

Annex One: Assessment criteria for new spending initiatives

Priority alignment			
Area to RAG-rate	Green	Amber	Red
Budget 2019 priorities	Strong narrative to show alignment to at least one of the Budget 2019 priorities. The initiative directly relates to the description of the priority in the Cabinet paper.	Some narrative to show alignment to at least one of the Budget 2019 priorities. A case can be made to align this initiative to the description of the priority in the Cabinet paper.	No/weak narrative to show alignment to at least one of the Budget 2019 priorities. A case cannot be made to align this initiative to the description of the priority in the Cabinet paper.
CPC priorities	Strong alignment to the CPC priorities.	Some alignment to the CPC priorities (tangential).	No/weak alignment to CPC priorities.
Government's aims/direction	<p>The initiative demonstrates at least one of the following:</p> <ul style="list-style-type: none"> Strong alignment with the Government's general direction (ie, with speeches, strategy documents, policy announcements). Strong strategic alignment with agencies' directions, as outlined in at least one of their strategic documents (LTIP, 4YP, SOI, PIF response, or bespoke plans eg, MOE's strategy and operating model, Strategic Defence Policy Statement). The initiative aligns with a commitment in one of the following documents: <ul style="list-style-type: none"> Coalition Agreement Confidence and Supply Agreement Speech from the Throne 	<p>The initiative demonstrates at least one of the following:</p> <ul style="list-style-type: none"> Some alignment with the Government's general direction (ie, with speeches, strategy documents, policy announcements). Some strategic alignment with agencies' directions, as outlined in at least one of their strategic documents (LTIP, 4YP, SOI, PIF response, or bespoke plans eg, MOE's strategy and operating model, Strategic Defence Policy Statement). The initiative has tangential alignment with a commitment in one of the following documents: <ul style="list-style-type: none"> Coalition Agreement Confidence and Supply Agreement Speech from the Throne 	<p>The initiative demonstrates at least one of the following:</p> <ul style="list-style-type: none"> No/weak alignment with the Government's general direction (ie, with speeches, strategy documents, policy announcements). No/weak strategic alignment with agencies' directions, as outlined in at least one of their strategic documents (LTIP, 4YP, SOI, PIF response, or bespoke plans eg, MOE's strategy and operating model, Strategic Defence Policy Statement). The initiative does not align commitment in one of the following documents: <ul style="list-style-type: none"> Coalition Agreement Confidence and Supply Agreement Speech from the Throne
Overall RAG-rating for this section has the following criteria:			
<p>Priority aligning initiatives: Green: All boxes need to be green-rated Amber: At least one red box Red: At least one red box</p>			
<p>Non-discretionary cost pressure initiatives: Green: The Government's aims/directions box is green-rated Amber: The Government's aims/directions box is amber-rated Red: The Government's aims/directions box is red-rated</p>			
<p>Out-of-scope initiatives: Green: The CPC priorities and Government's aims/direction boxes are both green-rated Amber: The CPC priorities and Government's aims/direction boxes are both at least amber-rated Red: The CPC priorities and Government's aims/direction boxes have at least one red-rated box.</p>			

