

## Facilities Brief

- **CMDHB's portfolio is a mix of owned and leased facilities:** CMDHB owns and manages \$663m (book value) of building and land assets that includes 7 inpatient facilities – Middlemore 856 beds, Manukau Super Clinic 78 elective surgery and outpatient beds and 84 inpatient beds across community facilities namely Botany, Otara Spinal Unit, Pukekohe, Papakura, Franklin Memorial Hospital. The theatre configuration is 10 elective theatres and two procedure rooms at MSC and 14 theatres at Middlemore suite for acute and elective procedures.
- The book value of building and plant assets are \$426m that are located on 92 hectares of DHB owned land with a value of \$155m. CMDHB also delivers care on leased property across 18 sites<sup>1</sup> at an annual expense of est \$3.5m.
- **CMDHB Building Portfolio is aged:** The average age of buildings owned by CMDHB is 40 years. The oldest buildings that support inpatient stays are Colvin built in the 1940s, currently housing adult rehabilitation and older people services (ARHOP), and Galbraith and Bray built in the mid-1950s/60s from which medical, maternity, cancer and surgical services are delivered. All these buildings continue to provide acute inpatient services. Galbraith, in particular, was scheduled for decommissioning of non-essential clinical services by 2021. It is unlikely this will occur as there are limited options to increase bed capacity before 2021 as no new builds will be commissioned or completed in time to replace. The Consolidated Facilities Stocktake document provided illustrates the range and risk profile of CMDHB's buildings.
- **Immediate demand growth means we cannot decant from existing buildings that are beyond design life as there are no options for acute or inpatient capacity:** There are few options for alternative provision if CMDHB were to decommission these older buildings. Regional services could not support the volume and size of demand from CMDHB residents. Travelling out of region places additional cost burden on patients. For example, maternity assessment and birthing of more than 6000 births p.a. have limited options for safe delivery if Galbraith and Bray were to be decommissioned now.
- The Board has agreed (28 February) continued use of Galbraith in the **short term** to support meeting immediate acute demand with the aim to open additional beds in time for winter 2018. This is despite **draft** findings of significantly less than 25% NBS standards for an IL4 building and the likelihood that Galbraith will be declared 'earthquake prone'. Although the Galbraith site is in a zone that is highly unlikely to experience a major earthquake (SLS2), CMDHB is still required to comply with public notifications and planning for either remediation or replacement in the long term. Short term use includes converting Level 5 (currently office space) back to a ward (30 beds) and installation of Intervention Radiology suite.
- **The Board will be weighing up the costs and risks of short – medium term remediation that do not add capacity vs. cost and timing of a potential new build/s that can add capacity for similar investment:** Currently, a range of remediation issues are being assessed, options costed and prioritized. This includes rolling seismic assessments (prioritizing Galbraith at est. \$60m) across all buildings, scoping the cost of removing and replacing deteriorating cladding

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<sup>1</sup> Ref LTIP Valuations as at 2015

on four buildings (est. \$37.4m) Scott, Macindoe, KidzFirst and Manukau Super Clinic; asbestos removal and its management in 3 major buildings est. \$6m (Galbraith, Bray and MSC); passive fire protection remediation (\$2m) and assessment of critical building infrastructure upgrades (est. \$15m) on the Middlemore site (power, gas, water, HVAC, lifts) and Manukau Super Clinic (power resilience).

- Remediation cases total up to \$123.4m representing an investment that will achieve compliance and reduce health and safety risk **but will not add additional capacity**. Immediate demand cases currently in various stages of decision making are estimated at \$56.85m representing mostly acute capacity – a 2<sup>nd</sup> catheter laboratory, Galbraith level 1 and 5 refurbishment to add beds, Gastroenterology Histology and Dialysis unit expansion and additional theatres at Manukau.
- The Board will be considering the trade off between some of these investments that may enable compliance with building standards and reducing health and safety risk, against the opportunity cost of investing in new builds that are likely to meet all those requirements AND add capacity for same or similar levels of investment. These initiatives are not programmed in the short term (e.g. Women’s Health Building est. \$57m, new Ward Block est \$57m).
- In the immediate term, CMDHB has the following business cases in ‘flight’ at various stages of decision making:
  - **Scott Recladding (CIC has approved, waiting Ministerial sign off)** – business case to seek additional funding to secure Downer Construction (bought Hawkins) to reclad Scott Building (est. \$18m in total); and
  - **Specialised Rehabilitation** business case (at CIC for sign off to proceed to Detailed Business Case) – replacement of Otara Spinal Unit with a new facility based on the Manukau site.

