



NZ TRANSPORT AGENCY  
WAKA KOTAHI

## **Guidance on RLTP development**

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## Purpose and audience

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### **Audience**

Staff and RAG group members developing draft RLTPs for consideration by RTCs.

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### **Purpose**

This document is intended to give advice to staff and RAG group members developing draft RLTPs for consideration by RTCs. It provides an overview of the guidance in the RLTP guidelines and the Planning, programming and funding manual, and also gives guidance on using an excel based tool the NZTA is making available that can be used to support this process.

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# Activities in a RLTP

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## Including and prioritising activities in a RLTP

Activities proposed for inclusion in a RLTP are listed in LTP online<sup>i</sup>. The list of activities can be extracted into a table from LTP online using a tool described in the technical guidance notes below. This enables RTCs/ARTA to:

- Develop activity lists for inclusion in RLTP consultation documents
- Record decisions such as project priorities
- Develop a funding plan to assist development of a 10 year forecast of revenue and expenditure required to be included in a RLTP, and to provide guidance on the allocation of special funds to activities

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## Developing lists of activities for inclusion in a RLTP

Local roads maintenance, operations and renewal works are included automatically in a RLTP outside Auckland, as are local roads minor capital works and existing public passenger transport services. The RTC can choose to prioritise all other activities, and can choose not to include some in its RLTP. The process is described on *p42 of the RLTP guidelines*, and *section C12 of the PPFM*.

We recommend that:

1. activity records are reviewed for completeness and consistency and any omissions addressed
2. any activities clearly not related to transport be flagged as candidates for exclusion, and that all other activities are prioritised unless there is a compelling reason for their exclusion
3. activities flagged as “not for prioritisation” by approved organisations submitting proposed activities to the RTC be reviewed for consistency of treatment and any ambiguities or errors addressed
4. potential over-programming by organisations is addressed by weighting the costs of each activity according to its likelihood of proceeding so that the total cost of the weighted activities is affordable. This could be done by each approved organisation, and should yield a weighted project cost in each activity class equal to the 10 year budget for that activity class. The tool provided by NZTA has the ability to weight project costs

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<sup>i</sup> LTP Online is NZTA's web based transport programme administration tool

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## Required activity information

Each activity listed in a RLTP should have the following descriptive information:

- identifying information: name, description type of activity e.g. design or implementation
- its objective
- an assessment by the proposing organisation
- its start date and duration
- its total cost and cash flow
- proposed sources of funding
- any other relevant information
- its priority, for relevant activities.

This information should be reviewed for completeness and accuracy so that when the RLTP is published it meets the requirements of the LTMA.

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## Prioritising activities

The RLTP must include a list of prioritised activities that will be funded from the NLTP during 2009/12 (not including those works automatically included in a RLTP). The recommended prioritisation process is described in *section C12.6 of the PPFM* and *p43 of the RLTP guidelines*, in summary it involves

1. considering only activities requiring prioritisation unless others are part of a package
  2. identifying the key regional strategies guiding the RLTP the outcomes sought and the priorities for the RLTP
  3. Identifying and consider activities delivered as part of a package, expecting to prioritise these activities at the same level
  4. identifying and consider the strategic linkages of activities
  5. identifying activities that deliver on regional priorities
  6. considering the assessment of the activity by the promoting organisation
  7. developing a profile used to compare the relative priorities of activities
  8. developing a priority order based on these profiles
  9. making pair-wise comparisons of activities with similar priorities to rank activities clearly considering the planning and assessment guidance of the GPS
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# Funding Plan

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**Funding plan** Each RLTP must include a financial forecast of anticipated revenue and expenditure on activities for the 10 years from 1 June 2009.

Because each region has a variety of funding sources, including N & R funds from the NLTP it would be beneficial to develop a funding plan at a greater level of detail so that the proposed allocation of special funds to significant activities or to combinations of activities is clearly set out. This will:

- demonstrate the affordability of an RLTP by showing how it will be funded, given the assumptions made
- demonstrate the relationship between funding sought from various sources and funding available
- demonstrate the relationship between funding sought for each activity class and that available.
- give guidance to the NZTA when it is developing the NLTP.

The NZTA is providing an excel spreadsheet which can be used to develop a funding plan. It gives the ability to conduct simple “what if” scenarios involving reprogramming activities. It was developed considering similar funding models used by some Regional Council staff and the information available in LTP online.

