

# Gateway Review Report

## Christchurch Men's Prison Redevelopment Programme

### Review 0/2

- **Strategic Assessment**
- **Delivery Strategy – Detailed Business Case**

October 2024

# Gateway Review Report

## Review 0/2: Strategic Assessment / Delivery Strategy

### – Detailed Business Case

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This report has been prepared by the Gateway Review Team in accordance with the New Zealand Government's Gateway Review Process (Gateway) as set out in the six handbooks *Gateway Review Process Best Practice – Gateway to Success*, published by the New Zealand Government. This report summarises the Team's findings and recommendations, informed by, but not limited to, an assessment against the criteria documented in the handbooks.

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This report contains headline findings and recommendations only, and is not intended to be interpreted in isolation from the daily discussions and briefings to the SRO during this Review.

The provision of free and frank advice is key to the effective operation of the Gateway methodology. Release of such advice could prejudice the Gateway process as such advice might not be provided in future. To ensure that all relevant matters are considered please consult the Gateway Unit in Treasury before any public release of a Gateway report under the Official Information Act.

Direct any enquiries regarding the Gateway Review Process to the Gateway Unit, [gatewayunit@treasury.govt.nz](mailto:gatewayunit@treasury.govt.nz).

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# 1 Review Conclusion

## 1.1 Overall Picture of the Programme

The Detailed Business Case clearly identifies the compelling need for the Christchurch Men's Prison redevelopment programme to support the Justice Sector's current forecasts for growth in sentenced and remand prisoner population.

The Department continues to grow its capability to design and deliver large and complex infrastructure programmes, and is establishing a strong track record in delivery, particularly in using Design Build Finance and Maintain PPPs. This growing capability is evidenced through:

- ▶ The development of the recently completed Long Term National Configuration Plan
- ▶ The Department's maturing asset management regime as evidenced through the Strategic Asset Management Plan
- ▶ Lessons learned from recent builds in Waikeria and Auckland being incorporated into the programme
- ▶ CMP's programme and project artefacts which are of a good standard and at an appropriate stage of development for this phase of the programme
- ▶ CMP's key staff are highly capable and enthusiastic and have demonstrated good commitment to successful outcomes from the investment
- ▶ Custodial and Pae Ora staff are being integrated into the programme's design and operational readiness processes early
- ▶ Good use of the programme management construct to develop a tranced delivery approach that supports a pragmatic approach to funding and local supply chain capability and capacity






The Review Team notes that the biggest risk to the programme is people resourcing in terms of capability, capacity and timely recruitment. The Department has an intent to build internal capability and capacity, matching in a timely manner to its approved new build work programme. This approach will need to be kept under constant review and other recruitment options considered in order to fill requirements through the next phase leading to the successful procurement of a PPP consortium.

The Review Team has also heard that other agencies are in the process of developing large projects that will be delivered through a PPP which will place additional demand on support from central agencies that are yet to be fully established and staffed. There is a potential for multiple projects to be in the market concurrently which will increase NZ's overall attractiveness to larger contractors and private equity. However, there is a risk that this demand results in market constraints in the personnel, Tier 2, sub-contractor and materials sectors that affects cost and scheduling. The Review Team notes that NZ Infrastructure Pipeline delivery will benefit for a coordinated approach to market communications and engagement across all PPP projects.

## 1.2 Delivery Confidence Assessment

Delivery Confidence Assessment	AMBER/GREEN
The Gateway Review Team finds that the CMP programme is well positioned for successful delivery of the benefits. Programme resourcing is a significant risk and will need urgent attention by Governance to ensure all recruitment options are being considered to build the team to support the programme's schedule and deliverables.	

The Delivery Confidence assessment RAG status uses the definitions below:

Colour	Criteria Description
 G	Successful delivery to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.
 A/G	Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
 A	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not impact delivery or benefits realisation.
 A/R	Successful delivery is in doubt with major risks or issues apparent in a number of key areas. Prompt action is needed to address these, and whether resolution is feasible.
 R	Successful delivery appears to be unachievable. There are major issues which at this stage do not appear to be manageable or resolvable. The programme may need re-baselining and/or overall viability re-assessed.

## 1.3 Recommendations

The Gateway Review Team makes the recommendations in the table below, which are prioritised using the following definitions.

- ▶ **Critical (Do Now)** – To increase the likelihood of a successful outcome it is of the greatest importance that the programme should take action immediately.
- ▶ **Essential (Do By)** – To increase the likelihood of a successful outcome the programme should take action in the near future.
- ▶ **Consider (Good Practice)** – The programme should benefit from the uptake of this recommendation.

