

Aide-Mémoire

Update on Health Capital Projects as at 31 October 2023

To:	Hon Dr Shane Reti, Minister of Health	Reference:	HNZ00033586
From:	Jeremy Holman, Chief Infrastructure and Investment Officer, Infrastructure and Investment Group, Te Whatu Ora - Health New Zealand	Due Date:	19 December 2023
Copy to:		Security level:	In Confidence

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Jeremy Holman	Chief Infrastructure and Investment Officer, Infrastructure and Investment Group	s9(2)(a)	x
Aaron Matthews	Head of Capital Investment, Infrastructure and Investment Group	s9(2)(a)	

The following departments/agencies have been consulted

N/A

Attachments

Annex 1: Report 'Update on Health Capital Projects' as at 31 October 2023 (Appendices 1-3)

s9(2)(a)

Jeremy Holman
Chief Infrastructure and Investment Officer
 Infrastructure and Investment
 Te Whatu Ora - Health New Zealand

Update on Health Capital Projects as at 31 October 2023

Purpose

1. This Aide-Mémoire provides you with the monthly report 'Update on Health Capital Projects as at 31 October 2023' and key updates since the last monthly report.

Key Updates since the date of the report

2. There is a time lag between the completion of the Update on Health Capital Projects Report, and it being provided to you. This is due to the time needed to compile the information and to give the Capital and Infrastructure Committee the opportunity to consider the report. As a result there are some key updates since the date of the report (31 October 2023) that we provide below.
3. The Rapid Hospital Improvement Programme¹ has reached substantial completion with 30 of the 36 projects complete. The remaining six projects are in construction phase and will be completed as part of our business-as-usual delivery.
4. The projects in Table 1 below had key construction project stage changes during November 2023.

Table 1: Key construction dates during November 2023

Project	Type	Description
Wairau Boilers (30024)	Construction Start	Replacement of boilers with an energy-efficient, sustainable option.
Surgical Procedural Interventional Recovery Expansion (SPIRE) Programme (30019)	Practical Completion	A refurbishment that will increase surgical, procedural and interventional capacity.
Bay of Islands Hospital - Phase 2 (10023)	Go Live	Phase two of the rebuild of Bay of Islands Hospital, incorporates a primary care clinic, outpatient space and shared reception. Go Live includes evacuation training, building orientation, staff workflows and patient movements.

Performance Reporting

5. The Update on Health Capital Projects (Annex 1) reports on the performance of the projects that are funded from the Health Capital Envelope or over \$10 million. (76 in-flight projects with a combined value of \$6.618 billion) as at 31 October 2023.
6. The report includes updates on:

¹ Established in late 2021 by the Ministry of Health to support New Zealand's hospital services to manage impacts associated with COVID-19. The programme focused on the creation of additional treatment spaces for COVID-19 patients while maintaining business as usual ("BAU") services.

- a) Infrastructure and Investment Portfolio Summary
- b) Projects with significant risks
- c) Health Capital Envelope Allocation
- d) Upcoming Ministerial decisions
- e) Mental Health Infrastructure Programme (MHIP)
- f) Regional Hospital Redevelopment Programme (RHRP)
- g) New Dunedin Hospital
- h) Rapid Hospital Improvement Programme (RHIP)
- i) Project photos

7. The table below shows the RAG status as at 31 October 2023

Table 2: Project RAG status as at 31 October 2023

	Green rated projects	Amber rated projects	Red rated projects	Total
Number of projects	36	26	14	76
\$ value	\$2,620m	\$2,055m	\$1,943m	\$6,618m

- 8. Six projects have changed rating from Amber to Red as they have raised change requests for additional funding or material changes to their schedule that will require a decision from the Board or Ministers to resolve.
- 9. Details of the Red-rated projects and the mitigation actions being taken are provided in the report at Annex 1.

Key Upcoming Construction Dates

- 10. Table 1 provides a list of upcoming construction starts or completion over the next four months. This table is provided in addition to the Update on Health Capital Projects report at Annex A.
- 11. The dates in Table 1 are as at 28 November 2023 and based on the latest information available. These may differ from those shown in the Update on Health Capital Projects report which is as at 31 October 2023.

Table 1: Upcoming key construction dates for

Project	Type	Description	Planned Date
Tokoroa ED Reconfiguration (30048)	Practical Completion	Reconfiguration of Tokoroa Hospital to improve infectious disease management, enlarge front of house, provide flexible space, and repurpose a consultation room as a plaster room.	December 2023

Project	Type	Description	Planned Date
Waitematā Infrastructure Services Programme (ISP) Tranche 1A (10049)	Practical Completion & Go Live	Mitigation of risks in relation to critical assets and building resilience, focused on demolition of facilities, and relocation and provision of new infrastructure at the North Shore Hospital campus to support Tōtara Haumaru.	December 2023
Surgical Procedural Interventional Recovery Expansion (SPIRE) Programme (30019)	Go Live	A refurbishment that will increase surgical, procedural, and interventional capacity.	December 2023
Whanganui Hospital Infusion Therapy Unit (30044)	Practical Completion & Go Live	New build of a local outpatient chemotherapy unit.	December 2024
Wairarapa - Outpatients Refurbishment (30037)	Construction Start	This funding will enable the outpatients' area to be re-fitted for a triaging area, new office and clinic space which will better position the facility for future models of care including virtual consultations.	January 2024
Construction of new building, Tōtara Haumaru North Shore Hospital (10036)	Practical Completion of the first phase (8 theatres, 4 procedure rooms and 3 wards)	Increasing capacity across the Northern region with a new build comprising eight surgical theatres, an endoscopy suite with four procedure rooms, five 30-bed wards for post-surgical care and to support acute and elective inpatient bed requirements and associated clinical support services.	January 2024
Front of Whare (10256)	Construction Start of Enabling Works	Addresses seismic, configuration and capacity issues. Significant planning required so this will deliver first phase only.	February 2024
Parkside Enhancements - Tranche One (30006)	Practical Completion & Go Live	Refurbishment of the wards in Parkside building at Christchurch Hospital.	February 2024
Gisborne Hospital New Child and Youth Health Community Hub (30032)	Construction Start	Centralised location for a one-stop shop providing services for children and youth.	February 2024
Radiation Oncology Project (102116)	Construction Start	New radiation oncology facility and redevelopment of the Jim Carney Cancer Centre	February 2024
Surgical Services Expansion Project (SSEP), Hawke's Bay Hospital (10218)	Practical Completion	Bringing the previously-shelled Theatre 8 online, expanding the post anaesthesia care unit (PACU), and minor modifications to the central sterile services department (CSSD).	February 2024

Project	Type	Description	Planned Date
Radiology Relocation to Harley Gray at Middlemore Hospital (10045)	Construction Start	Relocation of existing radiology department from earthquake prone Galbraith building to Harley Gray building.	March 2024
Hawke's Bay Hospital Seismic Remediation Works (10148)	Practical Completion of the Theatre Building	Seismic strengthening remediation works on theatres, and acute assessment unit.	March 2024
Construction of Waitākere Primary Birthing Unit (10238)	Construction Start	Construction of a 970sqm primary birthing facility, which includes six birthing/postnatal suites, to meet the urgent demand for maternity services in the West Auckland area.	March 2024
Generator and Electrical Upgrade and Electrical Supply to Site (10258)	Construction Start	Electrical upgrade, including supply to site and replacement of ageing generators, replacement of coal boilers	March 2024
Te Kotuku Redevelopment, Whangārei Hospital (Critical Works - Package 2) (10047)	Practical Completion	Addressing capacity constraints and provide relief until the new hospital is commissioned, including: Special Care Baby Unit, Acute Assessment Unit, Ambulatory Care/Outpatients and Laboratory	March 2024

Next steps

- The next Update on Health Capital Projects Report, based on 31 December 2023 assurance reports, will be provided to Ministers in February 2024. The reporting format will be updated with additional commentary as requested by the Minister of Health during the first incoming briefing in mid-December 2023.

