

LOW COST LOW RISK PROGRAMME DEVELOPMENT FOR THE 2021-24 NLTP

Detailed guidance

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PURPOSE

To outline the minimum information requirements for Low Cost Low Risk (LCLR) activities and to outline the process for completing and uploading your LCLR request for funding and the one-year forward programme into Transport Investment Online (TIO).

BACKGROUND

Waka Kotahi NZ Transport Agency develops the National Land Transport Programme (NLTP) by applying a staged process for both Continuous Programmes (Road Maintenance, Public Transport Services and LCLR) and Improvement Activities.

The NLTP process works in parallel to the development of Regional Land Transport Plans (RLTPs) which need to be completed to support development of the NLTP. Each Regional Transport Committee sets its own dates and information requirements for developing their RLTP. The Waka Kotahi's TIO system is the repository for capturing and managing all applicants' bids to the RLTP and the NLTP. The information requirements for the NLTP must also account for the needs of those preparing RLTPs.

The NLTP assessment and funding approval process for Low Cost Low Risk programmes is different to that for the other continuous programmes, individual activities or programmes and packages of activities. This paper sets out the information requirements for LCLR programmes. The information for other continuous programmes, individual activities or programmes and packages of activities will be set out separately.

MINIMUM INFORMATION REQUIREMENTS FOR INCLUSION

Waka Kotahi expect Activity Management Plans (AMP), or the equivalent for public transport activities, to provide the overall business case for an applicant's LCLR programme. This includes setting out its approach to addressing gaps in the existing customer level of service and optimising the programme. LCLR activities may also arise from other programme business cases, such as the Safer Network Programme. Activity level business cases are only required for investments with a total cost exceeding \$2M in the 2021-24 NLTP period.

In addition, for an applicant to obtain three-year funding approval for their LCLR programme, the following templates are required to be submitted to Waka Kotahi:

- Completed and approved bid template to obtain a three year funding allocation. Funding allocations will be based on the investment priority order. The draft LCLR detailed activity list template will be used to support the bid. The bid template requires:
 - Proposed three-year funding request against each activity class
 - Alignment to the GPS
 - Investment priority profile
- The Waka Kotahi Investment Advisor will complete the following sections of the bid template:
 - Recommended budget this NLTP cycle
 - Comments field
- Draft LCLR detailed activity list template that supports the AOs bid for a three year funding allocation

The applicant's LCLR funding can only be accessed when:

- The LCLR detailed activity list template is updated, which requires a supported list of activities with the following mandatory information:
 - Activity name
 - Activity description
 - Programme reference
 - Primary benefit
 - Activity class
 - Work category
 - Alignment to GPS
 - Assessment of GPS alignment
 - Financial assistance rate
 - Budget this NLTP period
 - Expenditure previous NLTP periods – This will be Zero for new activities. Will need to be updated when the current NLTP period is completed
 - Budget future NLTP – This will be Zero if the activity is completed during the NLTP period
 - Project status

The "Project Status" field is updated by Waka Kotahi based on the activity's funding status.

- The following fields are system generated, but is required information within TIO:
 - Activity reference - Automatically populated by the system when the spreadsheet is uploaded into TIO
 - Current NLTP total costs - System generated based on financial information entered.
 - Total Activity Costs – System generated based on financial information entered.
 - Locational information - Geospatial reference for the activity to be selected by using MapHub tool once the spreadsheet is uploaded.
- The following fields are optional and can be entered into TIO if you wish:

- AO Identifier
 - Location description
 - Comment field
- The summary benefits and measures fields are required and should be entered into TIO after the LCLR detailed activity list is updated.
- The detailed activity list template has been reviewed and is supported by the applicant's Investment Advisor.

PROGRAMME BUSINESS CASE (PARENT)

The LCLR programme stems from a parent Programme Business Case, which is either the Activity Management Plan (City, District & Unitary Councils), Public Transport Activity Management plan (informed by Regional Public Transport Plan (RPTP) and LTP) (Regional Councils) or the State Highway Activity Management Plan.

Several steps need to occur before an applicant can enter its LCLR programme into TIO, these include:

1. Add a LCLR programme activity, which will link to their parent AMP activity in TIO. For applicants with a national transport system, such as Department of Conservation and Waka Kotahi, these applicants will need to create a LCLR programme in each region.
2. TIO system automatically populates the relevant LCLR activity fields, especially those attributes carried across from the parent and provides a link to the parent document.
3. The Applicant enters other activity information required on the LCLR Programme outline page.
4. Benefits and measures information, while informed by the parent Programme Business Case, should not be entered into TIO until after the detailed activity list is updated, which they should summarise.
5. Waka Kotahi assesses the business case (AMP or RPTP) and captures decisions or any conditions within TIO.

The allocation of LCLR funding occurs in two concurrent processes*:

- **Process One** is the request for funding, which is a three year funding request based on funding blocks within an activity class by GPS results alignment which informs the investment priority order.
- **Process Two** is the Low Cost Low Risk Programme Review which requires the applicant to update the LCLR Programme Activity Spreadsheet by itemising the applicant's LCLR programme against each activity class for the three year NLTP period.

**Process One & Two are only concurrent during the NLTP development period.*

Process One is required to establish three year block funding for LCLR.

