

# Capital Investment Committee DRAFT Minutes

**Date** Monday 9 March 2015  
**Time** 10.00am-2.40pm  
**Location** Innovation Lab, Ko Awatea, Middlemore Hospital, 100 Hospital Road, Papatoetoe  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Murray Milner, Sally Webb (by teleconference), Margaret Wilsher.  
**Attendees** **NHBBU:** Michael Hundleby (Deputy National Director), John Hazeldine (Acting Director DHB Performance), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects).  
**Treasury:** Davin Hall.

Item	Subject
------	---------

Evan Davies opened the meeting at 10.00am.

**1a Apologies**

Apologies were received from Prof Des Gorman and from Ms Jan Dawson.

**1b Conflicts of Interest**

Murray Milner noted that he had some updates. Post meeting the following changes were made:

Deletion: Central Region, Regional Governance Group (Chair)

Addition: Whole of Governance Radio Network Governance Board (Chair)

Addition: Emergency Services Inter-agency Resiliency Working Group (Chair)

There were no further additions or amendments to conflicts of interest.

**1c Minutes of Previous Meeting**

**Recommendation:**

That the minutes of the 12 December 2014 meeting are accepted as a true and correct record.

Moved from the Chair

**Carried**

**1d Outstanding Action Items**

There were no outstanding action items.

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the previous Meeting.

**2 Director's Update**

The Director's Report was taken as read. Highlights included:

### West Coast Update

Engineering design for input to Preliminary Design is progressing. A drone survey of site levels as part of flood assessment is completed with report due 9 March 2015 feeding into final design work on the lower floor. Issues around IL status of the building were outlined - meetings are ongoing to reach resolution.

### Burwood

The Burwood programme is still tracking within the allocated \$215 million budget. The kitchen and loading dock portion of the Back of House Building is completed and handed over to the DHB. Demolition of the existing kitchen has commenced with removal of asbestos. Christchurch City Council and Environment Canterbury resource consents have been submitted for the new boiler house. The project is still 40 days behind schedule.

### Christchurch Acute Services Building

Enabling works are progressing in line with programme. Underground diesel tanks have been installed and dental centre demolition has commenced. The raft foundation package has been released to the market with a positive response to the RFT. RFT for the main contractor is drafted ready for release to the five shortlisted respondents on 23 March 2015. The developed design phase has ended and been estimated by the QS. Initial estimates indicate growth in cost from the preliminary design phase. Costs are estimated to be \$17.2 million over budget.

### Canterbury - Earthquake Recovery and Outpatients

The outpatient alternative option was further developed and reviewed by the HRPG and CIC. Officials are preparing advice for Ministers. The Ministry continues to engage with the DHB on reporting of the earthquake programme firstly to support drawdown requests from the programme and secondly to inform an updated programme report for CIC.

### Health Capital Review

**CIC Guidelines:** Revised guidelines are being drafted. This work is slightly behind schedule due to other work pressures.

**Asset Management and Asset Performance:** CIC expressed their concerns around this potential change. Some members noted their strong opposition and the potential impact on the ability of DHBs to manage their day to day business.

**Action Point:** That the Chair of CIC articulates the potential risks of the proposed asset management and asset management changes in written form to feed into the current process.

### Seismic

The Minister for Building and Housing plans to submit a Cabinet paper to EGI on 11 March bringing forward the time for remediation of "priority" buildings that are earthquake prone. CIC noted the Ministry's concerns about late changes to the draft Cabinet paper which now defines hospitals (priority buildings) as "those components of a hospital necessary for it to be able to maintain services in the event of a significant earthquake, but excluding administration buildings and rest homes". The Ministry's preference is for the definition to match the IL4 definition of the Building Code which would include surgery or emergency treatment buildings.

### Outpatients

Michael Hundleby tabled for discussion on outpatients a site diagram, timeline and options paper.

Sally Webb left the teleconference at 11.00am, re-joining after the tour at 12.40pm.

**3 Tour**

CIC members were taken on a tour of the Tiaho Mai Mental Health Unit and the Harley Gray Building.

**Outpatients Resumed**

Following free and frank discussion on the options and their implications, CIC supported the four storey option and agreed that it would be useful to have visibility and ultimate oversight of the full plan and programme budget in order to determine the best programme use, whether four or five storey, or Police Station options. CIC also recommended as a minimum that outpatients, but potentially other related projects, should also be brought under the control of the HRPG ensuring there is firm oversight.

Officials to progress this through the Ministry of Health and Ministers, including appropriate resourcing and funding allocation.

**4 Health Capital Review: Asset Management Maturity Assessment**

The Capital Investment Committee noted the results of the first step of the Asset Management Maturity Assessment. CIC were pleased to see this work completed and would like to see a programme of rolling audits out to other DHBs.

