Waitematā
District Health Board

Best Care for Everyone

**DHB Board Office**
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*Takapuna, Auckland 0622*
*Private Bag 93-503, Takapuna*
*North Shore City 0740*
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24 June 2019

[redacted]

Dear [redacted]

**Re: OIA request – Waitakere Hospital redevelopment**

Thank you for your Official Information Act request received 30 May 2019 seeking the following of Waitematā District Health Board (DHB):

- *Treasury's assessment of the 'high risk' project: Waitakere Hospital Redevelopment*
- *All communications between Treasury, the Waitemata DHB and the Minister of Health or his office r*egarding the above 'high risk' project

The Ministry of Health has asked the Metro Auckland DHBs to work together to identify an optimal capacity project with a budget of approximately $100m.

As part of this, Waitematā DHB is planning to submit an urgent Single Stage Business Case to the Capital Investment Committee (CIC) for the immediate development of a new 30-bed ward and the creation of up to 8 ICU-capable beds at Waitakere Hospital. The shortage of beds at Waitakere Hospital is deemed to be 'high risk' due to the inability to meet demand for beds.

Please find attached the two versions of the (CIC) prioritisation templates for Waitakere urgent capacity which refer to high risks.

*All communications between Treasury, the Waitemata DHB and the Minister of Health or his office regarding the above 'high risk' project*

Please find attached:

- Email to Ministry of Health from the Northern Regional Alliance Chairs re prioritisation of the Metro DHBs' circa $100m Capital Funding Pool
- Response from the Ministry of Health to the Northern Region Chairs and Chief Executives re prioritisation of the Metro DHBs' circa $100m Capital Funding Pool
- Emails to and from the Ministry of Health

Please note that sections of these attachments have been redacted because they cover topics outside the scope of this request; the information has not been withheld under any of the specific grounds set out in the Act.

I trust that this information meets your requirements. Waitematā DHB, like other agencies across the state sector, supports the open disclosure of information to assist the public's understanding of how we are delivering publicly-funded healthcare.

This includes the proactive publication of anonymised Official Information Act responses on our website from 10 working days after they have been released.

If you feel that there are good reasons why your response should not be made publicly available, we will be happy to consider this.

Yours sincerely,

**Dr Andrew Brant**
**Deputy CEO**
**Waitematā District Health Board**

Cc: nationaloia@parliament.govt.nz

TEMPLATE ONE

# DHB Capital proposal assessment for projects prioritised by the Capital Investment Committee for potential investment from Budget 2019 or 2020

## Section 1: Overview and Context

| | |
|---|---|
| **DHB** | Waitemata |
| **Date of template completion** | 5 April 2019 |
| **DHB contact for further information** | Roger Perkins<br>Acting Director, Strategic Capital Programme<br>roger.perkins@waitematadhb.govt.nz<br>027 588 9856 |
| **Project title** | Metro DHBs circa $100m Capital Funding Pool – Waitemata DHB Urgent Increased Inpatient Capacity at Waitakere Hospital |
| **Project description** | Urgent Single Stage Business Case (SSBC) for the immediate development of a new 30 bed ward and creation of an 8-bed High Dependency Unit (HDU) at Waitakere Hospital |
| **Project category** | Capacity |

### 1.1 EXECUTIVE SUMMARY

| | |
|---|---|
| **A. Short summary of the proposed initiative and expected outcomes.** | This proposal forms part of the Northern Region's response to the request from the Director General for the Metro Auckland DHBs to work together to identify an optimal capacity project with a budget of approximately $100m. Additional proposals contributing to the Region's preferred approach for uptake of this prioritised funding pool have been submitted by the other Northern Region DHBs and healthAlliance.<br><br>This is an urgent SSBC for developing a new 30 bed ward and creation of an 8-bed HDU at Waitakere Hospital. It is part of the Northern Region's business case for an optimal Auckland capacity project which has been prioritised by the Capital Investment Committee (CIC). Waitakere Hospital has no HDU which is not safe for our current volume and complexity of patients. Waitemata DHB has the lowest ratio of HDU beds of all major DHBs. An urgent 30 bed expansion is needed as Waitakere Hospital is currently over capacity and will remain so until a new build can occur. The location of the proposed facilities is consistent with recently updated master site planning for Waitakere Hospital. |