Process Two is an quarterly/annual process to confirm the one year forward programme and to release LCLR funding for the Applicant.

PROCESS ONE - REQUEST FOR FUNDING

General rules

- Funding for the LCLR programme is allocated against activity classes.
- The LCLR programme can include allocations to several activity classes.
- Transfer of funding between approved allocations within the LCLR programme over the course of the three year programme to respond to changing programme detail will require a funding review request.
- Funding will be approved with a condition precedent that it will not be released until the applicant has submitted a list of qualifying activities that has been reviewed and approved by the System Management Investment Advisors for applicants or by the delegated authority within Transport Services for the Waka Kotahi.

Process steps

*Steps 1-5 of **Process Two** – Low Cost Low Risk Programme Review– should have been completed in draft. This information is sorted and collated by activity class, GPS strategic priority and GPS alignment rating. The LCLR activities are summarised on the Pivot table worksheet, outlined in process 2 step 3, which will inform funding requirements to help complete the Bid worksheet under **Process One** – Request for Funding.*

1. The applicant downloads the LCLR workbook from TIO on the LCLR outline page for its organisation and opens the Bid worksheet.
2. The applicant populates the worksheet with its proposed three-year funding request against each activity class, broken down by both GPS strategic priority and the GPS alignment rating (e.g. low, medium, high or very high) to show three-year blocks of funding at each rating level selected.
Note: The pivot table from process 2 step 3 can be used to populate the bid worksheet.
3. The LCLR workbook is saved and a link provided in the required field in the TIO template.
4. TIO validates the saved workbook and populates the relevant tables and cells within the LCLR template.
5. The applicant can download the previously saved workbook to progressively refine its application during the development process - each updated workbook saved back into the system will be validated by the system and the relevant information used to update the fields in the TIO LCLR programme template.
6. During final submission of an applicant's LCLR bid, the bid request component of the LCLR TIO template will be locked to prevent the applicant from making any further adjustments to their LCLR bid.
7. The benefits and measures module in TIO should be completed when development is near completion and be informed by a summary of the benefits identified in the activity table and the benefits and measures from the parent Programme Business Case.
8. The completed LCLR workbook containing the LCLR bid and activity list worksheets are used to assess and prioritise funding within each activity class for the three year NLTP period.
9. LCLR funding for all applicants is allocated in TIO against the LCLR programme by activity class and its GPS Priority Rating.

PROCESS TWO - LOW COST LOW RISK PROGRAMME REVIEW

General rules

- For effective project management the total cost of activities within the LCLR Activity list worksheet assigned to an activity class can exceed the approved allocation against that activity class, however, LCLR claimed expenditure cannot exceed approved funding for the activity class.
- Activities within the LCLR programme can change as long as the applicant's claimed expenditure remains within the funding allocated against the activity class, however this is subject to the activities meeting the minimum Investment Priority Order threshold for its approved funding allocation (for LCLR this is based on the activity's GPS Priority Rating).
- If the applicant's LCLR programme changes and funding between activity classes needs to shift, the change will need to be approved be through the funding review process.
- For an applicant to draw down its approved funding it needs to have completed its Low Cost Low Risk Programme review. The applicant is responsible for updating the spreadsheet at least annually to continue to access their allocated funding throughout the NLTP period.
- The LCLR programme activity list worksheet is reviewed and approved by the System Management Investment Advisors for each applicant or by the Delegated Authority within Transport Services for the Waka Kotahi (at least annually).
- Where there are significant changes during the course of a financial year it would be wise to share these and seek support from the System Management Investment Advisor before incurring expenditure on these new activities.
- All changes in allocation are managed through the LCLR programme review process.

Process steps

1. The Applicant downloads the LCLR workbook and opens the Activity list worksheet.
2. The Applicant populates the LCLR Activity list worksheet.
3. The applicant refreshes the Pivot table to obtain an updated summary of proposed expenditure by activity class grouped by GPS Strategic Priority and GPS alignment rating to inform the LCLR Bid worksheet.
4. The Applicant saves the LCLR workbook which uploads it directly into TIO.
5. TIO validates and then populates the relevant tables and cells within the LCLR section.
6. The applicant can progressively populate or update its LCLR Activity list worksheet by downloading the previously uploaded version, carrying out changes and uploading the new version, with TIO then updating the relevant tables and cells within the TIO templates.

The Steps below occur only after Process One is complete and the Applicant has been allocated LCLR block funding.

7. When the applicant obtains its 3-year funding allocation from Process One, the applicant downloads and updates the LCLR Activity list worksheet to finalise their one year forward programme to access their annual LCLR funding.
8. The Applicant will need to open the location module within the TIO to assign a Geospatial location for each activity. This location information is automatically captured and held in TIO against the project line item from the LCLR Activity list. The LCLR Activity list will show this requirement as having been completed.
If location information is not supplied, then the activity cannot be supported by Waka Kotahi.
9. Waka Kotahi reviews the LCLR activity list worksheet and updates the 'NZTA Status' field for each activity. The field captures Waka Kotahi's funding decision. Once reviewed, funds can be claimed by the Applicant.

10. The Applicant can redownload the LCLR Programme Activity Spreadsheet at any time. If activities are added or changed the spreadsheet will need to be reviewed.