

NLTP FINAL ASSESSMENT, MODERATION AND PRIORITISATION APPROACH (FOR INTERNAL USE)

17 MAY 2021

FINAL

PURPOSE OF THIS DOCUMENT

To provide clarity on the key timeframes and supporting actions required for completing the final moderation and prioritisation of Improvement activities for Approved Organisations and Waka Kotahi.

OBJECTIVE

The final moderation of improvement activities is scheduled for the week of the 14 June 2021. The supporting information from the final moderation and subsequent steps allows for the most informed advice to be given to the Waka Kotahi Board when setting the investment thresholds and confirming activities for NLTP inclusion by Activity Class. This process outlined is to ensure a robust and successful moderation process is achieved.

The overall objective will ensure:

for improvements >\$2M

- confidence the Investment Prioritisation Method (IPM) has been applied consistently
- confirm the IPM rating is one that is trusted – with an outcome that is fair, valid, and reliable
- daylight any risks to the programme, including assessment, eligibility, and deliverability risks
- support the key narrative of outcomes

for Low Cost Low Risk activities <\$2M

- To gain confidence in the assessment process to ensure each programme has been reviewed equally and reliably.

TIME FRAMES

Step	Due date	Responsibility
1. TIO open for submissions	10 May 2021	NLTP Development Team
2. Final submissions – Improvements	21 May 2021	AO's/Waka Kotahi project managers
3. Final submission - LCLR	21 May 2021	AO's/Waka Kotahi project managers
4. NZTA Assessments completed – Improvements	4 June 2021	Investment Advisors*
5. NZTA Assessments completed – LCLR	4 June 2021	Investment Advisors*
6. Final moderation preparation - ACM Analysis	7-11 June 2021	Activity Class Managers
7. Final moderation workshop	14-16 June 2021	Core Team (Appendix A)
8. Post workshop Analysis	23 June 2021	Activity Class Managers

9.	Final wrap up workshop – scenario testing	23 June 2021	Core Team (Appendix A)
10.	Activity Class Recommendations	30 June 2021	Activity Class Managers

* Investment Advisors includes Local Partnership Investments, Business Case Team - Programme and Standards, and System Management

MODERATION PRINCIPLES

The following principles guide our approach to final moderation.

- We are a team,
- We are focused on achieving the objectives of final moderation,
- We all have clear roles and we deliver on those roles,
- We take a step by step approach to moderation,
- We come prepared for final moderation workshops – we set clear expectations on what inputs are needed and from whom,
- We keep workshops focused – The right people, the right conversations,

The principles were developed from lessons learnt from the final moderation of the continuous programmes and the initial moderation of improvement activities:

ROLES AND RESPONSIBILITIES

The roles below are responsible for undertaking the moderation process to achieve the outcome of the final moderation.

Core Team

The core team is formed with representatives of all the key teams involved in the development of the NLTP. The core team will take a “one team” approach to moderation. They are included as experts in their specific function and leaders within Waka Kotahi. This core team is to attend all sessions / or as required (e.g. IAs) and represent a perspective cognisant with their roles.

Role Name	Role Description
Activity class managers	To lead each respective Activity Class by providing insights into activity class submissions, identify key risks, theme’s and observations to help guide the approach to the final moderation workshop.
NLTP development team	To form a view across the entire NLTP including insights into the overall National programme submission. To facilitate and chair moderation meetings and record the outcomes and provide advice on key process requirements. To provide support to the Activity Class Managers by actively raising observations and clarify where further consistency is to be determined. The NLTP development team manage the overall NLTP development process and communicate the outcomes with key internal and external stakeholders.
Investment assurance	To provide assurance to the overall NLTP process – this is achieved by having confidence in the methodology applied to assessments, consistency of the application of the Investment Prioritisation Method and supporting the Activity Class Managers and NLTP Development team by providing guidance to the process.
Local government partnerships	The core team representative will support the process by actively raising observations and clarify where further consistency is to be determined.