Ref.	Recommendation	Priority
R1.	Seek central agency agreement on the acceptable PPP delivery model and the support to be provided to maintain momentum and provide certainty on the programme resources required.	<b>DO NOW</b>
R2.	Clarify how the procurement process will provide for the option to include Phase 2 of the programme and validate the scopes of Phases 1 and 2.	<b>DO NOW</b>
R3.	Expedite specific project and programme recruitment to meet the needs of CMP and treat the risk of delay	<b>DO NOW</b>
R4.	Confirm the lessons learned from the Waikeria project are incorporated into design requirements, PPP works requirements and programme structure and accountabilities	<b>Prior to completion of PPP Works Requirements</b>
R5.	Engage an IQA provider to support CMP throughout the life of the programme to provide a continuous assurance model.	<b>DO NOW</b>

Section 4 details the Gateway Review Team's findings in support of these recommendations.

## 2 Background

### 2.1 Review Approach

This review is a blend of a Gate 0 and Gate 2 review, as follows:

- *Review 0 – Strategic Assessment* is a broad, strategic review that may be undertaken at the start-up stage of a programme to inform decision-making, or may be undertaken during programme implementation to confirm the alignment with the established outcomes.
- *Review 2: Delivery Strategy – Detailed Business Case* focuses on evaluating the procurement strategy to provide assurance that it establishes a clear definition of the project and a plan for its implementation, has made an assessment of the project's potential for success and if the project is ready to invite proposals or tenders.

In order to form an opinion in relation to this Review, the Gateway Review Team has:

- ▶ Applied the Gateway Review Process.
- ▶ Interviewed the stakeholders listed in Appendix B.
- ▶ Reviewed the documentation listed in Appendix C.

More detailed information regarding the nature of this Review and its context within the New Zealand Government Gateway Review Process is at Appendix A.

### 2.2 Programme Description

The Christchurch Men's Prison (CMP) Redevelopment Programme is a one of the priorities in The Department of Corrections (the Department) Long Term Network Configuration Plan (LTNCP). The LTNCP provides a top down view of where investment is needed across the network to be able to meet growing demand, address poor quality or end-of-life capacity, fitness for purpose issues, and build resilience into the custodial network.

The CMP Redevelopment Programme (the Programme) was formed in 2021 and seeks to address the issue that parts of CMP are neither structurally nor operationally fit for purpose, and not conducive to the achievement of the Hōkai Rangi strategy and the successful rehabilitation and reintegration of the men in the Department's care and management.

#### 2.2.1 Aims of the Programme

The Department has three organisational outcomes; to improve public safety, reduce reoffending, and reduce the overrepresentation of Māori. The Detailed Business Case (DBC) process has further refined the original investment objectives in the Indicative Business Case (IBC) to reflect these organisational outcomes, additional context and emerging government priorities, and the requirements articulated by the LTNCP. These are:

- ▶ CMP acts as the Strategic Node of the South Island prison network
- ▶ CMP is a platform to deliver flexible solutions to increasing and changing demand pressures
- ▶ CMP has safe, secure, and humane environments that support modern rehabilitation approaches for prisoners
- ▶ CMP has modern working environments for staff

The DBC has continued development of the Benefits Realisation Plan (BRP) and the benefits are currently captured as follows:

- ▶ Increased number of quality high security beds
- ▶ Reduced instances of unplanned facility maintenance
- ▶ Improved access to rehabilitation and reintegration services
- ▶ Improved prisoner health access
- ▶ Increased staff wellbeing, safety, and satisfaction

### 2.2.2 Driving Force for the Programme

The DBC problem statements describe the need for the programme as follows:

- ▶ Increasing and changing demand means the shortage of high security capacity is creating operational risks and network inefficiencies.
- ▶ A significant amount of existing high security infrastructure is either: a) already decommissioned, or b) approaching end of life, threatening site viability.
- ▶ Existing environments do not promote health, safety, and wellbeing, negatively impacting rehabilitation and reintegration, and staff attraction and retention.

The Programme has completed an Investment Logic Mapping (ILM) exercise that developed the investment objectives and benefits from these problem statements.

### 2.2.3 Procurement/Delivery Status

The Programme Governance Board (PGB) has approved procurement of QS Services and Commercial and Financial Services to support the development of the proposed PPP contract. The PGB has also approved the procurement of CMP design services.

### 2.2.4 Current Position Regarding Gateway Reviews

This is the second Gateway Review for the Programme following a Gate 0 review in December 2022.



## 2.3 Acknowledgements

The Gateway Review Team would like to thank all those interviewed for their support and openness, which contributed to the team's understanding of the programme and the outcome of this Review and in particular Kristeene Parkes and Mary Borisova for managing the logistics of review week and their prompt responses to additional information requests.

