

In Confidence

Office of the Minister for Disability Issues

Cabinet Social Outcomes Committee

High and Complex Framework Programme Business Case

Proposal

- 1 This paper sets out and attaches the Programme Business Case (PBC) for long-term investment in the High and Complex Framework (HCF). The HCF provides a diversionary pathway to the criminal justice system for the compulsory care and rehabilitation of intellectually disabled people who have committed criminal offences.
- 2 I seek Cabinet endorsement of the PBC's recommended option and approval to proceed to the Detailed Business Case (DBC) planning stage. This approval will secure the preferred investment pathway and enable more detailed site-specific planning and costing to progress.

Relation to government priorities

- 3 Relevant priorities are better public services, ensuring fairer, consistent and sustainable access to services for people with the greatest need, and making the current disability support system safer in the future.

Executive Summary

- 4 The HCF supports between 200 and 250 intellectually disabled people at any given time. Dependent on the offence committed and the level of support an individual requires, they may be placed in either Regional Intellectual Disability Supported Accommodation Services (RIDSAS), provided by community providers, or forensic hospital-level care at Regional Intellectual Disability Secure Services (RIDSS), provided by Health New Zealand (HNZ).
- 5 Responsibility for the HCF sits across several parts of the Crown. The Ministry of Health has statutory and regulatory responsibility; Disability Support Services (DSS) in the Ministry of Social Development (MSD) is the commissioner and funder of RIDSS and RIDSAS services; and HNZ provides RIDSS services. DSS has led work on the PBC and this fits with further work to strengthen DSS over the next five years [SOU-25-MIN-0154 refers], following work to stabilise DSS since 2024.
- 6 The HCF faces significant and well-documented operational challenges and capacity pressures, as highlighted by an Ombudsman report in 2021. There is ongoing oversight and scrutiny of the HCF through monitoring of places of detention by the Ombudsman and/or the international Subcommittee on Prevention of Torture.
- 7 The PBC seeks to address the significant capacity pressures that currently prevent flow through the HCF system and limit the ability to find appropriate facilities for new people accessing the system. The HCF cohort has become increasingly diverse, with more women, youth and individuals with more complex needs requiring support.

- 8 The PBC's preferred option covers both RIDSS and RIDSAS investment. I seek Cabinet endorsement of this preferred option and approval to proceed to the DBC planning stage for:
 - 8.1 A first tranche of delivery for RIDSAS facilities. This will enable better flow of clients through the system based on their care needs and free up capacity in secure RIDSS facilities. Providing this step-down capacity is a necessary pre-requisite to any later investment in RIDSS capacity;
 - 8.2 A second tranche of delivery for investment in RIDSS facilities, to be led by HNZ in partnership with DSS MSD, that would align with HNZ clinical services and infrastructure planning.
- 9 This paper does not seek approval for any funding at this time. Cabinet approval to proceed to the DBC stage will enable more detailed, site-specific planning and further costings to progress, with any associated funding for capital investment in the first tranche of delivery in RIDSAS facilities to be s9(2)(f)(iv)

Background

The High and Complex Framework supports offenders with an intellectual disability, who live in secure or supervised care

- 10 The HCF provides for the compulsory care and rehabilitation of individuals with an intellectual disability who have been found unfit to stand trial on, or convicted of, an imprisonable offence. It is a diversionary pathway for these offenders who cannot be accommodated in standard correctional facilities.
- 11 The Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 (IDCC&R Act) provides for this compulsory care and rehabilitation, with an order generally made by a criminal court under the Criminal Procedure (Mentally Impaired Persons) Act 2003 (CP(MIP) Act).
- 12 The HCF supports between 200 and 250 people at any given time, with the population fluctuating as individuals are referred from the courts or exit services. Since 2012, there has been an annual average of 294 people receiving care under the HCF and, as of July 2025, there were 208 people being cared for under it.¹
- 13 Dependent on the offence committed and the level of support an individual requires, they may be placed in residential-level care based in RIDSAS facilities, provided by community providers; or in forensic, hospital-level care at RIDSS facilities, provided by HNZ.
- 14 Care under the HCF is not intended to be permanent; the intention is for clients to transition through a continuum of service provision from RIDSS to RIDSAS facilities dependent on their needs, with the aim of returning people to independent or supported living in the community as appropriate.

