



Cabinet Priorities Committee

Summary

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New Governance Arrangements for Health Infrastructure

Portfolio	Health
Purpose	This paper provides an overview of the new governance arrangements for health infrastructure projects and programmes, including setting up some new groups and the disestablishment of three others.
Previous Decisions	In April 2022, the Cabinet Social Wellbeing Committee agreed to new Health capital settings, including an ongoing requirement for Ministerial oversight of the health asset and investment management through the transition period, and the Ministry of Health transitioning into a monitoring role of asset and investment management practice [SWC-22-MIN-0063].
Proposal	<p>The framework for the infrastructure programme and project governance is attached as Appendix One, page 14.</p> <p>Te Whatu Ora has established a new governance model for health infrastructure that transfers responsibility for project governance from Manatū Hauora to Te Whatu Ora. The model comprises of a Capital and Infrastructure Committee of the Te Whatu Ora Board, and an Infrastructure Programme and Project Governance Framework.</p> <p>The implementation of the framework will require the disestablishment of three governance groups: the Executive Steering Group for the New Dunedin Hospital, the Hospital Redevelopment Project Group for Canterbury hospital rebuild projects, and the Capital Investment Committee. Officials will seek to retain key members of the disestablished groups in the new governance arrangements to ensure continuity of experience and expertise.</p> <p>A new capital advisory panel will also be established to provide assurance and advice to support the Manatū Hauora monitoring function.</p> <p>A new Infrastructure Operating Model has also been approved, which aims to improve efficiency, performance, and capability of infrastructure planning and delivery within Te Whatu Ora. An overview of the operating model is in Appendix Two.</p>
Impact Analysis	Not applicable.

Financial Implications	None from this paper.
Legislative Implications	None from this paper.
Timing and Communications	None specified.
Consultation	<p>Paper prepared by Te Whatu Ora. The Treasury, MoH, DPMC (Prime Minister) and Te Aka Whai Ora were consulted. Te Waihangā (NZ Infrastructure Commission) were also consulted.</p> <p>The Minister indicates that all CPC Ministers were consulted.</p>

The Minister of Health recommends that the Committee:

- 1 note that in April 2022, the Cabinet Social Wellbeing Committee agreed to new Health capital settings, which included:
 - 1.1 specified staged increases in decision rights to Te Whatu Ora – Health New Zealand as it demonstrates the capability necessary for the enhanced management of the asset and investment portfolio;
 - 1.2 an ongoing requirement for Ministerial oversight of the health asset and investment management through the transition period;
 - 1.3 the Ministry of Health transitioning into a monitoring role of asset and investment management practice with support by Te Waihangā - the New Zealand Infrastructure Commission, and the Treasury;

[SWC-22-MIN-0063]
- 2 note that Te Whatu Ora has established a new governance model for health infrastructure that comprises of a Capital and Infrastructure Committee of the Te Whatu Ora Board, and an Infrastructure Programme and Project Governance Framework;
- 3 note that the new Te Whatu Ora governance arrangements requires the disestablishment of three current governance groups, which the Minister of Finance and the Minister of Health have agreed:
 - 3.1 the Executive Steering Group for the New Dunedin Hospital;
 - 3.2 the Hospital Redevelopment Project Group for Canterbury hospital rebuild projects;
 - 3.3 the Capital Investment Committee, which provided advice to Joint Ministers and Manatū Hauora – Ministry of Health;
- 4 note that Te Whatu Ora and Manatū Hauora will seek to retain key membership of disestablished groups in new governance arrangements to ensure continuity of experience and expertise;

- 5 note that Manatū Hauora will establish a new capital advisory panel to provide assurance and advice to support the Manatū Hauora monitoring function;
- 6 note that Te Whatu Ora Chief Executive Officer has approved a new Infrastructure Operating Model that aims to improve efficiency, performance and capability of infrastructure planning and delivery within Te Whatu Ora.

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