



WHANGANUI  
DISTRICT HEALTH BOARD  
*Te Poari Hauora o Whanganui*

14 April 2021

Alex Spence

**Via email:** alex.spence@nzme.co.nz

100 Heads Road, Private Bag 3003  
Whanganui 4540, New Zealand

Dear Alex

### **Official Information Act Request – OIA 13396 Mental Health Facilities**

On 16 March 2021, under section 12 of the Official Information Act, you requested the following information from Whanganui District Health Board (WDHB):

"This is a request under the Official Information Act 1982. Please provide the following information:

1. *Copies of documents created since the start of 2019 that relate to the condition, performance and adequacy of specialist mental health facilities managed by the DHB.*

If it helps to refine my request, I am particularly interested in documents such as reports, briefings and letters that provide an overview of deficiencies in the ability of mental health units to provide adequate treatment for patients with serious mental illness, including factors such as funding, demand, staffing, overcrowding, patient safety and comfort, readmission rates, and the physical state of the facilities.

Please include:

2. *Copies of business cases for repairs or upgrades of existing specialist mental health facilities.*
3. *Copies of business cases for the building of new specialist mental health facilities.*

Please also provide data for the last five years, broken down by month if possible, on the following metrics:

4. *Bed occupancy rates in specialist mental health and addiction facilities (broken down by facility if possible and applicable).*
5. *Bed numbers in specialist mental health and addiction facilities (broken down by facility if possible and applicable).*
6. *Unplanned readmission rates in specialist mental health and addiction facilities (broken down by facility if possible and applicable).*
7. *Funding for specialist mental health and addiction facilities.*

The information sought in this request is intended for publication in The New Zealand Herald as part of an ongoing investigation into the state of specialist mental health and addiction services.

In the event that you decide that the release of these documents falls under one or more of the qualified exemptions under the Official Information Act, it is submitted that the public interest in disclosure in this case clearly outweighs the need to withhold.

Chief Executive | Phone 06 348 3140 | Fax 06 345 9390

As a general principle, there is a public interest in information being disclosed to the news media so that it can inform the public and contribute to enlightened debate about government spending and policymaking. Disclosure of information promotes transparency and accountability in public life, helping to ensure that public bodies spend public money judiciously, perform their functions effectively and protect public health and safety.

In this instance, I submit that the public interest in disclosure is heightened by the significance of the subject; the people affected by the subject and the gravity of the consequences of policy failure on those people; the level of political interest in the subject; and the amount of public expenditure at stake. Hundreds of thousands of New Zealanders and their families are affected by serious mental illness, many have lost their lives because of it, and yet services for those people have historically been deficient relative to other parts of the health sector. Numerous reports and public statements by experts in the sector have acknowledged profound failings in mental health services and identified urgent areas of concern, including those that form the basis of this request. Some experts have described the system as being in "crisis", and this government has identified it as a priority for investment and reform. There is, therefore, an indisputable public interest in allowing journalists extensive access to information on this subject so that they can robustly scrutinise services and ensure that the public is well informed about shortcomings in the provision of care and policy.

If it is determined that it will be too onerous or costly to compile a response to this request, or if the request is in any way unclear, please contact me and I will attempt to refine it. My contact details are below. Otherwise, I look forward to a response within the maximum 20 working days specified under the act."

#### **Whanganui District Health Boards response:**

**1. Copies of documents created since the start of 2019 that relate to the condition, performance and adequacy of specialist mental health facilities managed by the DHB.**

Clinical Facility Fit for Purpose (CFFFP) Report 2020 attached. See **Appendix 1**.

**2. Copies of business cases for repairs or upgrades of existing specialist mental health facilities.**

A copy of the final business case for reroofing and internal upgrade to the Te Kopae building used by community mental health staff is attached. See **Appendix 2**.

**3. Copies of business cases for the building of new specialist mental health facilities.**

No new specialist mental health facilities have been built or proposed since 2019.

Please also provide data for the last five years, broken down by month if possible, on the following metrics:

**4. Bed occupancy rates in specialist mental health and addiction facilities (broken down by facility if possible and applicable).**

**Stanford House** occupancy of the 15 beds has been at 100% for the past 12 months. Since 26 September 2018, the unit has managed 16 patients.