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## **Contents of a funding plan**

We recommend that the funding plan should:

- demonstrate the affordability of the programme
- include a summary table of anticipated revenue and expenditure
- be supported by appropriate funding analysis and commentary.

This commentary should describe:

- The reliability of estimates of cost and funding
- The difference, if there is any material difference, between the cost of the programme and funding either annually or as a cumulative difference and how this difference will be addressed
- The basis of the funding plan.

A funding plan should ideally include tables showing:

- a summary of the anticipated cost of the programme and the anticipated funding available
  - an annual variation between the total expected cost of the programme and total funding from all sources for each year
  - a cumulative balance of the difference between cost and funding of the programme
  - supporting details showing, as appropriate
    - the cost of activities expected to be implemented in each activity class for each of ten years, including
      - i. cash flows for significant activities
      - ii. cash flows for groups of other activities
    - the recommended allocation of special funds to significant activities or to groups of similar activities, e.g. showing the allocation of R funds to significant projects or to groups of activity such as pavement renewal, passing lanes or seal extensions
    - the funding from each source for each activity class for each of ten years
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# Technical guidance

## Guidance

This guidance presumes that a funding plan is being developed using the spreadsheet supplied by NZTA.

## Structure of Spreadsheet

The spreadsheet is structured as:

- a raw data area
- reference section
- funding model
- summary section.

The funding spreadsheet has several topic areas. These are:

Topic Area	Use
<b>Data from LTP online</b>	
• Project identity	• Identifies project
• Strategic linkages	• Identifies linked strategies
• Assessment	• Reports project owners assessment
• Profile	• Profile of project
• Proposed funding sources	• Reports owners suggested funding sources
• Raw cash flow	• Reports owners project cashflow
<b>Data entered by the RAG/RTC</b>	
• Priority linkages (optional)	• Allows RTC to identify links between activities and priorities they have entered in LTP online
• Significance	• Identifies activities with regional or inter-regional significance
• Inclusion and priority	• Identifies the priority an RTC has given an activity • Note that activities automatically included should be given a 0 priority
• Programming	• Enables to the RTC to weight the proportion of a project cash flow included (potentially using a value <100% to compensate for over-programming) • Enables RTC to view the impact of reprogramming projects compared to their raw timeframe to investigate the impact on budgets. This would normally be used to view the impact of reprogramming individual large SH projects to reflect the impact on total programme cost.
• Funding sources	• Used by the RTC to identify the proportion of funding coming from the nominated funding sources
<b>Data calculated by system</b>	
• Adjusted cashflow	• Reports the result of any adjustments to cashflow from changes to programme timing or to the weight given the project cost • Includes an allowance for territorial authority admin but not for RC administration

## Manipulation of Spreadsheet view

**Note** : significant changes to the spreadsheet will disable the formulae in the spreadsheet and lead to errors

**Note:** The project and phase id numbers are critical to the structure of the data. They should not be deleted.

- The data can be filtered, or rows and columns “hidden”.
- Most topic areas can be hidden or revealed by hitting either the button labelled 1 or 2.
- Each individual topic area can be hidden or displayed by hitting either the line above it when it is shown, or the tiny button when it is hidden.

	AA	AB	AC	AD	AE	AF	AG	AH	AI
1									
2									
3									
4									
5									
6									
7	High	High							
8	High	High							
9	High	High							

## Extracting data from LTP online

A separate guidance note covers this. It is available by visiting [www.Smartmovez.org.nz](http://www.Smartmovez.org.nz) – Click Tools – Click [Documents to assist in preparing for LTP Online](#) – Open “Instructions for RTCs to extract submissions”

This involves:

- obtaining the instructions (these)
- obtaining the template
- downloading the data and importing it into the excel template

## Reviewing completeness of data

The core data to be published in a RLTP should be reviewed for completeness and accuracy. The minimum information for each activity being implemented in 2009/12 is:

- identifying information: name, description type of activity e.g. design or implementation
- its objective
- an assessment by the proposing organisation
- its start date and duration
- its total cost and cash flow
- proposed sources of funding
- any other relevant information
- its priority, for relevant activities.

Incomplete items or errors can be corrected directly in LTP online by the approved organisation responsible for the activity.

**Note:** An RTC LTP online user must “unsubmit” a programme in LTP online to allow an approved organisation to add activities.

