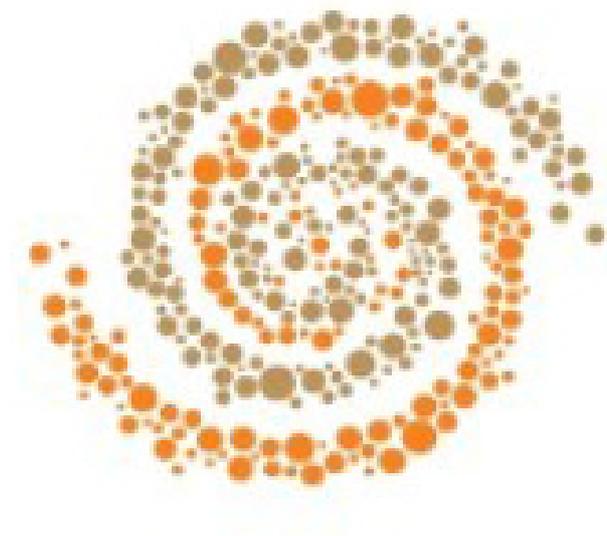


WAIKATO ROAD ASSET TECHNICAL ACCORD



DRAFT 2016-21 BUSINESS PLAN

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1. Executive Summary

Statement of Intent/Vision

The LASS Board, on behalf of all Waikato Local Authorities, agreed in 2015 to the permanent establishment of a Centre of Excellence for road asset management, known as the Waikato Road Asset Technical Accord (RATA). This decision was based on the successes achieved by RATA over the initial project period, and has been supported by a resolution of the Waikato Mayoral Forum.

The agreed vision for RATA is:

By 2020, RATA will evolve from its current focus on data and evidence for asset management, to a local government trusted partner to deliver roading asset management services to the Waikato region.

Purpose of RATA

RATA will enable and facilitate effective, strategic roading investment decision-making for the Waikato region.

Strategic Outcomes

By leading asset management best practice, RATA will deliver across the Waikato Region:

1. Better decision making by enabling consistent best practice data collection through:
 - Data Management – Support for effective collection and use of good quality data
 - Systems and Processes – Develop good practice processes and systems for data collection, analysis and management
2. Lead engagement and increase capability within the sector by:
 - Innovation – Identify opportunities to modify standard approaches and/or develop new approaches that will lead to optimal asset investment and performance
 - RATA participants actively contribute to RATA’s work programmes and share learnings and experience
 - RATA staff are actively involved in national best practice work (e.g. Road Efficiency Group, RIMS, Austroads)
3. We are able to demonstrate asset management effectiveness across the transport sector by:
 - Benchmarking is used to establish areas of good practice

- Forward works programmes are robust, evidence based, and developed based on good practices
 - Asset valuation processes are consistent with good practice.
4. RATA becomes the supplier of choice for asset management support and advice.

Key Resources

The key resources of RATA are:

Manager – RATA Business Unit

Key tasks: Provide strategic leadership; manage Unit staff; liaise with and report to stakeholders including LASS Board; deliver business plan; seek opportunities for RATA to grow the value proposition for collaboration.

Project Manager – RATA Business Unit

Key tasks: Manage data collection contracts; undertake benchmarking; manage dTIMS project; prepare good practice documentation; scope new projects and secure approvals; manage other contracts as required.

Sub Regional Asset/Inter-Council Asset Engineers – RATA Business Unit (Two positions)

Key tasks: RAMM database support; data cleansing; data improvement and auditing; asset capitalisation processes (office based); support forward works programme development (data requirements); run RAMM Treatment Selection Algorithm (TSA); run data queries using Structured Query Language (SQL); oversee traffic count strategy management; support implementation of One Network Road Classification (ONRC); contribute to annual reporting processes; support asset valuation work.

Administration Support – RATA Business Unit

Key tasks: monitor and ensure reporting requirements are met; coordinate arrangements for meetings and Fora; assist with budget management.

It is anticipated that the sub regional asset engineers will provide services to Waipa, South Waikato, Otorohanga, Matamata Piako, Waitomo and Hauraki District Councils. It is currently anticipated that these services will not be required by Hamilton City, or Thames Coromandel and Waikato District Councils, as they have significant investment in in-house asset management staff through contract relationships (either maintenance alliance or network management contract).

Funding

The estimated cost of RATA is expected to be \$627,500 in 2016/17 (excluding data collection contract costs). In subsequent years the estimated cost is similar with only inflation adjustments required. This is proposed to be funded by all participating councils, depending on the services that they receive, as follows:

Local Authority	Annual RATA Participation Sum
Hamilton City	\$51,000
Hauraki	\$79,000
Matamata-Piako	\$79,000
Otorohanga	\$79,000
South Waikato	\$79,000
Thames-Coromandel	\$51,000
Waikato	\$51,000
Waipa	\$79,000
Waitomo	\$79,000

No allowance has been made for participation by either Taupo or Rotorua as they do not currently participate in RATA. However if this situation changes then the cost allocation model would require review.

Savings and Benefits Achieved by RATA

RATA achieved savings of \$180,000 in the first 12 months of its operation (to 30 June 2015). This figure represented savings achieved through joint procurement, training support, and the deferral of physical works. The goal for RATA is to have achieved savings of at least \$250,000 by 30 June 2017. This has been achieved by December 2015 with savings declared of \$348,000 to 31 December 2015.