	To provide project insight to the application of the Investment Prioritisation against each activity – this may have been obtained through the Local government partnership team feedback through the assessment period. While it is not expected that the representative can discuss each project - the relevant Investment Advisors may be called in to provide further certainty (this will be hosted through 'Teams'.)
Business case team – programme and standards	To provide project insight to the application of the Investment Prioritisation against each activity – this may have been obtained through the Local government partnership feedback through the assessment period. While it is not expected that the representative can discuss each project - the relevant Investment Advisors may be called in to provide further certainty. The core team representative will support the process by actively raising observations and clarify where further consistency is to be determined.
M&O investment advice	To provide project insight to the methodology applied to the assessment of the LCLR programmes. The core team representative will support the process by actively raising observations and clarify where further consistency is to be determined.

Further attendees from the teams above will attend some sessions or part sessions as required. Further detailed attendees list provided as appendix A.

MODERATIONS STEPS

1. Transport Investment Online Open for submissions

(Latest externally released instructions through NLTP Bulletin – 6 May 2021 -email)

- *The deadline for final submissions of activities and programmes into TIO for the 2021-24 NLTP is 21 May.*
- *The Transport Programme module, which allows you to submit your activities and programmes for RLTP inclusion, will be available from Monday 10 May.*
- *The RLTP Development module will be ready later in May for Regional Transport Committees (RTCs) to include submitted activities into their RLTPs.*
- *We're still working on the Transport Model template and the RLTP Planning Management 2021-24 template. We'll work directly with relevant councils to ensure the small number of projects that use these templates will be included in their RLTPs and the NLTP.*
- *We have entered the majority of activities and phases from the interim spreadsheets into the new templates in TIO. Please contact your investment advisor if you have questions about any of your data in TIO.*
- *This month we're moving any ongoing 2018-21 phases for committed activities into the new activity templates. These activities will initially show current activity class and work category information.*
- *We'll complete this work in time for you to review all your activities and submit these by 21 May.*
- *We have produced guidance on finalising activities and programmes in TIO and submitting these to RTCs.*

2. NZTA Assessments – Improvements

TIO has been updated with new phases of existing activities and new activities, that were originally captured within the AO's submitted excel spreadsheets, now being captured within the system. Investment Advisors should do a sense check of these new phases and activities to ensure they have accurately transferred.

Investment Advisors are to complete a thorough assessment of each AO's programme of improvement activities against the IPM, within their area of responsibility. In so far as is possible, the identification and resolution of any issues arising from the reconciliation of activities with the draft final RLTP should occur in collaboration with the Region's Lead Strategic Planner.

Investment Advisors specifically to review and confirm the following:

- Eligibility of new improvement activities
- Review the Improvement Activities to confirm sufficient information has been submitted for inclusion and that the information is accurate and consistent with the draft final RLTP
- Completion of a Waka Kotahi assessment – GPS result, Scheduling and Efficiency
- Deliverability, certainty & affordability

Additional information that supports investment in an activity that is provided by an AO or their Investment Advisors, should be added as a supporting document in TIO.

Additional fields in TIO

IA's are to ensure completion of the additional fields in TIOA that need to be completed within the system to ensure the activity can be submitted to the RTC for RLTP and NLTP inclusion. This includes additional information such as:

- Public name (if any)
- RLTP Objectives and Priorities
- Benefits and Measures
- Reviewing the project owner assessment and updating your Waka Kotahi assessment
- Updating phase detail pages

Investment Advisor for the activity will need to ensure the AO has provided the required additional information, as well as, completing any additional fields required of them (i.e. NZTA Recommendation for inclusion into the NLTP).

In preparation for the moderation on **Monday 14 June** we are seeking confidence and consideration across the following areas:

- Eligibility of new improvement activities
- Review the Improvement Activities to confirm sufficient information has been submitted for inclusion and that the information is accurate and consistent with the draft final RLTP
- Completion of a Waka Kotahi assessment of submitted improvement activities
- Deliverability, certainty & affordability

Investment Advisors will need to discuss the findings of their reviews during the detailed review of activities, by activity class, during the moderation workshops.

Completed assessments for all AOs (including Waka Kotahi) to be captured within each individual activity within TIO by **Friday 4 June**.

Following engagement with the Local Government Partnerships and Business Case standards it has been agreed that Investment Advisors will work together to develop a regional summary covering key assessment themes, issues and risks must be completed by Investment Advisors and provided to ActivityClassManagers@nzta.govt.nz and NLTP@nzta.govt.nz by **Friday 4 June**. A template and supporting guidance for the completion of the regional summaries will be made available by **Friday 21 May**.