# Developing a funding plan

## Process

This process can use an excel spreadsheet developed by NZTA and available through the reports section of LTP online and also from the Smartmovez website: [www.Smartmovez.org.nz](http://www.Smartmovez.org.nz) - Click Tools - Click [Documents to assist in preparing for LTP Online](#) - Open "Instructions for RTCs to extract submissions" It:

- uses activity data extracted from LTP online, but requires the addition of indicative future project data if it is to provide a complete forecast beyond 2009/12 for projects not included in LTP online. A process for doing this is described below
- identifies funding by user selected funding sources, e.g. local share, N, R, Super Gold Card etc. It provides a means of indicatively allocating special funds such as R funds, to named significant projects or to activities of a particular type, e.g. local roads seal extension group projects.
- compares expenditure and indicative revenue from the NLTP
- allows users to identify the impacts of programme advancement or deferral of projects on expenditure
- can be used to develop and record project priorities
- can be used as the source data for lists of activities to be published in a RLTP.

## Recording activities included in programme – addressing over-programming

A decision to include an activity or not should be recorded in the column below, and the reasons for any exclusion recorded in the next column.

	BM	BN	BO
1			
2			
3			
4		Will this project be included in the regional land transport programme?	Conclusion and priority for project if not included in the programme?
6	Prioritise		
7	Prioritise		
8	Prioritise		
9	Prioritise		
10	-		
11	-		

By default the spreadsheet shows that all activities will be included. An RTC must include local roads maintenance, local roads minor capital works and existing public transport services. These items will be recorded in LTP online when the RLTP is uploaded into LTP online. Alternatively the information can be entered directly into LTP online when the RLTP development module is available in Mid December.

The column labelled "Include %" should be used to record the weighting given to the costs of an activity, if any. The default weighting is 100%. This field is used when developing a funding plan in the spreadsheet and for no other purpose. This factor would normally be used to deflate the cost of activities when the organisation has proposed more activities than it expects to deliver.

BY	CA	CB	CC	C
			Index for counting	
			Escalation	
<b>Comment on the regional authority decision</b>	<b>New start gear</b>	<b>Include %</b>	<b>Advance years</b>	<b>2009/12</b>

Organisations often over programme roading improvements because their experience has shown that problems arise which may delay some of their projects. The extent of any over programming can be reviewed by comparing the costs of activities in an activity class against the proposed budget for that activity class. This comparison is shown in LTP online for each organisation's programme against the budget for each activity class. E.g. Manukau City's roading improvements programme has project costs of about \$18M while the budgeted expenditure for that activity class is about \$12M, this implies that an average deflation factor per project of about 12/18 or 65% might be appropriate for the projects listed in LTP online. Waipa District Council has a budget of \$1M and a project costing \$1M so the default 100% factor is appropriate.

It is preferable to deflate the weighting given to activities rather than exclude some as this ensures that they are all still listed in the RLTP as potential activities to be implemented in 2009/12 and this approach makes the RLTP lists more meaningful. Land Transport NZ found in the past that about 40% of urban projects submitted for an NLTP were implemented. Smaller rural programmes generally implemented closer to 100% of their projects.

We suggest that each organisation should propose what deflation factor, if any, is appropriate to activities it has submitted.

Any activity excluded should have a weighting of 0%.

## Prioritising activities

The assessment sections of the excel table provides the proposing organisations assessment of the activity. It also shows the priority that agency gave to each activity. Using this information, and other information the RTC/ARTA chooses to use, it can derive a profile for the project. This and the priority can be recorded in the columns headed “What priority has ...”.

BW	BX	BY
<b>Inclusion and priority</b>		
If no, for what reason has the project been excluded from the programme?	What priority has the project been given in the regional land transport programme?	Comment on the regional authority decision

The prioritising process used by an RTC draws on the information provided by the proposing organisations adding considerations of other matters by the RTC. Each RTC selects its own process of prioritisation. It may choose to use the process used by the NZTA and published in the PPFM.

This would mean that the prioritising process can draw on the profiles given for generic activity types in the PPFM in section G4 of the PPFM. These could be used to provide a benchmark for developing profiles for other activities.

We recommend that activities included in a RLTP by default are given a priority rating of 0. This means they will all be sorted together and so can be readily separated from other activities.