¹ Note that this decrease is related to policy changes that restrict civil users from entering the HCF, rather than a reduction in demand for HCF services. Civil users did not commit an offence to enter the HCF under the IDCCR Act.

- 15 As the commissioner and funder of HCF services, Disability Support Services (DSS) in the Ministry of Social Development (MSD) contracts with community providers to provide approximately 200 beds in RIDSAS facilities nationwide; and HNZ to provide 66 beds in five RIDSS forensic hospital facilities nationwide.
- 16 Kāinga Ora supports some of these community providers through its Community Group Housing (CGH) portfolio. These houses are either rented or leased to community providers who are responsible for service delivery. The Ministry of Housing and Urban Development is responsible for CGH funding and policy settings.

The HCF faces long-standing operational challenges and capacity constraints

- 17 The HCF faces capacity constraints and a lack of flexibility in the use of beds for different needs. This has led to prevalent ‘bed-blocking’ in the system, which essentially blocks off entire areas to accommodate a single individual with complex behaviours, or to manage the safety of a mixed gender (and occasionally mixed age) environment. This has an impact on the ability of people to enter the HCF system, transition through the system, and can impact on their care and safety once in the system as they encounter restrictive environments.
- 18 The Ombudsman acts as a National Preventive Mechanism for monitoring under the Optional Protocol to the Convention against Torture (OPCAT) and monitors the HCF to ensure compliance with human rights standards, including expectations for care, treatment, and living conditions. In 2021, the Ombudsman released a report titled *Oversight: An investigation into the Ministry of Health’s stewardship of hospital-level secure services for people with an intellectual disability*.²
- 19 The Ombudsman’s investigation focused on the administrative practices of the Ministry of Health in relation to HCF facilities and services and the Ministry’s stewardship role to ensure the system is run effectively. The investigation’s findings included significant capacity pressures across the HCF, resulting in court proceedings being deferred, people being remanded back to prison or inappropriately accommodated in mental health units. The Ombudsman recommended that the Ministry of Health take a number of steps to fulfil its obligations as steward of the system.
- 20 Since the release of the Ombudsman’s report in 2021, roles and responsibilities for HCF services have changed significantly:
 - 20.1 **2022:** Responsibility for commissioning and funding HCF services transferred from the Ministry of Health to Whaikaha. The Ministry of Health retained regulatory and statutory responsibility for the IDCCR Act.
 - 20.2 **2023:** Whaikaha released the HCF Operational Strategy and Five-Year Action Plan in response to the Ombudsman’s report (the PBC for longer-term investment in the HCF is a key action item within the plan).

² The Ombudsman’s 2021 report is available at: www.ombudsman.parliament.nz/resources/oversight-investigation-ministry-healths-stewardship-hospital-level-secure-services.

- 20.3 **2024:** Responsibility for commissioning and funding HCF services transferred from Whaikaha to DSS MSD following the Independent Review into disability support services.
- 21 Budget 2025 provided \$10 million over two years to support short-term critical needs in HCF facilities, while longer-term investment planning progressed through the PBC.
- 22 The Ombudsman, through National Preventive Mechanism reviews and recommendations, continues to raise ongoing concerns with the Ministry of Health, HNZ and DSS MSD regarding the fitness for purpose of hospital secure facilities and related challenges such as bed blocking and seclusion.

The PBC responds to the Ombudsman findings and seeks to address infrastructure and environmental issues within the HCF

- 23 The PBC seeks to address the significant capacity pressures identified by the Ombudsman, which prevent flow through the HCF system and limit the ability to find appropriate facilities for new people accessing the system.
- 24 Executing the model of care for individuals supported by the HCF demands a system with sufficient capacity and flexibility to respond to changing demands and allow for movement through the system.
- 25 The nature of the offences primarily committed by the HCF population (assaults, sexual offending and destruction of property) require flexible facilities that support the safety and security of staff and clients.
- 26 Currently, RIDSAS facilities are typically retrofitted houses that have not been designed to meet secure requirements and do not always safely and effectively accommodate the HCF clients' high needs. There is a correlation between high incidents of abscondments and the quality of facilities, and the prevalence of assaults (clients on staff, staff on clients, and clients with each other) due to confined living spaces and limited safety and security mechanisms or spaces that can be used quickly. Abscondments also pose a risk to the wider community.