Update on Health Capital Projects

as at 31 October 2023

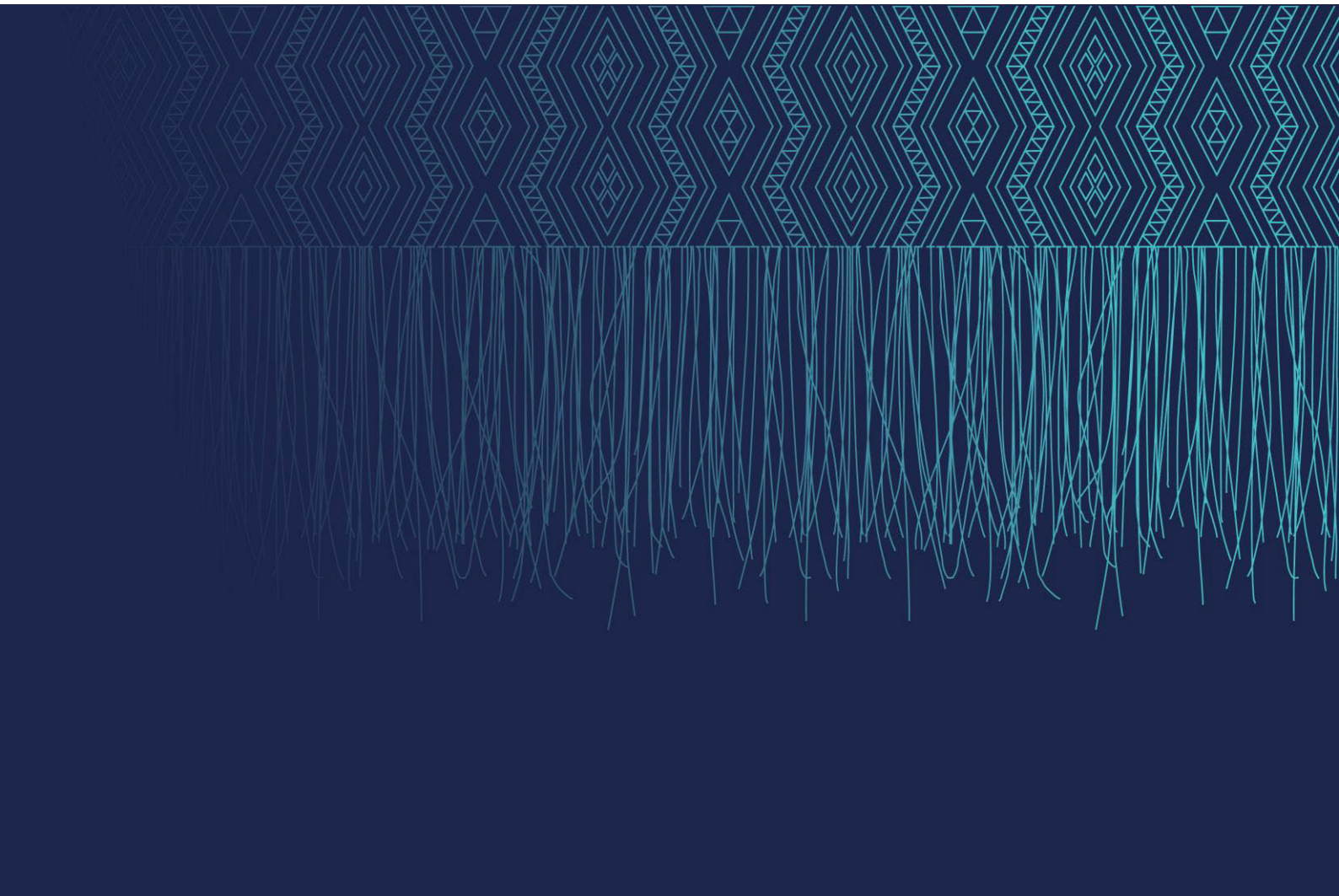


Table of Contents

Executive Summary	3
Health Portfolio Overview	5
Infrastructure and Investment Portfolio Summary	5
IIG Portfolio Performance	6
Projects with Significant Risks	8
Future funding commitments for ongoing projects	14
Health Capital Envelope Allocation	15
Upcoming Ministerial decisions	16
Key Programmes Overview	18
Mental Health Infrastructure Programme (MHIP)	18
Regional Hospital Redevelopment Programme (RHRP)	19
New Dunedin Hospital	21
Rapid Hospital Improvement Programme (RHIP)	23
Project Photos	24
Appendices	52

Executive Summary

1. Most projects in the Infrastructure and Investment HCE portfolio are progressing well and rated Green or Amber in October.

Table 1 Current RAG ratings (excl. RHIP) as at 31 October 2023

	Green rated projects	Amber rated projects	Red rated projects	Total
Number of projects	36	26	14	76
\$ value	\$2,620m	\$2,055m	\$1,943m	\$6,618m

2. The mental health facility, Manaia House, in Whangārei is now rated Red due to water damage caused by a pipe bursting within the facility and subsequently the contractor going into liquidation.
3. Six projects have changed rating from Amber to Red as they have raised change requests for additional funding or material changes to their schedule that will require a decision from the Board or Ministers to resolve.

Progress

4. Two projects have been moved from Debrief back to Delivery due to issues arising after the projects went live:
 - a. West Coast Te Rau Kawakawa Buller Integrated Family Health Centre (IFHC) (10112) has submitted a change request to complete demolition works.
 - b. Canterbury Energy Centre and Services Tunnel (10005) is operational but facing cost pressure for follow up demolition work and to close out some post go-live contractual commitments.
5. The Rapid Hospital Improvement Programme is now proceeding with programme close out which will be completed in December and is presently forecasting to complete circa \$8 million under budget.

Health Capital Envelope (HCE)









6. s9(2)(b)(ii) 

7. s9(2)(b)(ii), 9(2)(f)(iv) 


8. s9(2)(b)(ii), 9(2)(f)(iv) 



Table 2: Summary of HCE Allocation

Health Capital Envelope	s9(2)(b)(ii)
Allocated and approved to date	
Allocated to new projects yet to be approved	
Cost pressure funding allocated to existing projects (pending approval)	
Remaining HCE Available for Allocation	
Other known cost pressures	
Potential Capital Returns	
Proposed Funding Reallocations	
Projected surplus of funds	

Health Portfolio Overview

Infrastructure and Investment Portfolio Summary

9. The Infrastructure and Investment Group (IIG) reports on the performance of the projects that are funded from the Health Capital Envelope or over \$10 million (76 in-flight projects with a combined value of \$6.618 billion) as at 31 October 2023.
10. Table three below shows the different phase in the project life cycle that the projects are at.

Table 3: Project phases as at 31 October 2023

	Define	Design	Deliver	Total
Number of projects	5	21	50	76
\$ value	\$89m	\$1,576m	\$4,953m	\$6,618m
Movement In			2	
Movement Out				

11. The Nelson Hospital ED Reconfiguration (30020) has started Developed Design in parallel to undertaking staging planning for construction.
12. The New Specialised Rehabilitation Centre, Manukau Health Park (10225) progressed from Developed to Detailed Design.
13. Two projects have finished procurement and awarded contracts:
- Manaaki Hōhonu – Construction of inpatient ward and ICU, Waitākere Hospital (10223).
 - Taranaki Base Hospital Linear Accelerators (102117).
14. Construction on another four projects is forecast to start by the end of January 2024 and an additional nine projects are scheduled to complete before the end of February 2024.
15. s9(2)(b)(ii)

IIG Portfolio Performance

16. Project performance is measured using a Red/Amber/Green (RAG) assessment rating system, which broadly covers project risk against time, budget, and scope.