3. NZTA Assessments – LCLR

Investment Advisors are to complete a thorough assessment of AO's LCLR programme against the IPM (focusing on High & Very High GPS Aligned projects), within their area of responsibility. Insofar as is possible the identification and resolution of any issues arising from the reconciliation of activities with the draft final RLTP should occur in collaboration with the Region's Lead Strategic Planner. A cross-regional summary of LCLR programme will also need to be to ACMs which will be presented on during the moderations workshop.

Investment Advisors specifically to review and confirm the following:

- Eligibility of activities included within the LCLR programme
- Alignment of LCLR programmes to AMP/ PT Equivalent/ Walking and Cycling Network Plans, and/or business cases
- Understanding programme certainty, deliverability & affordability
- Confirmation of the NZTA assessment of GPS alignment for the component parts of the LCLR programme
- Confirmation of how the LCLR programme will deliver against activity class objectives

There are significant NLTF funding constraints which will impact on available funding for LCLR programmes for the 2021-24 NLTP. Due to the funding constraints it is likely that only LCLR projects that have a GPS alignment rating of VH or H will receive LCLR programme level funding. Therefore, can IA's please perform a thorough, line by line assessment of activities with VH or H GPS alignment rating.

Investment Advisors need to present the findings of their LCLR reviews during the moderation. The questions outlined in the "Assessment of LCLR activities" need to be completed for each of your LCLR programmes under review in the lead up to the moderation. These will form the basis of the summary of the LCLR programme assessments which will be provided to by ACMs and the NLTP Development Team.

The investment advisor assessments of each LCLR programme need to be attached as a supporting document in TIO, along with any additional information provided by an AO or their Investment Advisors in support of the programme.

Investment Advisors will need to ensure the AO has provided the required information in TIO, as well as, completing any additional fields required of them (i.e. NZTA Recommendation for inclusion into the NLTP).

The following support will be provided through the assessment period.

- Sessions will be set up over this period to provide a forum where issues/queries can be raised this will include ACM's and respective Investment Assurers.
- Regional summary template for LCLR programmes will be provided by the ACMs by 21 May
- Workshop to explain and upskill IA for LCLR assessment will be held in the w/b 17th May

Final LCLR programmes are due to be submitted on 21 May - the final assessment of LCLR programmes needs to be uploaded in to TIO by **Wednesday 2 June**.

You will also need to submit your cross-regional summary of the AOs LCLR programme to ActivityClassManagers@nzta.govt.nz and NLTP@nzta.govt.nz by **Friday 4 June**.

It is expected that IAs will present their regional summary of their LCLR programme assessment at the June final moderation session. A template will be provided by the ACMs by Friday 21st May.

4. Pre-final moderation preparation and analysis

Once the final assessments have been completed the ACMs will analyse the assessments for their activity classes and the regional summary templates provided by each Investment Advisor. It will not be possible to review the assessment of every project. ACMs will use the general overview of each regional programme identify activities with issues or risk and will focus on projects that are most likely to be funded or are on the perimeter of potentially receiving funding.

Prior to the moderation workshops each Activity Class Manager will circulate list of projects that appear to be outliers (e.g. have a high or low assessment rating for an IPM element as compared to similar activities) which need further investigation or explanation or appear inconsistent across regions. Investment Advisors are expected to respond back to the respective ACM and confirm if the rating will be changed before the moderation workshops commence.

Any outliers that remain unresolved prior to final moderation will be specifically discussed in the final moderation sessions. Results from the ACM analysis of their activity classes will be presented at the start of the final moderations sessions.

5. Final moderation workshop

The final moderation workshop is the process by which the core moderation team evaluates the assessment practices and decisions, and acts on the findings to ensure consistency and fairness. It is also the system that ensures the 2021/24 NLTP bids are complete. An objective is to guide Investment Advisors through a consistent moderation approach.

It is planned to moderate low cost low risk projects first, followed by the investment projects in Activity Class order. The final agenda will confirm the sequencing.