<b>Stanford House Average Monthly Bed Utilisation **</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>January</b>	95.0%	103.7%	106.7%	106.4%
<b>February</b>	100.0%	103.7%	106.7%	106.7%
<b>March</b>	100.0%	107.2%	106.7%	
<b>April</b>	100.0%	102.5%	106.7%	
<b>May</b>	100.0%	102.6%	106.7%	
<b>June</b>	99.8%	102.2%	106.7%	
<b>July</b>	98.7%	103.7%	106.7%	
<b>August</b>	99.2%	106.7%	106.7%	
<b>September</b>	104.1%	106.5%	106.7%	
<b>October</b>	104.7%	106.7%	106.0%	
<b>November</b>	105.0%	106.7%	103.6%	
<b>December</b>	104.6%	106.7%	106.7%	

\*\*reporting ability goes back only to February 2018 (when patient management system change occurred)

**Te Awhina** occupancy table is as follows:

Note: On leave patients are included in the average occupancy.

<b>Te Awhina Average Monthly Bed Utilisation **</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>January</b>	87.5%	92.9%	104.3%	103.0%
<b>February</b>	89.6%	95.9%	89.9%	107.4%
<b>March</b>	86.6%	100.4%	74.6%	
<b>April</b>	76.1%	105.6%	94.7%	
<b>May</b>	92.0%	107.4%	103.1%	
<b>June</b>	83.3%	113.3%	106.9%	
<b>July</b>	87.9%	108.2%	103.3%	
<b>August</b>	125.4%	115.4%	103.5%	
<b>September</b>	111.5%	103.3%	95.7%	
<b>October</b>	89.5%	90.4%	86.4%	
<b>November</b>	107.8%	107.6%	86.8%	
<b>December</b>	99.2%	101.6%	111.4%	

\*\*reporting ability goes back only to February 2018 (when patient management system change occurred)

## **5. Bed numbers in specialist mental health and addiction facilities (broken down by facility if possible and applicable).**

### **Stanford House – Extended Term Regional Medium Secure Forensic Service**

Stanford House is a forensic inpatient service situated on the Whanganui District Health Board (WDHB) hospital campus. The unit provides for adult male tangata whaiora, aged 20 or older, who require high levels of observation, intensive treatment and/or secure care over extended periods.

Stanford House has a rights-based approach which is directed towards promoting and protecting human rights. The recovery approach means working towards supporting tangata whaiora to live a fulfilled life and strive to reach their full potential.

Funded for 15 beds – currently with 16 tangata whaiora.

### **Te Awhina Unit – Adult Acute Inpatient Mental Health Service**

The Te Awhina unit is an adult acute inpatient mental health unit, also on the WDHB hospital campus, with a 12 bed capacity. These 12 beds are funded as seven acute beds and five intensive therapy beds. The unit admits people from the age 18 with no upper age limit. Note that young people under the age of 18 are admitted in urgent situations whilst waiting for bed availability at the Regional Rangatahi Unit in Porirua.

## **6. Unplanned readmission rates in specialist mental health and addiction facilities (broken down by facility if possible and applicable).**

### **Te Awhina**

Note that some readmissions are not unplanned as they are people who were discharged to other treatment areas/services (e.g. general wards and other DHBs) with the intent of returning once the treatment is complete, but they show up as readmissions. There is some national work with Te Pou o te Whakaaro Nui, looking at readmission data accuracy due to the issue that there is not yet a defined way in some regional DHB electronic systems to separate planned readmissions from unplanned. We know that many of the 1-7 day readmissions fit into this category.

<b>Te Awhina readmissions **</b>								
	Readmits 1-7 days	Readmits 8-14 days	Readmits 15-21 days	Readmits 22-28 days	Total readmits	Total admits	%	# people readmitted
2018	12	7	3	1	<b>23</b>	244	<b>9.4</b>	22
2019	7	4	5	0	<b>16</b>	237	<b>6.7</b>	14
2020	17	5	2	6	<b>30</b>	274	<b>10.9</b>	25

\*\*reporting ability goes back only to February 2018 (when patient management system change occurred)

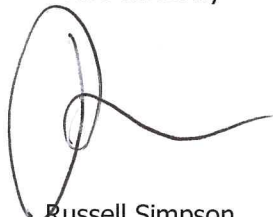
**Stanford House** – no readmissions in this same time period.

## **7. Funding for specialist mental health and addiction facilities.**

Specialist mental health and addiction facilities do not have dedicated funding, rather they are incorporated into our overall campus and facilities budgets.

Should you have any further queries about the above information, please contact our OIA co-ordinator Anne Phoenix at [anne.phoenix@wdhb.org.nz](mailto:anne.phoenix@wdhb.org.nz)

Yours sincerely



Russell Simpson  
**Chief Executive**

# Clinical Facility Fitness for Purpose

WHANGANUI DISTRICT HEALTH BOARD

Author: Rose Macfarlane  
Project: National Asset Management Programme  
Date: June 2020

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## Introduction

### *Aim of this Paper*

The aim of this paper is to provide your DHB high-level feedback relating to each of the clinical units that underwent a Clinical Facility Fitness for Purpose (CFFFP) Assessment in CFFFP Phase 2.

