

Guidance on right-sizing a programme

4 October 2023

This document explains how programmes of activities will be right-sized by Waka Kotahi for inclusion and funding in the 2024-27 National Land Transport Programme.

Purpose

The purpose of this guidance is to guide Waka Kotahi Investment Advisors on assessment of the size of programmes for inclusion in the National Land Transport Programme 2024-27 and for investment decision-making.

Background

This guidance sits alongside specific guidance¹ (if any) relating to a specific type of programme.

In this context, 'right-sizing' a programme means working out the dollar amount of a programme that fits within available funding in an activity class.

The organisation that proposes a programme is expected to have developed a programme by considering the:

- composition of activities
- value for money of the programme
- local share funding availability
- its capacity and capability to deliver the programme.

Incremental analysis that demonstrates the impact of removing an activity from the programme is helpful in demonstrating that the overall programme is strengthened or weakened by removing an activity. This may be done with activities that:

- can be severed, or
- have low or very low alignment with GPS strategic priorities, or
- have low or very low alignment with contribution to outcomes relative to cost.

Scarce resources require that programmes of activities must be prioritised in an activity class. Even if a programme has a priority above the investment threshold, it may be necessary to reduce the size of a programme to fit within available funding in an activity class. Engagement with the organisation is appropriate if the size of the programme, or the components within it, are recommended to reduce or increase to fit within available funding.

¹ For example, Waka Kotahi guidance on developing maintenance, operations and renewal programmes for 2024-27 NLTP <https://www.nzta.govt.nz/assets/planning-and-investment/nltp/2024/docs/information-requirements-development-of-mor-programmes-for-the-2024-27-nltp.pdf>

Factors to consider to right-size a programme

There are a range of factors to consider to right-size a programme to fit within available funding, including:

Activity class funding and priorities

- The level of funding available in the activity class.
- The priority ranking of the programme and its relative priority to other programmes and activities in the activity class.

Composition of programme

- The extent to which there has been some tensioning of a programme when it was developed.
- The extent to which the programme contains activities which have very low or low alignment with GPS strategic priorities or contribution to outcomes relative to cost.
- The extent to which the programme contains activities that are supplementary to the rest of the programme or can be severed.
- The appropriate size of contingency in the programme to cover increases in costs.

Capability and capacity to deliver

- The capability and capacity to deliver the programme in the 3-year period (regard may be given to an organisation's track record in delivery).
- Programme risks relating to delivery, contribution to outcomes, managing costs, obtaining consent or stakeholders support.

Impacts of change to size of programme

- The impacts of a change² to a size of the programme, including feedback from the organisation.
- The extent to which a reduction of the programme would increase inequities.³
- The extent to which a reduction of the programme would be inconsistent with Te Tiriti o Waitangi obligations.
- Any other factor that is considered relevant⁴

Recommendations on size of a programme

Right-sizing a programme may result in the size of the programme, or components within it, being reduced, increased or maintained to fit within available funding.

If right-sizing a programme results in a reduction in the size of a programme, then activities will need to be identified for deferral or removal from the programme.

² A change could be a reduction, an increase in the programme and/or a change in composition or timing of an activity.

³ Inequities might relate to a region, communities or user groups.

⁴ For example, the size of a programme in a previous period or in a neighbouring region may be relevant in some circumstances.