**5 Counties Manukau DHB Detailed Business Case for Mental Health Unit**

Ron Pearson and Geraint Martin joined the meeting for this item, with other members of their team. Counties Manukau presented their detailed business case seeking approval for a 76 bed purpose built acute mental health inpatient facility at a cost of \$53.6million.

Points raised by CIC included the short lifetime of current mental health facilities and how to ensure similar mistakes are not repeated.

**Recommendation:**

That CIC support the CMDHB business case for a mental health unit.

**Carried**

CIC requested a report on current mental health facility designs (Tahoroto, Hawkes Bay, Northland, Counties) reflecting on what has worked well and not so well, and any learnings that could be shared with the sector.

**6 Southern DHB Urgent Works – Strategic Assessment**

CIC noted the paper seeking approval to develop a Single Stage Business Case for the urgent interim works being Intensive Care Unit, Gastroenterology, Mental Health, Audiology and deferred maintenance. It was also noted that the Ministry of Health is currently in the process of establishing a Partnership Group to oversee the major redevelopment of Dunedin campus – a major project estimated to take 7-8 years until completion.

CIC expressed some concern about the state of current facilities, noting that the Single Stage Business Case should include a focus on establishing these are the current priorities and being confident that other risks are being managed. It was suggested that this should include an external peer review.

**Recommendation:**

That CIC approve Southern DHB developing a Single Stage Business Case for the urgent interim works.

**Carried**

**7 General Business**

There were no items of general business.

The meeting closed at 2.40pm.

# Capital Investment Committee DRAFT Minutes

**Date** Thursday 7 May 2015  
**Time** 10.00am-11.25am  
**Location** By Teleconference  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Murray Milner, Sally Webb, Margaret Wilsher.  
**Attendees** **NHBBU:** Michael Hundleby (Deputy National Director), John Hazeldine (Acting Director DHB Performance), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Cathy Webber (Senior Advisor Capital & Operating).  
**Treasury:** Davin Hall.

Item	Subject
------	---------

Evan Davies opened the meeting at 10.00am.

**1a Apologies**

Apologies were received from Prof Des Gorman and from Ms Jan Dawson.

**1b Conflicts of Interest**

Sally Webb: Addition – Central Region, Regional Governance Group (Chair).

There were no further additions or amendments to conflicts of interest.

**1c Minutes of Previous Meeting**

**Recommendation:**

That the minutes of the 9 March 2015 meeting are accepted as a true and correct record.

Moved from the Chair

**Carried**

**1d Outstanding Action Items**

Letter from Chair articulating potential risks of the proposed asset management and asset performance changes to feed into the current process – now complete.

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the previous Meeting.

**2 Director's Update**

The updates on West Coast and Christchurch were noted. Highlights included:

**West Coast Update**

Going well, although slightly behind timeline. Hopeful that IL3 versus IL4 issues have now been satisfactorily resolved with the DHB planning only to use that part of the building post a major event.

**Burwood**

The Burwood programme is still tracking well although there is an issue with the timeframe slipping by 40 working days. There is an ongoing need to balance money against time.

HRPG will maintain pressure on the building contractors in the last phase of the project to avoid further slippage. The flow-on effect of a later hand-over will mean extra pressure during the winter peak.

### **Christchurch Acute Services Building**

Out to market for the main contractor with market interest. Car-parking becoming a 'red flag'.

### **Canterbury - Earthquake Recovery and Outpatients**

Ministers have approved moving to design phase for both 4 and 5 storey options. The inter-relationship with the rest of the programme is an important aspect. It is clear that this project will have to be staged in some way, i.e. the building not be fully fitted out by the time some part of it needs to be open. This may be a couple of floors opened first to accommodate outpatients that need to be moved as part of the ASB project. Again, this is a time critical project with a restricted design period which will impact on options for methodology and procurement.

Concerns around the earthquake recovery programme governance are shared by the Ministry of Health, Treasury and HRPG. Ministers gave HRPG an oversight role of that but there has been insufficient information from the DHB to HRPG to enable them to carry out that task. A recent development has also seen the Minister of Finance decline signing the Annual Plan for 2014/15 until governance of the property portfolio is resolved. It is acknowledged that the Ministry would need to be sufficiently resourced to provide additional project oversight and support.

### **General**

CIC members commented on the clarity of the reports on the West Coast and Christchurch projects and raising the issues to the level of CIC, suggesting a similar template should be adopted for more formal reporting of other projects. Officials advised that there is a greater level of knowledge around these two projects because of the Ministry's role. A similar quarterly update will be sought from DHBs for other projects. This may take the form of a one-pager highlighting key issues as they arise.

## **3 Capital Reporting**

CIC members noted the report.