### *NAMP Background and Context*

The Minister of Health has asked the Capital Investment Committee (CIC) to develop a National Health Asset Management Plan (NAMP) in response to capital expenditure intentions signalled by the DHB's for the next ten years, to a total of \$14.2 billion (of which \$9.2 billion would be Crown funded). The NAMP will provide a tool supported by the Ministry of Health and Treasury, so they can prioritise the investment of the Health Capital Envelope (HCE) funds at a national level.

Each DHB owns their assets and is accountable for the maintenance, remediation, replacement and growth of these assets to a fit for purpose standard. The current model has the management for health assets to each DHB with no mandate for the Ministry to hold a national view on standardised policy and procedures for health building and infrastructure, and therefore no ability for the ministry to be consistent in measuring performance of business case benefit across the health asset portfolio.

### *The NAMP Project*

The NAMP project has been tasked with setting up a national framework that outlines the condition of health assets across the DHB's, which the ministry can then use as a tool to assist with their prioritisation of capital spending on health infrastructure.

The NAMP project was set up with six streams of work as follows;

- Feasibility report
- Building & infrastructure
- Clinical facility fit for purpose
- Demand & capacity
- Ancillary assets
- Establish asset portfolio
- Clinical Facility Fit-for-Purpose Workstream

When the outputs of these workstreams are combined, the Ministry will be able to provide a pipeline for proposed capital expenditure based on several investment scenarios.

### *Clinical Facility Fit-for-Purpose Workstream*

The aim of the CFFFP, Phase 1, 2019, workstream was to assess physical aspects of key clinical areas/departments within 'critical infrastructure' at each DHB, to determine whether their environments were 'safe for patients and staff'.

In CFFFP, Phase 1, critical infrastructure at each DHB was determined using a criticality matrix. The MoH worked with each DHB and applied the matrix across all buildings on each DHB campus. The first wave of assessments by the MoH Building & Infrastructure team, involved only buildings that housed critical services and were over 20 years old. Critical services may be non-clinical e.g. plant or clinical. Sometimes a key clinical service e.g. Intensive Care Unit or Emergency Department made a building critical.

The following five clinical areas on the emergency patient pathway were included in the assessment if they were accommodated in critical infrastructure over 20 years old;

- Emergency department (ED)
- Operating Theatre suite (OT)
- Intensive Care units (ICU)
- Typical Inpatient Units (IPU)

And

- Adult Mental Health (MH) inpatient units in buildings over 10 years old (excluding forensic).

As we were only looking at older facilities across the country, we completed a CFFFP Assessment on one control unit for each clinical facility – ED, ICU, OT, IPU & MHIPU. This was done to provide context for our assessments.

#### *CFFFP Phase 2, 2020*

In 2020, the decision to roll out CFFFP Phase 2 was made by the Ministry of Health. The assessment of all MHIPU's across all DHB's will provide a comprehensive overview of all DHB stock.

CFFFP Phase 1 targeted mental health inpatient units in buildings over 10 years old. No forensic units were assessed.

CFFFP Phase 2 targeted the balance of Mental Health inpatient units (youth, adult, older persons), so those in buildings that are less than 10 years old, as well as inpatient Intellectual Disability and inpatient Forensic units. All units assessed were in DHB owned infrastructure.

Excluded from CFFFP Phase 2:

- All MHIPU's with less than 10 beds, regardless of use (respite, rehabilitation, dementia etc.)
- All Detox Units
- MH facilities in non-DHB infrastructure (outsourced community facilities)
- All MH IPUs that have been funded for new builds.
- Residential facilities (most non-DHB property & under 10 beds)

#### *The CFFFP Assessment Tool*

The assessment tool questionnaire was based on key international evidence-based design principles specific to the health sector that promote safe design for patients and staff. These principles were ratified by the NAMP Clinical Reference Group which was set up to oversee the CFFFP workstream.

The following table outlines these principles.

