

REG | THE ROAD EFFICIENCY GROUP

BEST PRACTICE AMP WORKING GROUP

Case Study

Incorporating the ONRC into Asset Management Planning – Central Otago District Council Example

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1	7/12/14	All	Document Created
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Executive Summary

This Case Study provides an example of how a rural District Council has initially applied the One Network Road Classification (ONRC) Customer Levels of Service and Performance Framework. It outlines the challenges that have been encountered, and how these will be addressed for the 2018 AMP.

A key benefit to undertaking this process has been that we have gained improved understanding of the assets and management practices within the District. This has helped identify where change is required to improve delivery of the outcomes required by the community.

The challenges are:

- Development of a simple structure to incorporate the ONRC customer levels of service and performance framework into the level of service statements in the AMP so that it can be easily understood by a wide audience.
- Linking the local community outcomes to regional objectives in the Regional Land Transport Plan, the ONRC outcomes, and the national objectives in the Government Policy Statement.
- Data issues, gaps, and context.
- Culture change regarding the need for and timing of intervention.
- The ability of our financial system to provide cost data relative to outcomes and classifications.

The ONRC is already shaping the way we think and it will provide future opportunities for improved decision making as performance and investment data is collated and understood on a local and national basis.

This work was undertaken in parallel with development of the performance measures, and it is expected that integration of the ONRC into AMP's will improve as our familiarity with this way of working matures.

This example is therefore seen as a first step towards 2018, and should be used as a starting point for improvement and not as a template.

Table of Contents

<u>Executive Summary</u>	1
<u>1 Introduction</u>	3
<u>2 Case study</u>	4
<u>3 Recommendations</u>	8
<u>Appendix</u>	9

1 Introduction

1.1 Project Outline

Project Name:	
Project Location:	Central Otago District Council
Project Objectives:	To provide a real world example of the first steps in application of the ONRC to a rural roading network
Length:	1886km
Traffic Volume:	
Supplier(s):	Central Otago District Council Roding Staff, and Rationale Ltd.
Project Stage:	First Step to embedding the ONRC
Value: (cost savings)	Too early to determine
Scope of Work:	Incorporate the ONRC into the 2015 AMP using the data available in 2014.
Environment:	
Constraints:	Data availability across the full spectrum of ONRC Customer Levels of Service and Performance Measures, and time constraints
Project commenced:	October 2014
Key Issues:	Central Otago District Councils current data, asset and cost management practises do not enable full integration in 2014.

1.2 Project Team

Name	Organisation / Role	Contact Details (Email and Telephone)
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2 Case Study

2.1 Introduction

The ONRC and Provisional Customer Levels of Service were released to the industry in December 2013. The ONRC Provisional Performance Measures and Targets were released in December 2014.

The Central Otago District Council Rooding Manager has been involved in the development of the ONRC performance framework. This Case Study provides an early example of how a small rural Council has taken the first step in applying the ONRC using their local conditions and data.

The Central Otago District Council 2015 Transport Activity Management Plan (AMP) uses data that was readily available within the Central Otago District Council at the time of preparing the Draft 2015 AMP. It also identifies where data or current asset management practises within Central Otago District Council do not currently align with the ONRC and will require further work to enable the ONRC to be fully embedded by 2018.

The Central Otago AMP has been prepared in parallel with development of the performance measures, and it is expected that integration of the ONRC into the AMP will improve as our familiarity with this way of working matures.

Each District will be unique, and will have different opportunities and challenges which will need to be documented. This example should therefore be used as a starting point for improvement rather than used as a template.

A key benefit to undertaking this process has been that we have gained improved understanding of the assets and management practises within the District. This has helped identify where change is required to improve delivery of the outcomes required by the community.

2.2 Applying the ONRC to the Central Otago Network

Central Otago District Council had prepared for application of the ONRC classifications to the network by implementing the RAMM Traffic Counting module (REG Case Study 2013-04). This process had been completed up to the stage of linking carriageway sections. This last part of the project was parked due to time and data constraints, with the intention of resuming the project following completion of the 2015 AMP.

Not completing the traffic count module has caused issues for applying the ONRC classifications using the RAMM ONRC tool. The tool classifies roads by carriageway section, and the sections which were not linked to a count site were therefore not automatically classified. This resulted in a considerable amount of manual work to assign classifications.

An action on the Central Otago District Transition Plan is to complete the remaining work required on the RAMM traffic counting model to enable fully automated classification by 2017 in time for preparing the 2018 Land Transport Program.