Overall programme status rating	GREEN	AMBER	RED
	No significant risks and issues are impacting the overall project.	Some risks and issues could impact the overall project. These are being actively managed by the IIG.	Ministers should be aware of one or more significant risks and issues that require decisions from the Committee, Board and potentially Ministers.

17. Based on the October 2023 assurance reports, Table 4 below shows the number and value of projects in each of the risk categories.

18. The reporting of RAG status (below) applies a status to in-flight projects only and separates out projects that are complete, some of which were completed in prior years. In the previous month completed projects were included in the Green status count.

Table 4: Current RAG ratings (excl. RHIP) as at 31 October 2023

	Green rated projects	Amber rated projects	Red rated projects	Total
Number of projects	36	26	14	76
\$ value	\$2,620m	\$2,055m	\$1,943m	\$6,618m
Movement In	1	3	6	
Movement Out		9	1	

19. The mental health facility, Manaia House, in Whangārei is now rated Red due to the potential for a material impact on the schedule from the water damage caused by a pipe bursting within the facility. There is insurance cover in place but still some risk that not all remediation costs will be covered. Following the flooding event, the main construction contractor and its holding company went into liquidation. The budgetary impact on the project is being determined.

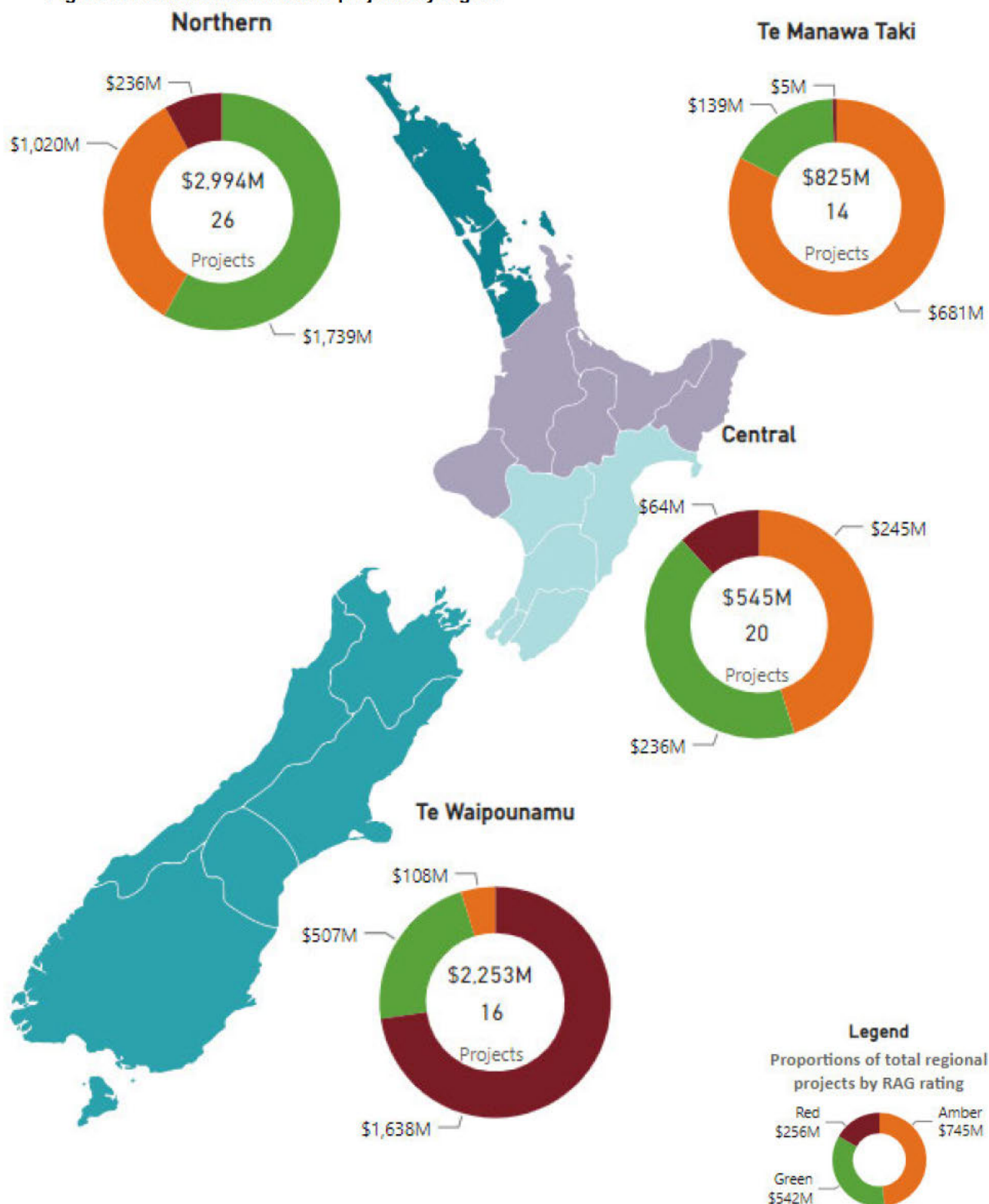
20. Six other projects have changed rating from Amber to Red to reflect they have raised change requests for additional funding or material changes to their schedule that will require a decision from the Board or Ministers to resolve.

21. The Taranaki Base Hospital Redevelopment – Project Maunga is currently rated Amber. This project has previously signalled the potential need for additional funding to replenish the project contingency. s9(2)(b)(ii). This may be an overstatement of the risk so a review of the project contingency will be completed to inform next month's report.

22. Te Toki Maurere Acute Mental Health Inpatient Unit in Whakatāne has moved from Red to Amber as a new option has been identified that means that the previously forecast \$60 million cost pressure will no longer be required. The updated proposal and costs will be provided to the Board in March 2024.

23. The Surgical Procedural Interventional Recovery Expansion (SPIRE) Programme in MidCentral has moved from Amber to Green with risks successfully mitigated and in time for practical completion achieved in November.
24. Further details on Red-rated projects with total costs over \$10 million, are provided in Table 5 and Table 6 below.
25. Figure 1 below shows the value of active projects in each of the risk categories by region.

Figure 1: Portfolio risk for active projects by region



Projects with Significant Risks

26. Table 5 and Table 6 below provide commentary on progress and mitigations for **Red-rated projects with total costs over \$10 million as at 31 October 2023**. A list of all projects (excluding RHIP), their stage and RAG rating is provided in Appendices 1 and 2.

Table 5: Commentary on Red-rated projects with total costs over \$10 million (excludes MHIP)

Project Details	Background	Progress Update	IIG mitigation actions
<p>Hawke's Bay Hospital - Linear Accelerators 102118</p> <p>This project includes building a one-storey facility with two bunkers and one LINAC machine that delivers radiation oncology only as part of regional services.</p> <ul style="list-style-type: none"> • Total Crown funding of \$33.2 million • Define Phase • Rated Red since 30 June 2022 	<p>In November 2021, Joint Ministers approved the original business case of \$33 million subject to an independent check of the preferred site location and the future planning of the Regional Hospital Redevelopment Programme (RHRP).</p> <p>In December 2021, a new site was selected. The possible relocation of relevant clinical services (medical oncology, chemotherapy, and haematology) to make more efficient use of staff, space, and the future layout of the hospital grounds was assessed.</p> <p>In March 2022, the Health Infrastructure Unit endorsed the site change and the testing of scope through the business case process.</p> <p>The updated business case was approved by both the Capital and Infrastructure Committee and the Board. It was submitted for Ministerial consideration in August 2023.</p>	<p>The project remains at Red due to the need for approval of the updated business case.</p> <p>s9(2)(g)(i), 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>The IIG has worked with the project team on the business case options and the need to focus on the original scope.</p> <p>Once Ministers approve the business case, the project will move out of Red.</p>