### 3 Previous Review

The previous Review's Delivery Confidence rating was Amber and noted:

*The AMBER rating reflects the size and complexity of the programme. The Gateway Review Team finds that CMP Redevelopment Programme is an important and compelling investment. The IBC has established a basis for selecting a preferred option but there are still many challenging and complex issues to navigate. This will start with the DBC development. The programme is well lead and managed by a competent programme team.*

The overall findings from the previous review were:

*Christchurch Men's Prison (CMP) is the largest prison in the South Island and a vital part of the national prison network. It is facing a range of issues relating to aging and end of life infrastructure that presents a risk to the safety and wellbeing of staff and people in prison. This inhibits Corrections' ability to address concerns raised by the Chief Ombudsman during inspections of the facility as well as its ability to make the transformational step change required by the Hōkai Rangi strategy.*

*Corrections has developed an investment case to replace facilities at CMP that are no longer fit-for purpose.*

*An indicative business case (IBC) was included as a supporting document to a Budget 2023 capital bid to the Treasury on 31 October 2022. It outlines a three-phase investment approach.*

*For the first phase, Corrections is self-funding \$24.47 million from its baseline to progress preliminary work. This includes the design of works urgently required to improve seismic, electrical and fire safety performance and the concept design for facilities identified as priorities for replacement.*

*A further \$73.29 million is being sought through a Budget 2023 bid to fund the second phase delivery of urgent works and develop a detailed business case (DBC) for replacing the priority facilities.*

*The DBC would in turn support a Budget 2025 bid to fund the third investment phase to construct the replacement facilities.*

*The draft IBC has been submitted and the Review Team has made commentary on the case to assist the Programme in completing the draft towards the production of the DBC.*

*The programme team is made up of experienced staff and contractors and the review recommends further augmentation with specific Subject Matter Experts (SMEs).*

*There is a communication plan in place and we make recommendations to sharpen the messaging around the programme to help explain quite complex issues to a variety of stakeholders.*

*Risk management is appropriate and would be assisted by dependency tracking.*

*Whilst the programme has reached out to iwi and mana whenua thought needs to be given to ways in which that process can be enlivened to ensure that the programme does not get too far ahead of the iwi authorising environment.*

Appendix E describes the actions taken by Department of Corrections to address the recommendations of the previous Gateway Review, and the Gateway Review Team's comments on whether or not the recommendations have been addressed.

## 4 Findings and Recommendations

### Introduction and key findings

The Review Team notes that the CMP DBC has been developed through a period of significant change in policy settings and government priorities due to a change in government in 2023. This has meant that assumptions used for the Indicative Business Case (IBC) have had to be revised to allow for a greater increase in the prison population than expected. There are also changes being implemented in the way that central agencies support development of New Zealand's Infrastructure pipeline and the use of PPPs to deliver major projects.

In this context the Review Team finds that the strategic case for CMP is compelling, well founded and builds with and upon experience gained from the previous prison build projects.

The Review Team noted strong support from stakeholders for CMP as a prioritised investment and also finds that CMP and the Department's wider investment programme are benefiting from:

- The development of the recently completed LTNCP
- The Department's maturing asset management regime as evidenced through the Strategic Asset Management Plan (SAMP)
- Lessons learned being from recent builds in Waikeria and Auckland being transferred into the programme
- CMP's programme and project artefacts which are of a good standard and at an appropriate stage of development for this stage of the programme
- CMP's key staff are highly capable and enthusiastic and have demonstrated good commitment to successful outcomes from the investment
- Custodial and Pae Ora staff are being integrated into the programme's design and operations readiness processes early
- Good use of the programme management construct to develop a tranching delivery approach that supports a pragmatic approach to funding and local supply chain capability

The Review Team notes that the biggest risk to the programme is people resourcing in terms of capability, capacity and timely recruitment. The Department has an intent to build internal capability and capacity, however this approach will need to be kept under constant review

### 4.1 Policy and Business Context

The Department is currently responding to material increases to Justice Sector forecasting, reflecting the Law and Order priorities of a new Government. This has resulted in the Justice Sectors' forecast for the prison population over the next decade moving from 9,900 to 11,500, and potentially to 13,500 which is further complicated by increases in the proportion of remandees held in High Security accommodation by default.

The Government is also reviewing the central agency infrastructure support and planning agencies, that includes an increased focus on attracting private sector finance and the use of PPP's to deliver major projects. This has occurred during the development of CMP's commercial case and some interviewees were concerned that the PPP model is being recommended in the absence of a resolution of how the PPP can be structured to better support local contractor involvement, and how the central agencies will support those departments utilising the PPP construct.