### 1.2 SUMMARY PROJECT INFORMATION

| | | | | |
|---|---|---|---|---|
| **A. Estimated Project Budget** | Total | $33m | Crown Funds | $33m |
| **B. Capacity Delivered** | Type | Replacement | New | Total |
| | Beds | 8 | 30 | 38 |
| **C. Planned Commission Date** | Q3 2022 | | | |

| 1.3 EXPECTED PHASING OF FUNDING SOUGHT | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Funding Sought ($m)** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25 & outyears** | **TOTAL** |
| Capital – DHB funded | | | | | | | |
| Capital – Crown funded | $33m | | | | | | $33m |

| 1.4 PRIORITISATION | |
|---|---|
| **A What was the project scope and estimated cost of the project prioritised by CIC?** | CIC has prioritised $100m for an optimal capacity project in the Northern Region. This business case is part of the above business case and is endorsed by the Northern Region. |
| **B Does the current proposal materially differ from the proposal as prioritised by the Capital Investment Committee. If so, please detail changes and rationale.** | No |

| 1.5 REGIONAL SUPPORT | |
|---|---|
| **A Is there regional support for this project?** | Yes. The Northern Region has worked in a collaborative manner to identify the objectives for, and the optimal application of, a prioritised $100m Metro capital budget. Our focus is on addressing critical capacity, equity and clinical risk issues in locations across the Region where near term solutions are required. This proposal represents a part of the Region's approach and, upon approval by the CIC to proceed; the Region intends to submit aligned business cases against this Metro budget pool. |

# Section 2: Project Drivers

| 2.1 DRIVERS | |
|---|---|
| **Does the case address any of the following drivers? Describe the issue (including evidence for the driver eg legislative, accreditation, demand modelling, and assumptions) and how the project will solve the problem** | |
| **Condition (critical assets and infrastructure)** | |
| **Capacity in high demand area** | Waitakere Hospital is currently at or over full capacity (in winter). Forecast growth shows that it will not have the capacity to provide its current level of acute inpatient services in the immediate future. A deficit of 24 beds is projected by FY2022, and 49 beds by FY2025, primarily in the acute general medical service. A comparable deficit is forecast at North Shore Hospital. This modelling assumes no future change to service delivery and is not reliant on any service change with Auckland DHB. The bed shortage would be considerably larger should demand develop as envisaged in the NRLTIP and Waitemata DHB's hospital services development plan.<br><br>Waitakere Hospital has no on-site facilities for higher acuity care, such as an HDU or Intensive Care Unit (ICU). This is unique among DHB hospitals of comparable size and capability. Such onsite facilities are required in New Zealand and internationally to meet benchmarks for safe care under the 'Role Delineation Model'. An increase in overnight bed capacity at Waitakere Hospital therefore requires the concurrent development of an HDU to support the existing level of inpatient acuity.<br><br>The total Waitemata DHB projected deficit of 181 inpatient beds in FY2025 will not be mitigated by the expected opening in 2023 of the regional Elective Capacity and Inpatient Beds facility on the North Shore Hospital site. Transferring west-domiciled acute medical patients to other inpatient facilities in the metro-Auckland area (including Greenlane or Auckland City Hospital) is not an option due to severe region-wide capacity constraints.<br><br>Waitakere Hospital therefore requires an urgent and immediate increase in inpatient bed capacity, both in the short/medium and medium/long terms. This is consistent with the NRLTIP projections of an immediate need for additional 22 beds at Waitakere Hospital, and the NRLTIP endorsement of the urgent commencement of a staged delivery of additional inpatient beds on the current Waitakere campus (120 beds by FY2026-27, and a total of 320 beds by 2037). |
| **Mental health condition or capacity** | |
| **Other (please describe)** | |

| 2.2 RISKS BEING MITIGATED | | | | |
|---|---|---|---|---|
| **Risks** | **Impact** | **Likelihood (High/Medium/Low)** | **Consequence (H/M/L)** | **Overall Risk (H/M/L)** |
| Shortage of beds | As noted above, inability to meet demand for beds, either at Waitakere or elsewhere in the Region | High | High | High |

# Section 3: Project scope and options analysis

| 3.1 SCOPE AND OPTIONS | |
|---|---|
| **A. Describe the specific problem that this initiative seeks to address, and the expected scope of the project.** | The business case seeks to address two related problems – insufficient bed capacity to meet expected demand and lack of an on-site HDU facility at Waitakere Hospital. The latter is unique among DHB hospitals of comparable size and capability.<br><br>An increase in overnight bed capacity at Waitakere Hospital requires the concurrent development of an HDU to support the existing level of inpatient acuity.<br><br>The immediate development of a new 30 bed ward and creation of an 8-bed High Dependency Unit (HDU) is needed to address these problems. |
| **B. What options have been or will be considered?** | The option of transferring patients to alternative sites around Auckland is not feasible due to the volume of patients and lack of alternative capacity. |
| **A. Is there a preferred option? What is the option, and why was it selected? Why were other options discounted?** | There is no practical alternative to what is proposed to avoid the problem. Demand initiatives such as Transform Med at Waitakere Hospital should reduce length of stay, although they will not resolve the bed deficit. |
| **D. What further steps will be required to refine the solution / options, and when will these occur.** | Site master planning undertaken in 2016 has recently been updated. This confirms that the chosen location of the extra ward and HDU unit will not compromise later development of the campus, should this occur. |

| 3.2 COST AND SCALING/PHASING | |
|---|---|
| **A. What is the current cost estimate / range for this project. What is the costing based on? What further steps will be required to refine the costing?** | $33m has been agreed by the Northern Region. This amount is based on preliminary drawings by Jasmax architects and a cost estimate provided by quantity surveyor Rider Levatt Bucknall (RLB). |
| **B. Provide option(s) for scaling, phasing and/or deferring this initiative.** | The option is not readily scalable |
| **C. Describe the implications on service delivery and risks/trade-offs for each of the scaled, phased or deferred** | Not applicable |

| 3.3 DEPENDENCIES | |
|---|---|
| **A. Are there any other projects that have are planned or are currently** | Site master planning |

| | |
|---|---|
| underway that this project is dependent on? Provide details | |