2.3 Explaining the ONRC to the AMP Audience

Central Otago District Council has a small Roding team, with limited use of external consultants. The AMP is the only strategic planning document for transportation, and provides all information as to what Council does, why work is undertaken this way, what has been tried in the past and lessons learnt, what is planned in the future and why.

The target audience includes staff, contractors, councillors and members of the public, as well as NZTA staff and auditors. The document needs to be able to be understood by a wide audience many of whom will not be familiar with the ONRC or technical terminology. We have therefore attempted to explain the classifications, customer levels of service, performance framework and how this impacts on what we do in simple terms.

The classifications are outlined in the introduction section of the AMP. The customer levels of service have only been included for the classifications which exist within the District. These have been included in the Level of Service section, with emphasis placed on the differences that are expected in level of service between classifications.

2.4 Linking the GPS, ONRC, Regional Policy, And Community Outcomes

Councils Long Term Plan relates Levels of Service to Community Outcomes. Council is also required to identify how the activities it proposes contribute to the Regional Land Transport Policy, and the Government Policy Statement. At the same time Levels of Service need to relate to the ONRC and demonstrate that we are delivering customer outcomes that are fit for purpose.

Finding a simple way to demonstrate these linkages has been challenging, and has been done using a table.

2.5 Performance Measures for the Long Term Plan

Councils 2012 Long Term Plan includes 10 performance measures for Transportation. These are recorded at network level.

Using the ONRC outcome measures, the Department Of Internal Affairs mandatory measures, and existing customer service measures we have identified twenty potential measures for the 2015 Long Term Plan.

These include three existing resident opinion survey measures, five mandatory Department of Internal Affairs measures, two existing customer service measures, and one efficiency measure which are all reported at network level. Of the 20 measures, 11 could be reported to classification level. The measures that are unable to be reported to classification level relate to customer satisfaction and are not ONRC measures.

Council does not want to include 20 measures within the 2015 Long Term Plan, and only nine measures which consist of the five Department of Internal Affairs measures, three customer service and one resilience outcome measures are being included. The LTP measures will only be reported at network level.

Council has a quarterly report which provides a greater level of information to Elected Members and the public on Councils activities. The ONRC measures are likely to be reported annually in the June quarterly report. This will enable further clarification to be included in the content of the report to provide context to the measures.

2.6 Defining Levels of Service

As part of the process of embedding the ONRC, the way in which Central Otago has defined levels of service has changed. Previously Councils high level vision for roading was underpinned by five customer values (timeliness, communication, quality of work, cost effectiveness, and responsiveness) and we then defined the assets and inputs that Council would provide.

Using the ONRC framework we have seven Customer Outcomes: resilience, travel time reliability, accessibility, amenity, safety and cost efficiency. The expected customer experience for each classification is defined for each of these outcomes. We then define what Council will provide (in terms of outputs) to ensure the customer experience on the Central Otago network is consistent with these expectations.

We have included additional information and measures in the level of service section of the 2015 AMP which relate to resident opinion surveys and customer service as these are long standing measures which provide useful trend information regarding public perception.

2.7 Setting Levels of Service

The current levels of service have largely remained the same, except where Council has resolved to change this. These changes have been noted in the AMP and the investment proposed has been changed.

Where the level of service defined in the ONRC differs to what is proposed by Council then this has been documented along with what Council intends to do to address this gap.

In the case of Low Volume Access Road unsealed road accessibility, the level of service currently provided is lower than the target in the ONRC. An explanation has been provided, along with a proposed modest increased investment to undertake drainage and spot metalling, and the acknowledgement that even with additional investment the proposed level of service will still be lower than that defined in the ONRC.

In the case of Amenity on sealed roads, the level of service currently provided is higher than that targeted in the ONRC. Council has undertaken dTims analysis, site verification and a review of public calls and satisfaction, and has proposed a reduced resealing program in response to this.

2.8 Populating the Performance Data

The ONRC performance framework uses three ways to define performance:

1. A target is defined for each classification
2. The measure is a reporting requirement initially, with benchmarking data to be provided back to the Council at a later date
3. Council's methodology for delivering a performance outcome is required to be documented, either within the AMP or another strategic document.

2.8.1 Target Measures

Where a target is defined, performance analysis is simply a case of comparing existing performance to the target and identifying if there is a gap in either under or over delivery, and documenting what Council proposes to do to address this or not.