It was suggested that a project completion review and potential benefits realisation review should also be included.

CIC noted the Waitemata mental health unit opened in April and suggested a tour at a suitable time when the committee were in Auckland.

## **4 Ward and Room Design**

CIC noted the contents of the report.

It was agreed that any work on guidelines on ward design and refurbishments should be delayed until this report is considered in June/July 2015.

## **5 General Business**

Verbal updates were provided on the Southern HRPG process and the HBL Transition.

There were no further items of general business.

The meeting closed at 11.25am.

# Capital Investment Committee DRAFT Minutes

**Date** Thursday 18 June 2015  
**Time** 9.00am-4.00pm  
**Location** Marion Davis Library, Auckland Hospital  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Jan Dawson, Sally Webb, Margaret Wilsher.  
**Attendees** **NHBBU:** Michael Hundleby (Deputy National Director), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Jo Strachan-Hope (Senior Advisor Capital & Operating).  
**Treasury:** Davin Hall.

Item	Subject
------	---------

Evan Davies opened the meeting at 9.00am.

Following a short briefing from Margaret Wilsher, CIC members completed Auckland DHB site visits to Accident & Emergency, Starship Hospital, and Buildings 7 and 8, followed by a visit to Waitemata DHB to view the new Acute Mental Health Unit. The group returned to Auckland DHB with the formal meeting commencing at 1.15pm.

**1a Apologies**

Apologies were received from Prof Des Gorman, Murray Milner and John Hazeldine.

**1b Conflicts of Interest**

Jan Dawson: Deletion – Goodman Fielder.

Paul Carpinter: Addition – Wife working at Canterbury DHB.

There were no further additions or amendments to conflicts of interest.

**1c Minutes of Previous Meeting**

**Recommendation:**

That the minutes of the 7 May 2015 meeting are accepted as a true and correct record.

Moved from the Chair

**Carried**

**1d Outstanding Action Items**

There were no outstanding action items.

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the previous Meeting.

**2 Regional Capital Committee**

Regional Capital Committee members Gloria Johnston (CMDHB), Ailsa Claire (ADHB), Rosalie Percival (ADHB) and Dale Bramley (Waitemata DHB) joined the meeting for this item. Late apologies were received from Geraint Martin. Introductions were made around the table.

The presentation to CIC covered the following areas:

- Context:
  - The environment and other key factors influencing investment directions
  - Scale and condition of the asset base
  - Affordability considerations
- The Northern Region Capital Plan:
  - Facilities, clinical equipment and physical infrastructure
  - 'top' projects by DHB
  - Investment proposals expected to be brought to CIC in 2015/16
- The IS/IT Capital Plan
- Regional capital planning process improvements planned for 2015/16.

Discussion following the presentation included:

- Implications of the new Treasury guidelines
- The importance of being able to signal capital intentions up to 10 years and beyond where possible
- The need to share lessons learned from capital projects across DHBs and ensure future projects incorporate knowledge gained in their design process

Regional Capital Committee representatives left the meeting at 2.25pm.

**Action Point:** Officials to draft for discussion how demonstrated learnings could be introduced as part of the business case process, as well as independent post implementation review options.

### 3 Capital Reporting

CIC members noted the report and additional verbal updates.

### 4 Health Capital Review – Health capital business case process

CIC noted the contents of the report.

The Committee supported the proposed process for health capital business case development.

It was agreed that discussion earlier in the meeting about ensuring the learnings from other projects in the health sector were brought into the business case development process should also be incorporated.

### 5 Update on IT Business Cases

CIC noted the status updates provided for the following current IT projects over \$3 million capital:

- Regional Health Informatics Programme - (formerly Central Region Information Systems Plan - CRISP)
- Midland Region Hospital ePharmacy
- Northern Region Microsoft Upgrade
- Northland DHB Patient Administration System (PAS)
- Ministry of Health National Patient Flow (NPF)
- South Island Patient Information Care System (PICS)



## Capital Investment Committee DRAFT Minutes

- Nelson Marlborough DHBs implementation
- Canterbury DHB implementation
- The Midland Regional Clinical Workstation (Lakes Deployment), (formerly Lakes DHB Clinical Workstation)
  - Waikato DHB (Closed)
  - Midland Region
- Waitemata Electronic Prescribing and Administration.

### 6 General Business

The Committee noted the potential capital implications of the bowel screening business case.

**Action Point:** Officials to develop a paper outlining how the challenges, process and workload of the West Coast, Canterbury and Southern HRPGs will be resourced.

There were no further items of general business.

The meeting closed at 3.25pm.