It is believed that there are further significant savings to be made within the region through better data analysis and decision making processes. In 2014-15 the RATA participants invested over \$18,100,000 in renewal work on sealed roads. Through better asset management practices and understanding of risk, asset lives, and deterioration rates this could be reduced by up to \$1.75M per year. Additionally saving opportunities have been identified in resealing programmes where inappropriate asset lives are being used in depreciation calculations.

However, other non-financial benefits achieved by RATA have been, and will continue to be, equally as significant, and have included support on more effective data use and improved data analysis, collegial support, and sharing of experiences and learning, which has helped to create greater resilience in roading asset management in the Waikato.

Risks

The risks that RATA will need to manage, which are detailed in Section 6.4, are as follows:

- Insufficient Local Authorities commit to participating in RATA to make the initiative viable (e.g. Taupo DC have indicated that they will not participate in RATA, but they will use a regionally consistent specification for data collection to enable regional benchmarking in the future)
- Staff within participating councils do not accept, or implement, the changes recommended by RATA
- Funding requirements are higher than anticipated
- Funding splits are not supported by the Local Authorities or by NZTA
- WRTM project management is affected by the handover from LASS to RATA (this work is currently contracted by LASS to Latitude Planning Services).

Future Opportunities

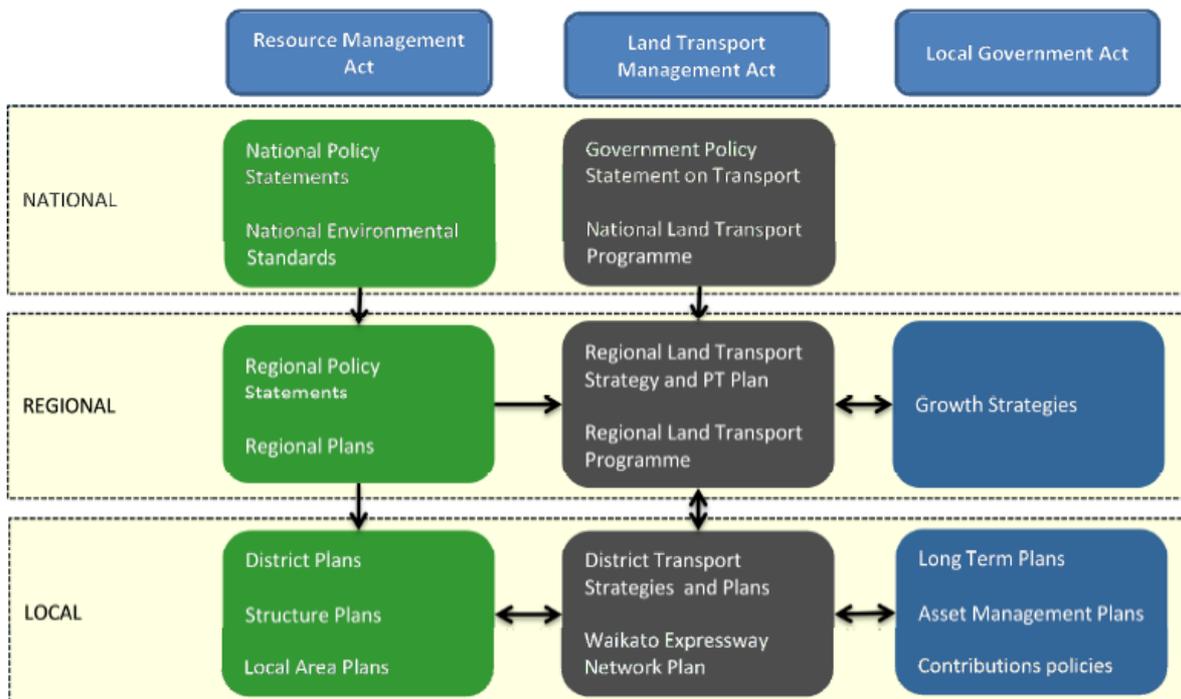
As RATA becomes established permanently, and more knowledge of existing asset management practices within the Waikato becomes known, further opportunities for improvement will become apparent. Initially, the following projects have been identified as future opportunities for RATA:

- Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)
- Develop RAMM processes and protocols for consistent data/inventory management
- Support the development of a Regional Infrastructure Technical Specification (a Mayoral Forum project)
- Develop standard contract document templates for use by participating Councils
- Assess the need for specialist services (e.g. bridge engineer, geotechnical engineer) within the Region to establish the most appropriate, value for money option to provide these services
- Develop investment models that clearly identify the lowest whole of life costs.

2. Background

In 2011, the Waikato Mayoral Forum established four work streams (roading, two-waters, planning and governance) to investigate opportunities for collaboration within the Waikato.

The Roding Work Stream (comprising Mayor John Tregidga, Mayor Alan Sanson, Mayor Brian Hanna, Don McLeod, Chief Executive of Matamata Piako District Council, and Harry Wilson, Regional Director of NZTA) sought to understand and explore potential opportunities for greater collaboration in the roading sector within the Waikato Region. Roding is provided by local authorities (local roads) and the NZ Transport Agency (state highway network), plus opportunities for other modes of transport such as walking and cycling, and includes provision for all modes of transport. The primary legislation that influences planning and investment in the roading sector is outlined in the diagram below.



Business Case

A strategic business case was commissioned by the Roothing Working Group (funded by the Road Efficiency Group’s Clustering and Collaboration promotional work), which identified that there was an opportunity for collaboration between the Waikato Road Controlling Authorities (RCA’s) in the provision of road maintenance, operations and renewal works.