The moderation workshops will be run over three days. A detailed agenda with timings will be circulated to attendees prior to the meetings but a high-level overview is:

Day 1 - 14 June 2021

- Opening remarks, confirmation of process and any key themes from initial moderation
- Regional reflections – consideration methodology, AMP alignment, deliverability, eligibility
- Moderation of Low Cost Low Risk by activity class
 - State Highways
 - Local Roads
 - Walking and Cycling
 - Road to Zero
 - Public Transport
- Wrap up session
 - Key themes/observations
 - Observers feedback of moderation process
 - Confirmation of any action items and agreed changes to any bid

Days 2 & 3 - 15/16 June 2021

- Opening remarks, confirmation of process and any key themes from initial moderation
- Moderation of Investment Activities
 - Public Transport
 - Rail
 - Walking and Cycling
 - Road to Zero
 - Local Road Improvements
 - State Highway Improvements
 - Investment Management
- Wrap up session (at the end of each day)
 - Key themes/observations
 - Observers feedback of moderation process
 - Confirmation of any action items and agreed changes to any bid
- Day 3 - Wrap up session to include a review of how Government Commitments (ATAP, LGWM) and Regional distribution may sit (should time allow). Concluding any activity class moderation from day 2.

Each workshop will be chaired by a person who will preside over the meeting, and there will also be an assigned notetaker to record any follow up actions and decisions made.

The Activity Class Managers will lead the discussion for their respective areas. They will present a summary table of the overall bids received and the confidence they have in the assessments and identify any issues that may stand out. They will have circulated beforehand a list of any issues or questions they may have to the Investment Advisors.

Investment advisors will be invited to specific slots within the meeting and should be prepared to discuss details of any projects that have been identified for discussion, in particular how the IPM assessments for those projects were determined. Specific projects will be identified prior to the workshop as this is by exception rather than analysing every project or regional programme.

Due to room and time constraints, it is recommended that the Team Leader Local Government Partnerships will form part of the core team with Investment Advisors on stand-by to call in if needed. A representative from the Business Case Project Management Standards will also be present across all three days with team members phoning in if required.

Consistent with previous moderation workshops there will be external observers from MOT and an AO representative who will provide constructive feedback on the workshops and advise of any matters that we should address and report back on.

As soon as practical after the moderation workshops a summary of the results should be circulated including a list of the resulting actions, and who is responsible for completing any identified task.

6. Post workshop Analysis

Following the final moderation workshop any resulting modifications will be incorporated into the assessments by the COB Tuesday 22nd of June. This will allow Activity Class Managers to review activities, scenarios and risks to each programme. This preparation work will support the discussions in the final workshop on Thursday 24th of June.

7. Final wrap up workshop – scenario testing

The post final moderation workshop will be held on the 24th June 2021 where the following will be further discussed:

- Final order of activities by activity class, region and profile
- Impacts of discretionary funding availability and the risk associated to this
- Regional distribution within and across Activity Classes
- Affordability of Government Commitments - ATAP, LGWM, R20, New Zealand Rail Plan
- Implication of different programming levels and scenarios

8. Activity Class Recommendation

Following the final wrap up workshop the ACMs will write-up their final recommendations for their activity classes including finalising the prioritised list of activities, recommendations on which activities should be included within the NLTP and key risks around activities that are not included. This advice is due to be provided to the NLTP development team by **30th June**.