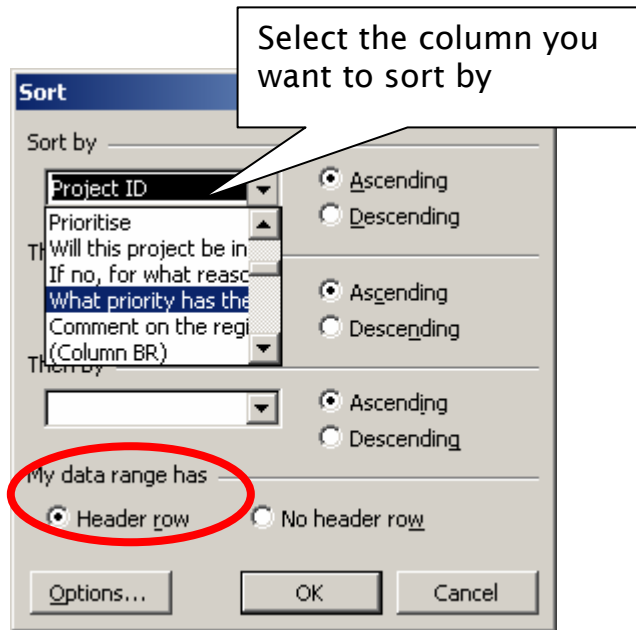
The data can be sorted by:

1. saving the spreadsheet, it is easier to do this than undo any error in sorting
2. selecting the header row by placing the cursor over the left margin and clicking. This will make the header row go dark
3. hitting three keys in sequence, holding down the first and second until the last is pressed: shift ctrl ↓. This will select all the data from the header row till the last data row. These rows should all be dark

Project ID	Phase ID	Project name	Phase name
538	76,4		9/1 Local Roads
539	76,4		9/1 Local Roads
540	76,4		9/1 Local Roads
541	76,4		9/1 Local Roads
542	76,4		9/1 Local Roads
543	76,497	189319	Maintenance, Operations and Renewals Programme 2009/1 Local Roads

Put the cursor over the left margin on the header row then click the left mouse button.  
Then hit Shift Ctrl ↓ to select all the data

4. Then select the data menu and select the sort item. This will bring up a dialogue box.
5. Select header row, and select the column you want to sort by, in this case the regional priority



**Hiding, filtering and sorting activities in the programme list**

The activities in the list can be filtered using the drop down arrows at the top of a column. This allows many different filters including showing activities:

- in only one activity class, e.g PT infrastructure, or SH construction
- from one organisation

	Phase name	Org Name	Type	AC
rogramme 2009/1	Local Roads	Sort Ascending	MAINT_NS	Re
rogramme 2009/1	Local Roads	Sort Descending	MAINT_NS	Re
rogramme 2009/1	Local Roads	(All)	MAINT_NS	Re
rogramme 2009/1	Local Roads	(Top 10...)	MAINT_NS	
rogramme 2009/1	Local Roads	(Custom...)	MAINT_NS	
rogramme 2009/1	Local Roads	Ashburton District Council	MAINT_NS	
rogramme 2009/1	Local Roads	Canterbury Highway & Network Operations	MAINT_NS	
rogramme 2009/1	Local Roads	Christchurch City Council	MAINT_NS	
rogramme 2009/1	Local Roads	DOC (Mt Cook)	CFA_NS	
rogramme 2009/1	Local Roads	Environment Canterbury	MINOR	
rogramme 2009/1	Local Roads	Hurunui District Council	GENERIC	
rogramme 2009/1	Local Roads	Annual alloc	ADMINL	
rogramme 2009/1	Local Roads	Kaikoura District Council	MAINT_NS	
rogramme 2009/1	Local Roads	Mackenzie District Council	MAINT_NS	
rogramme 2009/1	Local Roads	Selwyn District Council	MAINT_NS	
rogramme 2009/1	Local Roads	Timaru District Council	MAINT_NS	
rogramme 2009/1	Local Roads	Waimakariri District Council	MAINT_NS	
rogramme 2009/1	Local Roads	Waimate District Council	MAINT_NS	Mé
rogramme 2009/1	Local Roads	Waimate District Council	MAINT_NS	Mé
rogramme 2009/1	Local Roads	Waimate District Council	MAINT_NS	Mé

Select the "pick list" button above a column, then select an item from the drop down list to filter the data that is displayed

**Assigning funding sources to activities**

Each approved organisation should have assigned indicative funding sources to activities in its submission. The available information is shown in the extract. The spreadsheet also shows the probable FAR for each activity once the raw data has been processed.