Project Details	Background	Progress Update	IIG mitigation actions
<p>Te Matau a Māui Hawke's Bay Radiology Facilities Redevelopment 10208</p> <p>This project proposes the refurbishment of the existing Radiology unit to address accreditation issues.</p> <ul style="list-style-type: none"> • Total Crown funding of \$10.0 million • Design Phase • Rated Red since 30 June 2023 	<p>Joint Ministers have previously approved \$10 million of Crown funding and \$15.1 million of local funding for this project.</p> <p>The project was placed on hold from July 2021 due to an unfavourable seismic assessment.</p> <p>The (then DHB) internally approved a rescope of the project in May 2022 and proceeded with design work. This has not been approved by the Board, Manatū Hauora, or Ministers.</p> <p>In August 2022, the IIG requested that the region submit an updated business case to outline a range of proposed options.</p>	<p>This project remains at Red as an updated business case has not yet been provided.</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p>	<p>A new project manager was appointed in May 2023.</p> <p>The IIG is providing additional resources to support the development of the business case.</p> <p>Further advice on the business case is expected to be presented to the Board in March 2024.</p>
<p>Project Whakatuputupu - New Dunedin Hospital - 10025</p> <p>This project provides for a new campus built across the ex-Cadbury and Wilson blocks in central Dunedin to replace hospital services currently provided in the Clinical Services Block, Ward Block, and an Energy Centre.</p> <ul style="list-style-type: none"> • Total Crown funding: \$1.580 billion • Construction phase • Rated Red since 31 August 2023 	<p>On 15 April 2021 Cabinet approved in principle the Final Detailed Business Case for the New Dunedin Hospital (NDH) Project at a total budget of \$1.47 billion.</p> <p>On 1 November 2022, Ministers approved an additional \$110 million to manage market cost escalation. This resulted from a \$200 million cost increase identified during a review of the cost of all health infrastructure projects. A design update was then implemented to reduce the cost increase by \$90 million.</p> <p>On 10 April 2023, Ministers agreed to further funding of \$10 million from the Day One Health System Capital – Contingency.</p>	<p>This project remains at Red due to recent cost pressures on the project estimated at approximately \$170 million.</p> <p>The current Quantity Surveyor estimate for the entire project forecasts the project will require an additional \$170 million.</p> <p>s9(2)(b)(ii), 9(2)(i)</p>	<p>Advice on the awarding of a construction contract for the Inpatient Building has been prepared for a Board decision.</p> <p>Advice is also being prepared on the NDH project for the Minister outlining the cost and programme pressures.</p> <p>A disputes meeting will address the Outpatient Building contractor's grievances. It will conclude by mid-January 2024.</p>

Project Details	Background	Progress Update	IIG mitigation actions
<p>Te Rau Kawakawa Buller Integrated Family Health Centre (IFHC) – 10112</p> <p>Development and expansion of the IFHC in Westport on the West Coast, including an adult dental service and two additional medical beds.</p> <ul style="list-style-type: none"> • Total Crown funding \$21 million • Practical completion phase • Red rated since 31 October 2023 	<p>Ministers approved \$20 million in November 2018 to redevelop the Buller Integrated Family Health Centre (IFHC), including adult dental services, on the current Buller Hospital location and not the Boiler House location across the road from the hospital as initially supported by the West Coast Partnership Group.</p> <p>In July 2020, Ministers approved a further \$1 million for asbestos removal from buildings and remediation of soil with asbestos containing material for Stage One (enabling works). Assessment of costs for asbestos management for Stage Two and any additional Crown funding was to be addressed later.</p> <p>The IFHC reached practical completion in April 2023 and became operational in May 2023.</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted progress update text]</p>	<p>Once Joint Ministers approve this change request the project will move out of Red.</p>

Project Details	Background	Progress Update	IIG mitigation actions
<p>Te Toka Tumai Auckland - Starship Paediatric Intensive Care Unit (PICU) Bed Expansion and Atrium Redevelopment – 30002</p> <p>Expansion of PICU to create 10 additional beds and the development of atrium and public spaces at Starship Hospital to accommodate new public spaces, medical day stay and displaced PICU staff.</p> <ul style="list-style-type: none"> • Total Crown funding \$25 million • Construction phase • Red rated since 31 October 2023 	<p>In December 2020, Joint Ministers approved the Paediatric Intensive Care Unit Bed Expansion and Atrium Redevelopment at Starship Hospital at a cost of \$40 million with \$15 million funded by the Starship Foundation and \$25 million Crown equity contribution.</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>It also seeks an extension to project schedule by 20 months with a new go-live date for the facility in January 2026.</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Te Toka Tumai Auckland - Linear Accelerators Replacement, Auckland City Hospital – 102115</p> <p>Purchase and installation of two replacement Linear Accelerators.</p> <ul style="list-style-type: none"> • Total Crown funding \$10 million • Construction phase • Red rated since 31 October 2023 	<p>Joint Ministers approved a project budget of \$11.3 million, inclusive of \$10 million Crown contribution, in March 2021.</p> <p>The scope of the project included a like-for-like update of the oncology IT system.</p> <p>During 2023, the project encountered multiple issues that required \$1.3 million drawn down from contingency:</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

Table 6: Commentary on Red rated projects in the Mental Health Infrastructure Programme (MHIP) with total costs over \$10 million

Project Details	Background	Progress Update	IIG mitigation actions
Te Tai Tokerau Northland - Manaia House - Community Mental Health, Whangārei - 30025 <ul style="list-style-type: none"> Crown funding of \$19.5 million Construction Phase Red rated since 31 October 2023 	<p>Joint Ministers approved a \$12.1 million budget, of which were \$8.4 million Crown funding, for the Northland Community Mental Health Hub Project on 27 August 2020 to purchase and fit-out Manaia House in central Whangārei to better integrate with community health services in a centralised community hub.</p> <p>On 19 November 2021, additional \$11.1 million Crown funding was approved to cover necessary re-design (\$7.4 million) and Northland DHB's original self-funding contribution (\$3.7 million) as it was unlikely to be able to contribute.</p>	<p>The project is newly rated Red due to pressure on budget and schedule.</p> <p>Significant water damage has occurred due to a pipe bursting within the facility.</p> <p>Early assessments indicate scoping will take up to 3 months and repairs at least 10 months. The repairs are expected to be covered by insurance.</p> <p>Following the flooding event, the main construction contractor and it's holding company went into liquidation. The fiscal impact on the project is being determined.</p>	<p>Te Whatu Ora is working with insurers and loss adjusters to assess and scope the flood remediation work.</p> <p>Tenancy agreements for the facilities that currently provide mental health and addiction services to the community are being extended.</p> <p>Te Whatu Ora legal are working through the ramifications of the liquidation.</p>
West Coast - Grey Base Hospital - Mental Health and Addictions Facility replacement - 30041 <ul style="list-style-type: none"> Crown funding of \$20 million Design Phase Rated Red since 30 September 2023 	<p>On 20 December 2021, Ministers approved \$20 million in Crown funding for the replacement of the Acute Mental Health Facility at Grey Base Hospital with a six-inpatient bed/six ensembles facility on the current site.</p> <p>An IIG project director was appointed to this project.</p> <p>Cost pressures were signalled in June when projected costing of design indicated an excess above the business case budget.</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>Developed Design is complete, and a revised programme has been issued.</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p>	<p>A Change Request is being prepared for approval now the budget and schedule impacts are better understood.</p>

Project Details	Background	Progress Update	IIG mitigation actions
<p>Waitematā - E Tū Wairua Hinengaro - Forensic Psychiatric Services Facilities Replacement, Mason Clinic, Auckland – 10050</p> <ul style="list-style-type: none"> • Crown funding of \$162.8 million • Construction Phase • Red rated since 31 October 2023 	<p>Joint Ministers approved \$60 million on 20 February 2020 for Tranche 1A of the Mason Clinic Redevelopment to construct: a 30-bed inpatient building containing 15-bed units on two floors, and plant and administrative spaces on a third floor; a small amount of share activity and support spaces adjacent; and a temporary secure building entry and temporary internal road extension.</p> <p>Additional funding of \$86.8 million was approved on 22 April 2022 for Tranche 1B to complete the Adult Forensic Mental Health Building with a new three storey inpatient wing and a new three storey support wing and further \$16 million for the delivery of a Tier 1 high security unit.</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>The additional costs are a result of progressive trade letting which is substantively higher than budget estimates and variations due to asbestos, earthworks, and ground conditions which required piling methodology changes.</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p>	<p>s9(2)(b)(ii), 9(2)(f)(iv)</p>

Future funding commitments for ongoing projects

27. Table 7 below lists ongoing projects that have funding approved for an initial stage (design or first stage build) but will require subsequent funding commitments to be completed.