BUDGET-SENSITIVE

Intervention logic, evidence and wellbeing analysis			
Area to RAG-rate	Green	Amber	Red
Intervention logic	<p>A clear intervention logic is presented (note this does not have to be using the exact template provided, but a form of intervention logic must be shown). The agency has shown a strong understanding of the current state and counterfactual. This should include a clear description of:</p> <ul style="list-style-type: none"> Evidence of the problem and why funding is required A clear options analysis demonstrates why the proposed initiative is the best response to address the problem. A clear understanding of the outcomes of the initiative is shown. <p>If you are assessing a cost pressure, the initiative clearly demonstrates the following:</p> <ul style="list-style-type: none"> there is a high risk attached to not funding. alternative options of delivery are considered taking a wellbeing lens. 	<p>An intervention logic is presented (note this does not have to be using the exact template provided, but a form of intervention logic must be shown). The agency has shown some understanding of the current state and counterfactual. This includes a description of the evidence of the problem and why funding is required. There is some attempt outlining why the proposed initiative is the best response to address the problem through an options analysis. There is some understanding of the outcomes of the initiative.</p> <p>If you are assessing a cost pressure, the initiative clearly demonstrates the following:</p> <ul style="list-style-type: none"> there is a high-medium risk attached to not funding. alternative options of delivery are considered taking a wellbeing lens. 	<p>The intervention logic presented is weak and does not show evidence of the problem or evidence that the proposed initiative is the best response. There is weak/no understanding of the outcomes of the initiative.</p> <p>If you are assessing a cost pressure, the initiative shows the following:</p> <ul style="list-style-type: none"> there is low risk attached to not funding or information on key risks is not provided to inform a judgement no alternative options for delivery presented.
Implementation readiness and evaluation	<p>The initiative provides strong evidence surrounding implementation readiness, and how the initiative will be implemented and evaluated. The information provided in the initiative provides confidence as to how the initiative will be delivered. The initiative clearly outlines any key risks, and you are comfortable that these risks can be managed/mitigated and the initiative will be successful implemented regardless. The initiative clearly states any pre-requisites that may need to be achieved before the initiative can be implemented.</p> <p>The initiative clearly outlines the plan and implementation strategy to monitor the performance of the initiative, and to evaluate it.</p> <p>The agency has also provided analysis of the following areas:</p> <ul style="list-style-type: none"> What success rates for the initiative would look like Sector capacity to implement the initiative Uptake of proposed initiative 	<p>The initiative provides some evidence of implementation readiness, and how the initiative will be implemented and evaluated. The information provided in the initiative outlines how the initiative will be delivered. Some risks to implementation are outlined, and there is some mitigation of these risks outlined.</p> <p>The initiative considers some pre-requisites that may need to be achieved before the initiative can be implemented.</p> <p>The initiative considers the plan and implementation strategy to monitor the performance of the initiative, and to evaluate it.</p> <p>The agency has also provided consideration of the following areas:</p> <ul style="list-style-type: none"> What success rates for the initiative would look like Sector capacity to implement the initiative Uptake of proposed initiative 	<p>The initiative provides little evidence of implementation readiness, and how the initiative will be implemented and evaluated. The information provided in the initiative outlines some information as to how the initiative will be delivered, but further work is still required and there are obvious gaps. The initiative does not successfully identify the risks to delivery, or the options to mitigate the risks are unlikely to be effective. The initiative doesn't consider/ has a weak plan and implementation strategy to monitor the performance of the initiative, and to evaluate it.</p> <p>The agency has provided weak/no consideration of the following areas:</p> <ul style="list-style-type: none"> What success rates for the initiative would look like Sector capacity to implement the initiative Uptake of proposed initiative
Wellbeing analysis	<p>The initiative identifies the key domains that are impacted by the initiative (and identifies the primary and secondary domains), and for each domain clearly describes the impact. The initiative provides a full and clear picture of the impacts and distribution by outlining who is affected, the magnitude and size of the impact, and when the impact may be realised. It also provides strong evidence for the information used in each of these components.</p> <p>The initiative considers the contribution that they initiative may have on the four capitals (positive, negative or maintain) with a comment to describe how this was determined, and provides a realistic estimate of when this might be realised.</p> <p>The initiative considers whether or not the proposal builds resilience that will assist New Zealand to maintain or improve existing levels of wellbeing (through capital stocks and flows), and also considers whether or not the initiative responds to any current risks to wellbeing. The initiative should show positive/maintaining impacts on wellbeing.</p>	<p>The initiative identifies the key domains that are impacted by the initiative (and identifies the primary and secondary domains), and for each domain describes the impact. The initiative outlines the impacts and distribution by including some information who is affected, the magnitude and size of the impact, and when the impact may be realised. It also provides some evidence for the information used in each of these components.</p> <p>The initiative considers the contribution that they initiative may have on the four capitals (positive, negative or maintain) with a brief comment, and provides a somewhat realistic estimate of when this might be realised.</p> <p>The initiative provides some consideration as to whether or not the proposal builds resilience that will assist New Zealand to maintain or improve existing levels of wellbeing (through capital stocks and flows), and some consideration of whether or not the initiative responds to any current risks to wellbeing. The initiative could build/maintain resilience or mitigates to risk to wellbeing.</p>	<p>The initiative identifies the key domains that are impacted by the initiative, (and identifies the primary and secondary domains), and for each domain describes the impact. The initiative attempts to outline the impacts and distribution by including some information who is affected, the magnitude and size of the impact, and when the impact may be realised. It provides no/weak evidence for the information used in each of these components.</p> <p>The initiative considers the contribution that they initiative may have on the four capitals (positive, negative or maintain), and provides an unrealistic estimate of when this might be realised.</p> <p>The initiative provides weak/no consideration as to whether or not the proposal builds resilience that will assist New Zealand to maintain or improve existing levels of wellbeing (through capital stocks and flows), and weak/no consideration of whether or not the initiative responds to any current risks to wellbeing. The initiative does not demonstrate that it builds/maintains resilience or mitigates to risk to wellbeing.</p>
Overall RAG-rating for this section has the following criteria:			
All initiatives: Green All boxes need to be green-rated Amber At least one amber box Red At least one red box			

