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**To:** Infrastructure Committee  
**From:** Dawn Inglis, RATA Project Director  
**Subject:** **Road Asset Technical Accord (RATA) Update Report**  
**Meeting Date:** 16 March 2016  
**File Reference:**

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## **1 EXECUTIVE SUMMARY**

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The Waikato Road Asset Technical Accord (RATA) is a current Mayoral Forum project overseen by the Local Authority Shared Services (LASS), a Council Controlled Organisation owned by 12 councils in the Waikato Region. LASS was set up as a vehicle to procure shared services for the shareholder councils. RATA provides strategic asset management support to all participating local authorities. To the end of December 2015 RATA has enabled demonstrable savings to the region of over \$348,000 through improved strategic asset management processes.

The project was scheduled to end on 30 June 2016. The LASS Board and Mayoral Forum have decided that, due to the successful achievements by RATA, it should be made a permanent unit to provide ongoing strategic asset management support and advice to participating councils.

The current proposal is that Waipa District Council provide a RATA business unit to enable RATA services to be provided to participating councils via a contract between Waipa DC and LASS. A multi-party funding agreement will then be in place between LASS and each participating Council to receive the RATA services.

Dawn Inglis (current RATA Project Director) and Robert Brodnax (or Andrew McKillop) will be attending the meeting to present on this item.

## **2 RECOMMENDATION**

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*That*

- a) The report of Dawn Inglis, RATA Project Director, be received;*
- b) Council approves that David Hammond, Chief Executive, or his nominated representative, be delegated to enter into a multi-party funding agreement with Local Authority Shared Services for the Road Asset Technical Accord's services from 1 July 2016, for a period of 3+3+3 years (with rights of review after each three year period).*

### **3 OPTIONS AND STAFF COMMENT**

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The Waikato Mayoral Forum and LASS Board, on behalf of all Waikato Local Authorities, have agreed in principle to the permanent establishment of a Centre of Excellence for road asset management, known as the Waikato Road Asset Technical Accord (RATA). This decision is based on the successes achieved by RATA over the initial project period. Savings achieved across the region through the work of RATA between 1 July 2014 and 31 December 2015 are \$348,000. Whilst this may be a modest sum, it is believed that throughout the region improved data and asset management support is leading to better decision making regarding investment in the near \$37M roading renewals programme each year. It is believed that further savings can be achieved.

This is alongside the significant intangible benefits that have been achieved which were identified through a recent stakeholder survey. In summary, the survey found:

1. Respondents agreed that the regional data collection contract and the forward works programme tour achieved the project benefits identified in the business plan.
2. A high degree of satisfaction with how RATA is delivering its current activities.
3. Respondents agreed that RATA has been effective in delivering on its core objectives of improving asset knowledge, increasing sharing of knowledge, overcoming skill shortages, improving use of best practice asset management and enabling smarter investment decisions.

A business plan for RATA for the period to 30 June 2021 has been prepared and is attached as a draft to this report. It will be formally adopted by LASS as a final version. The business case includes:

**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 asset management services to the Waikato.*

**Purpose of RATA**

*RATA will enable and facilitate effective strategic roading investment decision making in the Waikato.*

**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.

The current proposal is that Waipa District Council provide a RATA business unit to enable RATA services to be provided to participating councils via a contract between Waipa DC and LASS. A multi-party funding agreement will then be in place between LASS and each participating Council to receive the RATA services.

Initially it was proposed that the business unit could be created to be within LASS, however this would require LASS to also procure further support services such as IT, HR and finance which would add further cost to the RATA services. Instead it was considered more appropriate for RATA to be a part of an existing local authority and therefore benefit from the existing support services infrastructure. Waipa DC has proven it can provide shared services to other local authorities in an efficient and cost effective manner; hence the proposal for Waipa DC to be the home for RATA has gained regional support.

RATA currently provides services to all councils within the Waikato region except for Taupo District and Rotorua District. It is anticipated that this will continue beyond 1 July 2016, however it is subject to each council reconfirming their participation and signing-up to a multi-party funding agreement with LASS.

The work undertaken by RATA is considered to be work that all road controlling authorities should be completing to ensure that the work programmes are being

delivered optimally. RATA enables this work to be completed on a collaborative basis.

## **Local Government Act 2002**

RATA has been established to ensure that the delivery of roading services to our communities is aligned with, and supported by, good quality data and asset management principles. This will ensure that for all RATA participants, the purpose of local government, with respect to road and transport services, is met.

*The purpose of local government is defined in section 10 of the LGA, as follows:*

**“10 Purpose of local government**

(1) *The purpose of local government is—*

(a) *to enable democratic local decision-making and action by, and on behalf of, communities; and*

[(b) *to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.]*

[(2) *In this Act, **good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—*

(a) *efficient; and*

(b) *effective; and*

(c) *appropriate to present and anticipated future circumstances.”*

## **Financial status**

As part of the development of the 2016-2021 RATA Business Plan, a financial budget has been prepared indicating the annual cost of RATA. This includes an allowance for the recovery of overheads to RATA of support services provided by Waipa District Council, (such as IT, HR, finance, etc). The annual cost of RATA is anticipated as being \$942,500 with all costs recovered from those councils who choose to participate in RATA. The cost for Thames Coromandel District Council to participate in RATA is expected to be \$51,000 per year which can be funded from the council’s subsidised roading programme, meaning the local share (funded from rates) will be approximately \$25,500 per year. This sum has been included in the 2016/17 annual plan.

The RATA Business Plan has been prepared based on the current level of participation in RATA, but it will be reviewed to adjust expenditure and costs if the level of participation changes.

## **Strategy, Policy or Plan context**

For RATA to deliver the required services to the regional participants, the staff required will be:

RATA Director/Business Unit Manager  
RATA Project Manager  
Sub Regional Asset/Inter-Council Asset Engineers (\*2)  
Administration support (part-time)

The Sub Regional Asset/Inter-Council Asset Engineers will provide services to up to three council's each, with responsibilities for implementing data and systems improvements within each council. However due to Thames Coromandel District Council's current network management contract arrangements, we do not require this service.

### **Assessment of Significance and Engagement**

This proposal is not considered significant in accordance with Council's significance policy. However the work is considered important to the Mayoral Forum and the NZ Transport Agency. As such, a visit to each participating council is being undertaken in February and March 2016 to ensure high levels of support for the proposal are achieved.

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Dawn Inglis  
**RATA Project Director**

## **SUPPORTING INFORMATION: ASSESSMENT OF PROPOSAL**

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### **1 Statutory and policy requirements**

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There are limited statutory or policy requirements associated with this proposal.

### **2 Organisation strategic goals**

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#### **Economically Progressive - Economic impacts**

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Participation in regional shared services is providing both financial and non-financial benefits to all participants. Waipa has been at the forefront of a number of these regional initiatives and therefore has also received significant benefits. Savings from deferred renewal work and improved maintenance delivery methodologies, supported from work provided by RATA, have been realised.

# Appendix 1

Draft RATA Business Plan