

BRIEFING FOR THE MINISTER OF POLICE			
Priority	<input type="checkbox"/> Urgent <input checked="" type="checkbox"/> Time-Sensitive <input type="checkbox"/> Routine <i>Please note this is time sensitive as it is for Cabinet on 28 March 2022</i>		
Title	Next Generation Critical Communications (NGCC): Cabinet Approval to delegate draw down of tagged contingency		
Date	24 March 2022	Ref	BR/22/21

Recommendations

It is recommended that the Minister of Police:

- a) **Note** that following your direction at the NGCC Oversight Ministers meeting 16 March 2022 the NGCC Programme have been working with Treasury to determine the approach the NGCC Programme can take to seek funding approval for the Public Safety Network (PSN) Implementation Business Case (ImBC).
- b) **Note** that based on Treasury guidance at the NGCC Oversight Ministers meeting 16 March 2022, the final PSN ImBC will no longer be submitted to Cabinet for approval 11 April 2022 as previously advised.
- c) **Note** that to maintain NGCC Programme momentum and mitigate risks associated with the delayed Cabinet date, the Programme is seeking to draw down up to \$16 million of the NGCC tagged contingency to fund some preliminary high-level design work and rephase tagged contingency across financial years.
- d) **Note** no commitments, contractual or otherwise, will be made for implementation activities, materials spend or operational expenditure prior to Cabinet approval of full NGCC funding.
- e) **Note** that on 6 April 2020 Cabinet agreed that any draw down of NGCC tagged contingency would be subject to Cabinet approval of the NGCC PSN ImBC, which has now been delayed until July 2022.
- f) **Agree** to raise an oral item at Cabinet Monday 28 March 2022 seeking Cabinet agreement to give Joint Ministers authority to draw down up to \$16 million of the NGCC tagged contingency subject to detailed costings, and the authority to re-phase the tagged contingency between financial years. Yes/No
- g) **Note** that given the short timeframes, Treasury is still reviewing this proposal however, they will brief the Minister of Finance ahead of the Cabinet discussion on Monday.

- h) **Note** that you will need to discuss with the Minister of Finance when the final PSN ImBC and total investment could be submitted to Cabinet for approval after Budget decisions.
- i) **Direct** your office to share this briefing with the NGCC Oversight Ministers (Minister of Finance, Minister for the Digital Economy and Communications and the Minister for Emergency Management). Yes/No

Minister comments and signature

..... / / 2022
 Hon Poto Williams
 Minister of Police

Next Generation Critical Communications (NGCC): Cabinet Approval to delegate draw down of tagged contingency

Purpose

1. This briefing seeks your agreement to raise an oral item at Cabinet on 28 March 2022 to seek authorisation to delegate to Joint Ministers, approval to:
 - draw down up to \$16 million of the NGCC tagged contingency to continue Public Safety Network (PSN) design work, site surveys and site selection analysis ahead of further Cabinet approval of the NGCC implementation business case (ImBC) and full funding in July 2022
 - carry forward unused FY2021/22 NGCC tagged contingency funding to FY2022/23
 - rephrase the NGCC tagged contingency to ensure this funding is realigned and is not lost.

Executive Summary

2. At the NGCC Oversight Ministers meeting Treasury confirmed that a budget bid for NGCC could not be included in the Budget 22 process and an alternative process would need to be sought. This also meant the NGCC Public Safety Network (PSN) Cabinet paper and ImBC would no longer go to Cabinet 11 April 2022, as previously advised.
3. Treasury then proposed an option to draw down some tagged contingency funding to continue with preliminary design work and site surveys, whilst ensuring this in no way committed the government to signing the full contracts until Cabinet consideration of the ImBC post Budget 22 (specific date TBC).
4. Following Treasury's advice, you asked the Programme to work with Treasury to confirm a funding approval approach for the NGCC ImBC. We have worked through a solution that:
 - *Maintains NGCC Programme momentum* –enabling commencement of high-level design work to assist in confirming pricing and provides initial funding to maintain momentum with vendors on our solution suite
 - *Ensures draw down and rephasing of tagged contingency occurs before the Budget moratorium* - Financial decisions cannot be made during this period (11 April 2022 to 19 May 2022)
 - *Ensures the government is not tied into full contract approval later* - High-level design work is a requirement before any potential network build work could begin
 - *NGCC Programme risk is mitigated* – Potential risks to this approach are identified and mitigated where possible.
5. We have also confirmed with Police Strategic Finance that there is sufficient funding available in the NGCC tagged contingency to fund the preliminary high-level design work the Programme is seeking to undertake. to maintain Programme momentum, following the delay in Cabinet consideration of the ImBC.