Released under the Official Information Act 1982

# Capital Investment Committee DRAFT Minutes

**Date** Thursday 23 July 2015  
**Time** 9.00am-4.00pm  
**Location** Seminar Room, Nelson Marlborough DHB  
**Chair** Margaret Wilsher (Acting Chair)  
**Members** Paul Carpinter, Jan Dawson, Des Gorman.  
**Attendees** **NHBBU:** Michael Hundleby (Deputy National Director), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Cathy Webber (Senior Advisor Capital & Operating).  
**Treasury:** Davin Hall.

Item	Subject
------	---------

Margaret Wilsher opened the meeting at 10.15am.

**1a Apologies**

Apologies were received from Evan Davies, Murray Milner and Sally Webb.

**1b Conflicts of Interest**

Margaret Wilsher: Additions – Northern Regional Alliance – Director  
 New Zealand Innovation Hub - Director

There were no further additions or amendments to conflicts of interest.

**1c Minutes of Previous Meeting**

Minutes to be amended to reflect the discussion about the additional costs incurred in some prior build projects from following architectural trends instead of building for function. Particular attention was drawn to the use of large atriums or low level buildings in high land costs areas.

**Recommendation:**

That the minutes of the 18 June 2015 meeting are accepted as a true and correct record with the addition noted.

Moved Paul Carpinter/Jan Dawson

**Carried**

**1d Outstanding Action Items**

6/15: 1 – Introducing demonstrated learnings as part of the business case process – agenda paper

6/15: 2 - Resourcing to support HRPGs - brief included in the July capital update agenda item with a verbal update provided. Further information to follow in August.

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the previous Meeting.

**2 Capital Reporting**

CIC members noted the report and verbal updates.

Highlights included:

- Southern DHB Business Case which is expected to come to CIC for consideration in August.
- Agreed it would be useful for CIC to receive a table showing the current financial position and performance data alongside business cases coming through for approval to give context to the DHB's operational performance.
- Post Implementation reviews and post occupancy evaluations – Chasers to be sent to CEs and Chairs of those DHBs with reviews/evaluations still outstanding.
- In discussion on the Canterbury update, it was noted that this was a snapshot in time, with more detailed reporting going to HRPG. HRPG was asked to provide assurance that it is appropriately monitoring the savings realisation, IT and workforce plans associated with the Christchurch and Burwood projects. The Capital update will be strengthened in future to include more detail about the capital projects, giving CIC oversight and reassurance that HRPG have addressed issues that have arisen, including key risks and how they are being dealt with, emerging risks, and project status against the work programme and budget. This template will also be adopted for Southern HRPG.

### **3 Mental Health Unit Design**

CIC noted the contents of the report.

Previous CIC discussions around space utilisation for DHBs with land constraints were referred to and will be incorporated, while also noting that multi storey facilities bring added complexity and potential safety and security issues for mental health patients.

CIC agreed to:

1. Share the models of care and design checklist with DHBs
2. Improve DHB knowledge of AHIA guidelines
3. Encourage DHBs to discuss models of care and buildings with others at the start of projects.

### **4 Ward and Room Design Update**

CIC noted the contents of the ward and room design update.

The capital team will undertake further work on what guidance should be provided to DHBs that covers:

- a. Undertaking an in depth ward and bed stock take to contribute to the business case process
- b. Developing a checklist for DHBs to consider when planning models of care and design covering both refurbishments and new builds
- c. Developing health sector specific guidance for the new Long Term Investment Plans process which will consider a 10 year horizon of what investments and assets are needed to deliver and meet the DHBs strategic intentions and expected performance of those investments and assets relative to future service delivery intentions.

## 5 Nelson Marlborough DHB Update and Site Tour

Chris Fleming and Brandon (Facilities Manager) joined the meeting for this item. They provided an update with powerpoint presentation on Nelson Marlborough DHB facilities and seismic risks, including findings of recent reviews and assessments, how they have been addressed to date, known challenges, remedial actions underway and future planning.

In discussion on how risk would be managed in the interim, CIC sought reassurance around the Nelson Marlborough DHB emergency plan and requested that this be provided to capital team officials for review.

There was CIC support for the process Nelson Marlborough DHB are currently undertaking to complete their Health Services and Strategic Investment plans, from which an agreed timetable and next steps will be developed.

Follow-up email to be sent to Chris Fleming outlining CIC expectations.

## 6 Process Post Approval of Business Cases

CIC noted the process post approval of business cases.

Linkages to the DHB performance team's monitoring role ensuring successful implementation of benefit realisation plans and introducing new models of care in a timely manner were noted. Officials to give consideration to how CIC will be kept informed of progress and have reassurance of new model of care delivery. As noted earlier in the meeting, HRPG will be requested to provide assurance that it is appropriately monitoring the savings realisation, IT and workforce plans associated with the Christchurch and Burwood projects.

