

**Southern Partnership Group**  
**Terms of Reference**



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## Purpose and role of the Southern Partnership Group

1. The Southern Partnership Group (SPG) is an independent group appointed by the Minister of Health to manage capital projects and programmes. The SPG is responsible for delivery and oversight of the redevelopment of Dunedin Hospital.
2. The Southern Partnership Group is accountable to the Ministers of Health and Finance for assuring that the project is managed within time, scope, quality and budgetary requirements in accordance with Cabinet direction. It will provide recommendations and assurance regarding progress of the project to Ministers. Additional projects may be included at the discretion of the Ministers of Health and Finance.
3. The Immediate Objectives of the Southern Partnership Group are to:
  - Identify a potential suitable site for the redevelopment within the Dunedin Central Business District
  - Progress the Detailed Business Case for mid-2018, and subsequent Implementation Business Case in line with the Better Business Case guidelines, except that there shall not be consideration of Public Private Partnership as a funding or delivery mechanism
  - Subject to Government approval, progress the redevelopment so that construction commences within the term of the current Government

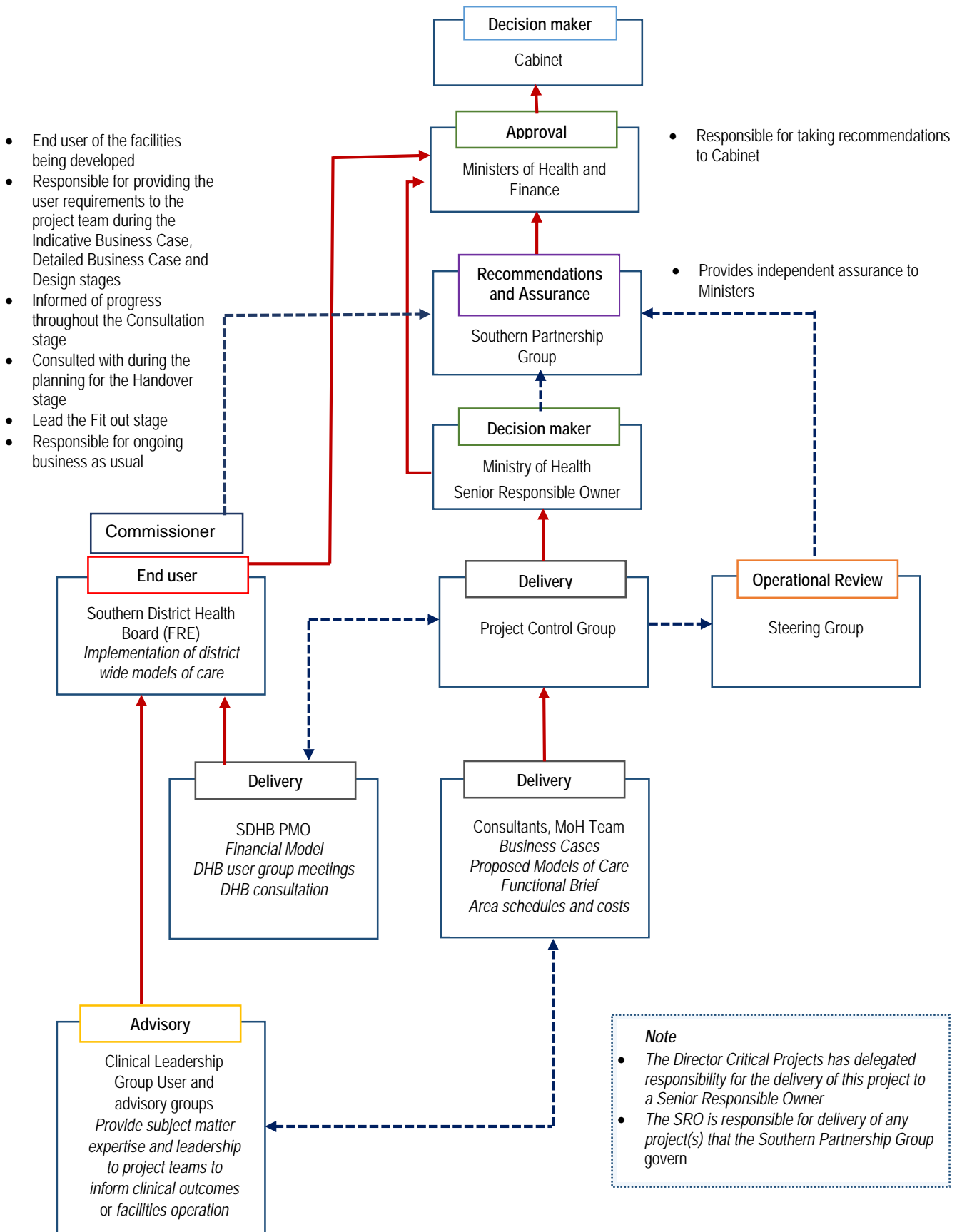
## Accountability framework

4. The accountability framework for Southern Partnership Group is outlined in Figure 1 overleaf.
5. The roles and key lines of accountability are outlined in more detail below:
  - 5.1. **Ministers of Health and Finance**
    - 5.1.1. The Ministers of Health and Finance appointed the Southern Partnership Group to provide recommendations, independent assurance and oversight of the Dunedin Hospital Redevelopment Project.
    - 5.1.2. The Ministers are responsible for making recommendations on the redevelopment to Cabinet for approval.
  - 5.2. **Southern Partnership Group**