Background

NGCCs Tagged Contingency timeline

6. On 6 April 2020 Cabinet [CAB-20-MIN-0155.26 refers]:

- a. Agreed to the initiative for the Next Generation Critical Communications (NGCC): Replacing Emergency Services Critical Communications, subject to further work on completion of a business case
- b. Agreed to establish tagged contingency of up to the amounts as follows in Vote Police to provide for replacing Emergency Services Critical Communications:

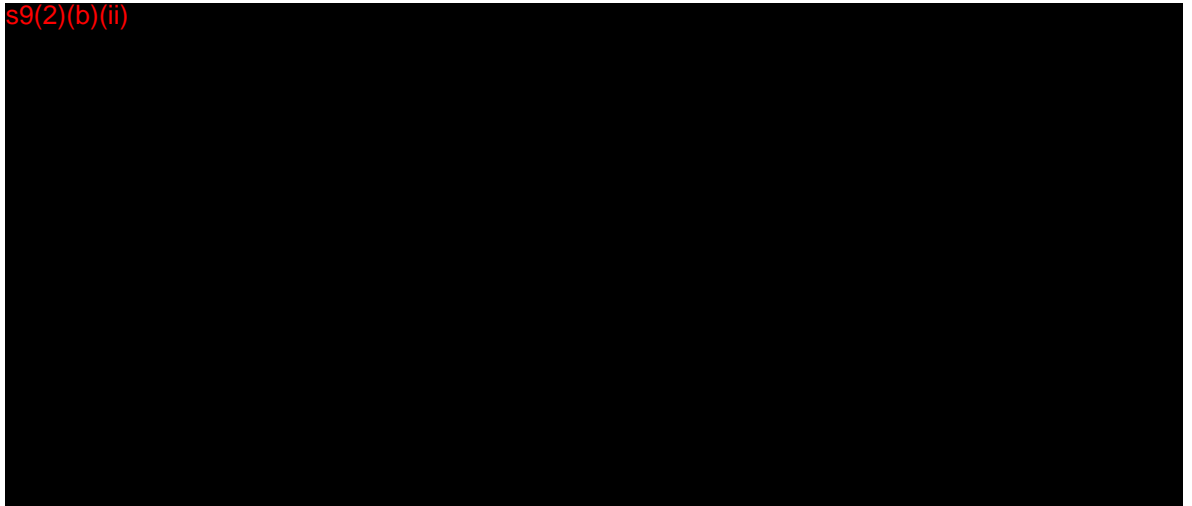
	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
NGCC: Replacing Emergency Services Critical Communications – Tagged Operating Contingency	-	6.510	68.456	94.411	63.894
Total Operating	-	6.510	68.456	94.411	63.894
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
NGCC: Replacing Emergency Services Critical Communications – Tagged Operating Contingency	67.220	52.472	32.435	30.718	38.295
Total Operating	67.220	52.472	32.435	30.718	38.295

- c. Authorised the Minister of Police and the Minister of Finance jointly to draw down up to \$4.000 million from the NGCC: Replacing Emergency Services Critical Communications operating contingency prior to Cabinet approval of an implementation business case, subject to their satisfaction that costs are unavoidable
 - d. Agreed that further draw downs from the NGCC: Replacing Emergency Services Critical Communications contingency are subject to Cabinet approval of an implementation business case
7. On 23 February 2021 the Minister of Finance approved the transfer of \$6.510 million of tagged contingency for NGCC from 2020/21 to 2021/22 [BR/21/19 briefing refers].
8. Joint Ministers agreed to extend the expiry date of the tagged contingency to June 2022 and approved draw down of \$4.000 million from the NGCC: Replacing Emergency Services Critical Communications operating contingency prior to Cabinet approval of an implementation business case, for unavoidable costs [BR/21/107 briefing refers].

To maintain NGCC Programme momentum we are seeking a draw down of tagged contingency

9. s9(2)(b)(ii)

s9(2)(b)(ii)



10. s9(2)(b)(ii)



Sufficient funding is not available within NGCCs current budget to fund this design work

11. There is not sufficient funding available in the current NGCC programme budget (approximately \$15m per year) to fund the design components. The NGCC Programme forecast for FY2021/22 is planned and committed for the remainder

of this financial year. Appropriation for FY2022/23 is forecast to be \$14.9 million based on payment of currently engaged personnel and overheads for the project space needed to deliver the project.

12. Scaling down capability and capacity at this stage would be counter intuitive. While additional work could be slowed to enable some of the cost to be accommodated, the agreed milestones will not change as per current vendor contracts and that could have a compression on change management, site selection, and consenting. If current timeframes and milestones are not met, there are likely to be liquidated damages that will need to be paid to the vendor.

Access to funding will help the Programme maintain momentum

13. Drawing down additional funding to meet costs will allow for NGCC to progress negotiations, confirm final pricing and maintain supplier engagement throughout what has been a prolonged market engagement exercise.
14. Funding will enable vendors to retain and mobilise design expertise in constrained labour markets and minimise delays, avoiding material and labour escalation risks due to deferred commencement dates.
15. High-level and detailed network and solution design work is required before any potential network build work could commence.
16. The Programme confirms that no commitments will be made for implementation activities, materials spend or operational expenditure prior to Cabinet approval of full NGCC funding in July 2022.
17. Without this funding vendors are likely to have to stand down key resources and delay work which will result in delays to the PSN implementation timeline.

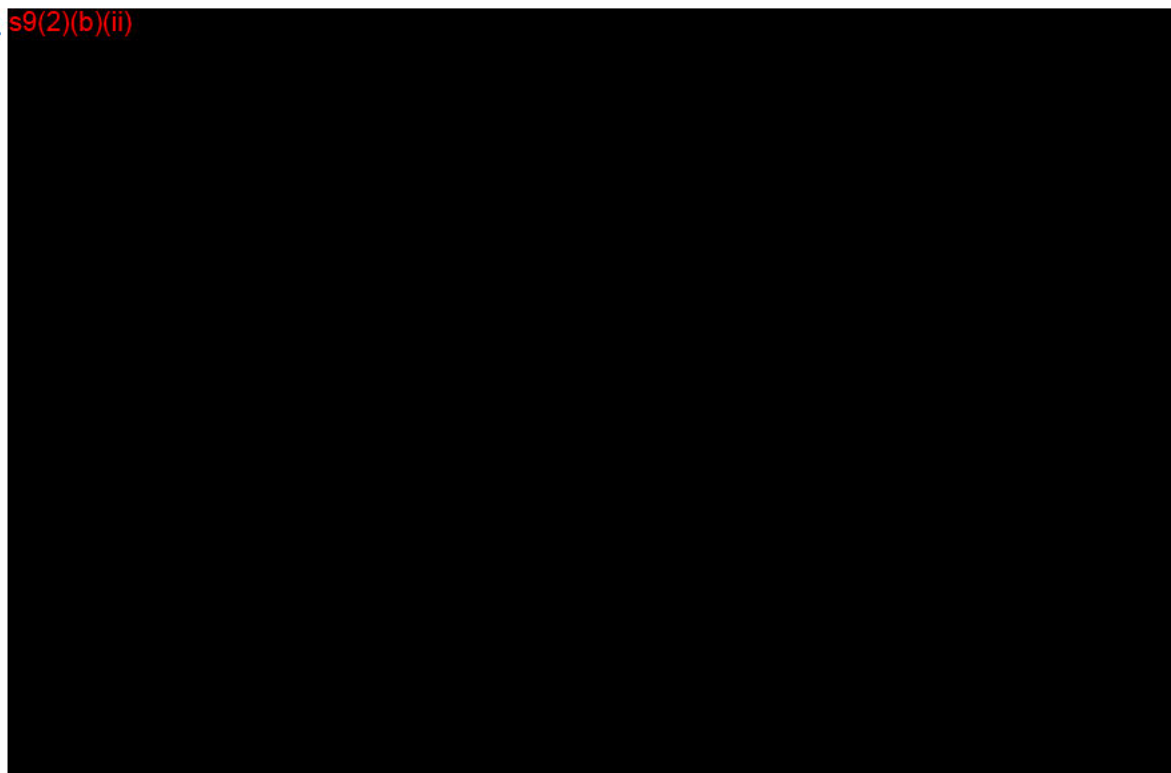
We are asking you to raise an oral item at Cabinet as there is urgency around the approval process

