



Digital Government Strategies: Good Practices



New Zealand: Better Business Case / Major Project Monitoring

The OECD Council adopted on 15 July 2014 the Recommendation on Digital Government Strategies. The Recommendation provides a set of 12 principles structured around 3 pillars. The OECD Secretariat is developing a Digital Government Policy Toolkit to support OECD member countries and non-member adhering countries with the implementation of the Recommendation. This practice was submitted by the government of New Zealand to be considered as a good practice in the implementation of one or more of the principles contained in the Recommendation.

Description of the practice:

Organisation:

Government Chief Technology Officer, Deputy Chief Executive, Service and System Transformation Branch, Department of Internal Affairs

Name of the practice:

Business Case / Major Project Monitoring

Principles implemented:

Principle 7 – Establish effective organisational and governance frameworks to co-ordinate the implementation of the digital strategy within and across levels of government.

Principle 9 – Develop clear business cases to sustain the funding and focused implementation of digital technologies projects.

Principle 10 – Reinforce institutional capacities to manage and monitor projects' implementation.

Description:

Better Business Case

Better Business Cases (BBC) is a systematic way to prepare business cases for programmes or projects that will provide information required to invest with confidence.

In recent years, the Treasury has put significant effort into growing the capability of the New Zealand public sector to develop strong and effective business cases for investment projects and



programmes. This has included developing and delivering a BBC training, certification and review programme that is now considered global best practice.

Use of the BBC guidance is required for all New Zealand State sector agencies seeking Cabinet decisions on capital proposals. The following Cabinet Office circular sets out the New Zealand Government's expectations for the management of investments and both physical and intangible assets by State sector organisations:

http://www.dpmc.govt.nz/sites/all/files/circulars/coc_15_05_0.pdf

The New Zealand version of the guidance is based on the UK version, with the consent of the International BBC Steering Committee.

For more information about the BBC programme, see:

<http://www.treasury.govt.nz/statesector/investmentmanagement/plan>

Major Project Monitoring

The Treasury has a role in monitoring progress and performance for investments that are classified as significant according to Cabinet Circular CO(15)5.

Major Projects Monitoring:

http://www.dpmc.govt.nz/sites/all/files/circulars/coc_15_05_0.pdf

The aim of monitoring is to provide advice to agencies and Government on the status of significant projects and programmes, and to provide appropriate Corporate Centre support, advice and guidance to help projects and programmes succeed.

Cabinet Circular CO(15)5 and the Guidance for Monitoring Major Projects set out:

- how significant projects are to be identified through the government project portfolio and risk profile assessment processes, and
- how significant projects are monitored by the Treasury and other monitoring agencies.

The Treasury may also identify agency projects that are significant through analysis of other data sources, such as four-year plans, long-term investment plans, the capital budget process, or via the GETS (Government Electronic Tenders) system.

Projects that are identified as significant and requiring monitoring will typically meet any one or more of the following conditions:

- are assessed as high risk using the Risk Profile Assessment (RPA) tool – this is the primary means of identifying projects that require monitoring. There may also be special circumstances where it is agreed that a project with a medium risk profile will be subject to major projects monitoring



- have estimated whole-of-life-costs (WOLC) of \$25 million or more, or
- are nominated for monitoring by the responsible Minister.

Governance: The Treasury

For more information, see:

<http://www.treasury.govt.nz/statesector/investmentmanagement/do>

Results

In March 2013, the Treasury evaluated whether the objectives of BBC were being achieved. The key findings were:

- overwhelming agreement that BBC has had a positive impact on business case thinking, and that it is generally fit for purpose
- the process is most effective when applied by experienced and knowledgeable people
- organisations wanted help to develop internal capability and expertise
- a range of mechanisms should be considered, not just training, to help organisations address the wider capability gaps that have been identified
- the need to address state sector reviewer capability.

In response, the following objectives were set:

- continue the delivery and ongoing improvement of current BBC guidance, case studies and training plus communities of practice
- significantly improve the capability (skills, experience and practice) of priority public sector organisations to produce fit-for-purpose business cases
- provide expert advice to support the development of competent and professional BBC reviewer capability and capacity in the state sector.

To improve public sector capability, we have developed a way in which expert practitioners and reviewers, nominated by priority public sector organisations, can be endorsed.

A definition of priority public sector organisations

Priority public sector organisations are those with the top 50 capital and socioeconomic programmes/projects that require ministerial or Cabinet consideration over the next few years. All other organisations (private and public) will continue to have access to current BBC guidance and training.

In response to these findings, we are looking to make several changes to the future training delivery and capability support models for business cases. These include:



- partnering with more organisations to deliver business case training and capability development
- supplementing internal expertise on business cases with a more consistent review process
- reviewing and updating the current Cabinet rules and requirements associated with business cases in order to clarify deliverables presented to Cabinet.

See: <http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc/evaluation>

Development

Design: N/A

Testing: N/A

Implementation: N/A

Resources: N/A

Diffusion and scaling: See:

<http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc>

<http://www.treasury.govt.nz/statesector/investmentmanagement/plan/bbc/training>

The practice is a whole of government process

Partnerships: Public Sector Organisations

Partners: Cabinet Office, State Services Commission

Lessons learned

N/A

Conditions required: N/A

Additional information: