# Template 1: General Budget Track Initiative Template

*This template seeks a high-level summary of the Budget 2018 significant initiatives. Agencies are required to complete the:*

* *Blue sections for all initiatives (including cost pressures).*
* *Green sections for cost pressure initiatives.*

*Your Vote Analyst will complete their assessment in the grey fields. Supporting information must be provided to your Vote Analyst. Please use the descriptions provided as a guide for what information is expected in each of the boxes below.*

*Contact your Vote Analyst in the first instance with any queries.*

## Section 1: Overview and Context

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| **Vote** | [Must match CFISnet entry] |
| **Responsible Minister** | [Must match CFISnet entry] |
| **Initiative title** | [Must match CFISnet entry. The title should be concise and provide a clear direction of what the initiative is about] *The title field has a 120 character limit.* |
| **Initiative description** | [Must match CFISnet entry. The description should outline what the additional funding will achieve in terms of outcomes/ impacts/ results and start with “This funding will….”]  [See Section 5.2.1 for further guidance] *The description field has a 550 character limit.* |
| **Workstream** | BGA/Social Sector/Capital/Other |
| **Responsible Vote Analyst** | [Please provide your name and extension number] |

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| **1.1 EXECUTIVE SUMMARY** | |
| 1. **Short summary of the proposed initiative and expected outcomes.** | **This is very useful for Ministers and your Vote Analyst to engage on the key details.** Please provide a summary of the initiative covering:   * What the initiative is or who is it targeting. * What the requested funding will be spent on (eg, more FTEs, increase in subsidies, IT costs, capital investment). * Why the initiative is required and needs to be funded now * The expected outcomes or impact of the initiative   The summary should be brief (no more than 200 words) and give a good overview of the initiative in an easily understandable way.  We recommend that you complete this at the end of filling out this template. |

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| **Funding Sought ($m)** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/2023 & outyears** | **TOTAL** |
| **Operating** | - | - | - | - |  |  | - |
| **Capital[[1]](#footnote-1)** | - | - | - | - |  |  | - |

[If your proposal requires time limited funding until the year 2020/21 please delete the ‘& outyears’ from the table. If your proposal requires time limited funding beyond 2020/21, please add new columns to the table to reflect the profile of funding sought.]

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| **VA Recommendation** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22 & outyears** | **TOTAL** |
| **Operating** | - | - | - | - | - | - |
| **Capital** | - | - | - | - | - | - |

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| **Vote Analyst Recommendation** | **Three components required:** *See Vote Analyst Assessment Guidance.*  1. [Support in full/Do not support/Partial support and Scale/Defer]  2. [Please provide a two sentence summary to explain your recommended above].  **This will be entered into CFISnet and used in the supporting comment next to initiative assessments in advice to Ministers and Panels.**  3. [Provide a succinct overall assessment which outlines the key judgements which support your two sentence summary (above)].  **This will be used in the Treasury moderation process and package development stages.** |
| **Degree of Government Commitment** | [Pre-commitment/manifesto commitment/discretionary] |

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| **1.2 CONTEXT** | | |
| A. Has the initiative been previously considered by Cabinet or been through previous Budgets? | | Y / N |
| B. Has the initiative been jointly developed with other agencies? | | Y / N |
| C. Have you attached the supporting Better Business Case, Regulatory Impact Assessment, etc (if applicable)? | | Y / N |
| D. Would this initiative still go ahead if not funded in Budget 2018? | | Y / N |
| E. Does this initiative contain an element of funding for cost pressures?[[2]](#footnote-2) | | Y / N |
| F. Were these cost pressures signalled in your most recent Table 2A and 2B submission? | | Y / N |
| **G.**  **If required, please provide additional information to support your answers above.** | **The purpose of these set of questions is to get a quick understanding of the broader context to support the assessment of the initiative.**  These are also questions that we expect will be frequently asked by Ministers and Panels. There will be an opportunity to flesh out details in other parts of this template. | |