# Section 4: Expected timelines for delivery

## 4.1 INDICATIVE PROJECT TIMELINE

**A. Please complete the table with actual or target dates**

| | Estimated month and year |
|---|---|
| Point of Entry and Risk Profile Assessment submitted (if submitted, please advise RPA rating) | |
| Strategic assessment submitted to CIC | A strategic assessment for the redevelopment of Waitakere Hospital will be submitted to the CIC at the same time as the single stage business case (SSBC) |
| Indicative Business Case submitted to CIC | |
| Detailed Business Case or Single Stage Business Case submitted to CIC | A SSBC will be submitted for the CIC's July/August meeting, along with other Northern Region business cases seeking to access funds prioritised for the Auckland optimal capacity project. A chapeau providing a rationale for the suite of business cases is being prepared by the Northern Regional Alliance on behalf of the Region. |
| Procurement<br>Concept design<br>Detailed design | <br>Q2 2019<br>Q4 2020 |
| Construction commencement | Q1 2021 |
| Construction complete / commissioning | Q3 2022 |

## 4.2 CONFIDENCE IN DELIVERY OF PROJECT

| | |
|---|---|
| **A. What is the level of confidence in your ability to meet above project time-lines. Note any dependencies, risks or constraints** | High |

# DHB Capital proposal assessment for projects prioritised by the Capital Investment Committee for potential investment from Budget 2019 or 2020

## Section 1: Overview and Context

| | |
|---|---|
| **DHB** | Waitemata |
| **Date of template completion** | 14 May 2019 |
| **DHB contact for further information** | Roger Perkins<br>Acting Director, Strategic Capital Programme<br>roger.perkins@waitematadhb.govt.nz<br>027 588 9856 |
| **Project title** | Metro DHBs circa $100m Capital Funding Pool – Waitemata DHB Urgent Increased Inpatient Capacity at Waitakere Hospital |
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| **Project category** | Capacity |

### 1.1 EXECUTIVE SUMMARY

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| **A. Short summary of the proposed initiative and expected outcomes.** | This proposal forms part of the Northern Region's response to the request from the Director General for the Metro Auckland DHBs to work together to identify an optimal capacity project with a budget of approximately $100m. Additional proposals contributing to the Region's preferred approach for uptake of this prioritised funding pool have been submitted by the other Northern Region DHBs and healthAlliance.<br><br>This is an urgent SSBC for developing a new 30 bed ward and the creation of up to 8 ICU-capable beds at Waitakere Hospital. It is part of the Northern Region's business case for an optimal Auckland capacity project which has been prioritised by the Capital Investment Committee (CIC). Waitakere Hospital has no ICU/HDU which is not safe for our current volume and complexity of patients. Waitemata DHB has the lowest ratio of ICU beds of all major DHBs. An urgent 30 inpatient bed expansion is needed as Waitakere Hospital is currently over capacity and will remain so until a new build can occur. The location of the proposed facilities is consistent with recently updated master site planning for Waitakere Hospital. |

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| **B. Provide option(s) for scaling, phasing and/or deferring this initiative.** | The option is not readily scalable |
| **C. Describe the implications on service delivery and risks/trade-offs for each of the scaled, phased or deferred** | Not applicable |

| 3.3 DEPENDENCIES |
|---|

| | |
|---|---|
| **A. Are there any other projects that have are planned or are currently underway that this project is dependent on? Provide details** | Site master planning |

# Section 4: Expected timelines for delivery

## 4.1 INDICATIVE PROJECT TIMELINE

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| Construction commencement | Q1 2021 |
| Construction complete / commissioning | Q3 2022 |

## 4.2 CONFIDENCE IN DELIVERY OF PROJECT

| | |
|---|---|
| **A. What is the level of confidence in your ability to meet above project time-lines. Note any dependencies, risks or constraints** | High |

Northern Regional Alliance
He Hononga o te Raki

**Northern Regional Alliance Limited**
Level 2, 650 Great South Road
Penrose 1051
PO Box 112147
Penrose, Auckland 1642
**Phone** **+64 9 631 1440**
**Fax** **+64 9 579 1433**

1 March 2019

Dr Ashley Bloomfield
Director-General of Health and Chief Executive
Ministry of Health
PO Box 5013
Wellington
6140

Dear Ashley

## Prioritisation of the Metro DHBs circa $100m Capital Funding Pool

Thank you for your November letters updating us on the Government's capital funding decisions. In those letters, you wrote to each of us setting out the indicative prioritisation of DHB capital projects for Budget 2019 and 2020.