This was guided by a resolution from the Roothing Working Group, which sought to ensure that:

1. Good customer service is delivered locally; and
2. Functions that would benefit from greater scale are reviewed.

The spirit of collaboration in the Waikato was driven by a mutual desire to improve the way that roading services are managed and delivered. It was founded in the national strategic context of the Government Policy Statement (GPS 2012) and the findings of both the NZTA Maintenance & Operations (M&O) Review and the Road Maintenance Task Force (RMTF). These documents identified that efficiencies in road maintenance and renewal can be delivered through greater collaboration, and improved asset management and procurement models.

The Waikato collaboration also reflects the existing relationships of trust between the participants and the collaboration and planning work that has already been carried out. This has provided an ideal opportunity to explore more formal collaborative activity in the roading sphere that could provide substantial cost and operational efficiencies.

Workshop sessions were held with each of the RCAs in May 2013, which identified the key issues and challenges that they face, along with the objectives and opportunities to address these. The workshop findings formed the basis of the collaboration proposal, along with other regional information, and an understanding of the advances being made in asset management and its importance in road management decision making.

The preferred option was built on the Mayoral Forum's desire for greater consistency in road classifications and levels of service, and for greater centralisation of data collection.

As a result of the work done by the Roothing Working Group and the preparation of the Strategic Business Case, the Waikato Mayoral Forum resolved to establish a Waikato Centre of Excellence (to be known as the Road Asset Technical Accord - RATA) in road asset management. RATA was tasked with delivering more advanced asset management than could be achieved independently, thus assisting better council decision-making and reducing whole of life costs for roading assets.

The purpose of RATA was to:

- provide a high and consistent level of asset management services and resource for the Waikato TLA roading managers
- propagate the use of "best practice"
- enable smarter investment decisions.

RATA was established in August 2014. The savings that RATA has enabled in the region have been obtained from deferring renewal work (with understanding of risk but confidence in how to manage that risk), shared procurement of best practice asset management services (such as data collection and analysis), and shared training opportunities.

In November 2015, a stakeholder survey assessed whether RATA was delivering on its objectives, and also where improvements were expected.

Areas which were working well were:

- Communication between asset managers through tours and meetings was beneficial
- Data collection work was good now that it is consistently measured
- There was growing confidence in the reliability of the data collected, and more effective use of RAMM
- There was appreciation for the support being provided to implement ONRC.

Areas which were working reasonably well were:

- Information sharing regarding seal ages
- RAMM health check was considered interesting, but there was limited follow-through.

Areas where challenges existed were:

- Secondments from councils haven't been popular for people to take up

- Implementing change is difficult without adequate resources being available
- Future staff changes may impact on the effectiveness of RATA (either within RATA or within roading teams).

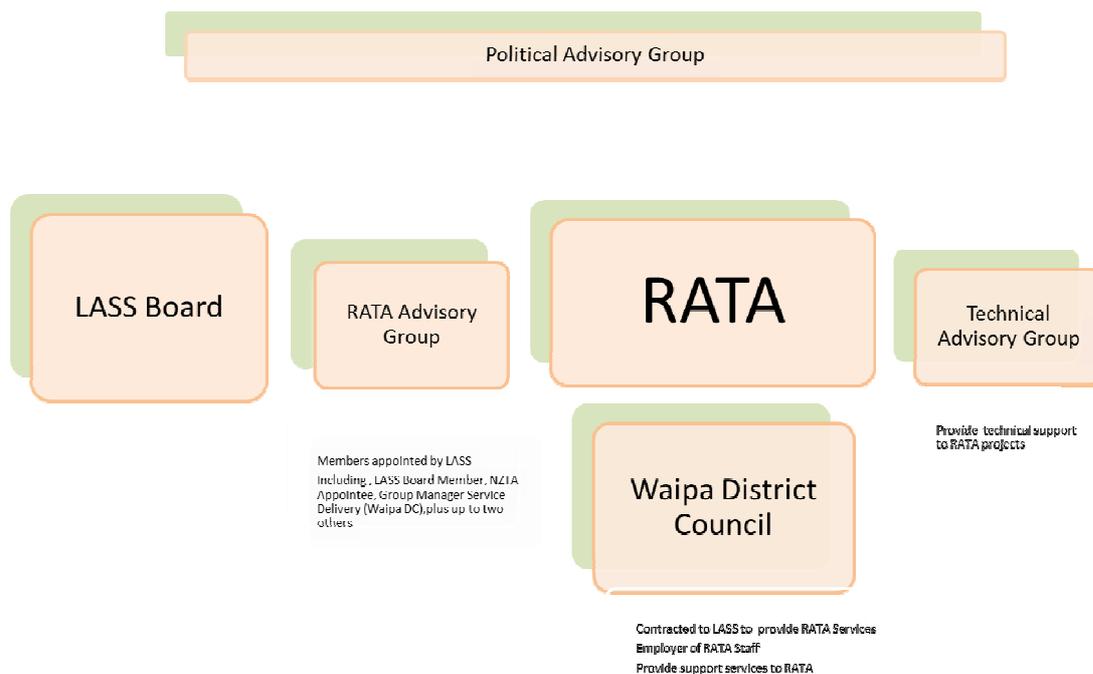
Overall, RATA is providing greater levels of confidence in investment decision making for road and transport infrastructure, resilience in asset management capacity in the Waikato, and collaboration through RATA is an excellent vehicle for capturing benefits associated with:

- Providing technical resources to councils which do not have this in-house;
- Sharing specific asset management knowledge and best practice in technical areas (presentations, sharing of work, network drive overs, workshops);
- Knowledge transfer around the better business case model and One Network Road Classification; and
- Greater understanding of regional initiatives such as the Waikato Regional Traffic Model.