The Review Team has heard that these changes are close to being finalised with certainty around the model and ongoing support before the end of 2024. The immediate impact on the programme is gaining clarity as to how the financial case should be presented to government for Budget 2025. The DBC currently uses a traditional Design Build financial model which is weighted toward the capital investment whereas the PPP model is more heavily weighted to future OPEX requirements.

The Programme Team has been working closely with the NZ Infrastructure Commission (Infracom) and Treasury to develop the financial and commercial cases in the DBC. The Review Team has heard that the current PPP and financial modelling assumptions used for the DBC approval process may need to be revised either before it goes to Cabinet or for the Budget 2025 bid. The Review Team understands that the Programme has this work underway.

The Review Team has also heard that other agencies are in the process of developing large projects that will be delivered through a PPP that will place additional demand on support from central agencies that are yet to be fully staffed and suitably experienced private sector commercial advisors. There is a potential for multiple projects to be in the market concurrently which will increase NZ's overall attractiveness to larger contractors and private equity. However, there is a risk that this demand results in market constraints in the personnel, Tier 2, sub-contractor and materials sectors that affects cost and scheduling.

The Review Team notes that NZ Infrastructure Pipeline delivery will benefit for a coordinated approach to market communications and engagement across all PPP projects.

## 4.2 Business Case and Stakeholders

At the time of this review the DBC and attendant Cabinet Paper are with the Corrections Ministerial office for a final review and feedback before submission to Cabinet later in October. The Review Team notes the following matters are to be resolved prior to final submission:

### Strategic Case and Executive Summary

The strategic case is compelling and has responded to policy changes as well as the risks associated with the dilapidated state of the assets, however there isn't an explicit summary of the investment and financial commitments required for renewed or increased capacity through each phase of the programme to deliver the benefits.

## Finance Case

Aside from the maintenance and running of physical infrastructure elements, the finance case does not address the full operational cost of service delivery including personnel and consumables costs of the investment.

The Review Team notes that the Department has changed its operational funding processes since the IBC and that funding for custodial and other costs is linked to prisoner population at a programme level. In the interests of transparency and completeness the Finance case should note how all operational costs are funded and managed through the life of the asset.

## Stakeholders

The Review Team found that all interviewees are strongly aligned to the programme.

The Review Team were advised that the CMP programme and Christchurch Men's Prison have engaged with iwi who are more interested in early interventions and service delivery than infrastructure.

### 4.3 Delivery Approach – Phasing and Procurement

The DBC is recommending a Design Build Finance and Maintain (DBFM) PPP contract(s) to deliver a phased programme of work. The removal of operational custodial services for the PPP aligns with the Departments approach used in recent builds. The PPP model is being developed in conjunction with Infracom. As mentioned above, the phased approach is driven by a pragmatic consideration of the current fiscal environment and market capacity.

The Review Team notes that the Programme has undertaken market soundings which indicates support for the approach. Interviewees also notes that given the Department's experience with PPPs, there is confidence that the programme can successfully procure and manage a PPP consortium.

The Review Team has been advised that the PPP construct is being refined to encourage participation by a wider range of private equity and contracting parties. We understand that this is a focus of the review that has been undertaken by Infracom and ways to assist this have been considered within the recommended procurement strategy defined the business case.

The Review Team notes two questions to be considered further:

- 1) Are the changes to central support agencies and the PPP construct a risk to CMP's programme schedule i.e., the final model and support to implement it are not in place in time for market engagement
- 2) How will the Department include the scope of Phase 2 into the procurement process to ensure competitive tension, provide certainty for cost and programme and also validate the scopes of Phases 1 and 2.

### Recommendations:

R1.	Seek central agency agreement on the acceptable PPP delivery model and the support to be provided to maintain momentum and provide certainty on the programme resources required.	<b>DO NOW</b>
R2.	Clarify how the procurement process will provide for the option to include Phase 2 of the programme and validate the scopes of Phases 1 and 2.	<b>DO NOW</b>

## 4.4 Review of Current Phase

*For the purposes of this Review, the current phase ends with the submission of the DBC and Cabinet paper in October 2024.*

The Review Team notes that the Programme Team has produced a quality DBC that defines the project requirements sufficiently to move into the next phase of development of procurement documentation and CMP is well placed for consideration for funding by Cabinet.

The programme has benefited from the transfer of key staff from the Waikeria project, which aligns to the Department's intent to build internal capability. However, additional works recently approved at Waikeria together with CMP is highlighting the resourcing risk for both programmes. Both programmes will need additional resources across the spectrum of activities from programme leadership through design, procurement, contract management and operational readiness.

Interviewees are aware of the risk which has been exacerbated by the current recruitment process that does not appear to be meeting the requirements for recruiting project and programme personnel as required by the programme schedule.