In your letters you also indicated that the Capital Investment Committee (CIC) is asking that 'the Metro Auckland DHBs work together to identify an optimal capacity project with a budget of approximately $100m'. We welcome the acknowledgement of the unique and immediate acute demand pressures the Northern Region face, and would like to emphasise that this is occurring across the whole Northern Region, not just the Auckland Metropolitan area.

We are appreciative of the additional short term capacity investment opportunity in the context of both national capital constraints and more immediate 'opex' pressures in DHBs, and want to ensure there is shared clarity between the DHBs, the ministry and CIC about how this fits in the context of the wider regional investment programme the region has set out in our NRLTIP to meet our population requirements.

A positive assurance that the $100m will not lead to a delay or substitute for the wider programme of investment will be an important step for us as a region. Such an assurance would provide confidence to our populations that the tactical and in some cases temporary capacity which makes short term sense is not at the expense of fit-for purpose sustainable solutions in the subsequent years. We would like to extend an invitation to you along with the chair of CIC to meet with our region's chairs and CEOs as soon as is practicable during March to discuss this.

In our December letter of response, we let you know that our Region had agreed that a prioritisation workshop was to be held early in the New Year. At our February Regional Governance Group meeting, the Chairs directed our CEOs to prepare a joint regional response that delivered the optimal mix of capacity that would support the Region's immediate demands. This executive workshop process has now been completed and we are writing to you to:

- Confirm, that our Region has worked in a collaborative manner, as a 'Metro Health Board', to consider the objective for, and the application of, this Metro capital budget and this is represented by the joint proposal outlined;
- Set out the key features of the Region's optimal approach that will meet immediate demands, to be recommended to CIC against this metro fund;
- Confirm that we will be submitting an aligned programme of business cases against this Metro budget pool and the key 'next steps' that our Region expects to progress; and
- We seek the Ministry's support in presenting this approach to CIC.

We wish to emphasise that this proposal does not detract or amend the existing capital investments that we have already regionally proposed, and are already confirmed in the Government's capital intentions. The expected capacity shortfalls that we outline in this letter, assume that all business case approvals yet to be obtained will progress in accordance with the prioritised capital budget; and deliver the capacity already signalled as being expected from those cases.

## Summary of Northern Region Proposal

Our workshop agreed a suite of business cases to be prepared by DHBs with regional support in readiness for the CIC in June 2019. This will be based on a combined city-wide capacity response for our Region and translated to each DHB estate. The proposed Metro approach will recommend the provision of additional service capacity in the Metro area, and will deliver:

- 4 more theatres
- 92 additional inpatient beds
- Ambulatory clinic space

We anticipate that, with a modest level of value engineering, these investments together with the $2m for continuation of the Whangarei business case are affordable within a strict $100m limit.

Our proposal incorporates an option for developing an additional $10m scaled case for Identity and Access Management technology which, alongside changes to models of care delivery would avert demand growth of a further 10 inpatient beds in the first pilot specialty, cardiovascular disease. This moderation of existing bed-demand (reducing current utilisation rates) will help close the bed demand-capacity gap in our Region in a highly cost-effective way as well as improving an amenable mortality driver that particularly impacts our Māori communities. Together, the estates and technology solutions almost halve the peak shortfall in capacity the Region will otherwise experience, by 2022/23, across the specialities of adult medicine/ surgery and AT&R. This reserve case will be available at the June CIC and ready-to-invest in the event that there is opportunity to do so and the value is recognised by the ministry and CIC.

The workshop discussions have constrained the timing and scale of the prioritised investment options to meet our metro area's greatest needs, within the parameters signalled by the CIC. Our Region considers the resultant proposed programme of work provides the greatest value proposition for the metro Auckland area. The population health needs driving capacity pressures are dispersed differentially across the metro area; the solutions also need to be based on a distribution of service capacity that takes account of equity considerations.

We would like to thank you for the opportunity to prioritise this budget expenditure. We are confident that our proposed application of this capital funding will help us to address the immediate Metro Auckland risks arising from the ongoing, and increasing, gap between service demand and capacity supply.

## Workshop Approach and Objective for Capital Budget

The Workshop was attended by the CEOs, CMOs and CFOs of our three metro DHBs. To provide independent oversight the workshop was chaired and facilitated by Mike Roberts, CMO Northland; with Meng Cheong, CFO Northland DHB, also in attendance to provide independent assessment assistance. The NRA and hA attended in an ex-officio position to provide clarification of information and to support the process.

Prior preparatory work was overseen by the Regional Capital Group, to ensure adequate supporting material was to hand at the workshop, and that a common understanding of the workshop goals and investment objectives was held across the Metro Auckland DHB contributors and participants.

