

Terms of Reference

Infrastructure Operating Model Working Group

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Horopaki/Context

The New Zealand Infrastructure Commission/Te Waihanga Act 2019 (The Act) defines infrastructure as physical infrastructure in New Zealand or infrastructure that results in services in New Zealand. The Act goes on to define an infrastructure project to include the creation of new infrastructure as well as the maintenance, upgrading, replacement, decommissioning or removal of existing infrastructure. Health infrastructure includes land, buildings, clinical equipment, information technology and motor vehicles, that all has to work in unison to deliver excellent care across the health continuum¹. Consideration is required within the operating model as to where the responsibility for the management of these asset classes vests.

Health infrastructure is an enabler, and when planned, delivered and maintained well over the long term will help support equity and the delivery of health services based on the needs identified nationally, regionally and locally. Enhanced strategic asset and investment management will ensure that the right assets are invested in, at the right time and in the right location.

The health system reforms present a unique opportunity, and need, to bring together and build on our infrastructure capabilities, capacity and ways of working. This restructure is needed to ensure investment decisions in infrastructure make healthcare more accessible, sustainable, equitable and resilient. This restructure also needs to be able to build trust and confidence that infrastructure investment decisions follow nationally accepted criteria for prioritisation and attracts the best capability to ensure execution. To do this, we need to understand both where we are starting from and where we want to go at national, regional and local levels.

Importantly, Te Whatu Ora needs to deliver on the Government's priorities for infrastructure investment. To support those expectations (attached in Appendix 2), a new operating model is required to provide confidence that the estate is being managed well and capital invested wisely to address the existing deficit in physical assets and ensure the long-term sustainability and quality of health care provision. . The operating model is the bridge between strategy and day-to-day

¹ Not all assets need to be managed by the Infrastructure Unit but will need to be closely aligned in terms of asset management and service delivery.

operations. It articulates how we will organise ourselves, provides certainty around processes, and guides the behaviours and culture that are needed to realise our ambitions and the vision of the reform. The operating model must also enable improvement of equity of access to care and work in partnership with Te Aka Whai Ora to reflect Te Tiriti principles in the way it works.

Kaupapa/Purpose

The purpose of the Infrastructure Operating Model is to define a common view of the functions, capabilities, tools, and capacity required to manage New Zealand's health infrastructure. It will also describe how resources will be structured and deployed to deliver a health estate that meets stated levels of service, and ensure that infrastructure projects are delivered on time, scope and budget. It will be supported by an initial version of an improvement programme that outlines the roadmap and approach to get to the future state.

The Infrastructure Operating Model will need to support driving efficiency and effectiveness in the delivery and management of assets. An integrated, fit for purpose system and standardised systems, processes and tools will aid in ensuring that when investment is prioritised there can be confidence that it will be invested in an equitable manner. The Infrastructure Operating Model needs to enable those investments with clinical and health service priorities as agreed with the Government for delivery.

Hōkaitanga/In Scope

The Infrastructure Operating Model will focus on Te Whatu Ora, and the interfaces it has with the Te Aka Whai Ora (including Iwi-Maori Partnership Boards), Ministry of Health, primary and community care and consumers and their whānau. However, its design and development will operate under Waka Hourua as a guiding framework, i.e. in partnership with the Te Aka Whai Ora working towards a common Pae Tawhiti (Vision).

The intent is to define an Infrastructure Operating Model that supports the wider objectives of health sector reform, including to create a more equitable, accessible, cohesive and people-centred system that will improve the health and wellbeing of all New Zealanders. Key deliverables will be a documented view to

support operations on Day 1 and future state options for the Infrastructure Operating Model.

The functions that need to be considered when determining the Infrastructure Operating Model include the local, regional and national responsibilities for:

- Service Planning
- Infrastructure system leadership and development
- Strategic asset management and Planning
- Investment prioritisation, management and planning
- Infrastructure Planning, Procurement and Delivery
- Investment monitoring, assurance and benefits realisation
- P3M Governance
- P3M reporting
- Property/Facilities Management Functions
- Shared services functions.

