

# INVESTMENT DECISION MAKING FRAMEWORK: EARLY EVALUATION 2022 – EXECUTIVE SUMMARY

March 2022

We have sought feedback from key stakeholders and users to evaluate how well our Investment Decision Making Framework (IDMF) is working and identify where we can make improvements. This is a summary of our report on the findings and actions arising from the first of a series of three evaluations.

## Background

Waka Kotahi and our investment partners use the IDMF to guide investment decisions, including how investments are developed, assessed and prioritised for funding. The IDMF gives effect to the Government Policy Statement on land transport (GPS), which sets out the government's priorities for expenditure from the National Land Transport Fund over a 10-year period.

In 2019 we reviewed the IDMF and made extensive changes to create a simpler, more transparent framework, and to address issues our investment partners told us they were having around economic appraisal, prioritisation, business cases and benefits realisation. The review was prompted by changes in the 2018 GPS, which placed more emphasis on social, economic, cultural and environmental outcomes in transport planning.

Changes to the IDMF came into effect on 1 July 2020, in time for the development of the 2021–24 National Land Transport Programme (NLTP). The changes related to investment principles and policies, the benefits framework, business case development and assessment; and guidance, tools and templates were made available through a new portal, InvestHub.

## Evaluation purpose and scope

The purpose of the three-stage IDMF evaluation was to better understand whether the IDMF was working as intended and what changes were needed to improve it.

This early evaluation focuses on how well the IDMF has worked during its first 18 months of use, and what further changes and improvements are needed at this stage, with a particular focus on the tools, guidance and InvestHub portal.

## Evaluation method

From October to November 2021, data and feedback was collected from a variety of sources including:

- focus groups with key stakeholders who use the IDMF tools and guidance, including Waka Kotahi staff, local government and consultants
- semi-structured interviews with nine key people from within Waka Kotahi
- an end-user survey was offered to 512 people (147 from Approved Organisations, 85 consultants and internal teams from Waka Kotahi), with 39 responses
- internal workshops to review how the IDMF was applied in 15 business cases
- a desktop review of documentation, InvestHub and Transport Investment Online (TIO) data.

## Summary of key findings and actions

This early evaluation shows that the IDMF tools and guidance have been well-received by users who found them useful when developing, assessing and prioritising activities. It also identifies a need to make the tools and guidance more user-friendly and improve access to resources.

From this feedback we have identified actions we will take to further improve the IDMF tools and guidance.

The table below provides a summary of key findings and high-level actions we will take in response to the feedback.

Finding	Action
1 The IDMF tools and guidance have been well received. Users found them useful when developing, assessing and prioritising. However, some of the tools need adjustments to enable improved usability.	Continue to improve to the tools and guidance based on feedback, including making them simpler, easier to access and use.
2 Initial indications are that the tools and guidance have contributed to improved investment-decision making that takes account of the impacts of transport on communities and the environment, but it will take time to embed a system-based planning approach.	Continue to embed and refine the IDMF tools and guidance and integrate them into the wider planning, investing and funding process. Develop additional learning opportunities about how to take a system-based approach to transport planning and investment.
3 There is concern around the complexity of developing business cases to access NLTF funding and confusion about how the IDMF tools and guidance fit together overall.	Work to reduce the complexities of accessing NLTF funding from a customer perspective as part of the Business Case Review Project. Further align IDMF tools, processes, and guidance.
4 Those who infrequently use the IDMF tools, such as local government co-investment partners outside of main urban areas, find them challenging to use.	Investigate how the IDMF tools can be simplified for users, with a particular focus on guidance and support for infrequent users.
5 The early release of new tools and guidance, particularly the Investment Prioritisation Methodology -would be beneficial for Councils to enable the early development of their Regional Land Transport Plans.	Work to ensure that future IDMF amendments are developed and communicated in a timely manner to feed into RLTP development timeframes. We are working with TSIG on a timeline for NLTP development that aligns better with RLTP time frames.  We will work with the Ministry of Transport (MoT) to provide input into the development of the GPS, including timeframes and how the IPM could be made available sooner.
6 Further work is needed to improve the planning and investment evidence base.	Review the benefits framework and the benefit measures to ensure these reflect and measure the impacts on broader outcomes.
7 There is a need for ongoing learning and development.	Develop and implement a learning and development programme to improve understanding of the IDMF tools and guidance and how they are to be used together.
8 There is confusion about where to find investment guidance and learning resources and the role of different Waka Kotahi platforms such as InvestHub and the Planning and Investment Knowledge Base.	Deliver the findings of the review of investment guidance and learning and development resources. Establish a primary learning and development platform and ensure appropriate resources for its ongoing management.

Table 1: Summary of findings and high-level actions

## Next steps

We will undertake the actions listed above to improve the IDMF in response to the feedback received in this evaluation. Some of these are already underway, while others are part of specific reviews, such as the Business Case Approach Refresh project.

In 2023 we will undertake the interim outcomes evaluation of the IDMF. This second evaluation will focus on how well the IDMF delivers a system-based approach to improving multi-modal transport choices and broader outcomes (social, economic, environmental). This will result in recommendations to improve performance against outcomes.

The final outcomes evaluation is scheduled for 2025. This will bring together insights from the previous evaluations to assess the IDMF's fitness for purpose and whether it has resulted in achieving the intended broader outcomes.