The goal of the Workshop was to prioritise one or more proposals to enable a coordinated submission to the Director General, and to the Chair of the CIC, in response to the 'optimal metro Auckland capacity project' request.

A key principle for the workshop was to plan and prioritise from the perspective of a 'Metro Health Board'. We removed DHB boundaries when we considered where needed investment.

A key objective for the proposed allocation of the approximate $100m fund was to address the short-term (i.e. 1-5 year) metro Auckland service risk associated with the immediate capacity-demand gap.

The key criteria agreed in the workshop to assist with the prioritisation of options included that the prioritised investments should:

| | | |
|---|---|---|
| 1. | Address greatest need | The prioritised project(s) must reflect the greatest need of our populations from a 'Metro Health Board' perspective. |
| 2. | Achieve biggest 'Bang for Buck' | The funding is limited, we need greatest value from each $ spent. |
| 3. | Be Capable of Delivery within Timeframe | We need confidence that the Region can deliver the project benefits / gains within a timeframe that helps address immediate pressures. |
| 4. | Exhibit Strategic Alignment | The project(s) should be aligned with the NRLTIP overall strategic direction for the Region. |

Workshop discussions were also supported by the wider Northern Region Long Term Investment Prioritisation Framework Criteria. All decisions reached in the workshop were by the consensus of the executive members attending from each DHB.

## The Immediate Challenge

The workshop discussions placed particular emphasis upon bed and theatre capacity. These are seen as the most pressing issues across the metro Auckland area in the short-term horizon.

### *Bed Capacity*

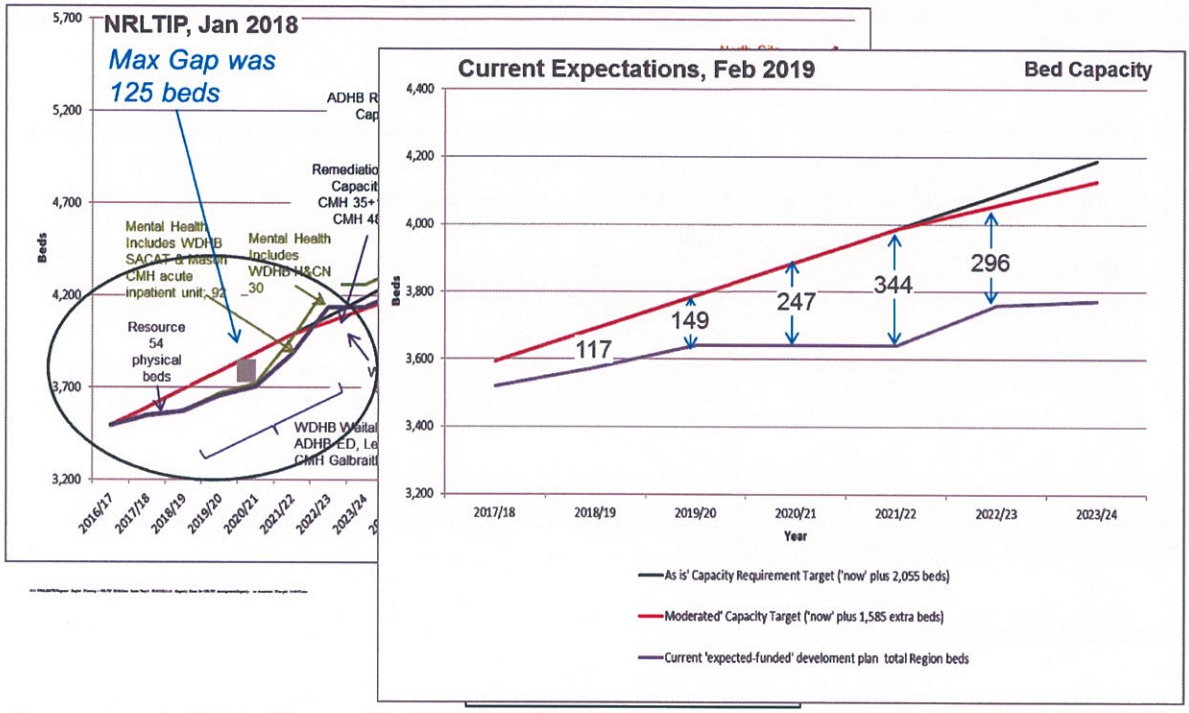
Firstly, in relation to bed capacity, the NRLTIP as at January 2018 identified:

- A 'moderated' bed-demand trajectory to define the Region's bed development requirements over a 20 year period. This trajectory identified the need to develop 1,600 beds in the 20 years between 2016/17 and 2036/37
- A bed-capacity development path that reflected an integrated 'fix' and 'future proof' capital investment path that was considered feasible at the time the NRLTIP plan was agreed by the 4 Northern Region DHBs.