### Key points:

- **CMDHB will continue a flow of capital investment cases that reflect immediate demand pressures in the short term that are consistent with NRLTIP and cannot be funded from our own capital budget:** CMDHB’s annual capital budget of est \$33m p.a. funds the following asset classes that support the DHBs delivery: Facilities (major and minor works in repairs), IT/ICT (local and regional contribution to hA) and assets (e.g. clinical equipment). Appendix 1 outlines the schedule of cases at various stages of development. The Immediate demand programme cases represent investments required to support acute growth in short term – it is CMDHB’s priority that remediation funding is sought from the centre and funding for capital projects that expand capacity immediately have first call on capital funding from land sales;
- **The Government should make a decision or establish a process to decide on a new hospital site and its location in metro-Auckland as soon as possible:** The implications for the Board’s decision making on long term investment scenarios are significant. Decision making on new builds either to replace or add to capacity may offer a different investment scenario when weighed up against the cost of remediation.
- In the short term, we would like the Minister to **support current capital bids** for Scott Reclad and also for our Specialised Rehabilitation IBC to proceed to Detailed Business Case.

### Appendix 1: Schedule of Capital Requirements (Indicative)

**Indicative Facilities Capital Requirements (\$m) by CM Health Programme Group**

Investment Programme & Projects	Financial Year (ending 30 June) \$m				Indicative Subtotals	Indicative TOTALS
	2016/17	17/18	18/19 - 21/22	22/23+		
<b>Approved Standalone Project</b>						
Acute Mental Health Inpatient Unit	14.00	27.30	16.70		<b>58.00</b>	
Ko Awatea II	2.20	8.60	0.50		<b>11.30</b>	
MRI Middlemore	0.30	7.77	0.00		<b>8.07</b>	
<b>Approved Standalone Project Total</b>	<b>16.50</b>	<b>43.67</b>	<b>17.20</b>			<b>77.37</b>
<b>Immediate Demand Programme</b>						
2nd Catheter Laboratory			7.70		<b>7.70</b>	
Galbraith Level 1 Refurbishment		4.80			<b>4.80</b>	
Galbraith Level 5 Ward Refurbishment		0.20			<b>0.20</b>	
Gastro. Unit Expansion		4.40			<b>4.40</b>	
Histology Expansion		1.75			<b>1.75</b>	
Kidz First ED (2 Stages)		1.00	5.00		<b>6.00</b>	
Manukau Theatre (Interim)			28.50		<b>28.50</b>	
Scott Dialysis Expansion		2.70	0.80		<b>3.50</b>	
<b>Immediate Demand Programme Total</b>		<b>14.85</b>	<b>42.00</b>			<b>56.85</b>
<b>Remediation Programme</b>						
Asbestos Removal		1.50	2.50	2.00	<b>6.00</b>	
CM Health Passive Fire Protection remediation		0.50	1.00	0.50	<b>2.00</b>	
Galbraith Remediation		10.00	50.00		<b>60.00</b>	
General Core Infrastructure Upgrades		5.00	10.00		<b>15.00</b>	