2.1. Governance

The proposed governance model for RATA from 1 July 2016 is that of a business unit, hosted by Waipa District Council, providing services to the Waikato councils through LASS. Therefore, all formal reporting and governance oversight will be the responsibility of LASS.

The following structure diagram indicates the proposed governance model:



MEMBERSHIP

The membership of all groups shall be recorded in the Terms of Reference for each group. However the following positions are anticipated as members:

Political Advisory Group:

Up to three Mayors appointed by the Mayoral Forum
 Local Authority Chief Executive appointed by the LASS Board
 Manager, Regional Planning and Investment Manager (Waikato / Bay of Plenty), NZTA
 Chief Executive, LASS

RATA Advisory Group

Local Authority Chief Executive appointed by the LASS Board
 Waikato Regional Planning and Investment Manager, NZTA
 Waipa DC Group Manager Service Delivery
 Plus two Infrastructure Managers as appointed by LASS

RATA Technical Advisory Group

Appointed by RATA Advisory Group from interested/nominated persons within the Region

3. Vision and Values

3.1. Vision

By 2020, RATA will evolve from its current focus on data and evidence for asset management, to a local government trusted partner to deliver roading asset management services to the Waikato region.

3.2. Purpose

RATA will enable and facilitate effective, strategic roading investment decision-making for the Waikato region.

RATA will deliver significant improvements in asset management decision-making to support the Councils' existing abilities. This will:

- Deliver a range of intangible benefits
- Assist in “one-network” regional planning and support implementation of fit-for-purpose standards
- Help overcome skill shortages/succession issues being faced by many Councils
- Enable procurement savings to be generated through synergy and critical mass
- Position the Waikato region to take advantage of future asset management advances occurring in the industry and within NZTA.

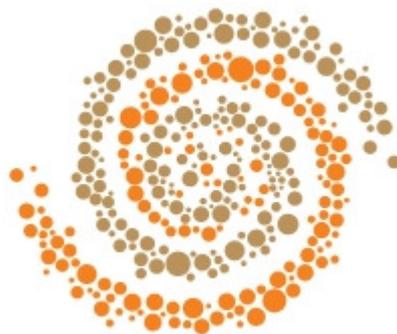
3.3. Values

RATA people will have a can do attitude and own their decisions and actions.

RATA people will be honest and act with integrity.

RATA personnel are flexible and receptive to new ideas.

RATA will inspire people to exceed expectations and pursue excellence in all we do.



4. Strategic Objectives

<i>Outcomes</i>	<i>Objectives</i>	<i>Key Results</i>	<i>Milestones</i>
<p>Data Management Support effective collection and use of good quality data</p>	<p>Good quality data resulting from good practice data collection strategies in place using meta-data standards adopted by the sector</p> <p>Data collected consistently</p> <p>Data analysed consistently and resulting outcomes understood</p>	<p>Data collection contract is reviewed and re-tendered using good practice specifications (based on meta-data standards adopted by the sector), and procurement methodology</p> <p>Data collection regimes are adequately reviewed and monitored to be cost effective</p> <p>Data collection suppliers are adequately monitored to ensure good quality data is being provided</p> <p>Data analysis is completed at appropriate frequency with shared learnings from the analysis demonstrated</p> <p>Waikato Regional Transport Model (WRTM) is adequately maintained to be a trusted tool for future traffic assessments</p>	<p>Contract renewed or re-tendered by 31 October 2016</p> <p>Data collection regime reviewed every two years from March 2016</p> <p>Contract reviews are completed after each monthly meeting</p> <p>Regional pavement deterioration modelling is completed at least every three years to support the development of long term infrastructure strategies and regional land transport plans</p> <p>WRTM project management will transition to RATA's management from 1 July 2016. A project plan for the WRTM will be maintained.</p>
<p>Systems and Processes Good practice processes and systems for data collection, analysis and management</p>	<p>Processes for data management are consistent, clear and robust</p> <p>Effective and efficient</p>	<p>Process maps are produced and adopted for use by all participating council's</p> <p>Annual programmes for data</p>	<p>By December 2016, Data Management calendar and annual programme completed, with supporting best practice process maps</p> <p>By December 2017 all process maps are fully</p>

	systems and processes are in place which provide data analyses that are timely, accurate and appropriate	management are available for each participating council	implemented in all participating RCAs Traffic Count Estimation Module in RAMM (or an approved alternative) is adopted by all RATA participants to update traffic estimates for asset management purposes
Innovation Identify opportunities to modify standard approach and/or develop new approaches that will lead to optimal asset investment and performance	RATA personnel are alert to opportunities in asset management that will produce efficiency gains beyond those which are generally accepted as best practice within the industry	Improved asset management processes are identified and implemented Organisations external to RATA seek to adopt practices developed by RATA	An innovative system and/or process developed by RATA is presented at an appropriate forum or conference every year
Collaboration RATA participants actively participate in RATA work to share learnings and experience	Asset management staff are building capability and understanding of good practice	Asset Manager's Forum meetings have a high level of attendance Annual Forward works programme tours are held to highlight areas of good practice and encourage sharing of experience and learnings	Two-monthly Fora are held Forward works programme tours are held annually
Best Practice RATA staff are involved in national best practice work wherever possible and appropriate (e.g. Road Efficiency Group, RIMS, Austroads)	RATA is actively involved in understanding national best practice to ensure the Waikato is a leader in this sector	Nationally recognised good practice is implemented in the Waikato The Waikato is involved in good practice testing and proving work to support final implementation	Six monthly and annual reports provide updates on the status of best practice work and its positive impact on RATA participants
Benchmarking Benchmarking is used to	Good practices are maintained and shared	Benchmarking reports are completed annually	

