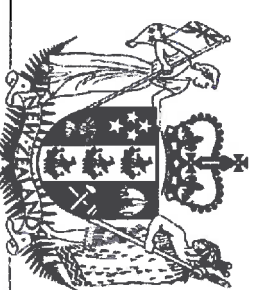


Interim Major Projects Performance Report

November 2016



THE TREASURY
Kaitiaki Takekōwhiri
Kaitohutohu Kaupapa Rauwa

Lincoln University/AgResearch Stage One Building Project

This project is designed to enable academic and primary industry education and research by the two partners
Lincoln University and AgResearch

Monitoring delivery confidence

Previous 

Key Milestones



Corporate Centre Comment

Lincoln University and AgResearch are in partnership to deliver this project, which is separate from the Lincoln Hub programme.

The monitoring delivery confidence assessment of this project is Amber/Red because:

- The future financial viability of a key partner is uncertain which presents significant financial risk for the investment;
- Specific benefits attributable to the project and contribution to the strategic objectives and benefits of the related Lincoln University, AgResearch and the Lincoln Hub programme business cases are unclear;
- Although already extended, the timeframe for submitting the business case to Cabinet in January 2017 looks challenging given these key issues.

Recent positive developments include direct and open engagement with the new Senior Responsible Owner and confirmation that the project will participate in a Better Business Cases (BBC) clinic.

The corporate centre also recommends the project consider participating in the Gateway review programme.


The monitoring focus for the next reporting period will be to confirm key partner financial viability, clarify the overarching strategy and benefits management plan, and complete a detailed business case.

Benefits

High level benefits are identified within the project business case; however, there does not appear to be a clear plan of how the benefits will be evaluated or realised. A benefits realisation plan is required in order to inform the project business case.

Budget and Expenditure

Agency Assessment

Total project budget:	\$206.37m	Overall project health	
Expenditure to date	\$2.08m*		
Whole of life cost	TBC		

*this figure does not include previous master planning costs

Position in lifecycle



Agency Comment

Significant progress has been made on the Lincoln Hub Build Project in the past 6 months. The strategic case for the project is consistent with the strategic cases contained in the Lincoln Hub Programme Business Case, the Lincoln University Science Facilities Redevelopment Project Business Case and the AgResearch Future Footprint Business Case.

The concept design has been completed and the project is now into preliminary design. Cost estimates currently sit within budget.

The project business case is undergoing revision following its submission in June 2016. Report back timeframes have so far been met, and the final business case will be completed in late January 2017 as agreed with officials. 9(2)(j)

Procurement of a main contractor for early contractor involvement (ECI) is underway with the preferred ECI contractor due to be identified by 23 December 2016. There has been very good interest from the main contracting market in this project.

The Interim Major Projects Performance Report

Major projects represent government's most complex, high-value investments. The *Interim Major Projects Performance Report November 2016* looks at 53 major projects¹ being delivered across 33 agencies, with a combined whole-of-life cost of \$37b.

Government is undertaking a range of significant investment projects. The most challenging are featured in the *Major Projects Performance report*.

This is the first *Interim Major Projects Performance Report*. It is a high-level, exception-based report which will be produced in November and March. The full Major Projects Performance Report will continue to be produced at the end of each financial year.

What is included in the Interim Report?

A full dashboard is provided only by exception, for those projects assessed as Red and Amber/Red, as these are the projects likely to need the most support.

The Interim report provides a brief update on both pre-investment and post-investment projects that are tracking largely as expected.

For the first time the Interim report also incorporates the Canterbury Public Sector Rebuild Performance Reporting produced by the Ministry of Business, Innovation, and Employment. This analysis will enhance the information available about the Canterbury Rebuild Recovery.

How are Major Projects Assessed?

Monitoring delivery confidence assessments are not a judgement about whether a project or idea is 'good' or 'bad', but indicate whether a project is on track to deliver its intended benefits within existing constraints.

Major projects are assessed on a five-point monitoring delivery confidence scale:

Green	Successful delivery of the project against budget, schedule, scope and benefits, appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.
Amber /Green	Successful delivery of the project against budget, schedule, scope and benefits, appears probable; however, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery of the project against budget, schedule, scope and benefits, appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun or loss/delay of benefits.
Amber /Red	Successful delivery of the project requires urgent action to address major risks or issues in a number of key areas. Changes to budget, schedule, scope or benefits may be necessary if the project is to be delivered successfully.
Red	Successful delivery of the project requires changes to budget, schedule, scope or benefits. There are major issues with project definition, schedule, budget, quality and/or benefits delivery, which don't appear to be manageable or resolvable without such changes being made.

¹ The New Children's Entity/Refocused MSD programme is not in this report but will be in future reports.