    - 5.2.1 The SPG is accountable to the Ministers of Health and Finance to provide direction and monitoring with recommendations and independent assurance to Ministers for the successful delivery of the redevelopment project in accordance with Ministerial and Cabinet direction. Ensure the Southern DHB, Ministry of Health, Dunedin City Council, Otago Regional Council, and the University of Otago are brought together to agree the vision for the new hospital and what each of those organisations will do to help realise it.
  - 5.3. **Ministry of Health**
    - 5.3.1 The Director-General of the Ministry of Health is accountable and responsible for the delivery of all critical projects that the Southern Partnership Group govern. The Director-General has delegated responsibility for the delivery of those projects to the Director Critical Projects.
    - 5.3.2 The Director Critical Projects has delegated elements of this responsibility to the Chief Advisor, Planning and Funding as Senior Responsible Owner. The Senior Responsible Owner is accountable to the Director Critical Projects and Director General of the Ministry of Health for the successful delivery of any projects being managed by the Ministry.
    - 5.3.3 The Ministry's Senior Responsible Owner reports to the Director Critical Projects.
    - 5.3.4 The Ministry of Health holds the legal authority for all contracts relating to the initiation, delivery and completion of the redevelopment projects governed by SPG.
  - 5.4. **Project Groups**
    - 5.4.1 The **Project Control Group** is the forum for considering changes to scope, cost and schedule. It is chaired by the Ministry of Health's Senior Project Manager. Significant changes will be

discussed at the Southern Steering Group prior to being recommended to the Southern Partnership Group.

- 5.4.2 The **Steering Group** comprises the SRO, Southern DHB CEO, Programme Manager, Infrastructure & Hospital, SDHB, Senior Project Manager, MoH and Manager DHB Funding and Capital, Ministry of Health.