The Programme Governance Board (PGB) has been made aware of the process risk and the ability to meet the market in terms of salary and contract terms. Given the impact and immediacy of this risk the Review Team recommends that the Programme urgently consider alternative approaches to project and programme recruitment such as embedding secondees from the HR team, utilising external recruitment agency to manage the process, increased use of contractors or develop EPMO capability to manage recruitment, expanding the role of existing advisors temporarily, etc.

### Recommendations:

R3.	Expedite specific project and programme recruitment to meet the needs of CMP and treat the risk of delay	<b>DO NOW</b>
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## 4.5 Risk Management

The Review Team were provided with the 'CMP RP RAID' Register which appears to meet the requirements of good practice.

The Register clearly describes the risk together with date identified, who identified it, technical solution, Risk Owner, date assigned, date reviewed, risk rating, potential cause, treatment strategy and risk rating both pre and post implementation of the recommended control.

The Register appears comprehensive and current as the last review was recorded as 26th August 2024 while some risks have had the Progress/Comments section updated as recently as the 25th September 2024.

An enhancement would be to add a "Next Review Date" to ensure the RAID Register is reviewed and updated regularly.

Interviewees confirmed that there was no Project specific Risk Management Plan (as would be normal practice) but that the Risk Management was managed under the Corrections' Risk Management Policy for Projects and Programmes aligned to Corrections' Enterprise Risk Management framework.

This is considered reasonable given the number of projects the Department manages.

## 4.6 Readiness for Next Phase

For the purposes of this Review, the next phase runs from approval of the DBC through to Contract Financial Close currently scheduled for 9(2)(j) [REDACTED]. The Review Team notes there is an interim step for funding approval through Budget 2025.

### Governance

The Review Team noted the recommendation from the previous Review in respect the suggested change in PGB membership of the external member. The current external member has the requisite skills and breadth for this phase and brings skills and experience as a member on other Departmental boards are being brought to bear with good effect.

Interviewees did note that once the approvals are achieved and budget is in place, then there will be a need to look at the board membership to ensure that the right breadth of skills and diversity of approach and experience are on hand to steer the project in the next phase.

This demonstrates a continuous improvement in the maturity of the Department and its ability to call upon the right skills at the right time for the right outcome.

This could be further enhanced by ensuring that as the project progresses, the voice of the various enabling / supporting services in particular Pae Ora is taken into consideration at the board and design level. This will help ensure that the facility adequately addresses design requirements that will enable broader outcomes of the department to be delivered.



### Operating model

In discussing the operating model, many interviewees referred to the lessons learned during the operational readiness phase for Waikeria and that the Prison Operating Model (POM) should be used to guide the development of site specific procedures. The POM should not be revised as part of introducing a new building into service. The scope of the Operational Readiness Team should be clearly defined to support the opening of a new facility in the context of existing national operating models.

### Programme cadence, scope and performance

Commentary from interviewees has highlighted that the change in Government's policy will place increasing pressure on the existing network and that CMP should seek opportunities to accelerate its delivery programme to address likely increases in demand for beds and operational compromises such as transferring prisoners to Otago away from whānau and support structures.

The programme should also ensure that the Programme Team remains focused and resourced on core deliverables given the urgent need for new beds and the replacement of existing accommodation which is no longer fit for purpose. This will be supported by the Programme Team's performance management framework being focused on programme Phase outputs rather than outcomes.

### Design

Through the course of the review the Review Team has identified design scope and elements that may be at risk of being overlooked. These are listed below for the Programme Directors' consideration:

- ▶ Continuing assessment and development of domestic modularity and off site pre-fabrication construction options
- ▶ Environmental sustainability including alternative energy generation and water capture and carbon reduction
- ▶ ICT and Digital requirements
- ▶ Practical incorporation of lessons learned from Waikeria on design and construction

### Assurance

The Review Team understands that the programme will be engaging an IQA provider and endorses this addition to the assurance framework.

## Funding

The Review Team heard differing views as to whether funding for retained works has been confirmed. Given the programmes dependency on Retained Works this funding should be confirmed as soon as practicable in the Departments internal budgets.

## Network Impacts

Programme documentation to date does not identify potential network impacts as CMP completes its phased delivery e.g., when and if transferring to Otago can stop, other older facilities could be closed or services centralised etc. This would be a useful addition to programme reporting for the PGB and other stakeholders.

## Recommendations:

R4.	Confirm the lessons learned from the Waikeria project are incorporated into design requirements, PPP works requirements and programme structure and accountabilities.	<b>Prior to completion of PPP Works Requirements</b>
R5.	Engage an IQA provider to support CMP throughout the life of the programme to provide a continuous assurance model.	<b>DO NOW</b>

## 5 Sharing Opportunities

The Gateway Review Team believes the following processes or artefacts used in the programme represent good practice. The team encourages the SRO to share these good practices to the extent possible with other Government Agencies. If the ability to share is limited by intellectual property, privacy, confidentiality or other concerns, the SRO may be able to partially share (e.g., by removing confidential sections or limiting rights to use by recipients).