establish areas of good practice	across the Region	<p>Feedback from RATA participants is that the work is useful and helpful in establishing good practice</p> <p>Examples of good practice are shared at Asset Managers' Fora</p>	Good practice examples are shared at least once every six months
<p>Forward Works Programmes</p> <p>These programmes are robust, evidence based, and developed based on good practices</p>	All maintenance, operation and renewal programmes are supported by RATA as delivering fit for purpose levels of service	Three year programmes are able to be supported by RATA as being developed in accordance with best practice	
<p>Asset Valuation</p> <p>Asset valuation processes are considered to be in line with good practice</p>	Valuation assumptions are consistent across the region	Contribute to the LASS Asset Valuation project to develop good practice processes for the valuing of road and transport assets	Valuation assumptions for all RATA participants are reviewed by mid 2017

5. Reporting/Deliverables

The following reports will be delivered:

- Mid-Year report – covering service delivery and actions for the previous six month period. This report will be based on the activities and achievements of RATA over the first 6-months of the financial year and include a financial summary. The report will be submitted to the RATA Advisory Group for review and approval prior to presentation to the LASS Board and circulation to all stakeholders.
- Annual Report - covering service delivery and actions for the previous twelve month period. This report will be based on the activities and achievements of RATA for the last financial year and include the financial out-turn and a full summary of the benefits (financial and non-financial) realised through RATA. The report will be submitted to the RATA Advisory Group for review and approval prior to presentation to the LASS Board and circulation to all stakeholders.

5.1. Future Opportunities

As RATA becomes better established, and more knowledge of existing asset management practices within the Waikato becomes known, further opportunities will become apparent. However, initially the following have been identified as future opportunities for RATA:

- Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)
- Develop RAMM processes and protocols for consistent data/inventory management
- Support the development of a Regional Infrastructure Technical Specification (a Mayoral Forum project)
- Develop standard contract document templates for use by participating Councils
- Assess the need for specialist services (e.g. bridge engineer, geotechnical engineer) within the Region to establish the most appropriate, value for money option to provide these services
- Develop investment models that clearly identify the lowest whole of life costs.

6. Stakeholder Analysis

Who are the stakeholders	Why are they stakeholders	What are their expectations
Local Authority Roding Managers	Roding Managers will receive the deliverables from RATA and participate in a number of projects	High quality reports (accurate and timely) with participation opportunities made available; support services provided to implement data improvements where required; independent data audits; support with implementation of ONRC on local road networks; accurate and timely data on local road networks
Elected Members	Political support for efficiencies through implementation of shared services	Efficiencies are achieved and reported on
LASS Board	LASS is a limited liability company and provides the legal entity to deliver RATA's services to all participants	High quality services provided to participants. Regular reporting, transparent and robust processes implemented
Waipa District Council (RATA Business Unit Employer)	Contracted to LASS to employ RATA staff and provide support services (e.g. IT, vehicles, HR)	To provide all support services to ensure RATA delivers high quality services to participants. Participation in RATA Advisory Group
Political Advisory Group	RATA commenced as a Mayoral Forum project with strong support and input from the nominated political representatives who wish to continue their participation	Timely provision of information to ensure members are adequately informed regarding RATA services. Two-monthly meetings held for information sharing
RATA Advisory Group	Ensure that RATA is successful in meeting the expectations of stakeholders (refer to Terms of Reference)	Timely and accurate reporting, including information on deliverables achieved, issues arising and stakeholder feedback. Quarterly meetings held. Guide the development of the annual plan for adoption by the LASS Board
Technical Advisory Group	Ensure that all technical specifications used by RATA meet the needs of stakeholders	Provided with sufficient opportunity to guide the development of the specifications; have opportunities to suggest future projects for RATA

Suppliers	Suppliers will provide inputs as necessary to projects	Opportunities to participate will be fair and equal to all; tendering processes will be professional and appropriate
NZ Transport Agency - Planning and Investment	Co-investment partner with Local Government in RATA; promoter of clustering and collaboration	Added value and savings to the NLTP programme will be identified and given effect to. Those that can be attributed to RATA will be used to off-set the funding grant made available.
NZ Transport Agency - Highway Network Operations	Provide support with technical advice as the national asset management group develops	Opportunities to participate and provide support are timely and appropriate without being too onerous

