

STANDARD INTERVENTIONS

A technical paper prepared for the Investment Decision-Making Framework Review

4 DECEMBER 2019

Guidance has been developed to streamline the investment pathway for standard interventions. Standard Safety Interventions (SSIs) provide an efficient approach to access funding for 15 SSIs for which the costs and benefits are already well understood. The guidance sets out high-level requirements that need to be supported by a robust evidence base. The guidance will apply from 1 July 2020.

PURPOSE

The purpose of this paper is to outline the criteria that need to be met before new standard interventions are developed for a streamlined Business Case Approach (BCA).

STANDARD SAFETY INTERVENTIONS

Waka Kotahi NZ Transport Agency has developed streamlined business case processes. One such process is Standard Safety Interventions (SSIs). (More information on 'Standard Safety Interventions' can be found in Appendix 1).

The Transport Agency recently implemented the SSIs. They are a suite of 15 simple interventions, which, if included in the Safe Network Programme, only requires the completion of an application form to obtain funding approval for design and implementation. This streamlined process was enabled because the business case for the Safe Network Programme contained a robust analysis of the costs and benefits relating to these standard interventions. It also identified sufficient investment safeguards relating to the approval of each standard intervention. The Safe Network Programme uses a triaging process to ensure a SSI is the right solution, before funding is approved.

The Transport Agency is looking at further activities where a streamlined approach can apply to standard interventions. Criteria have been developed to identify the type of activities that are standard interventions, which could enable a streamlined business case process.

A streamlined business case process reduces the time spent from development through to funding approval, while still providing sufficient evidence to support the investment decision.

STANDARD INTERVENTIONS

A standard intervention is defined as:

“a simple solution that addresses a particular problem and is well understood, the solution has been used in the past, and is expected to be used to address the problem in the future”

Based on the definition above, the following guidance is provided about aspects of the definition:

1. Simple solution
2. Costs and benefits are understood
3. History of implementation

Simple Solution

Standard interventions need to be simple, i.e. they have low design risk and are likely to be repeatable in other locations. Standard interventions are not suited to more complex problems or projects, as there may be a range of options to consider how to address the problem and consider system impacts. For such problems it is appropriate to use the standard BCA to select the right solution.

Costs and Benefits are Understood

The following elements are understood for a standard intervention:

- **Benefits** – The types and quantum of benefits are understood and have been quantified and monetised previously. Identified benefits will need to be common each time the intervention is to be implemented.

- **Cost range** – A well-defined cost range is understood for the design, construction, maintenance and operation of the solution. The solution will need to provide an acceptable return on investment based on the expected achievable benefits across the cost range.

The existence of benefits and costs information enables a cost-benefit profile to be developed for a programme of standard interventions. By using a standard intervention, instead of developing a full business case, economic analysis is standardised thus saving time and money.

Streamlining the process for a package or programme of standard interventions

A streamlined business case process reduces the time spent on the business case through to funding approval, while still providing sufficient evidence to support the investment decision.

Once standard interventions are identified, a base of supporting information can be collected. This enables the Transport Agency to advise how a streamlined business case process can apply to a package or programme of standard interventions.

Detailed criteria will need to be developed for the package or programme of standard interventions to determine the information required to support the release of funds for the design and implementation of standard interventions.

Pre-requisites will also need to be set to make it clear to the Transport Agency and AOs when a standard intervention can be used.

The rules and assurance arrangements relating to standard safety interventions set out in Appendix 1 are a useful reference to the type of criteria that may need to be developed.

The Transport Agency has developed guidance on business case programmes and packages. Refer to the technical paper 'Programmes and Packages' for more information.

APPENDIX 1: STANDARD SAFETY INTERVENTIONS

The [Safe Network Programme](#) is a collaborative initiative that aims to save up to 160 deaths and serious injuries every year across New Zealand's highest risk state highways and local roads. The programme was developed to address the recent negative trends in safety performance across the transport networks. Currently at least seven people die and around 54 people are seriously injured every week on the land transport system, at a social cost to New Zealand of \$84 million per week, nearly \$4.7 billion a year.

Standard Safety Interventions (SSIs) were developed to provide a streamlined investment pathway for activities between the low-cost low-risk threshold and the upper limit of \$50 million.

More details of the SSIs can be found in the SSI toolkit.

How are Standard Safety Interventions streamlined?

SSIs utilise a consistent approach to valuing the benefit of reducing deaths and serious injuries. The cost range used is enough to cover any associated improvements that would need to be completed, for the standard intervention to be implemented. The pre-requisite used for these interventions is traffic volume.

The consistency in costs and benefits between activities allowed them to be modelled and standardised, meaning these activities only require a completed 'Standard Safety Intervention Form' to access funding.

Standard Safety Intervention Rules

The following rules are applied to the application of SSIs:

- Activity must have been identified in the Safe Network Programme. Identified activities are triaged to assess their risk and complexity and uncertainty.
- Activity must meet acceptable SSI solution cost, minimum thresholds and other criteria.
- If the project needs to be considered as a part of the wider network, then the project cannot be advanced as a SSI.
- Activity must have a cost between the low-cost low-risk threshold and an upper limit of \$50 million.

Controls, Monitoring and Assurance

The following controls, monitoring and assurance processes are operating within the Transport Agency:

- **Control** – Projects go through National Land Transport Programme (NLTP) moderation
- **Control** – Safe Network Programme is reviewed and approved
- **Control** – The Transport Agency Board approves the NLTP
- **Control** - Identified interventions are triaged to assess the risk, complexity and uncertainty of the project
- **Control** – Investment quality assurance completed by Design Practice Solutions or Partnership Investments
- **Monitoring** – Relevant output class and target state measures are reported on quarterly
- **Assurance** – Risk & Assurance perform Technical and Process based audits to test investment decisions and benefit realisation of SSIs.