<b>Principle</b>	<b>Safety Design Principles</b>
#1	Provide appropriate external functional relationships to promote safe clinical care (i.e. the proximity of key health planning units outside the department being assessed)



#2	Provide appropriate internal functional relationships (e.g. do key space co-locations within a department support safe care delivery?)
#3	Improve access
#4	Provide appropriate and adequately sized space/s / layout for safe care delivery (e.g. what is the function of the room and is it adequately sized – based on AHFG <sup>1</sup> room sizes)
#5	Enhance communication/interaction between staff and patient (e.g. observation of patients in beds from staff stations and vice versa)
#6	Enhance privacy (e.g. audible, visual)
#7	Reduce patient infection risk (e.g. numbers of hand wash basins, isolation rooms etc.)
#8	Reduce medication errors
#9	Enhance security (patient, staff, facility) (e.g. can a department be locked down, after-hours access, position of security guards etc.)

Most of the principles had more than one question. The number of questions under each principle depended on the department being assessed.

#### *The CFFFP Assessments*

- The CFFFP Assessments followed a standard format.
- In each clinical unit we met with key clinical personnel who knew how the unit functioned. Almost always the nurse in charge was one of them, as they have a comprehensive overview of how the unit functioned.
- Each meeting was booked for 2 hours.
- The first part of the meeting involved a sit-down discussion. We explained the process, then the DHB staff gave a high-level overview of the model of care (MoC) of the unit.
- We reviewed and marked-up the floor plans in order to understand how the space was utilised.
- Key architectural metrics were recorded, e.g. how many bedrooms, how many bathrooms etc.
- Responses to the nine design principle questions were then recorded.
- The data was captured in a standard template (same template used in CFFFP Phase 1) and entered into a tablet in a data base called Survey123. Hard copy was also used as a backup.
- Following the discussion, we had a walk around the unit and took photographs of things of interest or to demonstrate issues that may have been raised in the discussion.

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<sup>1</sup> Australasian Health Facility Guidelines (AHFG)

### *Information provided to DHB's in this report*

#### *Clinical Facilities visited in your DHB*

This section lists the clinical facilities and dates the CFFFP Phase 2 assessment/s that took place in your DHB.

#### *Gross Floor Area*

In each clinical facility visited we measured its gross floor area (GFA). This section provides information of the space (m<sup>2</sup>) allocated to the main unit of measurement in each unit, (beds in inpatient units, operating rooms in OT suites) as a ratio of the GFA.

We have benchmarked your space allocation to a benchmark derived from the Australasian Health Facility Guidelines (AHFG) for each clinical facility, e.g. AHFG benchmark of 36m<sup>2</sup>/bed in a typical hospital inpatient unit.

#### *Total score of the CFFFP Assessment*

The CFFFP Assessment template is based on nine design principles. Some of these principles had more than one question. These questions were modified slightly to match the clinical facility being assessed, which means the total score for each type of clinical facility may vary. Each question has been allocated a score of 1 to 5 with 1 being the optimal score, and 5 the least optimal, so the lower the score the more optimal the clinical facility being assessed. No weighting has been applied to the principles.

This section provides you with the score of your clinical facility.

#### *Supporting notes from CFFFP Assessment visit*

Supporting notes taken during the CFFFP Assessment visit are provided. These notes capture the discussion from the visit. They support the key architectural metrics and the design principle questionnaire.

## District Health Board – Whanganui

*Clinical facility assessed in your DHB*

The following facilities were assessed in your DHB:

DHB	Campus/Hospital	Clinical Unit	Date
Whanganui	Whanganui	Stanford House	Tuesday 16 June 2020

### Findings per Clinical Facility

*Whanganui Campus – Stanford House*

*Gross Floor Area*

The AHFG recommend MHIPU's are planned at approximately 80m<sup>2</sup>/bed. Stanford House is approximately 93m<sup>2</sup>/bed which is 117% of the benchmark size.

*Total score of the CFFFP Assessment*

The CFFFP assessment included nine principles most of which had multiple questions. The maximum (i.e. least optimal) total score possible for a MH IPU was 270. Stanford House scored a total of 92/270.

Campus	Service	Principle # 1 Appropriate external functional relationships	Principle # 2 Appropriate internal functional relationships	Principle # 3 Access	Principle # 4 Adequately sized / shape / layout key clinical spaces	Principle # 5 Enhance communication between staff and patients	Principle # 6 Enhance privacy	Principle # 7 Reduce patient infections	Principle # 8 Reduce medication errors	Principle # 9 Enhance staff & patient safety	Principle Total
Whanganui	Stanford House, adult, male, medium-secure	20	8	3	12	8	3	13	6	19	92
<b>Total Principles</b>		<b>20</b>	<b>30</b>	<b>15</b>	<b>55</b>	<b>30</b>	<b>5</b>	<b>35</b>	<b>20</b>	<b>60</b>	<b>270</b>

*Supporting notes from CFFFP Assessment*

Stanford House is an adult, male only medium-secure forensic mental health inpatient unit. It has 15 funded beds and one additional unfunded bed in a 'flat' within the unit. The age range of patients is from 18-75 years of age. The shortest stay patient has been in the unit for 12 months, and the longest for 28 years (the latter transferred from Lake Alice when that unit closed). Patients suffer from schizophrenia, personality disorders, antisocial narcissistic behaviours etc. All referrals come via the 3DHB model at Capital & Coast.

