

MEMO

To: Board Members
From: Eric Sinclair, Programme Sponsor
Date: 20 March 2019
Subject: **UPDATE: Indicative Business Case Programme**

<i>Status</i>
This report contains:
<input type="checkbox"/> For decision
<input checked="" type="checkbox"/> Update
<input type="checkbox"/> Regular report
<input type="checkbox"/> For information

Introduction

The purpose of this memo is to provide an update to the Board on the Indicative Business Case (IBC) Programme progress. The update is presented around the three key workstreams comprising the IBC programme. These three workstreams and the current assessment of status for each is shown in the following table:

IBC Programme Overall	Clinical Services Planning	Pre-Design & Masterplanning	Indicative Business Case
On Track	On Track	On Track	On Track

Clinical Services Planning

The first draft of the Clinical Services Plan (CSP) has been produced and is currently out for feedback from the Clinical Engagement Group, Models of Care (MOC) Programme and the Management Oversight Group.

The feedback is being themed over the next few days to highlight the key areas where further work may be needed, and to identify when that work may be needed. The CSP, although prepared in the IBC programme, will move to the MOC programme once the updated version (following feedback) has been completed, and will sit under the GM Strategy Primary & Community's sponsorship.

The CSP is a document that will be updated on an ongoing basis as the MOC programme matures over the next few years. The key aspect of the CSP for the IBC programme is to identify a range of key assumptions required for the modelling work to inform the IBC. These assumptions will be further tested as we progress into the detailed business case (DBC) and detailed design phases to run over the next couple of years.

The CSP will be presented to the Board at the April meeting.

Pre-Design and Masterplanning

A number of options for the location and configuration of a Nelson Hospital redevelopment have been completed. It is important to note that these options are not detailed designs, and a lot of details are still to be worked through in the DBC phase of this programme.

Following conversations with MOH and Treasury we have been working up various staging options within the options list to determine how each option could be completed in stages. This is a normal part of the process, but does take some time to work through. We have engaged a specialist programme planner within the IBC team to assist the team with these options.

We have also been working up more detail on two options at the behest of the MOH/Treasury. The first considers how we could maximise the reuse of current buildings on the current Nelson site – this provides a degree of evidence when compared to other options on why a more substantial rebuild may be a better option and is a normal part of the counterfactual/base case option.

The second is a total greenfield development away from the current Nelson Hospital campus. Again this provides a comparative point when the other options are considered. Essentially these two options are at the two ends of the spectrum for any development.

Indicative Business Case

This stream has made rapid progress, as expected, over the last month as the time for completion approaches and the other workstreams reach a conclusion. We have held workshops specifically to look at the high level and significant risks with the programme and a benefits planning workshop that will enable a better picture of what success looks like to be developed for the IBC.

In late February we also undertook the first Gateway Review. A Gateway Review is a small team pulled together by Treasury to form a snapshot of the programme and identify opportunities where the programme should focus at that point in time to improve its chances of producing a quality product, and improving its chances of success. I have been fortunate over the last 10 years to have completed a number of Gateway Reviews (both in NZ and in various jurisdictions in Australia) and know that these reviews can be a valuable asset to any programme. My view is the review has helped identify a couple of key issues, not just for the programme where it stands now, but equally as important to help us establish the parameters to move into the next DBC phase.

The biggest concern that the Review Team identified is time. The view they received from a number of the people interviewed was the push to complete the IBC in the timeframes we have set could easily compromise on the quality of the document. The CEO and I have recently looked at the review and feedback phase for the IBC, and we will present the IBC to the Board for discussion at the May meeting. This enables the various groups that have input into the programme to date enough time to complete a detailed review.

The other two main issues identified were:

- The broader governance structures covering both the IBC and MOC programmes – this includes not just the governance groups but the various clinical engagement groups in both programmes. There is also comment around getting the terms of reference completed for all the groups to confirm who the members can engage with and what messages they can discuss pre and post meeting/workshop.

- Future capability and capacity within NMH needs to be built and established so we are in a more robust position to supplement the knowledge and skills of the external consultants with our own local knowledge.

Work has been ongoing on both these issues, and the Governance Oversight Group will review progress on both of these moving forward.

Eric Sinclair
Programme Sponsor

RECOMMENDATION:

THAT THE BOARD NOTES THE UPDATE ON THE INDICATIVE BUSINESS CASE PROGRAMME.