**Figure 1: Accountability framework**



## 5.5. Southern DHB

- 5.5.1. The Southern District Health Board (the DHB) is the “customer” and end user of the facilities being developed under the Dunedin Hospital Redevelopment Project.
- 5.5.2. The DHB is responsible for providing, to the relevant project staff, relevant information (i.e. user requirements) required for the different Business Case stages.
- 5.5.3. The DHB will implement the district wide models of care that the Dunedin Hospital redevelopment will contribute to – these models will need to align to DHB led work on key strategies including ICT and primary and community care.
- 5.5.4. The DHB will refine and run the financial model developed in the IBC phase and work with the Business Case writers to analyse different options in each of the remaining Business Case stages.
- 5.5.5. The DHB is consulted with during planning for the Handover stage, where they are the end user.
- 5.5.6. The DHB is responsible for selected procurement of equipment and for coordination with the project team during the Fit out stage.
- 5.5.7. The DHB’s role is recognised through the Deputy Commissioner of the Southern District Health Board, who is an ordinary member of the Southern Partnership Group, and through the Chief Executive Officer who is an ex-officio member of the Group. The Commissioner of Southern DHB is also invited to attend.
- 5.5.8. To inform decisions related to clinical outcomes or facilities operation, Southern District Health Board have established several user and advisory groups including a Clinical Leadership Group and Facilities Redevelopment Executive. These groups provide information to the consultants preparing the Indicative and Detailed Business Cases and their views of key material will be sought prior to its submission to the Southern Partnership Group for approval.

## Communications

6. The Southern Partnership Group is responsible for approving all external communications in relation to the projects. The intention is communications should be transparent, while ensuring appropriate commercial considerations are observed.
7. The Southern Partnership Group Chair is the spokesperson for the project but may delegate a spokesperson role to one of the ordinary members where appropriate.
8. The Ministry of Health is responsible for its internal communications; and regular Ministry of Health updates in relation to projects, and for operational matters relating to the project.
9. The Southern DHB is responsible for its internal communications and updates.

## Roles of project partners

10. Each project that the Southern Partnership Group governs typically follows seven stages. The Southern Partnership Group is responsible for governing the projects through the different phases, and ensuring that the right stakeholders are involved in each stage. The stages are:
  - 10.1. Indicative Business Case
  - 10.2. Detailed Business Case
  - 10.3. Implementation Business Case
  - 10.4. Design
  - 10.5. Construction
  - 10.6. Fit Out, and
  - 10.7. Handover

11. Project Management and Procurement takes place throughout the life of the project. There are typically significant procurement activities that take place between the Design and Construction stages. Businesses as usual activities also take place throughout the life of the project.
12. Appendix 2 outlines the main areas of roles of project partners for each project stage.
13. Appendix 3 provides a RACI (responsible, accountable, consulted, informed) matrix by project stage.
14. It is expected the approval pathway for the stages of the Business Cases after SPG endorsement will be through the Capital Investment Committee, to Ministers and, where appropriate, Cabinet.

## **Authority**

15. The Southern Partnership Group has authority to make recommendations within the agreed scope and budget for the projects that have been agreed by the Ministers of Health and Finance, or by Cabinet. Decisions regarding material scope changes, including extensions to the budget, must be made by the Ministers of Health and Finance, or by Cabinet.
16. The Project Control Group should escalate risks, issues or scope changes to the Southern Partnership Group through the Steering Group or Senior Responsible Owner by exception. The decision to escalate will be guided by:
  - 16.1. The tolerances and parameters set out within any approved business case(s) and relevant project documentation, and
  - 16.2. The level of authority and urgency required for timely and effective resolution.

## **Responsibilities**

17. The Southern Partnership Group is responsible for ensuring the following project development, planning and coordination activities occur:
  - 17.1. That robust programme and project planning is undertaken by the Ministry of Health and its contractors in conjunction with Southern DHB. This includes oversight of all relevant financial aspects of the project(s) within oversight
  - 17.2. That the Ministry of Health has the appropriate skills and experience to undertake the required activities
  - 17.3. That appropriate feasibility and design work is undertaken; and commission this work where required
  - 17.4. Advising Ministers on progress, endorsement of business case documents and any relevant recommendations
  - 17.5. Providing quarterly status updates to the Ministers of Health and Finance, the Southern District Health Board and the Ministry of Health
  - 17.6. That projects receive sufficient user input from the Southern District Health Board;
  - 17.7. Working with key stakeholders including but not limited to the University of Otago, Dunedin City Council, ACC and Otago Polytechnic to identify opportunities for collaboration, cost savings, and an integrated approach where appropriate.
18. The Southern Partnership Group is responsible for ensuring the following project delivery, and project management activity occurs:
  - 18.1. Approving strategies developed by the Ministry of Health for conflict resolution, internally with the project and externally with other parties.
  - 18.2. Ensuring there is sufficient control of project scope changes and protection of contingency resources.
  - 18.3. Advising Ministers on the completion of each stage of the project and seeking approval to transition to the next stage.