The peak bed capacity gap, detailed in the NRLTIP as being expected during the period to 2022/23, was 125 beds, taking account of the planned capacity proposals.

The most recent estimate, taking account those proposals prioritised from our previous capital budget submission, now suggests a bed capacity gap which rises to 344 beds. This is the gap that we seek to help close by application of the $100m funding.

**Figure One:** '*The most recent estimate shows a regional gap of up to 344 beds by year 2022/23*'




Focusing on the specialities of adult medicine / surgery and AT&R a review of the variance in the bed supply-gap across the Metro Auckland area indicates that by year 2022/23 the bed-gap:

- Across Waitemata sites (North shore plus Waitakere) would be approximately 72 beds
- [redacted]

This is a total capacity gap of 215 beds[1] in these key specialty groups in the metro Auckland Area. Our metro proposal to create 92 inpatient beds will address almost half of the identified shortfall in these specialities.

Please note that the interpretation of these bed capacity 'gaps', detailed by DHB district, should include consideration of:

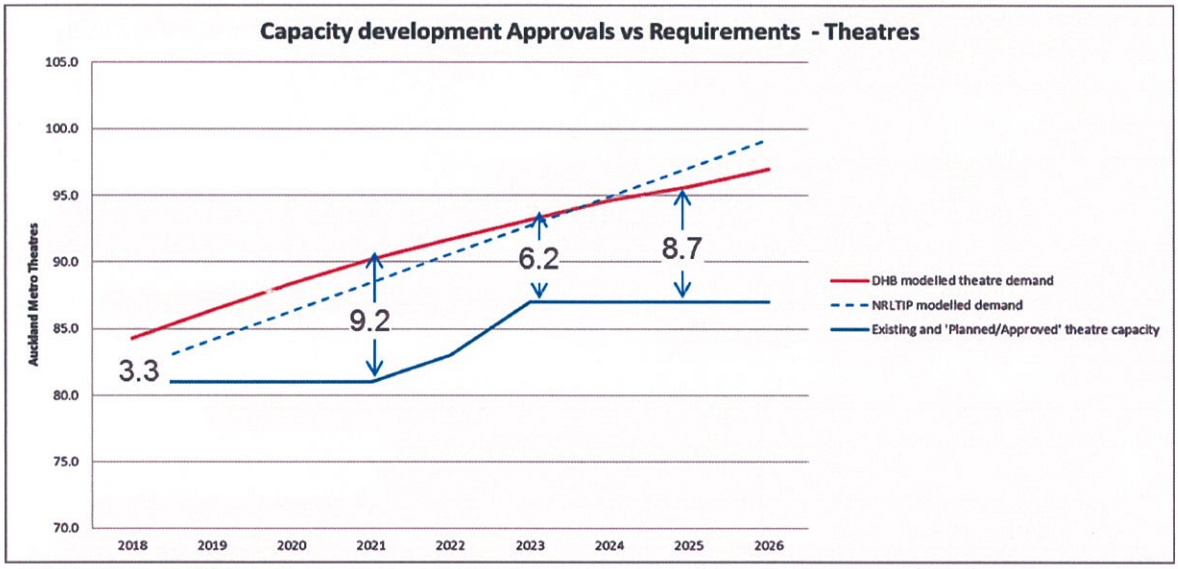
- 'Demand side' factors - That the capacity requirements (indicated by DHB) reflect the NRLTIP base-data year inter-district and inter-Regional patient flows. Over the period of the future 'requirements trajectory' the Region may well want to change some of those historical flow patterns within the Region. One expected consequence is that the nature of the demand-mix on, particularly, our tertiary service sites will change to reflect needs for a higher proportion of critical care and higher dependency care (this would not change the Regional total requirement trajectory but would change the assumptions about where demand will present).
- 'Supply side' factors – That the capacity developments within the expected 'delivery trajectories' reflect the capacity expected to be built within a DHB district. Under our future models of care some of this developed capacity may well be shared with other DHBs within our Region'

[1] Note beyond these specialty groups , by 2021/22, Metro Auckland will have an additional 100 bed requirement against the 2016/17 start position associated with Mental Health and 'Other' beds (including Women's & Paediatrics); this additional requirement is split approximately: 46 at ADHB; 29 WDHB; and 25 CMDHB.

### *Theatre Capacity*

Secondly, similar gap-analysis, relating to the expected regional theatre capacity shortfall against the NRLTIP Jan 2018 plan, reveals that a theatre capacity 'gap' across Metro Auckland will remain for the foreseeable future. Prior to consideration of any potential solutions provided by the $100m indicative budget, the Region will have at least a 6 theatre deficit in 2022/23 rising to 9 theatres by 2024/25. This is despite the planned (fitted-out) 'ECIB' theatre developments at North Shore Hospital[2] and the interim theatre proposals at CMDHB.