Table 7: Future Funding Commitments

Project	Stage to be completed with current approved funding	Forecast completion date of current stage	Next stage	Estimated Funding required for next stage
Project Pihi Kaha, Whangarei Hospital Redevelopment	Whānau House, Tira Ora – Child Health Centre, Acute Services Building, and Design of ward tower	July 2033	Stage 1A - first ward tower	\$200.0m
			Car parking 1 - 350 additional car parks to meet demand and replace those lost when construction starts on Pihi Kaha	s9(2)(i)
Christchurch Hospital	Fit out of two wards and construction of another 3 wards as shell floors	November 2025	Fitout of remaining shelled wards in Tower 3	s9(2)(f)(iv)
Wellington Hospital - Front of Whare - Tranche 1	Tranche 1 (Enabling works and Design)	May 2025	Tranches 2 and 3	s9(2)(b)(i), 9(2)(v)(v)
Nelson Hospital Redevelopment	Phase One (Enabling works, Design, and Detailed Business Case)	October 2025	Phase Two (of Six)	s9(2)(b)(i), 9(2)(v)(v)
Counties Manukau – Specialist Rehabilitation Centre	Detailed Design	May 2024	Main Contractor Procurement & Construction	s9(2)(b)(i), 9(2)(v)(v)

¹ Funded through internal reserves.

² Detailed Business Case to be completed in April 2024

Health Capital Envelope Allocation

28. The s9(2)(b)(ii), 9(2)(f)(iv) HCE is almost fully allocated to projects as summarised below. A more detailed report on the allocation of the HCE is attached at Appendix 3.

Table 8: Summary of HCE Allocation

Health Capital Envelope	s9(2)(b)(ii), 9(2)(f)(iv)
Allocated and approved to date	
Allocated to new projects yet to be approved	
Cost pressure funding allocated to existing projects (pending approval)	
Remaining HCE Available for Allocation	
Other known cost pressures	
Potential Capital Returns	
Proposed Funding Reallocations	
Projected surplus of funds	

29. s9(2)(b)(ii), 9(2)(f)(iv)

[Redacted text block containing multiple paragraphs of information, all obscured by grey bars]

Upcoming Ministerial decisions

33. Table 9 below shows projects with near-term submission dates for Ministerial consideration of business case approvals.

Table 9: Upcoming Business Case Approvals

Area	Project Name	Prioritised Crown Funding	Expected Total Funding Request	Indicative Date to Te Whatu Ora Board	Estimated Date to Ministers
Bay of Plenty	Whakatāne Mental Health Inpatient Unit Replacement	\$15.0 m	s9(2)(b)(ii), 9(2)(f)(iv)	Q1 2024	Q1 2024
Hawke's Bay	Hawke's Bay Hospital Radiology Facilities Redevelopment	\$10.0 m		March 2024	TBC

34. s9(2)(b)(ii), 9(2)(f)(iv)

s9(2)(b)(ii), 9(2)(f)(iv)

35. s9(2)(b)(ii), 9(2)(f)(iv). Table 11 below show projects with pending Ministerial decisions.

Table 11: Pending Decisions

Area	Project Name	Decision Type	Funding Request	Endorsed by Te Whatu Ora Board
Capital, Coast and Hutt Valley	Remedial Works (Copper Pipes Tranche 2)	s9(2)(b)(ii), 9(2)(f)(iv)	s9(2)(b)(ii), 9(2)(f)(iv)	Jul 2023

³ s9(2)(b)(ii), 9(2)(f)(iv)

Area	Project Name	Decision Type	Funding Request	Endorsed by Te Whatu Ora Board
West Coast	Te Nīkau Grey Hospital	s9(2)(b)(ii), 9(2)(f)(iv)		Jul 2023
West Coast	Te Rau Kawakawa Buller Integrated Family Health Centre (IFHC)			Jul 2023
Hawke's Bay	Procedure Rooms Upgrade			Jul 2023
Northland	New Community Mental Health Facility, Manaia House			Jul 2023

Key Programmes Overview

Mental Health Infrastructure Programme (MHIP)

Significant water damage delays Manaia House completion until 2024

36. Manaia House incurred considerable damage over Labour weekend due to a pipe bursting inside the facility. The project was due to complete in December 2023 with services expected to migrate to the new facility early in the new year.
37. Te Whatu Ora is working with insurers and loss adjusters to assess the damage and agree the scope of the flood remediation works, a process which could take up to three months. Early assessments indicate remediation works will take at least 10 months to complete. The repairs are expected to be covered by insurance.
38. Meanwhile, tenancy agreements for the facilities that currently house community mental health and addiction services in Whangārei are being extended to ensure these will continue from their existing locations until Manaia House is ready to be occupied.
39. Following the flood event, Manaia House's main contractor and its holding company, went into liquidation. Te Whatu Ora legal are working through the ramifications of the liquidation. The liquidated company has no further involvement on Te Whatu Ora infrastructure projects.

Mark Dunajtschik Mental Health Centre project procurement

40. Approval to directly source the incumbent design team was granted this month marking the beginning of a busy period of procurement. Negotiations with the preferred construction contractor will begin in November once a pre-construction services arrangement is presented. Procurement activities are due to complete by the end of 2023 enabling Design activities to restart in January 2024.

Regional Hospital Redevelopment Programme (RHRP)

Overview of programme

- 42. The RHRP programme is comprised of two tranches. Tranche 1 is in the delivery phase and Tranche 2 is in the planning phase.
- 43. All projects within the Programme are of significant capital value (\$500+ million), with a dedicated project director allocated from planning to construction completion.

Project Pihi Kaha – Whangārei Hospital Redevelopment

- 44. The Whangārei Whanau House has continued with positive progress. Foundations and basement block work are complete. Shop drawings are underway, and the burial of the Mauri stone is scheduled for 29 November 2023. External health and safety audits continue with notable improvements and the project team continue to work collaboratively across the various aspects of the project.
- 45. The Child Health Centre continues to work on its developed design expected to be completed on schedule in late December. User group and Mana Whenua consultation continues while the project team continues to pursue value engineering opportunities to reduce the budget, where possible.
- 46. Pūkauakaua (ASB and Ward Tower) negotiations with the preferred project management consultancy and Cost Consultant have been completed and final contracts were prepared by the project's legal team.
- 47. In preparation for contract execution, further work is underway on the ECI and design team procurement to finalise the procurement strategy and approach.

Project Whakatupuranga – Nelson Hospital Redevelopment

- 48. Procurement activities have started with a town planner procurement in the negotiation stage. An RFP for a Cost Consultant is currently in the market.
- 49. The project is working closely with the Pihi Kaha team to develop the detailed procurement plans for the main contractor and design team procurement planned for early 2024. A consistent approach and concurrent procurement timeframe are planned which may be challenging for the market to respond to. An advance notice is under development to inform the market of the pending activities and approach.
- 50. Concept Design is currently scheduled to complete by November 2024, Preliminary Design by June 2025, and Developed Design for Phase One by October 2025.
- 51. The project leads and spokespeople presented to the Nelson and Tasman Councils to provide a project update. The presentation was well received and attended by media. The project will report back in six months.
- 52. Design works to address the strengthening works related to the Earthquake Prone Building (EPB) notice are underway with Concept design due in December.