- 18.4. Advising Ministers on important changes to approved business cases and the likely affordability of the options for the programme.
- 18.5. Providing regular status updates to the Ministers of Health and Finance, the Southern District Health Board and the Ministry of Health.
- 18.6. Leading public communications concerning the project in accordance with the communications protocols through approved spokespeople.

#### 19. Client Side

- 19.1. The Ministry's Senior Responsible Owner, Manager DHB Funding and Capital and Senior Project Manager work to ensure the Ministry's project activities are well coordinated and that interdependencies are managed
- 19.2. The Southern DHB operates a Facilities Redevelopment Executive (FRE) chaired by the Southern DHB CEO to ensure the DHB's responsibilities are well coordinated and that interdependencies are managed;
- 19.3. The Ministry's Senior Project Manager and Programme Manager, Infrastructure & Hospital, SDHB will work together to align planning and risk management.

### **Membership**

- 20. The Ministers of Health and Finance are responsible for appointing and reviewing the membership of the Southern Partnership Group. The membership of Southern Partnership Group comprises of:
  - 20.1. Ordinary members with full voting rights. Up to five members have been appointed by the Ministers of Health and Finance (one of whom will be the Chair of the Southern Partnership Group). This group includes the Deputy Commissioner of Southern District Health Board
  - 20.2. Ex-officio members. Members from the Ministry of Health (Senior Responsible Owner or Director Critical Projects) and Southern District Health Board (Chief Executive). Ex officio members do not have voting rights.
- 18.3 An observer from Treasury will attend partnership group meetings
- 21. The membership as at the date of this document is provided in Appendix 1: Current Membership.

### **Term**

- 22. The Southern Partnership Group will hold the authority outlined in this Terms of Reference until the completion of the redevelopment of Dunedin Hospital or earlier at the direction of the Ministers of Health and Finance.
- 23. The Southern Partnership Group and the Ministry of Health will review the operation of these Terms of Reference periodically and will report the findings, and any recommendations for change, to the Ministers of Health and Finance.
- 24. The next review scheduled for this Terms of Reference is June 2018.

## Appendix 1: Current membership

The table below lists the current ordinary and ex-officio members of the Southern Partnership Group.

Table 1: Southern Partnership Group membership

Name	Title	Organization
<i>Ordinary members</i>		
Pete Hodgson (Chair)	Appointment by Ministers of Health and Finance	Independent
Margaret Wilsher	Appointment by Ministers of Health and Finance	Independent
Andrew Connolly	Appointment by Ministers of Health and Finance	Independent
Stephen Willis	Appointment by Ministers of Health and Finance	Independent
Richard Thomson	Deputy Commissioner, Appointment by Ministers of Health and Finance	Southern District Health Board
<i>Ex-officio members</i>		
Chris Fleming	Chief Executive Officer	Southern District Health Board
Michael Hundleby or John Hazeldine	Director Critical Projects / Senior Responsible Owner  Alternate Senior Responsible Owner	Ministry of Health  Ministry of Health