7. Environmental Analysis

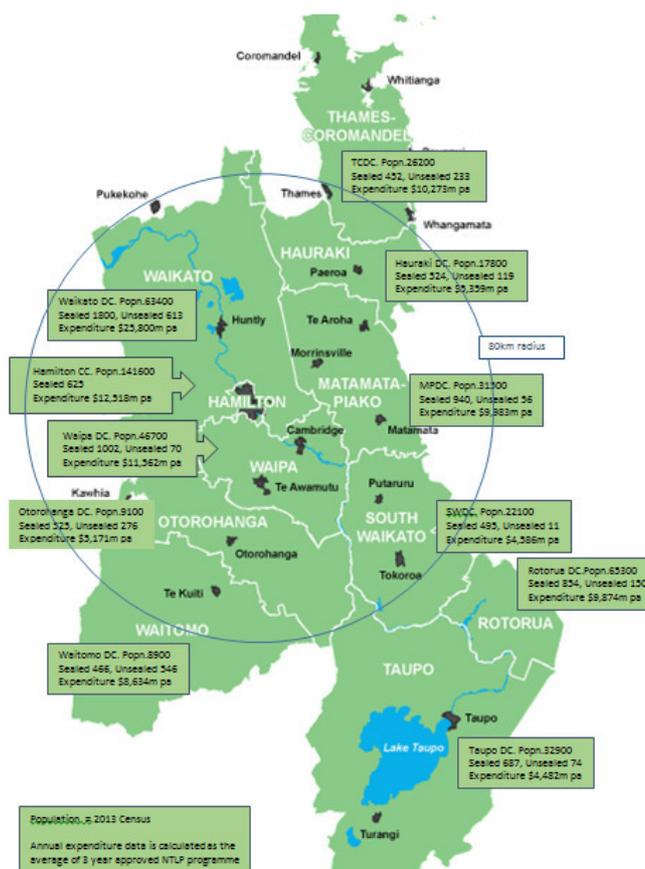
7.1. Strategic Environmental Scan

There is a growing need for strategic asset management support within the roading sector. RATA’s role in facilitating the capacity and capability build within the Waikato Region is critical to achieving the outcomes that our customers expect and are willing to pay for. A step-change is being indicated as necessary to enable local authorities to continue to maintain networks at a fit-for-purpose standard.

The spirit of collaboration is driven by a mutual desire to improve the way that road and transport services are managed and delivered. It is led by the national strategic context of the Government Policy Statement (GPS 2012) and the findings of the NZTA Maintenance & Operations (M&O) Review and the Road Maintenance Task Force (RMTF). These documents identified that efficiencies in road maintenance and renewal can be delivered through greater collaboration and improved asset management.

Benchmarking that is meaningful is a key goal for RATA. Benchmarking is only possible once consistent data is available, with reliable and consistent inventory knowledge to test the data against. Benchmarking will enable areas of good practice to be identified, explored and shared with the Region’s local authorities.

“Benchmarking kick starts the engine of change and provides a reliable reference point for guiding the journey forward”



7.2. SWOT Analysis

The challenge for RCA's is to manage their roading assets within the flat-lined level of financial assistance available from NZTA, and Councils' desire to limit rate increases. These constraints will necessitate one or a combination of the following:

- Increasing ratepayer funding of local roads to maintain real spend at current levels, i.e. undertaking components of previously subsidised road maintenance without NZTA financial assistance
- Making further savings in roading expenditure to minimise rate increases
- Reducing levels of service in maintenance and operations to reflect the available funding
- Reducing expenditure on roading capital improvements (potentially this will occur due to lack of subsidy for capital improvements) and divert local share of the capital funding to the maintenance activity
- Providing for a managed consumption of assets where existing investment has provided a higher than necessary level of service without creating a bow wave of deferred maintenance
- Identifying ways of delivering the necessary levels of service more cost effectively.

These funding issues need to be balanced against the need to make sound planning and asset management decisions, to respond to road demand changes, and to assist economic development, e.g. heavy commercial vehicles (HCV), high productivity motor vehicles (HPMV), agriculture, dairy, tourism, forestry, industry etc.

Strengths and Weaknesses – Internal Analysis

Strengths	Weaknesses
Local people will be involved in RATA High levels of participation will be achieved through local representation at both the RATA Advisory Group and Technical Advisory Group	Some external consultant input will be necessary in some areas Costs associated with delivery of some components will be subject to tendering or recruitment which will not be known at "sign-up" time The level of enthusiasm with which RATA services are received may vary from authority to authority

Opportunities and Threats – External Analysis

Opportunities	Threats
Wider participation in other projects (e.g. ONRC, Regional Infrastructure Technical Specifications) may add value	Other project involvement may be a distraction from key priorities

7.3. Actions from SWOT Analysis

Challenges to be overcome may include:

Challenge	Description
Willingness to compromise	TLAs may need to accept some compromises over their level of control as participation in RATA will involve sharing of resources and the delivery of regionally consistent outputs.
Local knowledge	Incorporating local knowledge of specific problem areas and cost-effective treatment methods for each network area, e.g. geology
Other projects being a distraction	These is also an opportunity for RATA to develop a consistent approach across the region
Cultural Differences	Melding staff from a number of TLAs into RATA; each council's Rooding Manager's relationship with RATA staff.