## 7 Treasury I-Map Update

The committee noted the draft Aide Memoire on DHB Investment Management and Asset Performance in the State Services.

It was agreed it would be useful for CIC to discuss further what the associated risks might be, any unintended consequences, and how CIC fits into the process which will cover capital expenditure, asset disposal, lease arrangements, "as a service" arrangements, and asset performance whether funded from baselines or new Crown funding. The Ministry of Health continues to work with Treasury on implementation of the system.

## 8 Northern HER Strategic Assessment

Margaret Wilsher declared her conflict of interest in this item as an ADHB employee and did not take part in the decision-making process.

Paul Carpinter Chaired this part of the meeting.

CIC member noted the paper and discussing the findings of the Northern Region NEHR Strategic Assessment and the next phase of the programme which will develop a programme level business case identifying cost, scope and staging of the investment with an Implementation Planning Study with the vendor, EPIC.

CIC :

1. **Noted** that the Northern Region NEHR Strategic Assessment has been supported by the National Health IT Board, with conditions
2. **Supported** the findings of the Northern Region NEHR Strategic Assessment; and
3. **Supported** the Strategic Assessment going to the joint Ministers of Finance and Health.

**9 General Business**

There were no further items of general business.

The meeting closed at 2.55pm.

Released under the Official Information Act 1982

# Capital Investment Committee Minutes

**Date** Thursday 13 August 2015  
**Time** 12.30pm-1.45pm  
**Location** Ministry of Health, 1 The Terrace, NHCC Meeting Room  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Jan Dawson, Murray Milner, Margaret Wilsher  
**Attendees** **NHBBU:** Michael Hundleby (Deputy National Director), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Karen Irving (Senior Advisor Capital & Operating).  
**Treasury:** Davin Hall.

Item	Subject
------	---------

Evan Davies opened the meeting at 12.30pm.

**1a Apologies**

Apologies were received from Des Gorman and Sally Webb.

**1b Conflicts of Interest**

Noted.

**2 Southern DHB Urgent Works**

CIC members noted the report and the Southern DHB Urgent Works Business Case.

The committee discussed the business case in detail, highlighting those areas for further discussion with Southern DHB.

Southern DHB representatives Pim Allen, Peter Beirne, Lexie O'Shea, Dick Bunton and Warren joined the teleconference, noting apologies from Carole Heatly. Questions from CIC included occupancy levels and supporting statistical data, risks (including clinical), and whether alternative outsourcing options have been considered.

Following discussion on the business case CIC agreed that a number of approval conditions be placed upon the agreement to endorse the Southern Single Stage Business Case.

**Recommendation:**

That the Capital Investment Committee:

1. Note the Southern DHB is seeking \$23.7M for urgent interim works.
2. Support in principle the NHB recommendation for a reduced urgent interim works package subject to the following conditions which will be included in the draft approval letter:
  - a) A formal report that provides the CIC with assurance that all key clinical and non-clinical risks associated with poor facility condition/space/co-location were identified and prioritised accordingly, and that information informed this business case.
  - b) While the Capital Investment Committee were convinced of the need for an upgrade of the ICU/HDU, they required further information in order to confirm the size and co-locations, utilising occupancy statistics to justify requested size in the single stage business case is appropriate. Therefore as part of the Implementation Business Case for ICU/HDU, occupancy, capacity required, and operational efficiencies need to be detailed, along with a Functional Brief that

# Capital Investment Committee Minutes

details the proposed model of care. The ICU/HDU Implementation Business Case and Functional Brief will be submitted to the CIC for endorsement, Joint Ministers will then confirm the final budget based on this report within the range \$8 million to \$11 million.

- c) The ICU/HDU Implementation business case should consider options to fast track the delivery of the ICU project.
- d) That all approved projects be subject to the oversight of the Dunedin partnership group (once established) to ensure linkages between the redevelopment business case and these investments are transparent.
- e) That the DHB develop a benefits realisation plan with measurable KPIs for the approved investments.
- f) Joint Ministers will then confirm the final budget for ICU/HDU based on the implementation business case within the range \$8 million to \$11 million.

### **3 General Business**

There were no further items of general business.

The meeting closed at 1.45pm.



# Capital Investment Committee DRAFT Minutes

**Date** Thursday 10 September 2015  
**Time** 12.30pm-2.00pm  
**Location** Ministry of Health, Meeting Room 2.12 and via teleconference  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Murray Milner, Sally Webb.  
**Attendees** **NHBBU:** Michael Hundleby (Deputy National Director), John Hazeldine (Acting Director DHB Performance), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Jo Strachan-Hope (Senior Advisor Capital & Operating)  
**MoH:** John Crawshaw, Director of Mental Health  
**Treasury:** Davin Hall.