## Section 2: Problem / Opportunity & Strategic Alignment

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| **2.1 PROBLEM DEFINITION OR OPPORTUNITY** | |
| **A.** **Describe the problem or opportunity that this initiative seeks to address.** | **This provides an understanding of the nature, size and severity of the need or problem/opportunity that exists.**  This establishes the case for investment and describes outcomes from which Ministers can consider the relative importance of different initiatives.  [If relevant, please include an intervention logic – see Annex A]. |
| **B.** **What inputs will the preferred option buy and why?** | **The purpose of this is to get an understanding of what is being purchased in order to deliver the outcomes.**  This will need to specify over the forecast period:   * What the funding requested is going to be spent on (eg, additional FTEs, IT, subsidies). * The different components of the initiative and how much each of these cost (eg, $X for additional FTEs, $Y for research, $Z for IT costs). * What are the expected outputs and associated outcomes as a result of each of these components (eg, better employment outcomes, reduced crime).   [Using the intervention logic to set out the outputs and outcomes expected as a result of these inputs may assist].  [If helpful, please provide this information in a spreadsheet form]. |
| **C.** **What alternative options were considered and why did you choose your preferred option?** | **The purpose here is to determine whether a reasonable range of options were considered to meet the problem/opportunity identified above.**  This should strengthen the investment case for the proposed initiative.  [This will be built on in section 3.1.A of this template]. |
| **D.** **Counterfactual analysis.** | **The purpose of this is to understand the implications of doing nothing.**   * Define the counterfactual * What are the implications if this initiative does not go ahead?   See section 6 of the Guidance for the difference between the counterfactual and the status quo. [This will be built on in section 3.1.A of this template]. |

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| **VOTE ANALYST COMMENT** |
| **Has the problem or opportunity been clearly described and does it support a compelling case for investment?**  Has the agency clearly outlined what the initiative will be buying, for who (if applicable), and what it is intended to achieve?  What is the cost to deliver this proposal and is it comparable to other ‘like’ costs? Has the agency provided detail on the different components making up these costs?  Is clear information provided on the alternative options and counterfactual?  *If you do not have sufficient information, please follow up with your agency as these are key ingredients for the package development and bilateral advice.* |

| **2.2 STRATEGIC ALIGNMENT AND COLLABORATION** | |
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| **A.**  **How does this initiative fit with your agency’s strategic intentions as outlined in your most recent Statement of Intent, Four Year Plan and Long Term Investment Plans?**  **How does this initiative align with the Government’s priorities?** | **This provides Ministers a forward perspective of the opportunities, challenges and pressures facing the agency and the Vote(s) it administers.**  This should include a sense of the key strategic choices and trade-offs resulting from these.  [See section 3.1 of the Guidance and include a self-assessment score of the strategic alignment] |
| **B.** **Description of engagement with other agencies impacted by this initiative (if applicable).** | What are the interdependencies and/or cross agency collaboration that is required to deliver this proposal?  Which agencies will be delivering the initiative and how have they been involved in the development process to date? |
| **C.** **How does this initiative relate to current activity undertaken by your agency and/or by others across the State Sector?** | **The purpose of this is to get an understanding of the range of services already available and how this addresses different needs.**  This should reveal the gap that exists and strengthen the case for the initiative. The key question of interest here is why these current services don’t meet the need described above. |

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| **VOTE ANALYST COMMENT** |
| [Please rate this initiative’s alignment with Government priorities on a scale from **0-5**]  What strategic intentions [outlined in the Four Year Plan] does this initiative align with?  Is the strategic intent of this initiative clear?  If multiple agencies are involved, is there a clear sense of how the initiative will be delivered collaboratively?  Do they have a clear understanding of how this initiative will fit in with existing activity across the State Sector? |