Key deliverables:

1. Future State Options and Recommendations for Infrastructure Operating Model and Organisation Design. The components of Operating Model and Organisation Design being leadership structure, capabilities required, business processes, technology and data/digital enablers, values and culture and how it relates to others parts of Te Whatu Ora
2. An understanding of asset management responsibility, and project delivery decision-making principles and thresholds to underpin the operating model
3. Understanding existing capability and how this can be best deployed across the HNZ/MHA infrastructure and project delivery landscape
4. Consider funding and capital settings to encourage efficient trade-offs between operating and capital expenditure
5. Enable sufficient flexibility in capital settings to enable delivery of the New Zealand Health Plan investment intentions, including investment in primary and community care where warranted and appropriate
6. A roadmap to improve maturity in the asset performance, investment management and project delivery disciplines.

The operating model will also be supported by initial draft versions of a transformation strategy that outlines the roadmap and approach to get to the future state operating model and an investment strategy to ensure that our investment framework and approach will enable the future ways of working.

The deliverables will be provided to the CEs of Te Whatu Ora and Te Aka Whai Ora for approval. The deliverables may form the induction and expectations of a newly appointed Chief Infrastructure and Investment Officer.

Infrastructure Operating Model Working Group

To successfully produce an Infrastructure Operating Model that meets expectations in a short timeframe requires strong oversight and rapid engagement of the right people, at the right time, in the right way. As such, a Working Group will be established which will include a mix of relevant skills and representatives.

The Working Group will be responsible for providing regular support, iterative feedback, expert advice, and recommendations on the development of the Infrastructure Operating Model through:

- Giving effect to the articles and principles of Te Tiriti o Waitangi (Te Tiriti), as a pro-Tiriti champion, within its scope
- Giving effect to the Māori Sovereignty Framework for data, information, privacy and security
- Giving effect to equity, as a pro-equity champion (within its scope)
- Ensuring patient / consumer / whānau centricity
- Seeking industry input into Infrastructure Operating Model design as appropriate
- Monitoring progress and providing feedback in line with objectives and expectations
- Reviewing and inputting into emerging collateral and options
- Make recommendations for CEs' approval where required
- Attending and contributing to workshops to develop the Infrastructure Operating Model
- Keeping the CEs and the Board Infrastructure Working Group informed.

HNZ Operating Model Design Committee

The operating model outputs will be validated by the HNZ operating model design committee

Sector teams / sub-working groups

- Each Te Whatu Ora region (x4 representatives)
- The Health Infrastructure Unit (x2 representatives)
- Data and Digital (x1 representative)

HNZ + MHA CEs

Infrastructure Operating Model Working Group

Purpose: To provide feedback, advice, guidance and recommendations on the development of the Infrastructure Operating Model

Core Members

- Independent (x4)
 - Chair
 - Private sector (x2)
 - Public sector
 - Māori Health Authority
- Te Waihanga
- Treasury
- Interim Chief of Infrastructure and Investment

Infrastructure Operating Model Project Team
(responsible for facilitating the process and documenting the outputs)

Key deliverables

Future Infrastructure Operating Model options and recommendations	Maturity roadmap
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Key Stakeholders

Key stakeholders will be engaged via a combination of direct individual engagement, existing forums, and sub-groups throughout the programme.

Hauora Māori	Māori Health Authority
Pasifika	Consumers & whānau
Clinical workforce	Infrastructure workforce
Primary and community care	Secondary and tertiary care
Disability	Mental health and addiction
NGOs	Aged care

- Various topics including:
- Service planning
 - Infrastructure system leadership and development
 - Strategic asset management and planning
 - Investment prioritisation, management and planning
 - Infrastructure planning, procurement and delivery
 - Investment monitoring, assurance and benefits realisation
 - P3M governance
 - P3M reporting
 - Property / facilities management functions
 - Shared services functions

The Working Group's membership is a combination of representative and skills based. The Working Group will include:

- An independent chair
- Three independent (non-health sector) members- two from the private sector and one with public sector social infrastructure experience
- At least one nomination from the Māori Health Authority
- One representative from Te Waihanga/New Zealand Infrastructure Commission
- One representative from Treasury
- The Interim Chief of Infrastructure and Investment.

The Working Group will be supported by the following sector teams from:

- Each Te Whatu Ora Region
- Two representatives from the Health Infrastructure Unit
- One representative from Data and Digital.

This membership will explicitly give effect to Te Tiriti o Waitangi through actively partnering with Māori within the Working Group.