18. Based on Treasury's proposed approach, funding approval, and draw-down of funds for the design work, is needed by 29 March 2022 to ensure the NGCC Programme can maintain momentum with vendor negotiations, as any delays to implementation has a flow on negative effect on the current risk of failure of the existing Police Land Mobile Radio network.
19. The Cabinet minute [CAB-20-MIN-0155.26] states that Cabinet agreed that further draw downs from the NGCC: Replacing Emergency Services Critical Communications contingency are subject to Cabinet approval of an implementation business case. With the delay to submitting the ImBC to Cabinet, this means Cabinet will not be approving the ImBC in time to secure funding for NGCC to continue to progress the Programme.
20. Seeking Cabinet approval by 28 March 2022 to delegate draw down approval to Joint Ministers will ensure that you and the Minister of Finance are able to approve draw-down and rephasing for the remaining tagged contingency across financial years for the Programme on 29 March 2022 ahead of the Budget moratorium, which begins 11 April 2022.

21. The Budget moratorium period restricts Cabinet decisions with appropriation impacts prior to the release of the Budget so we would not be able to draw down any tagged contingency or complete any rephasing of between financial years between 12 April 2022 and Budget Day 2022.

Risks associated with funding design work without full funding approved for the PSN ImBC

22. s9(2)(b)(ii)



Revised Cabinet approval timeline and next steps

23. To reflect ministerial direction following the recent NGCC Oversight Ministers Group meeting and to respond to risks noted above, we have revised the timeline for Cabinet approval of the NGCC ImBC and required funding. This revised timeline and next steps are outlined below in Table 3.

Table 3: Timeline for key decisions

Step	Date
Ministerial briefing and talking points provided to you	24 March 2022
Oral agenda item at Cabinet meeting to seek approval to delegate authority to Joint Ministers to draw down the NGCC tagged contingency, carry forward any unused balance in FY22 to FY23 and rephase of the tagged contingency over financial years.	28 March 2022
Cabinet paper and ImBC presented to you.	July 2022 (specific date TBC)
Cabinet considers Cabinet paper and ImBC	July 2022 (specific date TBC)

24. Subject to Cabinet approval to delegate authority to Joint Ministers, the NGCC Programme will provide you and the Minister of Finance with a separate briefing on 29 March 2022 to approve the draw down of additional funding for the high-level design work, carry forward unused FY22 funding to FY23, and proposed rephasing of the tagged contingency across financial years.

s9(2)(a)

Steve Ferguson
Director, NGCC Lead Entity

First contact	Steve Ferguson Director, NGCC Lead Entity NGCC Senior Responsible Owner	s9(2)(a)
Second contact	Annouschka Martinsen Executive and Governance Support Manager, NGCC	s9(2)(a)