Process / Artefact	Why Good Practice
Long Term Network Configuration Plan (LTNCP)	A good example of the recently mandated requirement for Infrastructure agencies

## 6 Next Review

The next Gateway Review should be a Gate 0/3: Strategic Assessment / Investment Decision. It should be held prior to the finalisation of Negotiations and Financial Close currently scheduled for 9(2)(j).

The next review timing should also be considered in the context of the funding approval process for Phase 2 9(2)(f)(iv).

Department of Corrections should contact the Gateway Unit at least 10 weeks before the next Gateway Review is needed, to request an assessment meeting at which the appropriate review type and dates will be confirmed. The Gateway Unit requires 8 weeks to arrange a Gateway Review following receipt of a signed confirmation from the SRO.

## APPENDIX A – Review Purpose and Context

### Overview of the Gateway Process

Gateway is a programme/project assurance process that involves short, intensive reviews at up to six critical stages in the lifecycle of a project and at intervals during a programme. Reviews are conducted by a team of reviewers not associated with the programme/project, and usually contain a mix of experts sourced from the public and private sectors.

Reviews are designed to:

- ▶ Assess a programme/project against its specified objectives at a particular stage in its lifecycle
- ▶ Provide early identification of any areas that may require corrective action
- ▶ Increase confidence that the programme/project is ready to progress successfully to the next stage.

### Overview of Review 0 – Strategic Assessment

*Review 0 – Strategic Assessment* is a broad, strategic review that may be undertaken at the start-up stage of a programme, to inform decision-making, or may be undertaken during programme implementation to confirm the alignment with the established outcomes. Review 0 may be undertaken several times throughout the life of particularly complex programmes in addition to the other reviews that would occur in the normal application of the Gateway Review Process.

In a broader sense, this type of review provides assurance to the Sponsoring Agency responsible for the programme, via the Senior Responsible Owner, that the scope and purpose has been adequately assessed, communicated to stakeholders, and fits within the agency's overall business strategy and/or whole-of-government strategies and policies. It also aims to test whether stakeholders' expectations of the programme are realistic, by reference to planned outcomes, resource requirements, timetable and achievability.

Review 0 – Strategic Assessment is undertaken at the start-up stage of either a programme, it occurs when the preliminary justification for the programme is drawn together. It is based on a strategic assessment of business needs, an analysis of the stakeholders whose co-operation is needed to achieve the objectives, and a high level assessment of the programme's likely costs and potential for success. In this case, a Review 0 – Strategic Assessment comes after the business need has been identified, before any further development proposal goes forward for approval. It is expected to occur infrequently and can be undertaken when an agency specifically requests a review, and obtains the Gateway Unit's concurrence, or where the review is commissioned by the Government.

Programmes that are particularly complex or long-lived may benefit from one or more Review 0 – Strategic Assessment reviews. Unlike other Gateway reviews it is likely that this will be

determined by circumstances particular to the programme, rather than before a particular decision point.

In short, the Review 0 aims to test whether stakeholders' expectations of the programme are realistic, by reference to outcomes, resource requirements, timetable and achievability.

At this Gate, the Gateway Review Team would be expected to:

- ▶ Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to the overall strategy of the organisation and its senior management
- ▶ Ensure that the programme is supported by key stakeholders
- ▶ Confirm that the programme's potential to succeed has been considered in the wider context of government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other projects or programmes in the organisation's portfolio and, where relevant, those of other organisations
- ▶ Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g., to any projects within the programme)
- ▶ Review the arrangements for identifying and managing the main programme risks (and individual project risks), including external risks such as changing business priorities
- ▶ Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience and authorised
- ▶ After the initial Review, check progress against plans and the expected achievement of outcomes:
  - that there is engagement with the market as appropriate on the feasibility of achieving the required outcome
  - where relevant, check that the programme takes account of joining up with other programmes, internal and external.

### Overview of Review 2 – Delivery Strategy

Following *Review 1 – Indicative Business Case*, the Senior Responsible Owner will have determined whether the project is feasible and has a robust high-level business case.