Tauranga Hospital Redevelopment

- 53. Following the approval in September of the Approval to Initiate (ATI) document, business case project resourcing and procurement planning are now underway to establish a team to develop and deliver the Tauranga Hospital Programme Business Case.
- 54. A programme approach is being taken in the procurement of the resource required to develop and deliver the RHRP Tranche 2 business cases.
- 55. The procurement of a supplier for business case development services across Tranche 2 has started and a preferred supplier is expected to be identified in December.

Hawke's Bay Fallen Soldier's Memorial Hospital Redevelopment

- 56. A Fit for Purpose Assessment resource has been identified to assess existing clinical departmental performance and building performance. Work will begin in November for both Hawke's Bay and Palmerston North.
- 57. A site masterplan preferred option has been identified for Fallen Soldier's Memorial Hospital and the final engagement and report development are well progressed. The expected completion date is mid-December.

Palmerston North Hospital Redevelopment

- 58. The local Clinical Services Plan is now being reviewed by Hospital and Specialist Services (HSS) and is expected to be completed by December.
- 59. Site Masterplanning for Palmerston North Hospital is on hold until the clinical service plan is completed. This is expected to be restarted in early 2024.

New Dunedin Hospital

Current Costs

Table 12: Current estimates for New Dunedin Hospital Buildings and Contingency

Description	Current Budget	Current Estimated Final Cost
Outpatients Building	s9(2)(b)(ii), 9(2)(j)	
Inpatients Building		
Sitewide & Project Contingency		
Total	\$1,590,801,960	\$1,765,366,414*

*From next month we will report on any changes to the estimated final cost.

Outpatient Building

60. There is good progress on site with around 42% of the steel structure now erected with the tray floor now being laid out.

61. s9(2)(b)(ii), 9(2)(j)

[Redacted text block containing multiple lines of information, likely a list of milestones or costs, obscured by grey bars.]

Table 13: Forecast completion dates for Outpatient Building milestones.

Milestone	Forecast Completion Date
Construction – Substructure	19 December 2023
Construction – Main Build	23 December 2025
Go Live (operationally in use)	September 2026

Inpatient and Logistics Building

- 64. Work on the slab removal works on the ex-Cadbury Inpatient Building site is 95% complete.
- 65. Piling has started on site with 18 piles having completed their 'first drive'.
- 66. The cost pressure of \$170 million for the Inpatient Building remains, based on continued inflation and exchange rate changes. The project team is developing an alternative contracting methodology that will mean that the contractor and client work together to minimise cost pressures and delays along with early procurement of major subsystems to avoid further cost escalation.

Table 14: Forecast completion dates for Inpatient and Logistics Building milestones.

Milestone	Forecast Completion Date
Procurement –Substructure, including Base Isolator	13 February 2024
Developed Design	26 February 2024
Detailed Design	17 December 2024
Construction – Early Works	10 June 2024
Construction – Main Build	Start: 14 February 2024 Completion: 20 December 2028
Go-Live (operationally in use)	May 2029

Rapid Hospital Improvement Programme (RHIP)

Progress update

Table 15: Current projects RAG ratings RHIP as of 31 October 2023

	Green rated projects	Amber rated projects	Red rated projects	Cancelled	Complete	Total
Number of projects	5	4	0	2	25	36
Movement In/Out	-	-	-	-	-	-

67. The RHIP programme is now proceeding with programme close out which will be completed in December and is presently forecasting to complete circa \$8 million under budget.

68. An update on the remaining major projects is provided below:

- a. Southern District continues with works on Level 7 Dunedin and remains Green.
- b. No change to the two negative pressure room upgrades at Lakes deferred until January 2024 due to access limitations.
- c. The Bay of Plenty Hospital CCU/ICU Upgrade project (which covers 2 of the reported Amber projects above) has all contract and delivery documents ready for approval. Contractor delivery is planned to start in December 2023. The project will move to Green status against a revised programme once the contingency drawdown and contract is approved.
- d. Tairāwhiti HVAC works have been delayed again this month due to delayed contractor responses to pricing requests because of a pricing embargo during a company sale due-diligence process. Pricing information is now anticipated over the next 2 weeks, after which the scope and cost increases will be confirmed. As previously noted, cost changes are expected primarily due to the state of the existing HVAC systems and the additional cost of contractor transportation, travel, and accommodation due to the cyclone. The RHIP programme contingency forecast includes the expected contingency demand for this change.

Project Photos

10056 – Facilities Infrastructure Remediation Programme - Tranche 2, Te Toka Tumai Auckland

Site view with building A40 Level 1 in the centre



A large-scale construction project for a bridge or tunnel, showing a deep excavation with concrete walls and a network of steel beams. Workers are visible inside the excavation, and a yellow crane is positioned on the right side. The scene is set against a backdrop of trees and a clear sky.

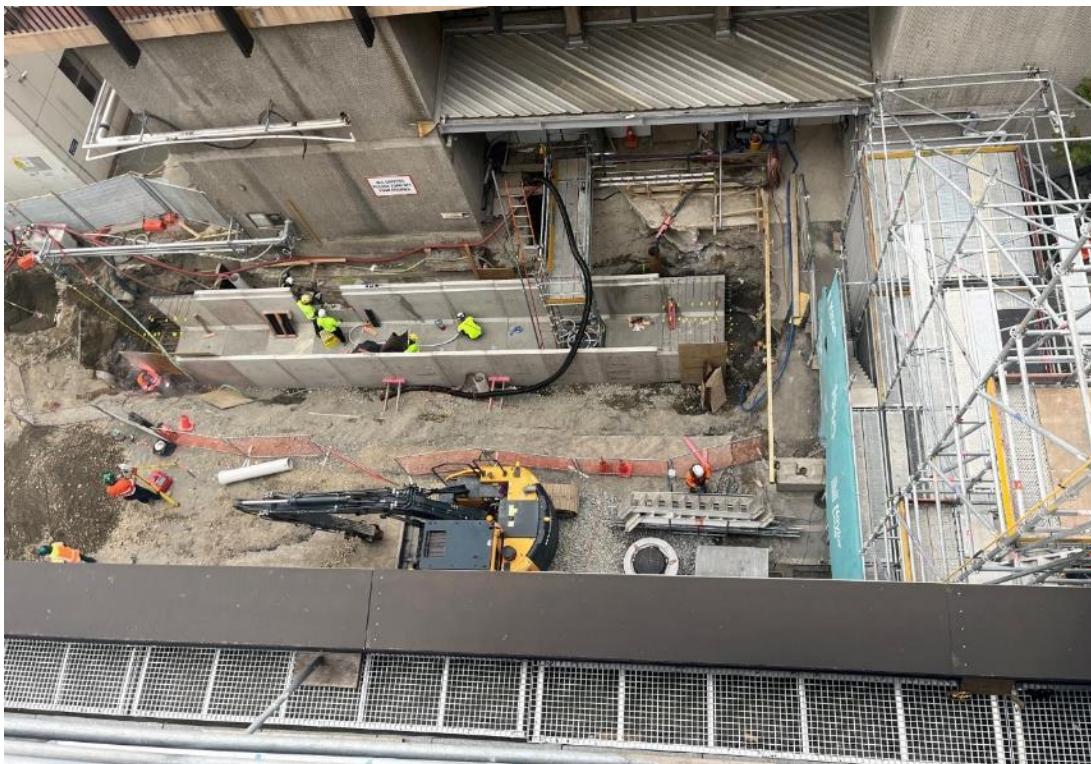
10001 – Facilities Infrastructure Remediation Programme - Tranche 1, Te Toka Tumai Auckland

Cogeneration Demolition



10007 – Christchurch Hospital Redevelopment, Tower 3, Waitaha Canterbury

Services trench



Bid Steel





10079 – Taranaki Base Hospital Redevelopment - Project Maunga - Stage 2
New East Wing Building