Stanford House was purpose built and was opened in 1992, after the closure of the national secure forensic unit, Lake Alice (500 beds). A renovation of Stanford House took place in 2014, and improvements were made, including the creation of the 'flat' within the unit. It is located on the Whanganui Hospital campus.

The service at Stanford House offers long term rehabilitation for its patients. The model of care supports individual strengths, rehabilitation, reintegration and has some links to the 'good lives' model. It has strong links to the community and organisations such as Balance Whanganui and Maori Health and it has community Pasifica input. The gym was removed during the 2014 renovations, and community integration is encouraged, and now patients access a gym in the city. The model also includes biking in the community and has a woodwork/workshop in the building, where community projects are undertaken – currently repairing bicycles. The 'flat' within the unit was created during the renovations, by utilising the former staff room, again, part of the model to support independence. Ideally, the 'flat' (even several flats) would be external to Stanford House, but on the campus to allow oversight of the patients by the staff at Stanford House. Currently the only step-

down forensic service is in Palmerston North. It has 4 beds and is run by an NGO, Emerge Aotearoa. A Business Case is in progress to get this unit transferred to Whanganui, which would enhance the model of care.

Stanford House is a C-shape, with large hard-surfaced courtyard in the middle. This is marked for ball-court games, with a flower garden around its periphery. The occupational therapist manages the garden with patients.

The 15 beds are single bedrooms, however, only one has a WC/shower ensuite. The rest of the ablution facilities are shared. The bedrooms are smaller than AHFG sizes, but this is considered appropriate by the staff for the model of care. The 3 x seclusion rooms, which are also smaller than AHFG size, have one shared WC/shower.

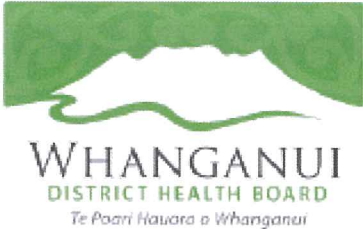
The unit has good and adequate communal spaces, including two other large courtyards (apart from the above mentioned one), where patients are involved in the gardens and maintenance. Two other smaller external courtyards are linked to the de-escalation/seclusion suite and flat respectively, so have specific limited access for other patients.

The unit has good natural light with high ceilings and plenty of glazing (although bedroom windows are marginal in size).

The main concerns expressed for the unit were related to ongoing maintenance issues.

- The duress alarm system is the same age as the building and is now causing some issues. New duress points cannot be added and sometimes alarms go off on their own. The system has a blanket alarm system that cannot be isolated, so it rings throughout the unit when activated.
- Heating and cooling in the bedrooms is difficult to control, with bedrooms too hot in the summer and too cold in the winter.
- The door into the sally port, has ongoing opening/closing issues to do with the motor
- External painting and maintenance is required for some walls and parts of the roof
- Computer IT – slow
- Leaking tap in the sump in the sluice room

Staff areas are upstairs. The unit has a combination of key & swipe access to doors. Overall, the unit design suits the model of care and staff take pride in the environment.



# Whanganui District Health Board Te Kōpae Facility Refurbishment

<b>Prepared by:</b>	Kath Fraser-Chapple
<b>Prepared for:</b>	Capital Investment Committee, Ministry of Health
<b>Date:</b>	24 August 2020
<b>Version:</b>	1.0
<b>Status:</b>	

## Document Control


### Document Information

	Position
Document ID	
Document owner	Kath Fraser-Chapple, Business Manager WDHB
Issue date	24-Aug-20
Filename	20200824 bbc CMHS Facility Refurbishment 1.1



### Document History

Version	Issue Date	Changes
1.0	24 August 2020	DRAFT document
1.1	27 August 2020	Amended Commercial Case

### Document Review

Role	Name	Review Status
<i>Project Manager</i>	Grant Hood, Facilities Manager	

### Document Sign-off

Role	Name	Sign-off Date
<i>Project Manager</i>	Grant Hood, Facilities Manager	
<i>Senior Responsible Owner/ Project Executive</i>	Andrew McKinnon, General Manager Corporate Services	

## Purpose

This business case seeks formal approval to invest up to \$500,000 in the 2020-21 financial year to refurbish the Te Kōpae building on the Whanganui DHB site.