**Figure Two:** 'A theatre capacity 'gap' across Metro Auckland will remain for the foreseeable future'




*Note :*

*Outsourced surgical delivery arrangements have been assumed (in DHB modelling) at the same levels in future as currently purchased, ie any growth in demand will be accommodated in DHB theatres.*

*The development trajectory reflects budgeted 'fitted out' theatre capacity*

### *Most Pressing Issues for our Region*

The workshop concluded the most pressing issues across the Auckland Metro area are:

- [redacted]
- West Auckland – Bed capacity on the Waitakere Site with a need for facilities for higher acuity care

## Key Features of the Regional Proposal

Our proposal recommends the provision of additional service capacity in the Metro area, and will deliver:

- 4 theatres
- 92 inpatient beds
- ambulatory clinic space
- Moderation of existing bed-demand growth (ameliorating current utilisation rates), to help close the bed demand-capacity gap in our Region.

These benefits are to be achieved through investment in both estate and in care model changes supported by technology.

[2] Note that the ECIB proposed build provides shell capacity for a further 4 theatres in future.

The proposed capital injection supports capacity development across each of the metro Auckland geographical areas but is differential in impact. It takes account of the identified:

- Health needs of populations across the greater Auckland area
- Greatest current service pressures
- Northern Region Long Term Investment Plan strategic alignments.

In the main, the proposals outlined in this letter are either repurposing of facilities (i.e. not 'new build') or are modular developments. All the proposals are agreed as being capable of delivery within the required timeframe. The key capacity developments, listed by metro geography (from North to South), include:

***West Auckland:***

- An extra single ward on the Waitakere Site by means of a modular option, this would have a likely life of 30 – 40 years. Delivers 30 beds
- Upgrading acute beds to provide HDU beds.

[redacted]

**Next Steps**

Our aim is to further develop these initiatives, and to collate these concepts, into a consistent suite of metro business cases. The NRA will support the regional capital group to collate the regional messages and ensure consistency of business case format and content with input from our three metro DHBs and healthAlliance.

The intent is to submit the business cases to CIC for the scheduled 20th June meeting to secure approval to proceed. We would be happy to elaborate on any aspects of this advice through the CEOs if required to inform your own advice to CIC.

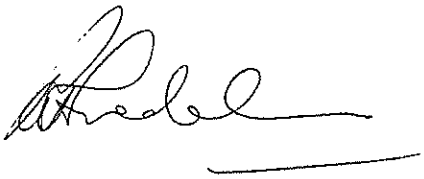
We have noted your recent letter (dated 14 February) relating to the Joint Minster's agreement to establish an expert Advisory Group to support CIC prioritisation and decision making for Northern Region capital investments. We look forward to engaging with the proposed advisory group on this and future capital investments.

In the meantime, we will contact your offices to see whether it is possible to bring forward a meeting as outlined above, prior to our next governance group on 4th April.

Yours sincerely

Sally Macauley, Chair NDHB

Judy McGregor, Chair WDHB



Pat Snedden, Chair ADHB

Mark Gosche, Chair CMDHB

**Cc**

Evan Davies: Chair - Capital Investment Committee

Michelle Arrowsmith - Deputy Director-General DHB Performance, Support and Infrastructure

MINISTRY OF HEALTH
MANATŪ HAUORA

133 Molesworth St
PO Box 5013
Wellington 6145
New Zealand
T+64 4 496 2000

1 April 2019

Chairs and Chief Executives
Northern Region DHBs

Dear Northern Region Chairs and Chief Executives

Thank you for your recent letter *Prioritisation of the Metro DHBs circa $100m Capital Funding Pool* dated 1 March 2019 (the letter). The letter provided your region's view of optimal Auckland metro capacity project/s with a budget of approximately $100 million for potential consideration from Budget 2019 or 2020.

The letter was tabled at the Capital Investment Committee (CIC) meeting of 19 March 2019. The CIC acknowledged the work completed by region to identify priorities, and commended the shared commitment to addressing the urgent capacity demands.

I recently advised you of the prioritisation process that will be followed for Budget 2019 (*Budget 2019 Capital Prioritisation Process,* dated 14 February 2019). This involves templates being completed for each project for consideration. The templates are due by 5 April 2019, and the prioritisation will be considered at the CIC meetings of May and June 2019. The Ministry's Capital Investment Management team has emailed further information on the process to Chairs and Chief Executives on 20 March 2019, and they have also met with the Northern Regional Alliance to provide further guidance.

As I have previously advised, the indicatively prioritised projects exceed $2 billion and further refinement will be required to manage within the Budget allocation. Please provide the best quality information available to support the prioritisation process. In particular, the CIC noted that the template for the Data Capability project will need to provide robust evidence on how and when urgent capacity would be enabled by that investment.

[redacted]

We look forward to receiving completed templates for the other projects that the region has identified as priorities. You may, of course, submit a revised package if you have identified alternate preferred options since the letter was provided.