Facade and Main Entrance



30002 – PICU/ICU Child Health Expansion (Starship), Auckland

Atrium



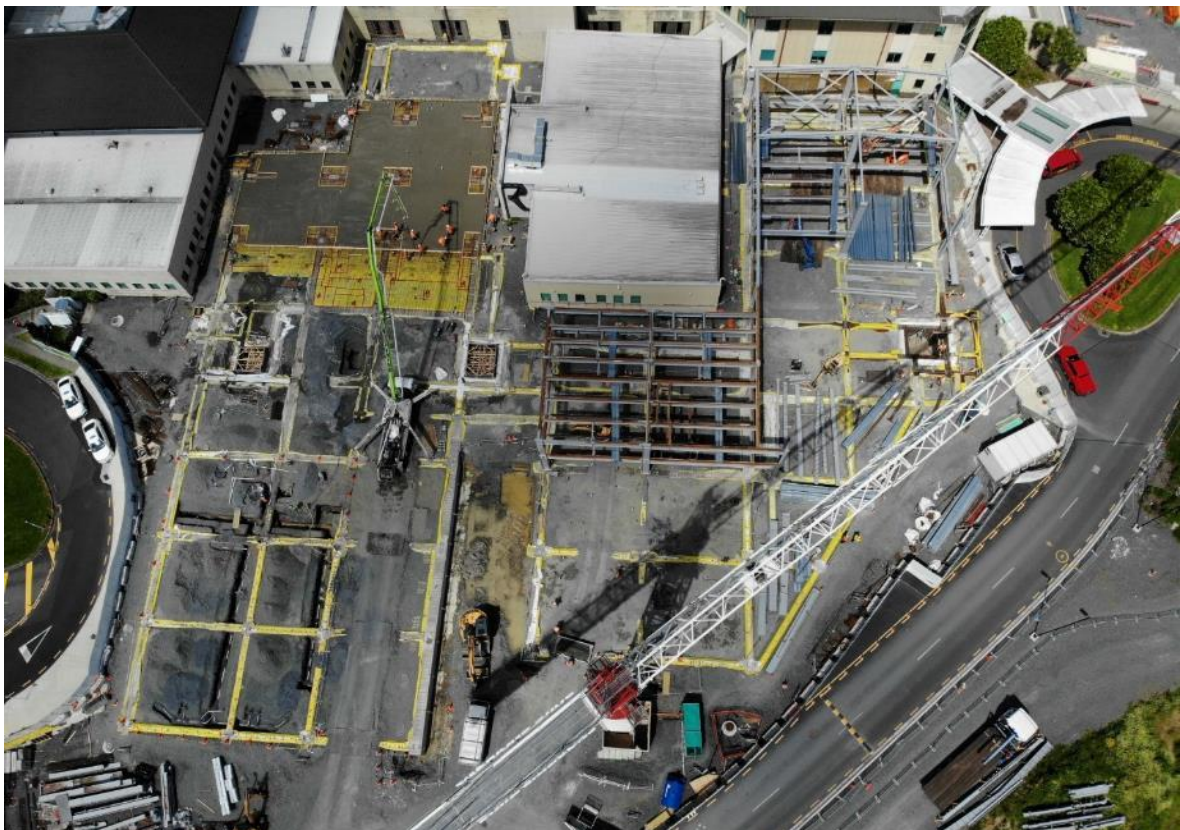


**10209 – Manukau Superclinic expansion and planned care capacity increase,
Manukau Health Park**

West



North



East



10073 – Adult Mental Health Facility - Tranche 1, Waikato

Preparation of the site for concrete pour



10036 – Construction building, Tōtara Haumaru North Shore Hospital, Waitematā
Totara Haumaru site view



2-Bedroom space in the Ward



Nurses station



30017 – Women Child and Family Facility Upgrade, Lakes

New Birthing Unit Blessing



New Birthing Unit pools



Support person beds



**10050 – E Tū Wairua Hinegaro - Forensic Psychiatric Services Facilities
Replacement, Mason Clinic, Auckland, Waitematā**



Ground beams reinforcing



Piling continues



**30019 – Surgical Procedural Interventional Recovery Expansion (SPIRE)
Programme, MidCentral**

Cath Lab Azurion



Cath Lab Computer Room



Theatre 9

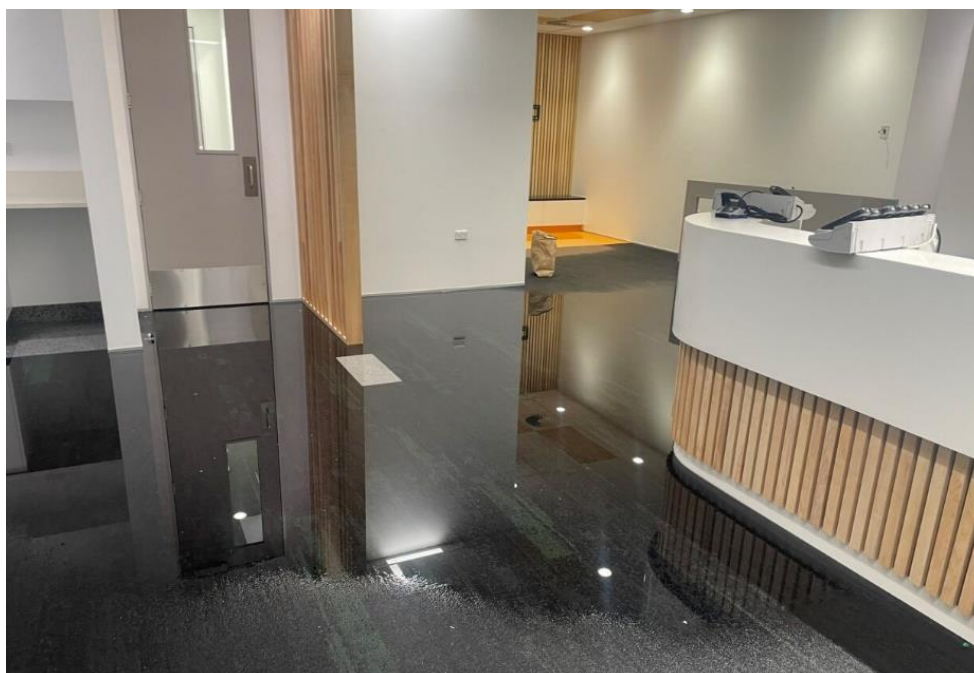


30021 – Upgrade of Mental Health Inpatient Unit (Wahi Oranga), Nelson Marlborough



30025 – New Community Mental Health Facility, Manaia House, Whangārei, Te Tai Tokerau Northland