Item	Subject
------	---------

Evan Davies opened the meeting at 12.30pm.

**1a Apologies**

Apologies were received from Jan Dawson, Des Gorman and Margaret Wilsher, with apologies for lateness from Michael Hundleby.

**1b Conflicts of Interest**

Conflicts of interest were noted. There were no additions or amendments.

**1c Minutes of Previous Meeting**

**Recommendation:**

That the minutes of the 23 July and 13 August 2015 meeting are accepted as a true and correct record.

**Carried**

**1d Outstanding Action Items**

6/15: 2 - Resourcing to support HRPGs - brief included in the July capital update agenda item with a verbal update provided. Update on progress to be presented in October.

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the two previous meetings.

**2 Waitemata DHB – Mason Clinic**

John Crawshaw, Director of Mental Health, joined the meeting to talk about the clinical aspects of this item, together with Jo Strachan-Hope (Senior Advisor Capital and Operating).

CIC discussed the constraints of the current site, alternative site options, the need for additional capacity, new models of care, projections for future demand, the need for engagement with Unitec and the process for engagement with Ministers to commence with a weekly report item.

**Recommendation:**

That the Capital Investment Committee:

1. Note the information provided in the paper.
2. Invite the Auckland metro DHBs to attend the October CIC meeting (to be held in Auckland) to discuss the regional planning required to support decisions about the Mason clinic future
3. Note the Synergia report referred to will be provided as a background to the October meeting.

**Carried**

**3 Lakes DHB Single Stage Business Case for a Children's Hub**

CIC noted the paper. In discussion it was noted that the conditions on the Council are the DHBs and would not form part of the Minister's approval.

**Recommendation:**

That CIC recommends approval of the business case to joint Ministers conditional on the terms outlined in Appendix 1 being agreed with the Rotorua District Council and conditional on the DHB sharing the terms and conditions of the lease with officials before it is signed, to ensure all identified risks are covered. The usual conditions, such as completed benefits realisation plan and quarterly reports being supplied will also be required.

**Carried**

**4 Budget**

CIC noted the paper.

**Recommendation:**

That CIC agree:

1. That the CIC Chair sends a letter to the Chairs and CEOs of DHBs that have projects in the next four years to collect firmer information to inform the four year budget bid;
2. That clear guidance is provided for the new Long Term Investment Plan process on the need for more accurate estimates for the funding required in the out years.

**Carried**

**5 Learnings from Australian Hospital Builds**

CIC noted the paper. There was discussion around the lessons learned for New Zealand and how these could be adopted.

It was agreed that CIC would write to the partnership groups raising the issues about commissioning and seeking assurance/advice as to how they are being dealt with.

The Fiona Stanley commissioning report will be circulated, with further discussion on commissioning to go on the October CIC agenda.

**6 Capital Reporting**

CIC members noted the report and verbal updates.

**Action Point:** CIC to write to Canterbury DHB about Mental Health Services relocation from Princess Margaret Hospital highlighting a) that the project was not approved as part of the redevelopment; b) that funding will need to come from within available funding (earthquake and DHB baseline; and c) the process to follow for business case approval.

**Action Point:** Paper to be developed on alternative financing for projects such as private funding for carparks.

**7 General Business**

There were no further items of general business.

The meeting closed at 2.00pm.

Released under the Official Information Act 1982

# Capital Investment Committee DRAFT Minutes

**Date** Thursday 22 October 2015  
**Time** 9.00am-1.00pm  
**Location** Pohutakawa Room, Mason Clinic, Auckland  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Jan Dawson, Des Gorman, Murray Milner and Sally Webb.  
**Attendees** **NHBBU:** John Hazeldine (Acting Director DHB Performance), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Jo Strachan-Hope (Senior Advisor Capital & Operating).  
**MoH:** John Crawshaw (Director of Mental Health).  
**Treasury:** Davin Hall (Senior Advisor).

Item	Subject
------	---------

Evan Davies opened the meeting at 10.00am.

**Action Point:** CIC members noted an arising issue at Southern DHB and requested that an update be provided to CIC once further information is available.

**1a Apologies**

Apologies were received from Margaret Wilsher and Michael Hundleby.

**1b Conflicts of Interest**

Noted. There were no additions or amendments to conflicts of interest.

**1c Minutes of Previous Meeting**

**Recommendation:**

That the minutes of the 10 September 2015 meeting are accepted as a true and correct record.

**Carried**

**1d Outstanding Action Items**

6/16: 2 – HRPG resourcing – Chair updated.

10/15:1 – Letter to Canterbury DHB about Mental Health Services relocation from Princess Margaret Hospital – Sent.

