Change Management Request extension	31 st March	Snr Network Managers
23.24 Structures SAPRs due	1 st April	Structure Managers
23.24 Annual Plan – Structures draft to InfoHub for review	14 th April	Structure Managers
23.24 Annual Plan submissions due	28 th April 2023	ALL
23.24 National Review and Prioritisation	May 2023	Portfolio & Performance Team and Annual Plan Moderation Team
23.24 Annual Plan Allocation confirmed	June 2023	