**Appendix 2: Project partners roles by project stage**

Indicative Business Case	Detailed Business Case	Implementation Business Case	Design	Construction	Fit out	Handover
<p><b>Key activities :</b> Develop preliminary business case, define business need, assess whether there is sufficient justification to process.</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>User Requirements:</b> Southern District Health Board</p> <p><b>Assurance:</b> Southern Partnership Group</p>	<p><b>Key activities:</b> Appointing a consultant team, developing strategic brief, options review, business case and project execution plan.</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>User Requirements:</b> Southern District Health Board</p> <p><b>Assurance:</b> Southern Partnership Group</p>	<p><b>Key activities:</b> Confirms the strategic and economic cases , optimises value for money through supplier selection, sets out commercial arrangements ,details management arrangements</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>Informed:</b> Southern District Health Board</p> <p><b>Assurance:</b> Southern Partnership Group</p>	<p><b>Key activities:</b> Concept design, Prelim design, Developed design, Detailed design.</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>User Requirements:</b> Southern District Health Board</p> <p><b>Assurance:</b> Southern Partnership Group</p>	<p><b>Key activities:</b> Monitoring, Liaison with DHB, Liaise with Statutory Authorities.</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>Informed:</b> Southern District Health Board</p> <p><b>Assurance:</b> Southern Partnership Group</p>	<p><b>Key activities:</b> Procurement, installation and commissioning of furniture, Fixtures and Equipment</p> <p><b>Leading:</b> Southern District Health Board</p> <p><b>User Requirements:</b> Ministry of Health</p> <p><b>Assurance:</b> Southern Partnership Group</p>	<p><b>Key activities:</b> Commissioning, Practical Completion, Code of Compliance, Defects Period, Final Account, Asset Transfer</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>End User:</b> Southern District Health Board</p> <p><b>Assurance:</b> Southern Partnership Group</p>

<p><b>Programme Management and Procurement</b></p> <p><b>Key activities:</b> Develop project brief, consultation with users and stakeholders, agree tendering and procurement procedures, manage the procurement process</p> <p><b>Leading:</b> Ministry of Health</p> <p><b>Informed:</b> Southern District Health Board</p> <p><b>Monitoring:</b> Southern Partnership Group</p>
<p><b>Business as usual</b></p> <p><b>Key activities:</b> Maintain Services</p> <p><b>Leading:</b> Southern District Health Board</p> <p><b>Monitoring:</b> Ministry of Health</p>

**Appendix 3: RACI model by project stage**

Key milestone	MoH			Partnership Group	Project Control Group	DHB	External stakeholders	Advisory teams	Design team
	Senior Responsible Owner & Project Manager	Project team							
<b>Indicative Business Case/Business justification</b>	R,A	I		A		C,I	C,I		
Develop preliminary business case									
Define business need									
Assessing whether there is sufficient justification to process									
<b>Detailed Business Case/Feasibility studies</b>	R,A	C		A	C,I	C,I	C		
Appointing a consultant team									
Developing strategic brief									
Options review									
Business case and project execution plan									
Key milestone	MoH PMO			Partnership Group	Project Control Group	DHB	External stakeholders	Advisory teams	Design team
	Project Director	Project Manager	Project team						
<b>Design</b>	R,A	R	C	A	C,I	C,I	C,I	C	R
Concept design									
Prelim design									
Developed design									
Detailed design									
<b>Construction</b>	R,A	R	C	A	C,I	C,I	C,I	C	C,I
Monitoring									
Liaison with DHB									
Liaise with Statutory Authorities									
<b>Fit out</b>	R,A	R	C	I	C	R,C	C,I	C	C,I
Fixtures Fittings & Equipment	R,A	R							
Procurement of selected equipment						R,A			
Installation									
<b>Handover</b>	R,A	R	C	I	C	R	C,I	C,I	C,I
Commissioning									
Asset Transfer									
Defects Period									
<b>Programme Management and Procurement</b>	R,A	R	C	A	C,I	C,I	C	C,I	C,I
Develop project charter									
Consultation with users and stakeholders									

Agree tendering and procurement procedures									
Managing the procurement process									

R: Responsible for completing this step in the process	A: Accountable for ensuring this step is completed	C: Consulted prior to the completion of this step	I: Informed of the results after this step is completed
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