Kidz First Building Re-Cladding			7.30		<b>7.30</b>	
Manukau Building Re-Cladding				7.30	<b>7.30</b>	
Manukau Power Resilience Upgrade		1.00	2.00		<b>3.00</b>	
McIndoe Building Re-Cladding			5.20		<b>5.20</b>	
Scott Building Recladding		5.92	11.68		<b>17.60</b>	
<b>Remediation Programme Total</b>		<b>23.92</b>	<b>89.68</b>	<b>9.80</b>		<b>123.40</b>
<b>Medium Term Demand Programme</b>						
Elective Surgery Centre			120.00	120.00	<b>240.00</b>	
Manukau Community Dialysis			6.00		<b>6.00</b>	
Manukau Infrastructure (New Capacity)			30.00		<b>30.00</b>	
Manukau Radiology Hub-Phase 1			21.40		<b>21.40</b>	
Middlemore Car Parking			20.50		<b>20.50</b>	
New Women's Health Building				57.00	<b>57.00</b>	
Otago Dental School					<b>0.00</b>	
Specialised Rehabilitation (Incl. Spinal)			115.00		<b>115.00</b>	
<b>Medium Term Demand Programme Total</b>			<b>312.90</b>	<b>177.00</b>		<b>489.90</b>
<b>Community Development Programme</b>						
Botany Community Hub OR Regional Sub Acute Bed Capacity				30.00	<b>30.00</b>	
Community Central			4.70		<b>4.70</b>	
Franklin Health Hub OR New Regional Acute Hospital				54.00	<b>54.00</b>	
Mangere Community Hub				20.00	<b>20.00</b>	
Manukau Community Hub			15.00		<b>15.00</b>	
Otara Community Hub			2.50		<b>2.50</b>	
Papakura Community Hub			20.00		<b>20.00</b>	
Papakura Community Maternity Unit			10.00		<b>10.00</b>	
<b>Community Development Programme Total</b>			<b>52.20</b>	<b>104.00</b>		<b>156.20</b>
<b>Long Term Demand Programme</b>						
Harley Gray Stage 2				80.00	<b>80.00</b>	
Manukau Outpatients (Phased fit out)				28.60	<b>28.60</b>	
Manukau Radiology Hub-Phase 2				10.50	<b>10.50</b>	
Manukau Support Services				31.80	<b>31.80</b>	
Radiology Department Harley Gray				16.30	<b>16.30</b>	
Single Wing Ward Block				57.00	<b>57.00</b>	
<b>Long Term Demand Programme Total</b>				<b>224.20</b>		<b>224.20</b>
<b>Indicative Facilities Capital Requirements Grand Totals</b>	<b>16.50</b>	<b>82.44</b>	<b>513.99</b>	<b>515.00</b>		<b>1127.92</b>
<b>Ongoing</b>						
healthAlliance		5.00	20.00	25.00	<b>50.00</b>	
NZHPL (FPSC & NOS)		2.54	1.50		<b>4.05</b>	
Clinical Equipment and Minor Facilities Projects		18.00	72.00	90.00	<b>180.00</b>	
<b>Ongoing Total</b>		<b>25.54</b>	<b>93.50</b>	<b>115.00</b>		<b>234.05</b>
<b>ICT Investment Programme (Regional)</b>						
Healthy Together Technology		10.30	20.00	25.00	<b>55.30</b>	
ICT Regional (provision for Electronic Health Record solution)		28.05	79.65	72.01	<b>179.71</b>	
<b>ICT Total</b>		<b>38.35</b>	<b>99.65</b>	<b>97.01</b>		<b>235.01</b>
<b>Indicative Capital Requirements ALL CATEGORIES Grand Totals</b>	<b>16.50</b>	<b>146.33</b>	<b>707.14</b>	<b>727.01</b>		<b>1596.98</b>

Note: The 2017/18 facilities capital estimates will be further refined as we factor in project start date delays.