*Review 2 – Delivery Strategy* focuses on evaluating the procurement strategy to provide assurance to the Senior Responsible Owner that the selected procurement approach is appropriate for the proposed acquisition and that it establishes a clear definition of the project, establishes a plan for its implementation, and has made an assessment of the project's potential for success. It also provides assurance that the project is ready to invite proposals or tenders from the market

At Review 2, the Gateway Review Team is expected to:

- ▶ Confirm the Detailed (Stage 2) Business Case now the project is fully defined
- ▶ Confirm that the objectives and desired outputs of the project are still aligned with the programme to which it contributes
- ▶ Ensure that the delivery strategy is robust and appropriate
- ▶ Ensure that the project's plan through to completion is appropriately detailed and realistic, including any contract management strategy
- ▶ Ensure that the project controls and organisation are defined, financial controls are in place and the resources are available
- ▶ Confirm funding availability for the whole project
- ▶ Confirm that the development and delivery approach and mechanisms are still appropriate and manageable
- ▶ If appropriate, check that the supplier market capability and track record are fully understood (or existing supplier's capability and performance) and there will be an adequate competitive response from the market to the requirement
- ▶ Confirm that the project will facilitate good client/supplier relationships
- ▶ For a procurement project, confirm that there is an appropriate procurement plan in place that will ensure compliance with legal requirements and all applicable Ministry of Economic Development and Treasury rules, while meeting the project's objectives and keeping procurement timescales to a minimum
- ▶ Confirm that appropriate project performance measures and tools are being used
- ▶ Confirm that there are plans for risk management, issue management (business and technical) and that these plans will be shared with suppliers and/or delivery partners
- ▶ Confirm that quality procedures have been applied consistently since the previous Review
- ▶ For IT-enabled projects, confirm compliance with IT and information security requirements and IT standards
- ▶ For construction projects, confirm compliance with health and safety and sustainability requirements
- ▶ Confirm that internal organisational resources and capabilities will be available as required for future phases of the project
- ▶ Confirm that the stakeholders support the project and are committed to its success
- ▶ Evaluation of actions taken to implement recommendations made in any earlier assessment of deliverability.

## APPENDIX B – List of Interviewees

Name	Role/Position	Interview Date
Liz Morgan for Mathew Allen	Chief Adviser to Chief Executive	Monday 14 October
Ingrid Sherson	Operational Readiness Lead, Waikeria	Monday 14 October
Ruth Turner	Manager Network Configuration	Monday 14 October
9(2)(a)	Independent Advisor	Monday 14 October
Jack Harrison	CMP RP Programme Director, Programme Director	Monday 14 October
9(2)(a)	Ernst Young: Director - Strategy and Transactions	Monday 14 October
9(2)(a)	Whites Associates: Programme Cost Consultant	Monday 14 October
Kathleen Best	Treasury vote analyst	Tuesday 15 October
Alastair Turrell	Deputy Chief Executive, Infrastructure & Digital Assets	Tuesday 15 October
Joanne Harrex	General Manager, Christchurch Men's Prison	Tuesday 15 October
Mary Borisova	CMP RP Programme Manager, Programme Manager	Tuesday 15 October
Jeremy Lightfoot	Chief Executive	Tuesday 15 October
Peter Mitchell	Director PPP Contracts	Tuesday 15 October
Bruce Grant	DCFO Strategic Finance, Finance Advisor	Wednesday 16 October
Neil Beales	Commissioner Custodial Services	Wednesday 16 October
Juanita Ryan	Deputy Chief Executive, Pae Ora (Health)	Wednesday 16 October
9(2)(a)	NZ Infrastructure Commission	Wednesday 16 October
Alice Sciascia	Deputy Chief Executive, Strategy and Corporate Service	Wednesday 16 October
Stephen O'Neill	Director Asset Management	Wednesday 16 October



## APPENDIX C – List of Documents Reviewed

Document Title	Version and/or Date
180924_CMP RP DBC_MASTER v0.14i	23/09/2024
240624_DRAFT CMP Market Engagement Report v1.0 Final	23/09/2024
CMP RP - Final Report 1476	23/09/2024
CMP RP Governance Board ToR - v1.0 - Signed	23/09/2024
IBC CMP Redevelopment Programme v0.24	23/09/2024
IBC CMP Redevelopment Programme v0.24	23/09/2024
CMP RP - interviewee list 2024 (as at 23/9/2024)	23/09/2024
005-LTNCP-report-V29	30/09/2024
240702_Draft CMP RP Benefits_v0.2	30/09/2024
240927 CMP RP Decisions Register COPY	30/09/2024
240927 CMP RP RAID Register COPY	30/09/2024
20240919_CMP_Final_Master_Plan_OPT Watermark	30/09/2024
CMP RP - DBC Project Management Plan v1.0 Final COPY	30/09/2024
CMP RP Dec 22 Gateway recommendations - tracking 20240627	30/09/2024
CMP RP Dec 22 Gateway recommendations - tracking 20240927	30/09/2024
Compilation - CMP RP Governance Board pack - July 2024 v1.0	30/09/2024
Compilation CMP RP Governance Board pack - 18 Sept 2024	30/09/2024
Compilation CMP RP Governance Board papers - 21 Aug 2024 v2	30/09/2024
IFPGC packs Jul_Sept 2024	3/10/2024
Briefing_to_the_Incoming_Minister_2023	30/09/2024
CMP Cabinet Paper v9	30/09/2024
240927_CMP RP DBC_MASTER v0.16i clean	30/09/2024
Strategic_Asset_Management_Plan_2022_-_2025	30/09/2024
AM_Policy_Final_August_2024	30/09/2024
Wastewater, electrical etc considerations & sustainability lens (Retained Scope Design Brief)	3/10/2024
Auckland Prison PPP	3/10/2024
Waikeria PPP Lessons Learned	6/10/2024
CMP RP - Design Requirements - ESS v0.1	6/10/2024
240710_CMP RP Programme Management Plan_V0.1(i) Draft for Gateway review	8/10/2024
2024 Governance & Advisory	8/10/2024
Appendix B - CMP Design Services RFP - Design Requirements v1.0	15/10/2024