8. Priorities, Assumptions, Issues and Risks

The Strategic Business Case for RATA, prepared by the Rationale Group in November 2013, outlined the following critical success factors for developing collaboration in the Waikato:

Critical Success Factors	Desired Outcome
1. Financially sustainable, safe and reliable network	Optimal investment in asset maintenance and renewal for all assets, while enhancing safety and ensuring a sound resilient local and regional network
2. Asset management abilities	Enables better decision making and investment optimisation by improving asset management data, analysis and expertise
3. HR - retaining staff and skills	Improves ability to attract, develop and retain staff with the desired mix of skills, experience and knowledge
4. Levels of Service (classification and consistency)	Assists the understanding, development and implementation of consistent road classifications and the related LOS considerations
5. Growth/Land use changes	Provides a basis for better understanding and responding to growth and land use changes
6. Facilitating local economic growth	Supports transport growth and efficiency as a driver of economic success
7. Competitive physical works market	Supports the retention of competitive market conditions
8. Professional services /consultants	Supports the retention of accessible,

	affordable and suitably skilled expertise. Enables TA's to retain "ownership" of decision making
9. Retaining "local" governance/decisions	Enables and supports good local decision making
10. Procurement and value for money	Provides for benchmarking and information to support "smart buying". Allows for local procurement if appropriate/cost effective. Provides a foundation for possible joint procurement

All projects undertaken by RATA will be assessed against these 10 key success factors (which were developed regionally during the development of the Strategic Business Case) to ensure that RATA is meeting the objectives that have been agreed to.

It is proposed that all projects will be monitored against the following key performance indicators:

- All joint procurement is compliant with current best practice and NZTA/Local Authority requirements
- Savings are achieved through joint procurement
- Data collected on the region's roads is consistent and reliable
- Sharing of ideas and practices leads to greater consistency of outcomes
- Benchmarking tool provides and enables the identification of best practice approaches
- All participants support RATA and are satisfied with the deliverables.

8.1. Priority Projects

A number of projects have already been identified for RATA to deliver:

Priority Ranking	Description
1.	Manage a data collection contract based on an agreed specification for all participating local authorities (including sealed road pavements, footpath, surface water channel)
2.	Manage the Waikato Regional Transport Model Project (previously managed by Latitude Planning Services Ltd)
3.	Conduct a Forward Works Programme tour during August/September each year for all RATA participants
4.	Produce an annual regional benchmarking report based on several factors, including investment on renewals vs maintenance, for each local authority
5.	Provide data improvement support services to those Councils who wish to use the services of a sub-regional asset engineer (available through RATA)
6.	Continue to undertake pavement deterioration modelling on a regional basis. Identify and undertake data improvement tasks to provide greater confidence in the modelling outcomes

Future projects may include:

Priority Ranking	Description
TBC	Develop a consistent regional approach for components in the 30-infrastructure strategy (such as infrastructure assessments of remaining life)
TBC	Develop RAMM processes and protocols for consistent data/inventory management
TBC	Support the development of a Waikato Regional Infrastructure Technical Specification
TBC	Develop standard contract document templates for use by participating Councils
TBC	Assess the need for specialist services (bridge engineer, geotechnical engineer) within the Region to establish the most appropriate value-for-money option to provide these services

8.2. Assumptions

Assumption	Description
All support services will be provided by Waipa District Council with appropriate allocation of costs to the RATA business unit	RATA will be established as a business unit within Waipa District Council, who will provide all the necessary support services (finance, IT, HR, GIS, legal advice, communications and Group Manager management support). The Waipa DC overhead costs will be approximately \$120,000 per year
Levels of participation are as per current levels	Currently nine local authorities participate in RATA. It is planned that this will not reduce (but may increase if Taupo DC choose to participate)
The proposed Governance arrangements will be acceptable to all parties	The LASS Board will have governance responsibility for RATA, with the RATA Advisory Group providing detailed oversight on behalf of the Board. The Political Advisory Group will support RATA's work by meeting at regular intervals to understand and comment on progress and to identify and assist with any political issues that may arise

8.3. Issues

At the time of developing the RATA 2016-2021 business plan, a multi party funding agreement is in place between RATA and each of the participating Councils. This agreement terminates on 30 June 2016. The document has been used as a template for the Agreement which will be required beyond 1 July 2016.

8.4. Risks

Risk	Response/Mitigation
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<p>Insufficient Local Authorities commit to RATA to continue</p>	<p>It is anticipated that due to the support from the Mayoral Forum and LASS Board for RATA to become permanent, sufficient commitment is in place. However, if there is reduced participation, the shared costs may be higher for those who do participate. The LASS Board will continually monitor the situation.</p>
<p>Funding requirements are higher than anticipated</p>	<p>Costs can be reviewed. The scale of projects delivered or support provided can also be reviewed.</p>
<p>Funding splits as proposed are not supported by Local Authorities or by NZTA</p>	<p>Alternative options for cost allocation can be investigated. NZTA support is considered critical to the success of RATA. Reporting on all of the benefits accruing to the co-investors will be rigorous to highlight the value of investment.</p>
<p>Staff resources not able to be sourced within the Region to fill roles</p>	<p>If full staffing is not achievable, external resources will be required, which may incur additional costs.</p>

9. RATA Budget

	Budget 2016-17	Budget 2017-18	Budget 2018-19
Income			
Councils - data collection	315000	321930	329012
Councils - project funding	28000	28616	29246
Councils - RATA costs	599500	608557	621901
Total Budgeted Income	\$ 942,500	\$ 959,103	\$ 980,159
Expenses			
Data Collection	315000	321930	329012
Forward Works Programme Tours	5000	5110	5222
Asset Managers Forum	3000	3066	3133
Benchmarking of Reg Road Outcomes	20000	20440	20890
Staff and contractor costs	425000	434350	443906
Accommodation/ office space (refer overheads)			
Vehicles	29000	29638	30290
Staff training/Subscriptions/Professional Development	10000	10220	10445
IT (refer overheads, provision for phone charges)	2500	2555	2611
Recruitment	5000	1000	1000
Stationery/Equipment etc	1000	1000	1000
Legal costs (refer overheads)			
External contractor support (Data Collection contract)	7000	7154	7311
Overheads	120000	122640	125338
Total Budgeted Expenses	\$ 942,500	\$ 959,103	\$ 980,159
Budgeted Income less Budgeted Expenses	0	0	0

Overhead allocation has been based on Waipa District Council's standard methodology.