Thank you again for your support for the prioritisation process. We will continue to engage with you through the process and you will receive formal notification of the outcome of the prioritisation process in late June or early July 2019.

Yours sincerely

Dr Ashley Bloomfield
**Director-General of Health**

cc Evan Davies, Chair, Capital Investment Committee

**From:** Roger Perkins (WDHB)
**Sent:** Thursday, 06 June 2019 5:22 p.m.
**To:** 'Cathy.Webber@health.govt.nz' <Cathy.Webber@health.govt.nz>
**Subject:** RE: CIC update

Hello Cathy

Here is updated information, as requested:

[redacted]

| | | |
|---|---|---|
| [redacted] | [redacted] | [redacted] |
| [redacted] | [redacted] | [redacted] |
| [redacted] | [redacted] | [redacted] |

[redacted]

**Waitakere urgent inpatient capacity**

- A single stage business case for a new 30 bed ward and the creation of up to 8 level 1, ICU-capable beds, at Waitakere Hospital is under preparation
- It is part of the Northern Region's business case for an optimal Auckland capacity project
- We are seeking $33m of the $100m that has been prioritised by CIC for the project

[redacted]

[redacted]

Hope that helps.

Kind regards

Roger

**Roger Perkins**
**Acting Director, Strategic Capital Programme Group**
**Senior Responsible Owner (SRO), Mason Clinic and Infrastructure**
**Executive Head, Office of CEO, Waitemata DHB**
15 Shea Terrace, Takapuna, Auckland, Private Bag 93-503
Mob: 027 588 9856 I DDI: 09 441 8963 I Office: 09 486 8900
email: roger.perkins@waitematadhb.govt.nz
www.waitematadhb.govt.nz

Waitemata
District Health Board

**Best Care for Everyone**

**From:** Cathy.Webber@health.govt.nz [mailto:Cathy.Webber@health.govt.nz]
**Sent:** Thursday, 06 June 2019 12:51 p.m.
**To:** Roger Perkins (WDHB) <Roger.Perkins@waitematadhb.govt.nz>
**Subject:** CIC update

Apologies Roger
I should have asked for this last week - but I see I only asked about the template information. I need to update all the current projects and business case progress for CIC by tomorrow first thing.
Currently I have:

[redacted]

Kind regards

**Cathy Webber**
Senior Advisor | Capital Investment Management | DHB Performance Support and Infrastructure
Ministry of Health

DDI: 04 816 3475 | 021 812 864
E : cathy.webber@health.govt.nz
**Please note my email address has changed**

Thanks for this Roger
Jo, who is writing the CIC papers for prioritisation, has asked for a break down for the costs given in the template for both options ($60 m and the $160 m) into how much enabling how much is enabling/infrastructure/construction etc
Many thanks

**Cathy Webber**
Senior Advisor | Capital Investment Management | DHB Performance Support and Infrastructure
Ministry of Health

DDI: 04 816 3475 | 021 812 864
E : cathy.webber@health.govt.nz
**Please note my email address has changed**

From: "Roger Perkins (WDHB)" <Roger.Perkins@waitematadhb.govt.nz>
To: "'Cathy.Webber@health.govt.nz'" <Cathy.Webber@health.govt.nz>,
Date: 31/05/2019 03:58 p.m.
Subject: RE: CIC query

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Hello Cathy

Apologies for the delay in replying.

The changes to the template for urgent inpatient capacity at Waitakere Hospital reflect the fact that for an HDU to be certified it must operate as part of an ICU. Our business case is therefore proceeding on the basis of the ward as previously described and an ICU facility of up to 8 beds. The proposed location of the ICU will be determined in consultation with clinical staff and taking into account models of care.

[redacted]

Hope this helps.

Kind regards

Roger

**From:** Cathy.Webber@health.govt.nz [mailto:Cathy.Webber@health.govt.nz]
**Sent:** Thursday, 30 May 2019 10:49 a.m.
**To:** Roger Perkins (WDHB) <Roger.Perkins@waitematadhb.govt.nz>
**Cc:** Jo_Strachan-Hope@moh.govt.nz
**Subject:** CIC query

Hi Roger
Just wondering how you are going with the request from last week? See pasted below

Dear Roger and Andrew

We need further information on these 2 projects before the next CIC mid June. A response to the queries below by Tues would be appreciated.

[redacted]

Waitakere - I need a response to the 21st May email to Roger asking clarification on why you have changed to ICU capable - are you still intending to use the space as HDU ?

Kind regards
**Cathy Webber**
Senior Advisor | Capital Investment Management | DHB Performance Support and Infrastructure
Ministry of Health

DDI: 04 816 3475 | 021 812 864
E : cathy_webber@moh.govt.nz

Cheers
**Cathy Webber**
Senior Advisor | Capital Investment Management | DHB Performance Support and Infrastructure
Ministry of Health

DDI: 04 816 3475 | 021 812 864
E : cathy_webber@moh.govt.nz