| **2.3 COST PRESSURE INITIATIVE SECTION [IF APPLICABLE]** | |
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| **A.** **What are the policy settings and cost drivers creating the pressure or risk?** | **This provides an understanding of the policy settings and choices associated with the cost pressures.**  Specifically, what is the driver (such as demand for services underpinned by set staffing ratios, inflation, etc) and where is the entitlement specified (ie. legislation, handbooks, or expectation). |
| **B.** **What are the assumptions underpinning the pressures?** | **This sets out how the cost pressures have been calculated and enables assessment of consistency across the State Sector.**  Please provide supporting documentation showing supporting calculations as well as comparator information for these costs over the past four years (forecast and actual) and any offsetting choices or funding.  What are the rates and forecasting assumptions that have been applied to generate the costs (by component)?  What services do these pressures relate to?  Have you undertaken sensitivity analysis with respect to any significant assumptions? |
| **C.** **What options have been identified to address the cost pressures?** | **This provides Minister with an understanding of what’s been done to-date and what actions could be considered?**  What steps has your agency taken to manage these pressures?  What has been the impact of these steps on the cost pressures and outcomes?  What has been the effectiveness of funding provided through previous Budget(s) or Cabinet decisions?  How will these pressures be managed going forward? |
| **D.** **What is the efficiency, effectiveness and productivity of this cost pressure area?** | **This provides an understanding of the value proposition for further investment in this area.**  *Effectiveness* – how well is the performance understood (ie has evaluation been undertaken? What information do you have on the impact of the existing spend?  *Ministers have shown specific interest in understanding the effectiveness of funding provided in previous budgets and cabinet decisions.*  *Efficiency* – what do you know about efficiency of the current service? Does this investment expand the reach of the programme, fund an unmet need or keep the existing service/programme going?  What information do you have that the services relating to these pressures are delivering value?  What information can you provide to show that productivity of this area has improved (or declined) and how is this measured? |

***Please note section 3.4 of this template is also a critical aspect for cost pressure initiatives.***

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| **VOTE ANALYST COMMENT** |
| What are the choices around the policy settings and/or where is the requirement specified?  How credible are the assumptions which underpin the identified pressures? How do these compare to the market rates, Statistics NZ data and previous forecasts?  *These are critical elements for prioritisation of cost pressures and bilateral advice. Finance Ministers expect to see expect to see better information on the underlying cost drivers, assumptions and impact of these cost and volume pressures.*  What actions have been taken to manage or address these pressures (including in previous years) and how credible are the proposed strategic responses?  What is your view on the implications of not funding/partially funding these pressures?  How accurate has the agency been with its previous forecasts?  *Advice to Finance Ministers will need to set out how these pressures align with the agency’s medium to long-term strategic direction and the effectiveness of funding provided through previous Budgets.* |

## Section 3: Value for Money and Impacts

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| **3.1 EXPECTED IMPACTS** | |
| **A.** **What are the costs and benefits of this initiative compared to the counterfactual?**  Builds on section 2.1.C and 2.1.D of this template. | **The purpose of this is to provide information on the size, scale and nature of impacts expected from this initiative.**  This should include an explanation of:   * *Who* is impacted (positively and not) * What the impacts are (costs and benefits) – both monetised and unmonetised as well as secondary/flow-on impacts. * When *the impacts will be realised and for how long*   \*Please fill in the Impact Summary Table in Template 2 and attach to this template. This provides a summary of the costs and benefits of the proposal (both societal and Government) and the assumptions and evidence base underpinning the return on investment number. It also sets out a comparison between two agency selected options.  [See section 6 of the Guidance and include a self-assessment score for the value for money of this initiative] |

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| **VOTE ANALYST COMMENT** |
| [Please rate this initiative on a scale from **0-5** to reflect Value for money. Please explain your rating and provide a short comment on the quality of the cost-benefit analysis and the reliability of the inputs. See section 3.2.2 of the guidance.]  Has a compelling counterfactual been provided? Or if not, have the risks and implications been made clear?  The prompts above should be completed at a minimum by the agency to ensure a consistent assessment across initiatives. |