Each region should select the funding sources it wishes to use by adjusting the picklists. Normally this would involve selecting:

- LS Local share funding
- N funding
- R-??? R funding, select the appropriate region’s fund source (and potentially have R in another column if there is some “cross-region” funding)
- SGC Super gold card funding
- D funding if there is any regional development funding
- C-??? funding if any, selecting the appropriate region

The available funding sources are:

Funds	
L	Local share
N	Nationally distributed
R-NOR	Regionally distributed
R-AKL	Regionally distributed
R-WAI	Regionally distributed
R-BOP	Regionally distributed
R-GIS	Regionally distributed
R-HBY	Regionally distributed
R-TRK	Regionally distributed
R-MWA	Regionally distributed
R-WLG	Regionally distributed
R-NEL	Regionally distributed
R-NAR	Regionally distributed
R-TAS	Regionally distributed
R-CBY	Regionally distributed
R-WST	Regionally distributed
R-OTG	Regionally distributed
R-STH	Regionally distributed
R-CIC	Regionally distributed
C-AKL	
C-BOP	
C-BOP2	Harbour link
C-WAI	
C-WLG1	
C-WLG2	
C-WLG3	
D	regional development
CTP	Canterbury transport project
SGC	super gold card
RFT	
T	Community transport fund
Tolls	Tolls
3rd	Third Party
O	Other

For each activity enter the proportion of funding coming from each funding source. In most cases this will mean putting the FAR against N or R funding, and the local share proportion (100% - FAR) against the LS column. By default the system will calculate LS proportion as 100% - the other columns. This is appropriate except where the other sources involve third party contributions and other external funding sources which reduce the cost of the project that is shared by local share and N, R and C funding. In these cases each funding source should be individually assigned a proportion of the cost of the project.

Local share	N	C-VLG 1		
51%	49%	0%	0%	
51%	49%	0%	0%	
51%	49%	0%		
51%	49%	0%		
51%	49%	0%		
51%	49%	0%		
25%	75%	0%		
51%	49%	0%	0%	
51%	0%	49%	0%	
48%	52%	0%	0%	
48%	52%	0%	0%	

Select additional funding sources using the picklist button above the columns

Enter the proportion of funding coming from each funding source, note the default values are derived from the data in LTP online and reflect either approved values, or the opinion of the submitting organisation

### Estimating future programmes

Because current programme submissions primarily focus on activities in the 2009/12 period and it is desirable to have a 10 year funding plan it may be necessary to add indicative future activities to the detailed list for 2009/12 if that is to be the basis for developing a funding plan. The approach recommended for each activity class is shown in the table below:

<p>Local roads maintenance &amp; renewals</p>	<ul style="list-style-type: none"> <li>• obtain guidance from the affected organisations</li> <li>• consider whether the forward 10 year budgets for maintenance and renewals provide a sufficient basis for forecasts, if they are suitable use these as forecasts of future activity</li> <li>• where necessary: <ul style="list-style-type: none"> <li>○ determine expected growth in the amount of work, generally related to growth in VKT, HCV or abnormally high change in asset extent or service quality arising from things such as replacement of chip seal with AC</li> <li>○ the last NLTP had a 1% allowance as a national average, most regions have little or no growth, regions such as Auckland have growth &gt;1%</li> <li>○ include an allowance for inflation</li> <li>○ extrapolate current programme reflecting growth in scope and inflation</li> </ul> </li> </ul>
<p>PT services</p>	<ul style="list-style-type: none"> <li>• obtain guidance from the affected organisations</li> <li>• consider whether the forward 10 year budgets for PT services provide a sufficient basis for forecasts, if they are suitable use these as forecasts of future activity</li> <li>• where necessary: <ul style="list-style-type: none"> <li>○ extrapolate current service levels making an allowance for annual service level growth and an allowance for inflation</li> <li>○ add any necessary extra allowance for any step change in services</li> </ul> </li> </ul>
<p>SH maintenance &amp; renewals SH improvements</p>	<ul style="list-style-type: none"> <li>• obtain guidance from the NZTA SH representative</li> </ul>
<p>Local roads improvements Walking &amp; cycling Demand management and community programmes Passenger Transport improvements Transport planning</p>	<ul style="list-style-type: none"> <li>• obtain guidance from the affected organisations</li> <li>• consider whether the forward 10 year budgets for local roads improvements provide a sufficient basis for forecasts, if they are suitable use these as forecasts of future activity</li> <li>• where necessary: <ul style="list-style-type: none"> <li>○ determine the base load of group generic project types</li> <li>○ e.g. the ongoing amount of safety works, or route security works rather than individual projects</li> <li>○ potentially estimate the future base load as being an extrapolation of the current level of activity</li> <li>○ consider whether there are standalone significant projects which will add to the base load of generic projects and create indicative projects for these</li> <li>○ include an allowance for inflation</li> </ul> </li> </ul>