APPENDIX B ASSESSMENT OF LCLR ACTIVITIES

Question	Link to Moderation	Work Completed
Eligibility		
Are projects within the LCLR programme under \$2m total implementation cost for their delivery?	Projects above \$2M total implementation cost will be excluded and will not be moderated as part of the LCLR programme.	<i>This is a cursory check of the value entered into the spreadsheet only. If "NO" then consider whether the activity should be included as a larger improvement within the appropriate activity class. Note: The project line could be above \$2m if it comprises a programme of similar activities all individually less than \$2m – for example a programme of bus stop improvements on priority bus routes.</i>
Is there anything to suggest projects within the programme may not be able to be funded using the NLTF?	Projects that will not be funded from the NLTF will be excluded and will not be moderated as part of the LCLR programme.	<i>This is a basic sense check of the project description and primary benefit and that it is able to be funded in accordance with the LTMA (e.g. section 20)</i>
Is there anything to suggest projects within the programme should be funded through a continuous programme?	Projects that should be funded from a continuous programme (for example, end of life like for like bridge replacements) will be excluded and will not be moderated as part of the LCLR programme.	<i>This is a cursory check if projects within the programme should be included as part of a continuous programme within the appropriate activity class. For example, bridge or Public Transport renewals.</i>
Is the project discrete (i.e. is there evidence to suggest that it's part of a larger project that has been split-up for the purpose of accessing LCLR funds)?	These projects should be combined and if above \$2M total implementation cost will be excluded and will not be moderated as part of the LCLR programme.	<i>The investment advisor should rely on their professional judgement and knowledge of the AO including business cases/ strategies etc that have previously been developed</i>
Alignment with the AMP/ PT Equivalent or Business case		
Is the LCLR programme responding to a problem identified in the AMP, PT Equiv. or a business case?	If the LCLR programme is not effectively responding to a problem identified in the AMP, PT Equiv. or a business case then the programme is not a critical component of these business cases and could be assigned a lower 'Scheduling' rating. Changes to default profiles will impact on the AO's LCLR programme and its priority order which will be considered during moderation.	<i>It is expected that the Investment Advisor will be familiar with these documents already, if the LCLR spreadsheet identifies a business case the Investment Advisor is unfamiliar with – they should review the business case in InfoHub or request a copy from the AO. There should be a line of sight between the LCLR activity and the problems identified in the AMP or PT equivalent etc.</i>

Are LCLR activities delivering benefits identified in the AMP, PT Equiv. or a business case?	If the LCLR programme is not appropriately supported and has not applied the intervention hierarchy then it should be considered whether: <ul style="list-style-type: none"> the correct programme of activities has been put forward that can be supported by Waka Kotahi. the programme should be assigned a lower 'Efficiency' rating. 	<i>This is a cursory check of the intervention and that it contributes to achieving the stated primary benefit – this will help inform the overall assessment of the LCLR programme</i>
Is there fit-for-purpose analysis to support the identified LCLR intervention(s) in any of the above docs?	Changes to default profiles will impact on the AO's LCLR programme and its priority order which will be considered during moderation.	<i>The investment advisor should be looking at the source documents – it may be analysis has only been high level, Investment Advisors should rely on their professional judgement and their knowledge of the AO to answer this question. Has there been a consideration of value-for-money e.g. most economical option chosen?</i>
Has the Approved Organisation considered the intervention hierarchy?		<i>The investment advisor should rely on their professional judgement and knowledge of the AO including business cases/ strategies etc that have previously been developed</i>
Programme Certainty/ Deliverability/ Affordability		
Is there any reason to conclude that the project is unlikely to be delivered in the NLTP period?	If the activity is unlikely to be delivered during the NLTP period consider the impact on the AO's bid, whether the project should be risk adjusted or whether the activity is fundable under the 2021-24 NLTP period.	<i>Investment Advisors should rely on their professional judgement and knowledge of the AO, experience with similar projects.</i>
Is there any reason or evidence to suggest the project may not be low risk?	Investment Advisors and AOs should consider whether the activity is suited to another investment pathway (i.e. SSBC Lite). This will increase deliver time and total cost through to implementation and should only be considered where there is evidence that the project is high risk/complexity. This will need to be confirmed through a completed point of entry.	<i>Investment Advisors should rely on their professional judgement and local knowledge, Council databases including RMA planning documents may be useful.</i>
Is there any evidence to suggest project costs could exceed the \$2m investment threshold?	Project that are cost to the LCLR threshold and where exceeding the threshold is possible should be excluded from the programme and treated as an improvement activity over \$2M.	<i>Investment Advisors should rely on their professional judgement and knowledge of Council projects/ previous performance. Consider whether the activity should be included as a larger improvement within the appropriate activity class.</i>
Is the LCLR programme affordable?	If the LCLR programme is not appropriately supported and has not applied the intervention hierarchy then it should be considered whether: <ul style="list-style-type: none"> the correct programme of activities has been put 	<i>Investment Advisors compare the AO's bid request to their 10-year forecast to ensure sufficient funding is available to support their LCLR programme.</i>