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| **3.2 ASSUMPTIONS AND UNDERLYING EVIDENCE** | |
| **A.** **Outline the assumptions underpinning the impacts described above.** | **The expected returns from an initiative are primarily driven by the underlying assumptions around impacts. The purpose of this it to understand these assumptions** – in particular, the assumptions around:   * Size and scale of impact * Uptake/success rate * The Counterfactual (what would happen if the initiative is not in place)   If this initiative has not been implemented in New Zealand before, what assumptions have been made that the initiative is applicable in the New Zealand context? |
| **B.** **What evidence supports the assumptions and impacts stated in section 3.2.A?** | **The purpose of this is to understand the robustness of the assumptions and impacts described above and used in the ROI analysis (for initiatives requiring a CBAx).**  This will help determine how much confidence we can have in the stated impacts, quantified or not, or how much we can rely on the ROI number.  Is there evidence of this initiative (or aspects of it) being delivered elsewhere?  What do we know about the efficiency or effectiveness of current services?  For initiatives completing a CBAx, the assumptions used in the return on investment calculation should be based on strong evidence, be a reasonable best estimate. |

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| **VOTE ANALYST COMMENT** |
| Provide an assessment of the assumptions and judgements related to the expected returns. Are these clearly stated and reasonable and appropriate given the proposal’s intended outcomes?  Does the evidence (qualitative and/or quantitative) provide reasonable certainty and confidence? Why/why not? |

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| **3.3 SENSITIVITY ANALYSIS** | |
| **A.** **Provide examples or scenarios to show how impacts change with different assumptions or policy settings.** | **The purpose of sensitivity analysis is to understand which assumptions have the greatest impact on the expected outcomes and what happens if these are changed.**  This exercise builds confidence that the analysis is robust under different scenarios but also reveals any limitations/risks associated with the analysis.  What are the key dependencies associated with the success of this initiative?  For initiatives that are required to complete a CBAx, sensitivity analysis is encouraged around the:   * Discount rate * Success rate * Strength and timing of impacts |

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| **VOTE ANALYST COMMENT** |
| Has the agency completed sensitivity analysis which steps through the impact of different elements on the initiative?  *This type of information will be critical when outlining choices and impacts/risks associated with trade-offs as the draft package is developed and advice is provided to Finance Ministers.* |

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| **3.4 FUNDING IMPLICATIONS** | |
| **A.** **Provide option(s) for scaling, phasing and/or deferring this initiative.**  Builds on information provided in section 2.1.B of this template. | **The purpose of this information is to set out the choices available to Ministers as they make prioritisation decisions within the constraint of the allowances.**  Are there specific parts of the initiative which can be scaled or phased and why?  What is the minimum-level of investment or critical components of the initiative? |
| **B.** **Describe the implications on service delivery and risks/trade-offs for each of the scaled, phased or deferred scenarios section 3.4.A.** | **This will allow the risks and implications associated with scaling, deferral and/or phasing options to be set out for Ministers in the draft package.**  We are interested in your “Plan B” as well as any risks that have not yet been quantified. You may wish to cover:   * Potential service cuts * Impact on service quality * Short term vs long term implications (eg stress on staff in the short term) * Impact on customers and other stakeholders * Impact on the achievement of strategic objectives. |

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| **VOTE ANALYST COMMENT** |
| Have credible choices and implications been set out? If this initiative is prioritised down or scaled to fit within the draft package, do you have sufficient information to make these judgements? At a minimum, can you provide to Ministers:   * What are the most valuable components * What is the do-minimum/point at which no worth doing? * What are the risks or impacts of scaling?   *The development of the Budget package will require trade-offs and prioritisation across initiatives. Advice to Ministers will need to set these choices (and the risks/consequences) out.* |

## Section 4: Implementation, Risk Management and Evaluation

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| **4.1 IMPLEMENTATION AND RISKS** | |
| **A.** **How will this initiative be delivered?** | **The purpose of this is to understand (at a practical level) the details of how the initiative will be implemented.**  This will provide confidence that the right resources/systems/processes are in place to support successful delivery.  This should provide detail on:   * Who will be leading the implementation of the initiative? If it is a cross agency initiative, is there one lead agency or will multiple agencies be implementing components of the initiative? * If multiple agencies are involved, how is funding being allocated and through what mechanism? * The estimated timeline for delivery * The capacity and capability of the agency(ies) to deliver on outcomes (eg, adequate resourcing, technology and expertise). How will the necessary capability be developed? * The capacity of the market to deliver specialised resources required for implementation – is there enough supply? * What steps or milestones need to occur before the initiative can start implementation? |