The PBC seeks to realise a number of benefits for the care and rehabilitation of the people supported by the HCF

- 27 Capital investment in HCF facilities will improve access to appropriate services across the care continuum, which means clients are placed in the level of care that suits their care needs rather than based on capacity. Adequate capacity across the care continuum allows for more timely transition into and through the system and reduces the need to use restrictive care practices. This allows clients to transition from high security environments to community care with greater flexibility.
- 28 A key benefit of investment in HCF facilities is improved client therapeutic and rehabilitative outcomes. When facilities better support the needs of clients through the provision of safe, secure, therapeutic, appropriate, and homelike care, workplace morale is boosted, and staff are also more likely to be engaged and attracted to work in HCF facilities. A stable workforce helps to support the quality of care for clients.

- 29 A further benefit of investment in HCF facilities is improved safety for clients, staff, and surrounding communities. Purpose-built and fit-for-purpose facilities would seek to support clients to feel safe in their environments, increase safety for staff and promote staff retention, and increase public safety by reducing the prevalence of abscondment related incidents.

Analysis

- 30 The PBC defines and assesses a longlist of 11 options for nationwide investment in RIDSS and RIDSAS secure capacity that are designed to address capacity pressures. The options were assessed against the following investment objectives, which specify the outcomes sought for investment in HCF services.

Investment objective	
1. Sufficient flexible capacity to manage clients and meet demand	HCF facilities respond flexibly to changes in demand and increasing complexity of care requirements. The physical environment enables separation between cohorts or individuals as necessary, without compromising provision of care.
2. Facilities are robust, appropriate to the cohort, and homelike	HCF facilities are fit-for-purpose with furnishings and fittings that are high quality to maintain good condition. They accommodate the needs of the clients by providing safe, therapeutic, and homelike environments for rehabilitative care.
3. Facilities provide a safe, secure environment for staff and clients	HCF facilities have features which enable care to be provided safely and securely to clients, whilst protecting staff and minimising complicated operational practices. Clients receive the levels of independence and freedom they are entitled to.
4. Facilities protect public safety	HCF facilities are of an appropriate level of quality and have the security elements required to minimise abscondments and unplanned or unsafe interactions with the public.

- 31 Five options that partially met or met the investment objectives were assessed against the project's critical success factors (included as Appendix 1). Further analysis against the programme's critical success factors refined this to three shortlisted options.
- 32 The PBC's highest scoring and preferred option, *Option 4: Care continuum through new build*, addresses critical capacity and quality issues in RIDSAS across all regions through refurbished or new-build facilities replacing existing beds and providing additional capacity, as outlined in the following table:

	Northern	Midlands	Central	Southern
RIDSAS (secure residential care in the community) <i>Note: Some properties are owned by Kāinga Ora</i>	Retain existing 5-bed RIDSAS	Replace existing 5-bed RIDSAS	Replace existing 5-bed RIDSAS on new site	Refurbish 6 existing RIDSAS beds
	Refurbish another existing 5-bed RIDSAS	Refurbish existing 5-bed RIDSAS	New 5-bed RIDSAS	Replace 4 existing RIDSAS beds
	New 5-bed RIDSAS			Replace 4 existing RIDSAS beds

- 33 Initial investment in RIDSAS will provide faster, affordable, step-down capacity from RIDSS capacity, enabling better flow of clients through the system based on their care needs and free up capacity in secure RIDSS facilities. Providing this step-down capacity is a necessary pre-requisite to any later investment in RIDSS capacity.