10/15:2 – Paper to be developed on alternative financing for projects such as private funding for carparks – Deferred to early 2016

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the previous Meeting.

s9(2)(b)(ii) and s9(2)(j)

#### 4 Northland Business Case

Nick Chamberlain and Meng Cheong presented the Northland DHB site redevelopment proposal covering the Northland Health Services Plan (NHSP) direction, targets, outcomes framework, facility drivers, recent/current/planned projects, seismic work required, site master plan priorities, NHSP priorities for the various Northland DHB sites and associated expenditure/timeframes.

CIC commended Northland DHB on their well-structured presentation showing both the current state with relevant background information, as well as proposed future developments.

#### 5 Capital Reporting

CIC members noted the report and verbal updates.

CIC received a verbal update on progress with the Buller business case and indicated that the latest QS was considerably in excess of the approved budget. CIC requested the Ministry to advise the DHB that it is unlikely to approve a business case that is not very close to the approved budget.

**6 Christchurch Outpatients Facility – Concept Design Report Back**

Evan Davies noted his conflict of interest for this item as Chair of HRPG.

Sally Webb was Acting Chair for this agenda item.

The paper and supporting documents were noted.

**Recommendation:**

That the Capital Investment Committee:

1. **Note** that on 15 October, the HRPG **approved** the recommendation that a new 10,500 m<sup>2</sup> building located on St Andrew's triangle be the selected option moving forward subject to CDHB confirmation of availability of the \$57 million from the Earthquake Repairs Programme; **noting** that Rider Levett Bucknall have completed a cost plan based on concept design for the 10,500 m<sup>2</sup> option at \$72.8 million; which although slightly higher than the indicative budget can be managed to a budget of \$72 million.
2. **Note** that for the 10,500 m<sup>2</sup> option, the funding distribution is \$15 million from the Canterbury Hospital redevelopment programme, and \$57 million from the Earthquake Repairs Programme. CDHB provided a letter to the CIC [19 October 2015] re-stating support for the 10,500 m<sup>2</sup> option and confirming \$57 million would be made available from the Earthquake Repairs Programme.
3. **Support** the HRPG approved recommendations.

Moved: Sally Webb / Seconded: Murray Milner

**Carried**

This support was predicated on the basis that the programme timeframe meant there were no other credible options. CIC also noted that the absence of overall spacial requirements earlier in the process greatly impeded decision-making.

**7 General Business**

There were no further items of general business.

The meeting closed at 1.00pm.

Released under the Official Information Act 1982



# Capital Investment Committee DRAFT Minutes

**Date** Wednesday 18 November 2015  
**Time** 10.00am-1.05pm  
**Location** NHCC Meeting Room, Ministry of Health, 1 The Terrace, Wellington  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Jan Dawson, Des Gorman, Murray Milner, Sally Webb and Margaret Wilsher.  
**Attendees** **NHBBU:** Michael Hundleby (Acting National Director), John Hazeldine (Acting Director DHB Performance), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects), Jo Strachan-Hope (Senior Advisor Capital & Operating).  
**MoH:** John Crawshaw (Director of Mental Health).  
**Treasury:** Davin Hall (Senior Advisor), Susie Krieble (for item 3 only).

Item	Subject
	Evan Davies opened the meeting at 10.00am.
<b>1a</b>	<b>Apologies</b> Apologies were received from Des Gorman and Murray Milner.
<b>1b</b>	<b>Conflicts of Interest</b> Noted. There were no additions or amendments to conflicts of interest.
<b>1c</b>	<b>Minutes of Previous Meeting</b> <b>Recommendation:</b> That the minutes of the 22 October 2015 meeting are accepted as a true and correct record. <p style="text-align: right;"><b>Carried</b></p>
<b>1d</b>	<b>Outstanding Action Items</b> 10/15:2 – Paper to be developed on alternative financing for projects such as private funding for carparks – Deferred to early 2016
<b>1e</b>	<b>Matters Arising from Minutes</b> There were no matters arising from the minutes of the previous Meeting.
<b>2</b>	<b>Capital Reporting</b> CIC members noted the report and verbal updates. Discussion was focused around ten year capital intentions, West Coast DHB Grey Base Hospital redevelopment, Southern DHB including how they would mitigate asbestos issues recently identified, Waitemata DHB Mason Clinic next steps, MBIE consultation with DHBs on tighter regulations for the management of

# Capital Investment Committee DRAFT Minutes

asbestos, and the debt equity paper scheduled to go to joint Ministers in November 2015.

CIC members suggested some changes to post implementation reviews and post occupancy evaluations to include overall budget, project information, completion data, costs, etc. It was agreed that this information should come from an independent reviewer with clear requirements set at the beginning of the process.