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| **Risk Description** | **Impact or Consequences** | **Likelihood** | **Severity** | **Overall Risk** | **Mitigation /  Controls** |
| [Please complete based on section 6.6 of the guidance] | [Please complete based on section 6.6 of the guidance] |  |  |  | [Please complete based on section 6.6 of the guidance] |

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| **VOTE ANALYST COMMENT** |
| Please provide a brief comment on the agency’s capability to deliver the initiative and ensure that the expected outcomes are achieved.  Has your agency set out the potential barriers or roadblocks expected in implementing the initiative and whether a plan exists to mitigate these? (This could include, for example, limited supply in the market for resources required to deliver the initiative, access to the target population/self-selection issues, and/or ability of agency to contract with providers)  [Please rate this initiative **red, amber or green** according to your assessment of risks associated with the delivery of this initiative. Consider the size of the proposal relative to the agency’s activity, any cross agency impacts, and impacts to front-line service delivery.] |

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| **4.2 LEGISLATIVE AND REGULATORY IMPLICATIONS** | |
| **A.** **Please detail any legislative implications and whether the Regulatory Impact Assessment (RIA) requirements apply.** | How does this initiative fit with your agency’s Regulatory Stewardship Strategy?  Which regulatory systems may need to be amended? |

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| **VOTE ANALYST COMMENT** |
| [Provide an assessment of the regulatory impacts of this proposal in consultation with the Regulatory Quality team.] |

| **4.3 PERFORMANCE MONITORING AND EVALUATION** | |
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| **A.** **Performance measures/indicators.** | **The purpose of this is to understand what will success look like/how will your agency know when the initiative has been successful.**  To aid the measurement of success if would be helpful to see:   * What key activities, outputs and outcomes will be measured to determine whether the initiative is being delivered as intended? How and when will these be measured? * If a comparison group is to be used in the impact evaluation, how will outcomes be measured for this group? |
| **B.** **Outline how the implementation and performance of the initiative will be regularly monitored.** | **The purpose of this is to ensure that the implementation of the initiative is reviewed on an ongoing basis with the results of this review used to improve or adjust the delivery of the initiative (as appropriate).**  This is particularly important for initiatives delivered through multiple agencies. A robust performance monitoring plan provides confidence that the initiative is on track to deliver intended outcomes.   * For cross agency initiatives, are there any governance processes in place to ensure implementation is on track and as intended? * How would agencies ensure that there are effective feedback loops in place to inform continuous improvement? * Is funding being sought for evaluation? |
| **C.** **Describe the method proposed to evaluate the impact of the initiative [if appropriate].** | **The purpose of this is to ensure the initiative is set up in a way to measure success and outcomes.**  Is any impact evaluation approach proposed for this initiative and why has the approach been selected as the most appropriate?  Will the evaluation be able to estimate a counterfactual of what would have happened without the initiative? If so how will this be done?  Are there are risks that need to be managed to ensure the initiative can be evaluated?  Please attach the evaluation plan if one has been completed [details included at in template 3], or outline the process for developing one. |

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| **VOTE ANALYST COMMENT** |
| Please provide a brief comment on the proposed performance monitoring and evaluation.  Will it capture the expected outcomes are achieved?  Is there a clear and quality plan for how the success of the initiative will be measured and at which points or milestones? |

1. The first 10 years of capital investment is counted against the capital allowance. Additional FY columns are to be added to funding table above to reflect the full capital costs of an initiative. [↑](#footnote-ref-1)
2. Cost pressure initiatives cover existing services and outputs that are funded from within baselines but which are facing wage, price, volume and/or other pressures and where an agency considers it cannot continue to deliver the same level and/or quality of service within its baselines. [↑](#footnote-ref-2)