## Manually entering programme items

If you want to enter an indicative activity that is not in LTP online then you need to manually enter the activity information in the “Cashflow adjustments” worksheet. You can type in as many manual rows as you wish starting below the data imported from LTP online. The expected information is:

Topic Area	Need
<ul style="list-style-type: none"> <li>Project identity</li> </ul>	<ul style="list-style-type: none"> <li>Recommended</li> <li>Identifies activity for users</li> <li>There will be no LTP online projects or phase codes</li> <li>The activity class field must be entered correctly for the spreadsheet to include data in the summary tables</li> <li>No data from indicative activities will be uploaded into LTP online activity records</li> </ul>
<ul style="list-style-type: none"> <li>Strategic linkages</li> </ul>	<ul style="list-style-type: none"> <li>Recommended</li> <li>Conveys strategic reasons for activities</li> </ul>
<ul style="list-style-type: none"> <li>Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Reflected in priority below</li> </ul>
<ul style="list-style-type: none"> <li>Profile</li> </ul>	<ul style="list-style-type: none"> <li>Recommended</li> <li>Conveys basis of priority</li> </ul>
<ul style="list-style-type: none"> <li>Proposed funding sources</li> </ul>	<ul style="list-style-type: none"> <li>Reflected in funding sources section below</li> <li>Normally derived from LTP online data</li> </ul>
<ul style="list-style-type: none"> <li>Raw cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Required to provide data for funding plan</li> </ul>
<ul style="list-style-type: none"> <li>Priority linkages (optional)</li> </ul>	<ul style="list-style-type: none"> <li>Optional</li> <li>Can be used to link projects to named regional priorities</li> </ul>
<ul style="list-style-type: none"> <li>Significance</li> </ul>	<ul style="list-style-type: none"> <li>Optional</li> <li>RLTP will explicitly list activities from LTP online that are proposed for 2009/12</li> <li>AN RLTP must also list forthcoming significant activities, some of the indicative projects may be significant</li> </ul>
<ul style="list-style-type: none"> <li>Inclusion and priority</li> </ul>	<ul style="list-style-type: none"> <li>Required to ensure the funding model works, however because there are no LTP online project or phase codes for these manually entered lines they are distinguished from other activities</li> </ul>
<ul style="list-style-type: none"> <li>Programming</li> </ul>	<ul style="list-style-type: none"> <li>Required to ensure the funding model works</li> </ul>
<ul style="list-style-type: none"> <li>Funding sources</li> </ul>	<ul style="list-style-type: none"> <li>Required to ensure the funding model works</li> </ul>
<b>Data calculated by system</b>	
<ul style="list-style-type: none"> <li>Adjusted cashflow</li> </ul>	<ul style="list-style-type: none"> <li>Reports the result of any adjustments to cashflow from changes to programme timing or to the weight given the project cost</li> <li>Includes an allowance for territorial authority admin but not for RC administration which should be entered manually if not in LTP online</li> </ul>
<ul style="list-style-type: none"> <li>Funding summaries</li> </ul>	<ul style="list-style-type: none"> <li>Reports results of LTP online derived data and manually entered data when this has activity class information, programming information and raw cashflow</li> </ul>

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## Updating LTP online information

If a new extract from LTP online is taken it will be necessary to copy any additional information from the old funding spreadsheet into the new spreadsheet. This is a complex activity so should be done carefully. It involves:

- Saving a copy of the old spreadsheet using a different name to the template
- For data taken from LTP online
  - Copying the manually entered data from the old funding spreadsheet into the new spreadsheet
  - Using the phase identity record to match one line in the old spreadsheet to the same activity in the new spreadsheet
- For manually entered rows
  - Copying the entire manually entered rows from the old spreadsheet into the new spreadsheet
  - Manually entered rows have not LTP online project or phase numbers
  - Confirm that the information has been copied into the correct columns

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## “What if” reprogramming of activities

The spreadsheet enables “what if” investigation of re-programming activities. This means that it is possible to see the impact on budget if a project is advanced or deferred.