BUDGET-SENSITIVE

Cost understanding			
Area to RAG-rate	Green	Amber	Red
Cost breakdown	<p>Initiative provides a detailed cost breakdown, including the different components of the costs sought. The initiative is clear what funding is required (if any) for monitoring and evaluation.</p> <p>Clear assumptions for forecasts are demonstrated in the initiative and are realistic. Relevant comparators are provided where appropriate.</p> <p>The initiatives outlines key areas of uncertainty or risk that are involved in the costings, and any further work that needs to be done. If there is further work to be done, this is minor.</p> <p>For cost pressures, the initiative clearly outlines the assumptions that have underpinned costs eg, level of demand, percentage increases built into the profile of the initiative for price pressures.</p>	<p>Initiative provides a cost breakdown of some costs. The initiative outlines what funding is required (if any) for monitoring and evaluation.</p> <p>Clear assumptions for forecasts are demonstrated in the initiative and are realistic. Relevant comparators are provided where appropriate.</p> <p>The initiatives outlines key areas of uncertainty or risk that are involved in the costings, and any further work that needs to be done. There may be some further work that needs to be done, but it is not major.</p> <p>For cost pressures, the initiative outlines the assumptions that have underpinned costs eg, level of demand, percentage increases built into the profile of the initiative for price pressures.</p>	<p>Initiative provides high level costs only.</p> <p>The assumptions behind forecasts are unclear or not realistic.</p> <p>The initiatives outlines key areas of uncertainty or risk that are involved in the costings, and any further work that needs to be done. There is a substantial amount of work that is still required.</p> <p>For cost pressures, the initiative does not outline assumptions that have underpinned costs eg, level of demand, percentage increases built into the profile of the initiative for price pressures.</p>
Scaling	<p>The initiative clearly (and in detail) identifies options for either scaling, deferring or phasing – including the scenario of scaling to 75% and 50%, respectively. The initiative analyses what each scaling option would mean for the delivery of the initiative, and any impact on the proposed outcomes and impacts in the intervention logic and wellbeing analysis. It clearly outlines other risks/implications associated with the initiative if it was scaled.</p>	<p>The initiative identifies options for either scaling, deferring or phasing – including the scenario of scaling to 75% and 50%, respectively. The initiative considers at a high level what each scaling option would mean for the delivery of the initiative, and any impact on the proposed outcomes and impacts in the intervention logic and wellbeing analysis. It outlines some realistic risks/implications associated with the initiative if it was scaled.</p>	<p>The initiative does not identify/identifies unrealistic options for either scaling, deferring or phasing. The initiative doesn't realistically outline what each scaling option would mean for the delivery of the initiative, and any impact on the proposed outcomes and impacts in the intervention logic and wellbeing analysis. It doesn't provide, or overinflates the risks/implications of scaling or deferring the initiative.</p>
Overall RAG-rating for this section has the following criteria:			
All initiatives: Green All boxes need to be green-rated Amber At least one amber box Red At least one red box			

Collaboration			
Area to RAG-rate	Green	Amber	Red
Cross agency/cross-portfolio collaboration	<p>The initiative clearly identifies what kind of proposal has been submitted (eg, joint initiative, system initiative), or clearly and convincingly identifies why it does not have cross-agency/portfolio considerations.</p> <p>All relevant stakeholders across the public sector have been engaged on this initiative. Where appropriate, consultation has also happened with key stakeholders (ie, those intended to deliver the proposed service) outside of the public sector. If there has been any challenges in this collaboration, it is clearly identified in the initiative template, and is minor enough to not impact on the initiative.</p> <p>The initiative has clearly incorporated any feedback from the October check-in on the collaboration of the initiative.</p>	<p>The initiative correctly identifies what kind of proposal has been submitted (eg, joint initiative, system initiative), or identifies why it does not have cross-agency/portfolio considerations.</p> <p>Some stakeholders across the public sector have been engaged on this initiative, however not to the degree desired and this engagement has not been comprehensive. Only some challenges and risks have been identified.</p> <p>The initiative has, however, attempted to incorporate any feedback from the October check-in on the extent of collaboration and identification of cross agency implications.</p>	<p>The initiative correctly identifies what kind of proposal has been submitted (eg, joint initiative, system initiative), or identifies why it does not have cross-agency/portfolio considerations.</p> <p>Some relevant stakeholders across the public sector have been consulted on this initiative.</p> <p>The initiative has not attempted to incorporate any feedback from the October check-in on the collaboration of the initiative.</p>
Overall RAG-rating for this section has the following criteria:			
All initiatives: Green All boxes need to be green-rated Amber At least one amber box Red At least one red box			

BUDGET-SENSITIVE

Overall RAG rating

Priority-aligning initiatives

Green-rating: All categories are green-rated, OR at least three green categories (including priorities) are green rated, with one amber-rating.

Amber-rating: All categories are at least amber-rated.

Red-rating: At least one category is red-rated.

Non-discretionary cost pressure initiatives

Green-rating: All categories are green-rated, OR at least two green categories (including evidence and intervention logic) are green rated, with one amber-rating.

Amber-rating: All categories are at least amber-rated.

Red-rating: At least one category is red-rated.

Out of scope initiatives

Green-rating: All categories (evidence and intervention logic; wellbeing and cost) are green-rated.

Amber-rating: All categories are at least amber-rated.

Red-rating: At least one category is red-rated.