9.1. Funding Options

The costs associated with the Business Plan are an estimate based on the best information available and the assumptions that those participating will be as follows:

Full RATA Participation (with services of Sub Regional Champion)

Waipa	South Waikato
Otorohanga	Matamata Piako
Waitomo	Hauraki

Full RATA Participation (without services of Sub Regional Champion)

Based on the budget outlined in Section 9, the following cost recoveries are proposed for 2016/17 (with future years being similar, but subject to annual plan reviews and CPI adjustments).

Local Authority	Annual RATA Participation Sum
Hamilton	\$51,000
Hauraki	\$79,000
Matamata-Piako	\$79,000
Otorohanga	\$79,000
South Waikato	\$79,000
Thames-Coromandel	\$51,000
Waikato	\$51,000
Waipa	\$79,000
Waitomo	\$79,000

9.2. Monitoring

The reporting processes outlined in Section 5 will be used to inform stakeholders of progress on RATA's objectives and key tasks against the critical success factors. It is acknowledged that some benefits from RATA will accrue to the participants over several years. As such, a monitoring regime to reflect this will require development. It is anticipated that this will be based on establishing a base line with respect to levels of investment, programme size, and current outcomes to compare against in the future.

Two-monthly meetings with the RATA Advisory Group are planned to discuss progress with the RATA Unit Manager. It is proposed that the monitoring framework outlined in Appendix B will be used initially and further developed for monitoring RATA's progress against the agreed strategic objectives.

A record will be kept of all savings achieved across the region as a result of RATA's work. This will include the savings associated with joint procurement, consultant engagements that may not be required individually, and future programme savings.

10.Approvals

This business plan has been developed based on the information available at the time of preparation. Amendments will be made only upon approval of the parties noted below and will be recorded as an appendix to the business plan.

Sally Davis

CE - LASS

__ / __ / 2016

Don McLeod

CE – Matamata Piako DC

__ / __ / 2016

Robert Brodnax

NZ Transport Agency

__ / __ / 2016

Barry Bergin

Waipa District Council

__ / __ / 2016

Chris Allen

Hamilton City Council

__ / __ / 2016

Adrian De Laborde

Hauraki District Council

__ / __ / 2016

11. Appendix A – Monitoring Framework

Project	Benefits	KPIs
1. RATA will manage the regional data collection contract for the participating local authorities and provide any non-participating local authorities with the specifications for data collection so that region-wide benchmarking is possible	Cost to each council is less than individual contracts Tendering costs to each council are reduced Data collection completed on time to required accuracy Data is consistent over whole network At least two consultancies are successful in delivering the work	Procurement complies with NZTA procedures Cost savings demonstrated Contract deliverables are on time/to budget/to quality standards Each Funding partner/participant is satisfied with the contract deliverables
2. An annual benchmarking tool will be implemented and enhanced to demonstrate the region's comparable performance with respect to customer satisfaction, asset condition or other network outcomes, and level of investment	Common measures are used in all councils These measures are also used in LTPs and Annual Reports Comparisons can be made between councils	Staff from all Councils actively participate in project At least four improvement opportunities are identified from the benchmarking analysis
3. Each year (between July and October) a collaborative review of each council's forward works programme will be completed (based on the NZTA's Review and Prioritisation Team work)	Knowledge/experience shared Professional relationships established/strengthened % of sites rated as 'about right' increases each year Mechanism for collaboratively assessing sites developed	New types of treatments introduced
4. Mid-year and annual reports will be produced for all stakeholders to communicate progress against planned outcomes	Value of RATA demonstrated to participants	Savings identified offset NZTA funding to RATA Monitoring framework further developed to demonstrate success
Future Opportunities/Projects		
Develop a consistent regional approach for components in the 30- infrastructure strategy (such as infrastructure assessments of remaining life)	Consistency in interpretation of requirements across region	
Develop RAMM processes and protocols for consistent data/inventory management	Value added by putting emphasis on critical data Data collection can be standardised KPI data can be easily compared Reliable data available for growth and expenditure forecasts	Aligned with Austroads and Road Efficiency Group work to support the implementation of meta-data standards in NZ
Support the development of a Regional Infrastructure Technical Specification	Common standards throughout the region Reduced costs for suppliers/contractors Reduced effort by Councils to maintain standards	
Develop standard contract document templates for use by participating Council's	Common standards throughout the region Reduced costs for suppliers/contractors Reduced effort by Councils to maintain standards	
Assess the need for specialist services (bridge engineer, geotechnical engineer) within the Region to establish the most appropriate, value for money option to provide these services		
Develop a consistent framework for assessing unsealed roads and developing renewal programmes for unsealed roads	Common/consistent standards throughout the region	

12. **Appendix B – RATA Advisory Group Terms of Reference**
13. **Appendix C – Contract for RATA Services (Waipa DC and LASS)**
14. **Appendix D – Job Descriptions for RATA Staff**