This is signalled by changing the number in the “Advance years” column. Note that a project should only be advanced to start in 2009/10 and not before, and also that if a project is advanced from beyond year 10 it will need raw cashflow in years 11 onwards in the raw cashflow section.

BY	CA	CB	CC	C
			Index for counting	
			Escalation	
<b>Comment on the regional authority decision</b>	<b>New start year</b>	<b>Include %</b>	<b>Advance years</b>	<b>2009/10</b>

The system recalculates the project cost according to the inflation figures entered across the top of the table. These rates are user selectable.

This feature is useful if you wish to investigate the impact of advancing or deferring projects or perhaps swapping the sequence of two projects on the budget.

This facility is constrained to changes in timing of whole years to simplify the spreadsheet.

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**Comparing  
expenditure  
and funds  
available**

The summary table shows the total cost of activities in each activity class taking into account the impact of any deflation or inflation in project cost, and any change in project timing.

It also shows the overall cost of the programme.

The sheet shows the funding sought for each activity class from each funding source. It compares funding sought from the NLTP to that indicatively available for each region. It shows the difference per year and the total cumulative difference.

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# Derivation of funding plan

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## Process

The process could involve:

1. Identifying the indicative funding available from the NLTP and other sources
  - a. the NLTP (N, T, R or C funds)
  - b. government funds administered by NZTA (e.g. super gold card, regional development)
  - c. local share (whether funded from rates or non-project specific developer contributions, etc)
  - d. other sources (e.g. tolls, regional fuel levies, developer contributions etc.)
2. deriving an estimate of the cost of the programme
  - a. identify forecast expenditure by organisations in the period 2009/12 as entered in LTP online, considering the impact of any over programming
  - b. this comes from several places
    - i. a table of activities proposed for inclusion in the RLTP in the near future from LTP online, this is used to identify expenditure on specific projects
    - ii. a table of forecast expenditure by each organisation in each activity class from LTP online, this is used to predict the maximum expenditure by each organisation in each activity class.
    - iii. additional information provided by organisations
  - c. Identifying cost streams for significant future activities not included in the lists of proposed activities submitted to the RLTP for inclusion in the RLTP using LTP online, and adding these to the activities list developed above relating to the first three years of the programme. This might involve
    - i. getting advice from the NZTA's State highways group on the costs and timing of future large projects
    - ii. assessing the ongoing level of routine activities such as road maintenance, or generic improvement projects. This might be best modelled by assessing the level of activity in the first three years and extrapolating it into the future. E.g. road maintenance activities might be modelled as growing at 1% per annum (the national average) and inflating at 4% per annum.
  - d. identify which activities are to be included in the RLTP and which are not
  - e. prioritise activities other than those which are to be included in the RLTP "by default" (these are local roads maintenance, local roads minor capital works, and existing pt services)
3. Proposing the funding source for each activity or combination of activities
4. Comparing the funding available in each activity class to that sought, and comparing the funding available for the entire programme to that sought and addressing any material annual or cumulative difference. A material gap may be addressed by considering additional funding sources, reducing the activities in the programme, or by reprogramming activities.
5. Developing a financial forecast of revenue and expenditure, and assumptions, for inclusion in the draft RLTP.

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**Level of detail**

We expect that funding plans only refer to individual projects where these are significant, as for large SH projects. Small projects should be considered as groups of like projects e.g. a SH passing lane group, local road safety projects.

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**Indicative NLTP funding ranges**

The agency has recently released indicative funding ranges for each activity class to each region. These are included in the spreadsheet. It is reasonable to use the mid point of the ranges when developing the first iteration of the funding plan. Should there be a funding surplus in any activity class where the activity level is above the minimum point on the funding range, then any surplus could be “transferred” to another activity class with “excess” value for money activities.

Note that because there must be a reasonable match between GPS funding ranges across the country and the total anticipated expenditure and significant variance from the indicative funding ranges in one region needs to be offset by a complementary variance in another region.