### **3 Strategic Assessment of the National Bowel Screening Programme**

CIC noted the paper. CIC members agreed that while the capital issues may be correct it is not convincing that the broad strategic intent and implementation is thoroughly examined and correctly framed sufficient to make a capital assessment at this time. The technology is not current or well reflected in the papers before the committee and some further independence in the evaluation is required. The ability of DHBs to commit to the programme and its capital and workforce implications in its current state, without fully understanding the broader context, technology, status, available options and the need to adapt quickly as technology changes were raised.

Officials will work with clinicians to further develop the points raised by CIC and feed them into the work currently underway.

### **4 Canterbury Update**

The paper was taken as read.

CIC agreed that it would be useful to visit the Burwood site in April or May 2016.

### **5 Waitemata 2025 Presentation**

Waitemata DHB representatives joined the meeting and with the aid of a powerpoint presentation provided an overview of Waitemata's 10 year plan including current facilities programmes, the 10 year health services plan, bed projections and drivers of change, timelines, estimated capital values and the proposed facility plan.

Additional points raised in discussion with CIC which should be included in the options analysis included location considerations, exploring the use of other buildings in the region, workforce, changes in models of care, and interim plans to increase capacity.

CIC thanked Waitemata DHB representatives for their informative presentation. Waitemata left the meeting at 12.30pm.

### **6 Relocation of Canterbury DHB mental health services at Princess Margaret Hospital – Strategic Assessment**

The paper was taken as read. Points raised by CIC included the eating disorder model of care adopted by Canterbury, mental health bed numbers, and infrastructure costs to retain mental health services at Princess Margaret Hospital for a longer period of time.

CIC agreed that an independent assessment should be commissioned to look at mental health service capacity to include the consequences of adopting a different timeframe, the consequences of these services being required to locate at Princess Margaret Hospital for a longer period of time than currently contemplated, to explicitly understand the timeframe for resolution of the programme and budget for buildings for which CDHB have responsibility, as

# Capital Investment Committee DRAFT Minutes

well as alternative options to accommodate services at Christchurch Women's or Hillmorton. An approach will be made to HRPG to commission such a review.

## **7 General Business**

The question of length of stay on CIC was raised. This will be followed up once the review of Ministry of Health capability and structure is finalised.

It was agreed that as part of its 2016 programme CIC would consider putting some formality around the direction of change structure and what that means for structures within the approach being developed.

There were no further items of general business.

The meeting closed at 1.05pm.

Released under the Official Information Act 1982

Released under the Official Information Act 1982

# Capital Investment Committee DRAFT Minutes

**Date** Thursday 10 December 2015  
**Time** 11.30am-12.25pm  
**Location** NHCC Meeting Room, Ministry of Health, 1 The Terrace, Wellington  
**Chair** Evan Davies (Chair)  
**Members** Paul Carpinter, Jan Dawson, Des Gorman, Murray Milner, Sally Webb and Margaret Wilsher.  
**Attendees** **NHBBU:** Michael Hundleby (Acting National Director), John Hazeldine (Acting Director DHB Performance), Mhairi McHugh (Manager NHB Capital & Operating), Chris Picard (Senior Advisor Board and Projects).  
**Treasury:** Davin Hall (Senior Advisor)

Item	Subject
------	---------

Evan Davies opened the meeting at 11.30am.

**1a Apologies**

All present – no apologies.

**1b Conflicts of Interest**

Noted. There were no additions or amendments to conflicts of interest.

**1c Minutes of Previous Meeting**

**Recommendation:**

That the minutes of the 18 November 2015 meeting are accepted as a true and correct record.

**Carried**

**1d Outstanding Action Items**

10/15:2 – Paper to be developed on alternative financing for projects such as private funding for carparks – Deferred to early 2016

In brief discussion on this action point, it was agreed CIC would write to Canterbury and Southern HRPBs to ensure consideration is being given to private funding options where appropriate.

**1e Matters Arising from Minutes**

There were no matters arising from the minutes of the previous Meeting.

**2 Buller Integrated Family Health Centre Implementation Business Case**

CIC noted the paper and received a verbal summary of the paper and recommendations for consideration.

# Capital Investment Committee DRAFT Minutes

While CIC was pleased to see the reduced cost option developed, they would like to see the following additional information prior to making a final decision on the proposal:

- a more detailed rationale for the inclusion of dental within the facility.
- a more detailed costing of the proposal based on concept plans and with an appropriate level of contingency
- a feasible alternative option with an \$8 million cost and a clear description of the differences between the options.

### **3 Capital Reporting**

CIC members noted the report and verbal updates.

### **4 General Business**

CIC noted the recent release of the Office of the Auditor-General '*Performance Audit Report on Governance and Accountability for three Christchurch Rebuild Projects*'.

CIC also received a brief verbal update on the ASB litigation.

There were no further items of general business.

The meeting closed at 12.25pm.