Implementation

The PBC recommends focusing on a first tranche of delivery of the preferred option

- 34 The PBC's commercial case outlines the approach to be taken to procure and deliver the preferred option. The PBC considers delivery arrangements at a high level, which will be confirmed through subsequent business cases should Cabinet agree to proceed.
- 35 The preferred option comprises five tranches of delivery. The commercial case focuses on delivering the first tranche, which would deliver new and refurbished residential RIDSAS facilities in the Northern and Central regions.
- 36 This first tranche would specifically provide for:
- 36.1 one new five-bed RIDSAS facility (providing additional capacity) and refurbishment of an existing five-bed RIDSAS facility in the Northern region; and
 - 36.2 one new five-bed RIDSAS facility (providing additional capacity) and replacement of an existing five-bed RIDSAS facility on a different site in the Central region.
- 37 Should Cabinet agree to proceed, a detailed business case (DBC) would be developed to further plan and cost this first tranche of RIDSAS investment.
- 38 The PBC sets out the intent for future RIDSAS facilities to be Crown-owned, although provision of operational care and facility management services would continue to be delivered by private and non-government providers. This would be tested further in the DBC stage with support from Crown Infrastructure Delivery (CID).
- 39 It is important to note that hospital-level care RIDSS facilities, delivered by HNZ, are not in scope of the first tranche of delivery and the proposed RIDSS investment will be reviewed to ensure it aligns with HNZ's most recent infrastructure planning.
- 40 It is proposed that a second DBC be progressed for investment in RIDSS facilities, to be led by HNZ in partnership with DSS MSD, that would align with HNZ clinical services and infrastructure planning.

Crown Infrastructure Delivery would support the next stage of business case planning

- 41 In July 2025, the Government implemented a mandate for selected agencies, including MSD, to partner with CID for the delivery of infrastructure investments [Treasury circular 2025/11 refers].
- 42 In line with this mandate, DSS MSD has leveraged CID capability and experience to finalise the PBC through a signed Services Agreement. Should Cabinet agree to the DBC stage, it is intended that CID would continue to lead this work.

Financial Implications

- 43 The financial analysis in the PBC does not constitute a detailed analysis of the funding required. A more detailed analysis will be performed and presented through formal requests for funding in subsequent business cases with support from CID, to provide more granularity and certainty over the associated capital and operating costs.
- 44 I seek Cabinet agreement to develop a DBC for the first tranche of delivery of the preferred option. Based on current analysis in the PBC, the first tranche has a capital cost of s9(2)(i) over the next 25-years in nominal terms. The DBC stage work will explicitly test affordability, sequencing and alternative delivery options to manage any fiscal exposure.
- 45 No funding is sought at this time. Should Cabinet agree to proceed to the DBC stage for the first tranche of delivery in RIDSAS, the DBC will test alternatives and refine the capital cost. Associated capital funding would be s9(2)(f)(iv)

Table 43: Summary of Preferred Option Costs - Option 4
s9(2)(i)

Investment assurance through the Gateway Review 0 – strategic assessment

- 46 The PBC progressed through a Gateway Review in September 2025. The strategic, economic, commercial and financial cases of the draft PBC all received a ‘Green’ rating, but the overall assessment delivery confidence assessment was ‘Amber/Red’ due to complex interdependencies across the HCF system:
 - 46.1 The Ministry of Health has statutory and regulatory responsibility;
- 47 HNZ provides forensic secure hospital-level beds for intellectually disabled people (contracted with DSS), while also responsible for forensic mental health unit service provision; and
 - 47.1 DSS MSD commissions and funds HCF services.
- 48 Appendix 1 summarises the Gateway Review outcomes and actions DSS MSD has taken in response. Appendix 2 includes the full Gateway Review report.
- 49 s9(2)(f)(iv)

- 50 This work aims to clarify roles and responsibilities through an updated Memorandum of Understanding and establish strengthened governance and oversight mechanisms to monitor and respond to systemic trends and collective issues.
- 51 DSS MSD is also working with HNZ to develop an operating model for RIDSS, to ensure patient flows through RIDSS hospital beds and availability of beds for those with intellectual disabilities.