## Consolidated Facilities Stocktake

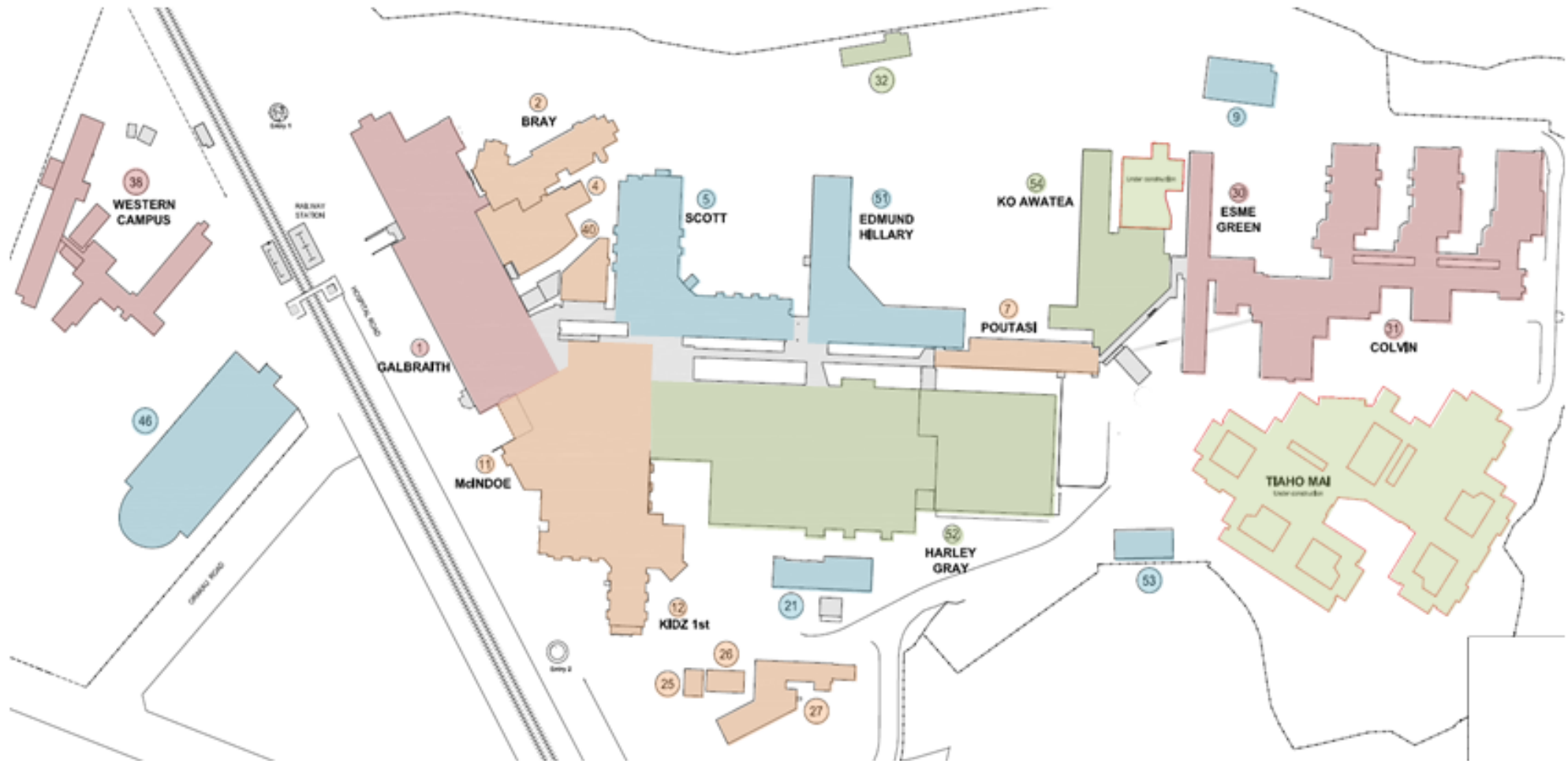
### Facilities Master Plan 2017 Project – Consolidated Facilities Stocktake Summary

Legend (level of concern):

High Medium Low Little to none

The heatmap below provides a consolidated view of the level of issues associated with OM Health's owned buildings (as at September 2017). The overall 'level of concern' is based on the number of issue categories known to apply to each individual building, as well as whether the building is used for clinical or non-clinical purposes. A summary 'issues matrix' is provided in a table on the following page, followed by a more detailed stocktake of building information.

Middlemore Hospital (MMH) site:



Satellite sites:

Manukau		Mangere	Franklin	Pukekohe	Botany		Papakura			Otago			
Manukau SuperClinic [MHP 1]	Manukau Surgery Centre [MHP 2]	Mangere (leased out) [MAN]	Franklin Mem. Hospital [FRA]	Pukekohe Hospital [PUK]	Home Health Care [BOT HHC]	Maternity [BOT Met]	Botany SuperClinic [BOT SC]	Selas Place (leased out) [PAP SP]	Sheehan Ave (leased out) [PAP SA]	Awhioiti Health [PAP Awh]	Maternity [PAP Met]	Temaki Orange [OTA TO]	Spinal Rehab [OTA ASRU]

Consolidated building issue matrix and assessment timeline (Sept 2017)