An application for capital investment for the facility has previously been approved in principle by the Capital Investment Committee as part of the \$300M infrastructure investment package and now requires formal approval of the development.

This business case follows the Treasury Better Business Cases guidance and is organised around the five-case model.

## Executive summary

This paper outlines the case for completing the seismic strengthening of the Te Kōpae building and replacing the asbestos based roofing material. Total expected costs for the project are \$496,183.

## Strategic Case

The initial strategic case will:

- demonstrate the strategic context and alignment of the project
- establish the objectives
- identify potential benefits and risks

### Strategic context

The Te Kōpae building is among the older continuously occupied building on the Whanganui campus and was built in 1938 as an isolation ward. The building currently houses our community mental health and addictions services with staff offices, clinical and patient spaces.

In 2011 Whanganui DHB commissioned a detailed structural analysis of the Te Kōpae including an assessment of seismic risk. The building scored a relatively low 34% of the New Building Standard (NBS).

The building was reassessed by WDHB's structural engineer based on new testing criteria for similar structures. He concluded that minimal work was required to bring the building to a preferred rating of 67% NBS. That work included anchoring the building to its foundations to prevent movement or displacement during a seismic event, and improving the internal wall bracing to make the building more rigid.

Work to anchor the building to the foundation was planned and completed in 2015. The internal bracing work was staged and moved to out years to reduce disruption to service delivery.

The DHB has known for some years that the roofing material of the Te Kōpae building is an Asbestos Containing Material (ACM). This has been deemed safe, if the roof structure was undisturbed.

We now have an opportunity to complete the internal bracing work and replace the roofing material of the building. This will future proof the building and while there are no immediate plans, give the DHB the ability to re-purpose the facility if required.

### Investment objectives

The investment objectives are to

1. Bring the Te Kōpae building up to 67% of new building standards by completing the seismic strengthening started in 2015;
2. Replace the Abestos Containing Material (ACM) roofing on the Te Kōpae building with modern roofing materials.

## Commercial Case

Procurement of services for facilities and equipment will be managed in accordance with Whanganui District Health Board procurement and contracting policies.

Initial quotes and estimates have been sought to inform the development of the business case. Following approval to proceed further costings will be sought for the work from multiple service providers. Evaluation of submissions will take place based on predetermined criteria including quality, timeframes and price. This work will be led by our facilities project team.

Final approval for contracting and construction will be requested in accordance with our delegations policy.

## Economic Case

Two options for each investment objective were considered. These were:

Objective One – Bring the Te Kōpae building up to 67% of new building standards by completing the seismic strengthening started in 2015

- A. Do nothing
- B. Complete the strengthening of the building using structural bracing gib, and repatriate/refurbish the interior surfaces (preferred option)

Objective Two – Replace the Abestos Containing Material (ACM) roofing material on the Te Kōpae building with modern roofing materials

- A. Do nothing
- B. Complete the reroofing with new colour steel cladding (preferred option)

### Analysis of Preferred Options

	Advantages	Disadvantages
<b>Objective One – Complete Seismic Strengthening</b>		
Option A Do nothing	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• No service disruption</li> </ul>	<ul style="list-style-type: none"> <li>• Will not address issues with seismic compliance</li> </ul>



	Advantages	Disadvantages
		<ul style="list-style-type: none"> <li>Building remains higher risk than desirable</li> <li>Does not future proof building for any service change or development</li> </ul>
Option B Complete Seismic Strengthening (preferred option)	<ul style="list-style-type: none"> <li>Will bring building to 67% of NBS</li> <li>Reduced risk for patients and staff in the building</li> <li>Future proofing of building for service change or development</li> <li>Additional benefit of refurbished interior</li> </ul>	<ul style="list-style-type: none"> <li>Cost</li> <li>Disruption to services, including need to decant during construction phase</li> </ul>
<b>Objective Two – Replace ACM roofing material on building</b>		
Option A Do nothing	<ul style="list-style-type: none"> <li>Low cost</li> <li>No service disruption</li> </ul>	<ul style="list-style-type: none"> <li>Will not address issues with ACM</li> <li>Building remains higher risk than desirable</li> <li>Any roof maintenance issues that arise will necessitate revisiting the issue</li> <li>Does not future proof building for any service change or development</li> </ul>
Option B Remove and replace the roof of the Te Kōpae building (preferred option)	<ul style="list-style-type: none"> <li>Reduced future risk of urgent replacement due to maintenance issues</li> <li>Modern low maintenance roof will be in place – expected age 25 years</li> <li>Can be completed in parallel to internal work, limiting disruption</li> </ul>	<ul style="list-style-type: none"> <li>Cost</li> <li>Some disruption to services – reduced parking and access to building</li> </ul>

The preferred options for both objectives were B, completion of the seismic strengthening; and B, removing and replacing the roof of the Te Kōpae building.