Cost-of-living Implications

- 52 There are no cost-of-living implications arising from this proposal.

Legislative Implications

- 53 There are no legislative implications arising from this proposal.

Impact Analysis

Regulatory Impact Statement

- 54 As there are no legislative implications arising from this proposal, a Regulatory Impact Statement is not required.

Climate Implications of Policy Assessment

- 55 Officials developing the proposal work with the Climate Implications of Policy Assessment team to assess any emissions impacts, as appropriate, if the proposal advances to the DBC stage.

Population Implications

- 56 The proposed investment seeks to benefit vulnerable populations represented in the HCF as summarised in the table.

Population group	How the proposal may affect this group
Māori	Māori are overrepresented (40% compared to 17% of the general population) in the HCF. The proposed investment seeks to improve outcomes for Māori by addressing current capacity limitations and regional distribution issues, meaning that clients cannot always be accommodated near their home or region, reducing whānau involvement and impacting wellbeing.
Women	The proposed investment seeks to benefit women in HCF services, who now represent up to 16% of HCF clients. Some facilities are not designed to accommodate mixed genders and providers have had to adopt complex operational strategies to safely care for women clients, which can limit the freedom and independence of women clients.
Disabled people	The proposed investment seeks to improve the care, safety and wellbeing of intellectually disabled people in HCF facilities by addressing current systemic infrastructure issues.
Youth	The proposed investment seeks to improve the care, safety and wellbeing for youth in HCF services by providing greater flexibility and options to separate

	youth from adults in other facilities outside of Hikitea Te Wairua, the national youth intellectual disability secure service.
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Human Rights

- 57 The HCF is designed to align with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), which aims to promote, protect and ensure the full and equal enjoyment of all human rights by all persons with disabilities. The HCF must also comply with the United Nations Convention on the Rights of the Child to ensure the rights and safety of young people are upheld while receiving care.
- 58 The proposed investment will support the rights affirmed in the NZ Bill of Rights Act by providing fit-for-purpose facilities that better support those arrested or detained.
- 59 The proposed investment seeks to mitigate rights-based risks and is necessary to improve the standard of care in fit-for-purpose facilities that has been highlighted through Ombudsman monitoring.

Use of external resources

- 60 External resources were used to develop the PBC, with EY providing services to inform the development of and complete a draft of the PBC. Since September 2025, DSS MSD worked with CID to finalise the PBC, in line with the July 2025 Government mandate that designates certain agencies, including MSD, to partner with CID for the delivery of infrastructure investment [Treasury circular 2025/11 refers].
- 61 The use of external resources is not anticipated for the next stage. Should Cabinet agree to proceed to the DBC stage, it is anticipated that CID would undertake this work. It is also intended that CID would undertake delivery of any associated projects, subject to future Cabinet agreement on the next stages of the investment.

Consultation

- 62 The following agencies were consulted on this paper: Crown Infrastructure Delivery, Department of Corrections, HNZ, Ministry of Health, Ministry of Housing and Urban Development, Ministry of Justice, Oranga Tamariki, The Treasury, and Whaikaha. The Department of Prime Minister and Cabinet was informed.

Communications

- 63 A communications plan will be developed consistent with the decisions from Cabinet.

Proactive Release

- 64 I intend to proactively release this paper and its associated minute within the standard 30 business days from Cabinet's decision, with any appropriate redactions where information would have been withheld under the Official Information Act 1982.

Recommendations

The Minister for Disability Issues recommends that the Committee:

- 1 **note** the High and Complex Framework (HCF) faces significant operational pressures and capacity constraints, as highlighted by the Ombudsman's *Oversight* report in 2021 and reiterated by recent National Preventive Mechanisms' monitoring reviews;
- 2 **note** that work has been underway to complete a Programme Business Case (PBC) to investigate options for long-term investment in HCF facilities;
- 3 **endorse** the PBC's recommended option to provide flexible, robust, safe, and secure Regional Intellectual Disability Secure Services (RIDSS) and Regional Intellectual Disability Supported Accommodation Services (RIDSAS) facilities, while protecting client, staff and public safety and balancing value for money through a mix of refurbished and new build facilities (Option 4 in the PBC);
- 4 **direct officials** to develop a Detailed Business Case (DBC) for the first tranche of delivery for residential RIDSAS facilities in the Northern and Central regions;
 - 4.1 **note** that the PBC identifies a capital cost of s9(2)(i) for the first tranche of delivery in RIDSAS facilities;
 - 4.2 **note** that the DBC for RIDSAS facilities would refine the capital cost based on more detailed planning, with associated funding for the capital investment to be s9(2)(f)(iv);
 - 4.3 **note** that it is intended for Crown Infrastructure Delivery to work with Disability Support Services in the Ministry of Social Development (DSS MSD) to lead development of the DBC for investment in RIDSAS facilities.
 - 4.4 **note** that the scope of the DBC for investment in RIDSAS facilities would not include investment in hospital-level care RIDSS facilities, delivered by Health New Zealand (HNZ);
- 5 **direct officials** to develop a future DBC for the second tranche of delivery in RIDSS facilities, to be led by HNZ in partnership with DSS MSD, that would align with HNZ clinical services and infrastructure planning.
- 6 **note** that DSS MSD and HNZ will work through the planning arrangements and approach for DBC planning and investment in RIDSS facilities, including any support from Crown Infrastructure Delivery.
- 7 **note** that DSS MSD and Ministry of Health officials are working to strengthen governance and oversight mechanisms to monitor and respond to trends and collective issues within the system.

Authorised for lodgement.

Hon Louise Upston
Minister for Disability Issues

Appendix 1: Gateway Review outcomes

Delivery Confidence Assessment

Delivery Confidence Assessment	AMBER/RED
The need for investment is clearly articulated and supported by all interviewees. The Programme Business Case (PBC) is largely complete but will need further work before submission. The Review Team heard from interviewees that there is a high level of confidence in the work achieved, led by the Senior Responsible Officer (SRO), over the last year. The Gateway Review Team finds that successful delivery is in doubt, with major risks or issues apparent in a number of key areas. Prompt action is needed to address these. The key issue relates to the interdependencies across the system, and the lack of end-to-end accountability for flow through the system and governance arrangements. This issue is outside of the programme's ability to control as it relates to ministerial alignment and responsibilities of different agencies. Refer 1.3 Blocker below. Other issues requiring resolution in the PBC are: - Ministerial engagement - in a fiscally restrained environment, with a multi-agency, multi-year programme, joint Ministerial engagement will be critical for programme success. - Strengthening governance – current arrangements are not fit for purpose, particularly for the next stage, as they do not address agencies' competing priorities, lack a single point of accountability for programme success, and require key expertise and leadership in capital builds. - Developing future client cohort profiles - client cohort profiles will change over the next 20 years, and if not modelled now and regularly reviewed, then the facilities delivered may not meet the needs of the future clients. - Reviewing and updating national standards - if national standards for models of care and infrastructure relevant to the Regional Intellectual Disability Secure Service(s) (RIDSS) and Regional Intellectual Disability Supported Accommodation Service(s) (RIDSAS) are not addressed, then the benefits of this investment will not be achieved. - Adopting a facilities-specific risk management approach – facilities capital programmes of works have distinctive risk characteristics which differ from corporate risks. Without this facilities capital programme risk approach, executives will be hindered in comparing risks within the PBC and between DBCs. - Appointing an experienced Programme / Project Director – this is to support the SRO and bring strong project management disciplines to oversee and manage the future phases of the proposed programme of work.	

Business Case Assessment

Business Case Stage: Programme		
Case	Quality Measure Score (1 – 4)	Summary of key focus areas
Strategic	3.5	The Strategic Case appears compelling and well-articulated. In addition, the case needs improvement with respect to agency mandate, interdependencies across the system and key risks. A reference to the implications for these vulnerable people, arising from the findings of the Royal Commission of Inquiry into Abuse in Care, could strengthen the case for this investment.
Economic	3	Option 4 appears well founded, provides maximum benefit for the investment as well as moving to a decentralised model so patients are kept closer to whānau and wider support networks. There should be further development of future cohort modelling.