The Working Group will be supported by domain specific working and advisory groups as required. It will also work alongside the broader HNZ operating model work programme and feed into the HNZ operating model design committee. Engagement with key stakeholder groups will leverage existing forums and advisory groups where possible and appropriate, with a robust engagement process to be developed to ensure this engagement is as effective and efficient as possible.

Working Group Operations

The Working Group will operate as follows:

Operation	Description
Frequency	The Working Group will meet weekly. Every week would focus on delivery on actions and every second week or monthly would be more substantive in terms of papers. The frequency of the regular meetings may be adjusted by the Chair as required to meet the needs of the deliverables.
Reporting	The Working Group will report to the HNZ CE and the Boards will be informed of the Group's work to date. The HNZ CE will provide an update to the Data, Digital and Innovation Joint Board Working Group if requested.
Attendance	Members are expected to attend meeting and send a delegate by exception only. They must inform the Chair at least 48 hours prior to the meeting if a delegate is to attend on their behalf. The Secretariat will manage attendance.
Confidentiality	Standard obligations relating to confidentiality also apply to the work of this working group, as such discretion should be used when discussing any matters relating to working group operations.
Quorum	The quorum for the Working Group is <u>six</u> members, one of them must either be the Chair (or a member delegated to Chair).
Decision Making	Decisions taken by the group will be made by consensus at the meeting. If group consensus cannot be reached the HNZ Infrastructure SRO will have the delegation. Advice with recommendations should reflect any opposing views with decision sitting with the SRO not the working group. Recommendations will be provided to the HNZ CE, who will have the ultimate delegation for the final operating model.
Agenda	<p>The agenda for each meeting will be set by the Secretariat in consultation with the Working Group Chair and members. Each meeting's agenda will be approved by the Chair before it is issued.</p> <p>The agenda and relevant papers for regular meetings will be distributed to attendees at least two working days before the meeting. The Chair can decide if a late paper can be accepted.</p>
Minutes	The Working Group will meet weekly. Every week would focus on delivery on actions and every second week or monthly would be more substantive in terms of papers. The frequency of the regular meetings may be adjusted by the Chair as required to meet the needs of the deliverables.

Approval of Terms of Reference

Approval: Senior Responsible Owner (SRO)	
Signed:	Date:
Name:	

Appendix 1 – Coverage required in the development of the Infrastructure Operating Model

The Working group, domain specific sub-working groups and engagement forums need to cover multiple perspectives including the following stakeholder groups:

- DHB Infrastructure Representative
- Clinical Engineers
- Māori Health Authority
- Secondary Care / Tertiary Care*
- Primary and Community Care*
- Hauora Māori
- Mental Health
- Aged Care
- NGOs
- Construction industry and workforce

*Business

Other areas of expertise that will usefully input into the is work includes but is not limited to:

• Patient / Consumer	• People and Culture
• Innovation	• Equity
• Hauora Māori	• Legislation/Settings including commissioning
• Services within Data & Analytics	• Privacy
• Digital and Technology Innovation	• Service Design and Whānau Voice
• Security	• Strategy Alignment
• Transformation Change Management	• Shared Services
• Structure Options	• Procurement/Sourcing
• Broader Outcomes	

Appendix 2 – Areas of focus for the improvement of asset and investment management for Te Whatu Ora – extract from Cabinet Paper on Health Capital Settings

Asset Management

- Development of single asset management framework and adoption across regions
- Development of standardised asset levels of service, measures and targets to enable prioritised equitable investment in infrastructure
- Standardised approach for asset planning and performance reporting adopted across Te Whatu Ora.
- Enhanced asset management information systems and tools
- Extensions of asset planning and forecasting of replacement needs

Project Delivery

- Development of delivery capacity, capability and structure at national and regional level
- Development and deployment of a standardised project delivery framework
- Market strategy to enhance delivery support from construction sector
- Implementation of standard approach to cost estimation and contingency management
- Commercial framework to standardise us of commercial contracts
- Standardised facility design guidelines

Investment Management

- Development of an Investment Management Framework with the tools and guidance to support management of the portfolio investments
- Adoption across Te Whatu Ora of the Business Case Framework to standardise and accelerate the development of business cases
- Development of a pipeline of planned investments
- Prioritisation and sequencing of planned investments across portfolio
- Development of portfolio reporting

Governance

- Integrated governance model, linking project, programme and portfolio governance
- Standardisation of assurance practice