THE STRATEGIC APPROACH TO INVESTMENT

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UPDATE

ONRC
Some issues with RAMM
Moderation - minor issues being worked through

➤ Next Steps:
  - Finalise moderation December 2014
  - National moderation February 2015
  - Guidance for performance measures December 2014

AMPs
Coming in
Background

Road Maintenance Task Force established in 2011 to identify opportunities to increase the effectiveness of road maintenance.

General areas for improvement:

• Adapting the business models used to deliver maintenance, renewals and operations
• Improved procurement practices, also in support of new business models
• Improved prioritisation and optimisation through level of service differentiation
• Consistent introduction of enhanced asset management practices.
Other teams change.....

We have a responsibility to all New Zealanders, now and in the future
### Reminder - Timeframes

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsible Party</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>Test provisional performance measures for the customer levels of service</td>
<td>REG</td>
<td>September - December 2014</td>
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<tr>
<td>Update and submit AMPs</td>
<td>RCAs</td>
<td>September - October 2014</td>
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<tr>
<td>Assess and review AMPs</td>
<td>Transport Agency</td>
<td>September - November 2014</td>
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<td>Undertake regional moderation of ONRC</td>
<td>Councils and Transport Agency</td>
<td>November 2014</td>
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<td>Consider current newwork monitoring against ONRC CLoS and performance measures</td>
<td>Councils</td>
<td>December 2014</td>
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<tr>
<td>Negotiate and assess draft local transport plans</td>
<td>Transport Agency</td>
<td>September - December 2014</td>
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<td>NLTP final assessment and allocations</td>
<td>Transport Agency</td>
<td>December - March 2015</td>
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<tr>
<td>Develop transition plans</td>
<td>RCAs</td>
<td>September - March 2015</td>
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<tr>
<td>Implement ONRC CLoS and performance measurement frameworks</td>
<td>RCAs</td>
<td>2015-18</td>
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Framework for assessment

• Does the AMP link the proposed investment to GPS priorities:
  • Economic growth and productivity;
  • Safety
  • Value for money
• Does the AMP reflect the requirements of the business case approach
  • Strategic case
  • Programme business case
• Is the road programme likely to be sustainable?
• Has adequate attention been given to VFM (Is the cost reasonable?)
• Are there notable risks attached to the programme?
Transition plans

Current State
(1) What stage have you reached in
• applying the business case approach as per the guidance in PIKB
• implementing ONRC

Future State
(2) On the basis of what is identified above, identify what your are going to do in order to fully implement BCA and ONRC for the next NLTP (2018-21)
• Steps
• Timeframes
• Financial implications

GUIDANCE FROM EQUIP
Assessing Activity Management Plans
Four areas of interest:

- Implement the business case approach
- Implement the ONRC
- Sustain the network
- Ensure costs are reasonable
Current state - some observations

• Lack of outcome focus – very few AMPs refer to service outcomes.
• Focus on asset management rather activity management
• Poor investment logic - list proposed projects but not the rationale for investing in them.
• Renewal – a wide variation in the rate of renewal investment.
• Cost – wide variation in cost
• Data – much of the data used to manage assets is inaccurate.
Several publications to be read together:

• **Integrated Transport Plan** - thorough investigation of the emerging state and scenarios up to 30 years out.

• **Asset Management Plan 2015** – high level overview of management issues such as service challenges, asset condition, risks, important partnerships

• **Asset Class Management Plans (ACMP)** for all asset classes

• **Safety Works Programme** – a separate programme to address safety issues
SHAMP

Separate publications for

• **High level overview** (the SHAMP)

• **Life Cycle Asset management Plans** – pavements, drainage, etc

Best bit

• The Challenges Ahead (Section 3)
  • Travel demand pressures
  • Safety
  • Resilience
  • Urban congestion
  • HPMV
  • Environmental and community impacts
Central Otago

Comprehensive:

• Service levels and performance
• Demand and growth
• Assumptions and risks
• Assets
• Costs and funding
Trends:
Developing the SHAMP

Dave Gennard
What is the SHAMP and why is it needed?

RELATIONSHIP BETWEEN THE SHAMP AND OTHER TRANSPORT PLANNING DOCUMENTS

- Government long-term outcomes and direction
- Transport sector outcomes
- Government Policy Statement on Land
- Transport and Safer Journeys

NZ Transport Agency SOI goals and objectives

Transport Agency Investment Policy

AO priorities & service targets

Draft SHAMP
Priorities & service targets
- Priorities
- Service targets
- Draft programme

Regional Land Transport Plan

Final SHAMP
Priorities & service targets
- Priorities
- Service targets
- Final programme

National Land Transport Programme
SHAMP development Process PIKB

Planning Improvement Cycle

[Work Category 151] Update evidence base i.e. activity progress, expenditure levels, network condition, land use, population, trends, RAMM etc.

Network monitoring

[Work Category 04] Problem or opportunity identification separate from the AMP (Programme BC)

[Work Category 004] Planning to Project Delivery Process
The Business Case Approach to activity development (Indicative and Detailed Business Cases)
Used to develop small and large activities

Implement activities

Activity Management Continuous Improvement Cycle Overview

Activity Management Plan/Regional Public Transport Plan

Does the AMP need reviewed?

Reconfirm set of assumptions and evidence base (strategic context)

Undertake a problem, opportunity and consequence assessment for the network (strategic assessment)

Confirm the outcomes and benefits, and measurement of these

Complete network level alternatives and options analysis, including identification of preferred options

Seek NZTA support of AMP Strategic Direction and key priorities (Programme Business Case)

[Work Category 002] Transport models development as an input to transport planning and activity evaluation
Change in approach

- Emphasis moved away from profiling & prioritising projects (bottom up)
- Nationally Planned approach to:
  - Agree key problems & benefits
  - Align investment to strategic direction
  - Target investment to our most strategic corridors & journeys
  - Align our levels of investment in maintenance to road classification
Benefits to be realised
SHAMP Assessment
In progress

Assessment 1
Activity Management Assessment by P and I
Treated as any other AO
Awaiting outcome

Develop a transition Plan if needed

Assessment 2
Independent Lessons Learnt Assessment
Thank You

Developing the Central Otago District Council AMP

Julie Muir

Central Otago District Council

Roading Asset Management Plan
Activity Management Process

Section 2 - Service & Performance Management
Section 3 - Demand Management
Section 4 - Risk
Section 5 - Asset Information
Section 6 - Managing Our Assets
Section 7 - Financial Information
Section 8 - Improvement Plan