

# Low-cost low risk (LCLR) programme assessment for the 2024–27 National Land Transport Programme (NLTP)

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This document explains out how LCLR programmes are assessed, and how funding provided by Waka Kotahi.

## Background

LCLR programmes set out an approved organisation's improvement activities with a total cost below \$2 million.

Funding for the LCLR programme is allocated against activity classes and can include allocations to several activity classes.

LCLR programmes cover the 3 years of the NLTP. Generally, only the first-year programme is to be provided in detail in Transport Investment Online (TIO) in line with TIO minimum information requirements, with only indicative programmes for years 2 and 3. Details for the subsequent years are to be provided at the commencement of years 2 and 3 to confirm the LCLR programme assessment is appropriate and funding allocation reconfirmed with regard to the continued quality of the projects proposed and delivery progress to date.

## Assessment of LCLR programmes

The LCLR programme requests are assessed through the Investment Prioritisation Method (IPM) at a programme level for:

- their alignment with the Government Policy Statement on Land Transport (GPS)
- scheduling, and
- efficiency.

A default programme rating of HHM (high, high, medium) is used as a starting point.

The safety infrastructure activities proposed should be informed by the Waka Kotahi Pipeline Development Tool – as discussed with your area programme manager – and/or be evidenced against the IPM metrics for safety.

Walking and cycling activities should demonstrate their linkage to strategic development plans such as walking and cycling network plan, or mode shift strategy, and/or be evidenced against other documents such as a vehicle kilometres travelled (VKT) reduction plan (where available) or the IPM metrics for reducing emissions and sustainable urban and regional development.

## Funding for year 2 and year 3

Public transport services and infrastructure, walking and cycling, local road improvements and state highway improvements can be bundled as packages for year 2 and year 3 as appropriate.

For year 2 and year 3 of the LCLR programme, similar projects or programmes within the same activity class, which come from the same supporting document (for example, activity management plan) can be bundled and treated as one programme.

If a bundle exceeds \$2m, approved organisations will need to state how many projects are expected within the request, to ensure individual projects within the package will remain under the \$2m threshold.

Waka Kotahi activity class managers will prioritise funding of the LCLR programmes for year 2 and year 3 based on the criteria below.

## How Waka Kotahi considers funding of an LCLR programme component

Funding availability to support new initiatives is constrained across all activity classes. Because of this, the proportion of funds to support LCLR programmes may be limited when compared to the 2021–24 NLTP allocations.

Even if a programme has an IPM priority above the investment threshold, there may be a requirement for Waka Kotahi to adjust the size of LCLR programmes to fit within available funding in the relevant activity classes. The process may result in the size of the programme approved for NLTF funding being reduced, and/or adjusted for scope and timing to fit within available funding.

There are a range of factors Waka Kotahi activity class managers will consider adjusting a programme to fit within available funding:

- the extent to which the programme can demonstrate progress and delivery against network plans and key strategic documents, and addresses known issues.
- the priority rating of the programme and its relative priority to other programmes and activities in the activity class
- the level of funding available in the activity class for the programme and other programmes of similar priority
- the extent to which the programme contains activities that are supplementary to the rest of the programme, including maximising opportunities to deliver improvement activities efficiently when undertaking maintenance and renewals.
- the size of the programme, whether there is capability and capacity to deliver within the 3-year period, and the impacts of deferring part of the programme to a subsequent 3-year period (regard will be given to an organisation's track record in delivery of past LCLR programmes)
- the extent to which the programme would increase inequities, regionally or nationally.
- the extent to which the programme would be inconsistent with Te Tiriti o Waitangi obligations.
- any other factor that is considered relevant.

Funding will be approved with a condition subsequent that year 2 and year 3 funding will be released provided it fits within the funding allocation, and the applicant has:

- submitted an updated list of qualifying activities that has been reviewed and approved by the Waka Kotahi system management investment advisors for AOs, and
- provided updated information in line with the minimum information requirements at a project level.