<p>Does the programme represent value for money (locally and from the NLTF)?</p>	<p>forward that can be supported by Waka Kotahi.</p> <ul style="list-style-type: none"> the programme should be assigned a lower 'Efficiency' rating. the programme should be assigned a lower 'Scheduling' rating. <p>Changes to default profiles will impact on the AO's LCLR programme and its priority order which will be considered during moderation.</p>	<p><i>Investment Advisors should rely on their professional judgement and local knowledge.</i></p>
<p>GPS Alignment</p>		
<p>Are you satisfied that the proposed LCLR activity will contribute towards meeting the identified GPS strategic priority?</p>	<p>The AO's bid has been broken down by activity class and GPS strategic priority. It should be considered how changes to LCLR project's and their GPS alignment ratings flow through to the AO's LCLR programme bid.</p>	<p><i>This is a cursory check of the intervention and that it contributes to achieving the stated GPS strategic priority – this will help inform the overall assessment of the LCLR programme</i></p>
<p>Do you agree with the AO's self-assessment of the GPS alignment by activity class?</p>	<p>Changes to the GPS alignment rating for an AO's LCLR bid will impact on its priority order which will be considered during moderation.</p>	<p><i>Investment Advisors should be familiar with the IPM.</i></p> <p><i>There are significant NLTF funding constraints which will impact on available funding for LCLR programmes for the 2021-24 NLTP. Due to the funding constraints it is likely that only LCLR projects that have a GPS alignment rating of VH or H will receive LCLR programme level funding. Therefore, can you please perform a thorough, line by line assessment of activities with VH or H GPS alignment rating.</i></p> <p><i>Many AOs appear to have migrated improvement projects to LCLR to take advantage of the new threshold. Many of these would have been subject to a business case e.g. Walking and Cycling. We would expect that you rank these individual projects as Very High where they are parts of a programme that represent significant value, ahead of isolated LCLR pieces of work which do not form part of a larger plan or network.</i></p> <p><i>If, after your assessment, there are still significant number of projects assessed as high or very high it may pay to check with the AO how they would like to rank these in the case where further granularity in the ratings can usefully help in allocation.</i></p> <p><i>Note: please still do a cursive review of projects rated VL to M to ensure they have not been rated to low by the AOS.</i></p>

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Activity Classes		
Provide an overview of the LCLR programme across the activity classes	Activity Class Managers will use the information to inform their view of demand within the Activity Class.	<i>Provide your understanding of the programme and how it achieves activity class objectives</i>
Have LCLR projects been assigned to the correct activity class?	Activities should be correctly classified to ensure they are drawing funding from the correct activity. Reclassification could impact on the on the AOs LCLR allocation dependent on the demand within the each of the Activity Classes.	<i>This is a cursory check of the LCLR programme's projects to ensure they have been assigned to the correct activity class.</i>
General		
Have committed activities been identified in the LCLR programme	Committed activities and their funding requirements need to be identified and funding will be confirmed through the interim funding paper which will be approved by the Board in June. It is important to ensure that committed activities are in the programme and funding cashflows in the spreadsheet. Commitments have a significant impact on funding availability within the activity classes and will influence activity included within the NLTP.	<i>LCLR projects are committed only if the project is included in the 2018-21 LCLR programme and will be under contract by 30 June 2021. The completion of investigation and/or design works does not mean the activity is considered committed. Projects are not delivered in 2018-21 should be re-submitted, and those projects that are uncommitted will be prioritised again in 2021-24 to be reconsidered alongside all other activities</i>
Comment on the completeness and the quality of information included within TIO	Consider whether funding conditions need to be applied if the AO has not completed information requirements within TIO to a high enough standard.	<i>Is programme in TIO ready for submission to the RTC which includes:</i> <ul style="list-style-type: none"> • <i>Ensuring all mandatory fields completed for inclusion into the NLTP</i> • <i>Confirming the information included in TIO accurate and of high quality</i> <i>Ensuring Investment Advisor fields are complete and ready for submission</i>
Comment on the quality of the information captured within the LCLR programme spreadsheet		<i>Is the LCLR programme spreadsheet submitted in TIO completed to the required standard which includes:</i> <ul style="list-style-type: none"> • <i>Ensuring errors from the upload of the spreadsheet have been resolved</i> • <i>Sufficient detail has been included within the activity list, for individual LCLR projects, to ensure a thorough review of the LCLR programme can be undertaken</i> <i>Findings from the Investment Advisor's programme assessment is completed and captured within the bid tab, and for any assessments at LCLR project level, this information captured against the individual activity in the 'Activity List' tab</i>

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982