Planned assessment period:

Complete

Q1/2

Q3/4

2018/19

Category and definition	Affected buildings	Predominant use	Map ref.	Issue category and assessment period				Risk Register reference
				Seismic	Asbestos	Weathertightness	Critical Inf.	
<b>High concern (indicated by red heat spot)</b> Criteria: • Clinical or mixed buildings - at least three known or suspected issue categories apply	Galbraith	Clinical	MMH 1	✓	✓	✓	✓	13.21, 13.22, 13.19
	Espe Green	Mixed	MMH 30		✓	✓	✓	13.21, 13.22, 13.19
	Colvin	Mixed	MMH 31	✓	✓	✓	✓	13.21, 13.22
	Western Campus	Mixed	MMH 38	Suspected	✓		✓	13.21, 13.22
	Manukau SuperClinic	Clinical	MHP 1		✓	✓	✓	13.21, 13.22, 13.19
	Manukau Surgery Centre	Clinical	MHP 2		✓	✓	✓	13.21, 13.22, 13.19
	Otara Spinal Rehab	Clinical	OTA ASRU		✓	✓	✓	13.21, 13.22
<b>Medium concern (indicated by amber heat spot)</b> Criteria: • Clinical or mixed buildings - two known or suspected issue categories apply • Non-clinical buildings - at least three known or suspected issue categories apply	Building 4 Radiology	Clinical	MMH 4		Suspected		✓	13.21, 13.22
	Bray	Non-clinical	MMH 2		✓	✓	✓	13.21, 13.22
	McIndoe	Mixed	MMH 11			✓	✓	13.21, 13.22, 13.19
	Kids First	Clinical	MMH 12			✓	✓	13.21, 13.22, 13.19
	Building 40 Oral Health	Clinical	MMH 40	Suspected			✓	13.21, 13.22
	Boutaji	Non-clinical	MMH 7	Suspected	✓	✓	✓	13.21, 13.22
	Facilities Support	Non-clinical	MMH 25-27		✓	✓	✓	13.21, 13.22, 13.24
	Franklin Memorial Hospital	Clinical	FRA	✓			✓	13.21, 13.22
Pukekohe Hospital	Clinical	PUK	✓			✓	13.21, 13.22	
<b>Low concern (indicated by blue heat spot)</b> Criteria: • Clinical or mixed buildings - one known or suspected issue category applies • Non-clinical buildings - one to two known or suspected issue categories apply	Scott	Clinical	MMH 5			✓		13.21, 13.22, 13.19
	Edmund Hillary	Clinical	MMH 51			✓		13.21, 13.22
	Facilities Workshop	Non-clinical	MMH 53				✓	13.21, 13.22, 13.24
	Facilities Energy Centre	Non-clinical	MMH 21				✓	13.21, 13.22, 13.24
	Greche, "treehouse"	Non-clinical	MMH 9			✓		13.21, 13.22
	Carpark building	Non-clinical	MMH 46				✓	13.21, 13.22, 13.24
	Botany Maternity	Clinical	BOT Mat			✓		13.21, 13.22
	Awahitia Community Services	Clinical	PAP Awb				✓	13.21, 13.22
	Bapakura Maternity	Clinical	PAP Mat				✓	13.21, 13.22
	Otara Mental Health Rehab	Clinical	OTA TO		✓			13.21, 13.22
<b>Little to no concern (indicated by green heat spot)</b> Criteria: • Clinical or mixed buildings: no known or suspected issues • Non-clinical buildings: no known issues	Harley Gray	Clinical	MMH 52					13.21, 13.22
	Ka Awatea	Non-clinical	MMH 54					13.21, 13.22
	Pink Palace	Non-clinical	MMH 52		Suspected			13.21, 13.22, 13.24
	Acute Mental Health Unit	Clinical	MMH TM					13.21, 13.22
	Botany Home Healthcare	Clinical	BOT HHC					13.21, 13.22
	Botany SuperClinic	Clinical	BOT SC					13.21, 13.22
	Mangere	Leased out	MAN					13.21, 13.22
	Sheehan Ave	Leased out	PAP SA					13.21, 13.22
	Salas Place	Leased out	PAP SP					13.21, 13.22