### Main risks

	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Unexpected complications with the construction phase due to the nature of the building	M	M	<ul style="list-style-type: none"> <li>Project Manager has significant experience within WDHB facilities</li> <li>Contract is fixed price so limited financial risk</li> </ul>
Cost blow out	M	L	<ul style="list-style-type: none"> <li>Contract for services has been quoted as fixed price with limited risk. Any additional costs will be negotiated with the contractor</li> </ul>
Timeframe extension	L	H	<ul style="list-style-type: none"> <li>Services will be decanted/relocated so service disruption will be minimal</li> </ul>

## Financial Case

The combination of preferred options 1B and 2B has limited the financial impact to capital costs including depreciation and capital charge. There will be no impact to consumable costs or service delivery, apart from decanting services to another

location during the construction programme. These costs will be absorbed into general expenses.

## 1. Facility

Quotes were requested from local preferred contractors for the work required for completion of the seismic strengthening and replacement of the roof. At the time of writing two quotes for work were outstanding, however estimates have been provided.

Quotes for work are at appendix A.

### Total Capital Investment

Item	Contractor/SubContractor	Total	Comments
Seismic Strengthening	W & W Construction	\$ 59,131	Includes demolition, plasterboard installation
Plasterboard installation	W & W Construction/ Skelsey Plasterers	\$ 38,019	Bracing gib, coving and stopping
Electrical Fit out	W & W Construction/ Macell Electrical	\$ 18,458	Includes electrical and lighting upgrade
Painting/Specialist Finishes	W & W Construction/ Edmonds Painting	\$ 23,521	Paint new surfaces only
Additional Painting	W & W Construction/ Edmonds Painting	\$45,000	Paint existing surfaces to match new construction (estimate)
Flooring - carpet and vinyl	Hobday and Lorentzen	\$ 57,289	Removal and replacement entire building
Roofing materials	Steelformers Whanganui	\$ 200,000	Includes removal of ACM, scaffolding, new colour steel and pink batts insulation (estimate)
Fees and Consents	W & W Construction	\$ 10,623	
Contingency	10%	\$ 44,142	
<b>Total Capital Costs</b>		<b>\$ 496,183</b>	

### Change to Annual Operating Costs

Changes to annual operating costs is limited to depreciation and capital charges on the equity investment. There are no expected increases to utility or consumable costs. Additional expenses of \$43,000 will be included in budgets from completion of construction, expected to be in the 2021-22 financial year.

Year One Change to Operating Costs	Value	Rate	Total
Building depreciation - Seismic strengthening	\$ 276,183	2%	\$5,524
Building depreciation - Roof replacement	\$ 220,000	3%	\$7,333
Capital Charge on equity investment	\$ 496,183	6%	\$29,771
<b>Total High-level change to operating costs</b>			<b>\$42,628</b>

Out year operating costs	Year One	Year Two	Year Three	Year Four	Year Five
Building depreciation - Seismic Strengthening	\$5,524	\$5,524	\$5,524	\$5,524	\$5,524
Building depreciation - Roof replacement	\$7,333	\$7,333	\$7,333	\$7,333	\$7,333

Capital Charge on equity investment	\$29,771	\$29,771	\$29,771	\$29,771	\$29,771
<b>Total High-level change to operating costs</b>	<b>\$42,628</b>	<b>\$42,628</b>	<b>\$42,628</b>	<b>\$42,628</b>	<b>\$42,628</b>

## Management Case

Following approval project management of the facility development will be undertaken by our internal facilities project team.

WDHB currently has engaged a project manager for specific facility redevelopment projects. The Te Kōpae building work will be added to this portfolio.

Our contractors have worked with the District Health Board on a number of projects and are trusted partners in this project.