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Commercial	3	MSD-DSS will need to build capability to engage credibly and manage commercial relationships needed where services are provided by a delivery partner. The Commercial Case still needs more work, including consideration of additional packaging options for delivery of facilities that may provide value, reduce contract administration load and provide better risk allocation.
Financial	3	The financial analysis is comprehensive and shows most of the costs are not capital but operating and capital charge. The SRO may consider including an Executive Summary in the front end of the financial case to include a better summary of the costs. Appropriately, the case flags the total funding required over 2027-2052 so focusses decision makers on the investment required.
Management	2	The Review Team noted that Joint Agency Governance Group (JAGG) is a good initiative but is not functioning at the right level and lacks the mandate to effectively address the system structural challenges – refer to Blockers. The Review Team considers complementing the existing skills with an additional member skilled in construction would be beneficial. This case would be strengthened by a clearer focus (high level at this stage) on the how the interdependencies of the non-build workstreams will enable realisation of investment benefits. The Management Case also needs to update the risk management approach.

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Appendix 1 continued: Action Plan responding to Gateway Review feedback

Ref	Recommendation	Priority	Action Plan	Status
R1	That the SRO develop a comprehensive Ministerial engagement plan to keep key Ministers briefed on the criticality and progress of this work	DO NOW	Met with Minister Upston on the outcome of the Gateway Review in November 2025. Progressing joint advice to Minister Upston and the Associate Minister of Health on steps to improve overall HCF system settings in March 2026. Finalising the PBC to seek Cabinet agreement to the PBC and next stage of the business case in May 2026.	Complete
R2	That the SRO review the make-up of the governance groups to ensure that they are fit for purpose for delivery, including mitigating the risks of the complex agency arrangements, lack of capital build expertise in MSD-DSS and over-reliance on key personnel.	DO NOW	Governance group refreshed with senior-level representation from the Ministry of Health, Health New Zealand, Department of Corrections and Crown Infrastructure Delivery (CID), meeting monthly in 2026.	Complete
R3	That the SRO ensure client cohort profiles are modelled out for a 20-year view and reviewed regularly.	DO NOW	Working with CID and adding to the management case of the PBC that this will be fully addressed through the Detailed Business Case(s) stage, where: - Cohort profiles can be developed at a site and service-specific level - Assumptions can be tested against confirmed models of care and operational standards - Demand modelling can be directly linked to asset typologies - Profiles can be embedded into a planning framework and refreshed as part of ongoing programme assurance	In planning for DBC stage
R4	That the SRO review and update national standards for models of care and infrastructure relevant to the RIDSS and RIDSAS services	DO NOW	Updating national standards for models of care is a substantive piece of policy and service design work that extends beyond the scope of a PBC and cannot be resolved in a way that is sufficiently robust or durable at	In planning for DBC stage

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Ref	Recommendation	Priority	Action Plan	Status
			the PBC stage. This will therefore be fully addressed through the next phase of planning, where the Detailed Business Case(s) will: - translate agreed models of care into clear, standardised service requirements - define the implications for facility typologies, capacity, and security - directly link standards to investment decisions, delivery sequencing and operating costs. This approach ensures that national standards for models of care are developed with the right level of evidence, clinical input and system alignment, and are embedded into the investment programme.	
R5	That the SRO develop and implement a facilities-specific capital programme Risk Management Plan for the PBC and the subsequent DBCs.	DO NOW	Working with CID to leverage their expertise to develop and implement a facilities-specific capital programme Risk Management Plan for the PBC.	Complete
R6	That the SRO appoint a suitably qualified and experienced Programme / Project Director to support the SRO during the next phases of the Programme including the finalisation of DBCs and the delivery into service of the facilities.	DO NOW	A CID Programme Director was appointed in November 2025 with experience in delivering major infrastructure programmes, to support the renewed governance arrangements and to finalise the PBC. Subject to Cabinet agreement on the next stages of the programme, it is expected CID would also lead and facilitate the associated work.	Complete

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Appendix 2: Programme Business Case