Document Title	Version and/or Date
240822_CMP RP Benefits Realisation Plan_v1.0	16/10/2024

## APPENDIX D – Sample Action Plan

This Appendix to the Gateway Report is intended to be able to be distributed as a stand-alone document detailing the Senior Responsible Officer's Action Plan to address the recommendations in this report.

### Context

[SRO to include context as applicable for the intended audience, e.g. by pasting section 0 of this report here].

### Recommendations and Action Plan

The Gateway Review Team made the recommendations in the table below, prioritised using the following definitions. The Senior Responsible Officer's plan to address these recommendations is also included in the table below.

- ▶ **Critical (Do Now)** – To increase the likelihood of a successful outcome it is of the greatest importance that the programme should take action immediately.
- ▶ **Essential (Do By)** – To increase the likelihood of a successful outcome the programme should take action in the near future.
- ▶ **Consider (Good Practice)** – The programme should benefit from the uptake of this recommendation.

Ref.	Recommendation	Priority	Action Plan	Status
R1	Seek central agency agreement on the acceptable PPP delivery model and the support to be provided to maintain momentum and provide certainty on the programme resources required.	DO NOW		
R2	Clarify how the procurement process will provide for the option to include Phase 2 of the programme and validate the scopes of Phases 1 and 2.	DO NOW		
R3	Expedite specific project and programme recruitment to meet the needs of CMP and treat the risk of delay	DO NOW		

Ref.	Recommendation	Priority	Action Plan	Status
R4	Confirm the lessons learned from the Waikeria project are incorporated into design requirements, PPP works requirements and programme structure and accountabilities	<b>Prior to completion of PPP Works Requirements</b>		
R5	Engage an IQA provider to support CMP throughout the life of the programme to provide a continuous assurance model.	<b>DO NOW</b>		

## APPENDIX E – Previous Findings and Recommendations

The table below contains the significant recommendations made in the previous Gateway Review for this programme **Gate 0 – Strategic Assessment** and action taken, including actions that varied from recommendations made in the review.

Recommendation	Action Taken	Gateway Review Team Comment
Review and develop the communications strategy and planning to support the urgent need to engage in the current budget prioritisation process. (Do Now)	A Communications & Stakeholder Engagement Plan completed following the review. Current team has updated this and it is currently in draft undergoing review.	Noted and should be kept under ongoing review
Develop communication collateral (sharp stories, vignettes, elevator pitches, etc) to strengthen the ability to convey the intended messaging. (Do Now)	Key messages developed as part of the Communications & Stakeholder Engagement Plan and reviewed/updated in the current draft.	Noted and should be kept under ongoing review. Stories from interviews about why the existing infrastructure needs replacing were compelling and could be leveraged in communicating with stakeholders going forward.
Analyse and cost the constituent parts of the main strategic options and prepare a ready reference resource to support programme justification. (Consider)	High level cost estimates of several options have been included in the Detailed Business Case.	Addressed and evidenced.
Augment the Programme Delivery Team with a wider range of subject matter expertise and experience to strengthen to DBC workstreams. (Consider)	In September 2023 the stewardship of the programme came under the Waikeria Team, bringing Programme Delivery Expertise, including Design, Procurement, ESS, Operational Readiness and supported by Director PPPs. Forward looking programme structure has been developed, which looks to add further procurement, commercial and construction expertise to the team.	Addressed and evidenced.
Review the composition of the Governance Board to reflect the requirements of the next stage of DBC development. (Consider)	Governance Board membership reviewed with one external member (construction) removed. Intent is that he may return once DBC approved, and construction confirmed.	Completed with an exchange of suitably experienced governance member requisite for the stage.