2.8.2 Reporting/Benchmarking Measures

Where the measure is a reporting requirement then we have provided the current performance data in the AMP, and will not be able to interpret this until the national benchmarking data is provided back to Council. This means the current levels of service may not be considered fit for purpose and will require further consideration once the report back process is underway. As a result there is currently data provided in the level of service section of the AMP with no conclusion as to what this data means.

Historic trend data was not included in the AMP due to time constraints. We intend to work collaboratively with other Southern Councils early in the 2015 LTP period to enable information sharing and facilitate discussion regarding the benchmarking measures.

2.8.3 Methodology Measures

A number of the measures require Council to document its methodology or processes in the AMP. Where Council has a current process this has been documented. In some

cases Council does not currently have processes and these are included in the Transition Plan for development by 2018.

An example of a measure where Council is required to demonstrate how it will deliver an outcome is Resilience Measure -PM5 where information is required to be provided to customers of changes to travel conditions. In this case we have documented our public communication process.

2.9 Data Issues

The data that has been collected for the reporting measures has highlighted some issues. Where there is a short length of road within a classification this can distort the efficiency measures in particular. This is due to the fact that renewals will only occur periodically, and will not be evenly split across each year, resulting in spikes in cost.

There will need to be a degree of intelligence applied to interpreting the report on performance measures with the ability to include comments in any published reports to explain these anomalies.

In some cases the existing data has not been collected to classification level. An example of this is historical cost data, where payment for some activities will need to be nominally split across several classifications.

We have not populated the measures where the current data is not robust, and improvement of this, or development of a methodology for obtaining the data is included in the Transition Plan. Completing the RAMM traffic estimation module is the single largest task that we have. Development of a resilience plan, a route vulnerability assessment for Collector Roads and an emergency response plan is the next large area of work. The remaining tasks are minor, and can be addressed by changes to our existing recording processes.

For some measures the data required to be reported does not fully define the problem. An example of this occurred with measures relating to bridge accessibility. The length of detour is a major consideration in the practicality of using an alternative route. In this case we have included additional information in the AMP on the detour length to provide context to the problem that exists.

It is likely that other councils will have similar instances where anomalies occur in the data for various reasons and it may be necessary to include further information to explain these or provide context.

2.10 Integrating The ONRC into Asset Management Practices

The performance framework of the ONRC changes the context under which intervention should occur. Instead of intervening because we have always done so, we need to consider intervention based on:

- failure or likely failure under the ONRC performance framework and
- the most cost effective time to intervene

This method of management is introduced under Best Practise AMP Working Group Case Study – Maintaining and Renewing Sealed Pavements under the ONRC. This case study provides an example of when intervention would occur for sealed road activities using the ONRC framework.

This method of considering intervention has been introduced in Section 6 of the Central Otago District 2015 AMP. This outlines how we expect to work from 2015 onwards. It is an initial step only, and we expect further work will be required to refine Council and our suppliers understanding as further guidance is developed in this area.

2.11 Integrating the ONRC into Financial Management Systems

Central Otago District Council's existing financial management system and contract payment structure have been set up to map to the NZTA work categories. This has simplified our accounting and reporting processes and reduced staff and contractor workload.

Consideration was given to restructuring our financial management structure to reflect the ONRC outcome areas. Where work categories clearly relate to only one outcome area then this will be a simple process. In some cases the work within a work category will map to different outcomes. An example is traffic services, where regulatory or warning signs will map to Safety, but destination or road name signs will map to Accessibility.

Restructuring existing financial reporting systems will require careful consideration to ensure the accounting requirements do not become onerous or difficult to understand for staff on the ground. The ONRC has therefore not been integrated into the Financial Section for the 2015 AMP.

We will be looking at what changes are required to enable financial reporting against outcomes, and where necessary by classification. This will enable changes to be introduced and tested in our financial system prior to developing the 2018 Land Transport Program.

We expect that one benefit of this change will be an increased understanding of the Transport Program by Councillors and community if our investment is discussed in terms of the outcomes they can expect rather than stating the inputs we will provide.

3 Recommendations

Specific Recommendations	Suggested Action to be Taken
<ul style="list-style-type: none">▪ That organisations recognise this example is a starting point in 2015 only and that they develop this process further for their own 2018 AMP's.	Further case studies be developed over the 2015-2017 period
<ul style="list-style-type: none">▪ That opportunity be provided for organisations to provide feedback on their experiences in applying and interpreting the performance measures into their activity management processes.	REG establish an ONRC feedback process into the annual reviews of the ONRC performance measures