### *Appendices*

## Appendix A: Quotes for work



**W&W CONSTRUCTION**  
2010 LIMITED

20<sup>th</sup> August 2020

Whanganui District Health Board  
100 Heads Road  
Gonville  
Wanganui 4501

Email: [len.wilsher@wdhb.org.nz](mailto:len.wilsher@wdhb.org.nz)

Dear Sir,

Tender for CMH Building Strengthening:

We tender the sum of \$111,733-00 (One Hundred Eleven Thousand Seven Hundred & Thirty Three Dollars) excluding GST for the above contract all in accordance with the drawings, specifications and the following:

1. Refer to the attached scope of works for inclusions & exclusions.

Trusting this meets with your approval,

Yours faithfully,  
W & W CONSTRUCTION 2010 LTD

**GLENN WADSWORTH**  
COMPANY DIRECTOR

ph 06 344 5153 fax 06 344 5110 email [admin@wwconstruction.co.nz](mailto:admin@wwconstruction.co.nz)  
375 Heads Road, P.O. Box 844, Whanganui 4541, NZ

website - [www.wwconstruction.co.nz](http://www.wwconstruction.co.nz)







#### CMH Building Estimate – Scope of Works

- Where an office/room has been upgraded with bracing elements, the entire room will be stripped and new gib board installed, plastered and painted. This includes making good to the ceilings.
- In the affected rooms the timber dado, and carpet up to dado, will NOT be reinstated.
- The half round timber cornice will NOT be reinstated. We will install 75mm gib coving in its place.
- New skirting boards will be installed to all rooms.
- We have allowed to replace lighting with the following: 65 no Evolve 1500 LED battens, 16 no 1200 LED battens, 16 no LED bulkhead fittings.
- We have allowed to remove & replace light switches and power outlets upon completion of works.
- We have allowed to lay floor protection, prior to demolition

#### Exclusions:

- We have not allowed to reapply the composition to offices that require removal to install bracing elements
- We have not allowed for the bottom plate connection detail on S2.2 Rev A
- We have not allowed to clear out any office furniture, to enable work to commence.
- We have not allowed for any decorating in the hallways.
- We have not allowed for any new floor coverings.

## Roofing Estimate (final quote to be provided)

**From:** Len Wilkie  
**Sent:** Tuesday, 25 August 2020 2:08 PM  
**To:** Grant Hood <[Grant\\_Hood@wbb.org.nz](mailto:Grant_Hood@wbb.org.nz)>; Catherine Fraser-Chapple <[Catherine.Fraser.Chapple@wbb.org.nz](mailto:Catherine.Fraser.Chapple@wbb.org.nz)>  
**Subject:** RE: CMH pricing to get started.

Further to my last, Friday 15<sup>th</sup>:

I have finally had the roofing guys on site. They have given an indicative price to remove the old Asbestos roof, provide all scaffolding and equipment, an Asbestos clearance certificate, re-roof with colour steel roofing by SteelFormers in Heads Road. Indicative price is \$200K plus a 15% contingency to \$230,000-00 to re-roof and install new pink bars.

Also had Jerome from Edmonds here this morning to add the additional painted areas. He has not gotten back to me at this point however I do expect he will have a price to me before close of business today.


**Ngāwhiri**  
Len Wilkie | Project Manager | Whangarei District Health Board  
060 00 340 0907 | extn 0907 | m 0211 115752 | paper X001 | [www.wbb.org.nz](http://www.wbb.org.nz)  
Better health and independence  
Te hauora pai ake, he rauropi māngia



**From:** Len Wilkie  
**Sent:** Friday, 21 August 2020 9:16 AM  
**To:** Grant Hood <[Grant\\_Hood@wbb.org.nz](mailto:Grant_Hood@wbb.org.nz)>; Catherine Fraser-Chapple <[Catherine.Fraser.Chapple@wbb.org.nz](mailto:Catherine.Fraser.Chapple@wbb.org.nz)>  
**Subject:** CMH pricing to get started.

Good Morning,  
Attached discussion paper for CMH Refurbishment.  
I have spoken to Steel formers about the roof and Edmonds to come back and confirm the price for total internal repaint.

**Len Wilkie** | Project Manager | Whangarei District Health Board  
060 00 340 0907 | extn 0907 | m 0211 115752 | paper X001 | [www.wbb.org.nz](http://www.wbb.org.nz)  
Better health and independence  
Te hauora pai ake, he rauropi māngia



## Flooring (detailed quote to be provided)

### CMH Earthquake strengthening and Refurbishment

1. W&W	\$69,754-00
2. Hobday and Lorentzen	\$57,289-00
3. MacEil Electrical	\$18,458-00
4. Edmonds	\$23,521-00
<b>Total</b>	<b>\$169,022-00</b>

The Hobday and Lorentzen price is to re-carpet the whole building, Electrical covers the Earthquake strengthening works as well as a complete lighting upgrade.

The painting quote is only for the remedials to the Earthquake strengthening.  
All prices are exclusive of GST