Water damage



**30030 – Rural Primary Birthing Units in Central Otago, Southern
Wanaka**



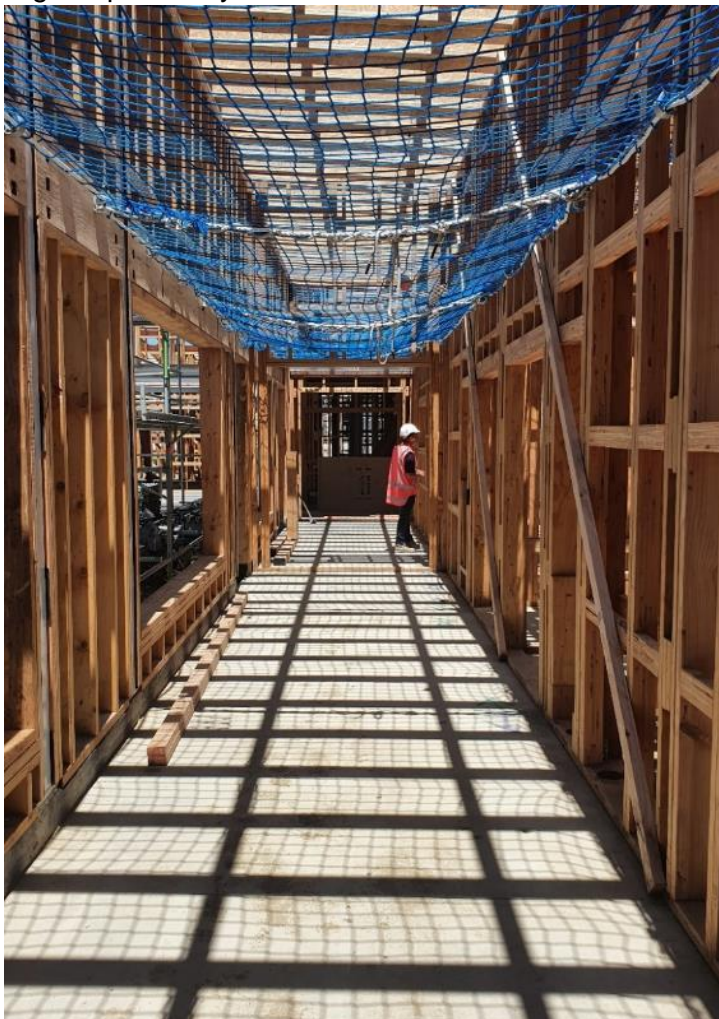
**10204 – Manaaki Hōhonu - Construction of inpatient ward and ICU, Waitākere
Hospital, Waitematā**



10207 – Acute Mental Health and Addictions Facility (Te Whare Awhiora), Tairāwhiti
Start of roof cladding



High-dependency unit corridor



30008 – Copper Pipe, Capital & Coast

Level 4 decant ward C



Level 7 decant ward A



30033 – Mental Health Facility Upgrade, Taranaki

Te Puna Waioira Anti-Ligature Door Upgrade



Te Puna Waioira New toilet finish



Te Puna Waioira Dining room 4



30036 – Mobile Dental Clinics x 2, Wairarapa

Refurb outside - side view



Refurb inside – centre station



Refurb inside – chair



102117 – Taranaki Linear Accelerators



102040 – Wellington Lifts Renewal, Capital & Coast

B5 motor and rope installed



**10025 – New Dunedin Hospital, Southern
Outpatients Building**



Inpatients Building



Appendices

Appendix 1: Project Performance Summary Period ending 31 October 2023

Appendix 2: Mental Health Project Performance Summary Period ending 31 October 2023

Appendix 3: Health Capital Envelope – Allocation Summary November 2023

Health Capital Project Update							Reporting Period: Period ending 31 October 2023				
	ID	REGION	LOCATION/ CAMPUS	BUSINESS CASE NAME	DESCRIPTION	BUSINESS CASE STAGE	FORECAST BUSINESS CASE COMPLETION	TOTAL FUNDING ALLOCATED	INDICATIVE TOTAL COST	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING
DEFINE	10239	2 - Te Manawa Taki	Hauora a Toi Bay of Plenty	Tauranga Hospital Redevelopment	Redevelopment of Tauranga Hospital	Programme Business Case	Dec-24	TBD	s9(2)(b)(ii), 9(2)(f)(iv)	Green	Green
	10255	3 - Central	Capital & Coast	Copper Pipes (Tranche 2)	Lifts, copper pipes, seismic and other remediation. Programme exceeds this amount. Phasing to be determined. Programme business case has been completed for lifts element but further work required to scope the remaining remediation elements. Funding is for first tranche only.	Single Stage Business Case	Dec-23	\$40.0 m		Amber	Amber
	30020	4 - Te Waipounamu	Nelson Marlborough	Nelson Hospital ED Reconfiguration	An extension to Nelson ED to support the current and increasing ED attendances until a new ED is completed as part of the broader hospital redevelopment.	Detailed Business Case	Feb-24	\$0.8 m		Green	Green
	102118	3 - Central	Te Matau a Māui Hawke's Bay	Linear Accelerator, Hawke's Bay Hospital	Installation of linear accelerator machine and construction of bunker to expand regional cancer services.	Detailed Business Case	Mar-24	\$33.2 m		Red	Red
\$74.0 m											

DESIGN

ID	REGION	LOCATION/ CAMPUS	PROJECT NAME	PROJECT DESCRIPTION	FORECAST DESIGN COMPLETION	FORECAST CONSTRUCTION COMPLETION	TOTAL FUNDING APPROVED	INDICATIVE TOTAL COST	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING
30026	1 - Northern	Te Tai Tokerau Northland	Kaitaia Hospital Weathertightness Remediation	Weatherproofing to extend building lifespan.	Mar-25	May-26	\$12.9 m	s9(2)(b)(ii), 9(2)(f)(iv) s9(2)(b)(ii), 9(2)(f)	Green	Green
10252	2 - Te Manawa Taki	Hauora a Toi Bay of Plenty	Bay of Plenty Seismic Strengthening (Building 20 and Kitchen Refurbishment)	Structural upgrade of building to protect IL4 services (includes relocation of kitchen).	May-24	Aug-25	\$24.8 m		Green	Green
10246	4 - Te Waipounamu	Waitaha Canterbury	Christchurch Hospital Endoscopy Expansion	Fit out of four new procedure rooms, construction of two new procedure rooms, and the refurbishment of two existing procedure rooms to provide additional capacity within the endoscopy unit at Christchurch Hospital.	Mar-24	Mar-25			Green	Green
10059	1 - Northern	Counties Manukau	Core Infrastructure Upgrade	Phased upgrade of essential infrastructure at Middlemore Hospital, e.g., power, lifts, air-conditioning, medical gases, water, etc.	Dec-24	Nov-26	\$33.8 m		Amber	Amber
10225	1 - Northern	Counties Manukau	New Specialised Rehabilitation Centre (SRC)	Relocation of the Auckland Regional Spinal Unit from Counties Manukau's Ōtara campus at Middlemore Hospital to a new purpose built facility.	May-24	Jun-27	\$15.0 m		Amber	Amber
10208	3 - Central	Te Matau a Māui Hawke's Bay	Radiology Facilities Redevelopment, Hawke's Bay Hospital	Refurbishment of Radiology Buildings.	Nov-23	Sep-26	\$25.1 m		Red	Red
10230	1 - Northern	Te Tai Tokerau Northland	Project Pihi Kaha - Whangārei Hospital Redevelopment	Replacement of a large section of the main hospital block to address building issues and increase capacity	Oct-26	Aug-31	\$759.0 m		Amber	Amber
30032	2 - Te Manawa Taki	Tairāwhiti	New Child and Youth Health Community Hub	Centralised location for a one stop shop providing services for children and youth.	Nov-23	Feb-25	\$5.0 m		Amber	Red
10241	1 - Northern	Waitematā	Waitākere – Electrical Infrastructure Upgrade	Upgrade to critical elements of electrical infrastructure at Waitākere Hospital	Dec-23	May-24	\$7.2 m		Amber	Amber
30045	3 - Central	Whanganui	Waimarino Health Centre Extension	Health Centre redevelopment to co-locate primary and community services.	Dec-24	TBC	\$2.1 m		Red	Red
10256	3 - Central	Capital, Coast & Hutt Valley	Front of Whare - Tranche 1	Addresses seismic, configuration and capacity issues. Significant planning required so this will deliver first phase only	May-25	Aug-27	\$10.0 m		Green	Green
10247	1 - Northern	Waitematā	Waitematā Infrastructure Services Programme (ISP) Tranche 1B	Programme of remediation projects of critical plant and equipment to ensure compliance with relevant standards and legislation, and projects enabling and supporting campus resilience.	Sep-24	May-26	\$40.9 m		Green	Green
10226	3 - Central	Capital, Coast & Hutt Valley	Nga Puna Waiora High Voltage Infrastructure Upgrades, Wellington Regional Hospital	Electrical upgrade, including supply to site and replacement of ageing generators.	Jun-25	Jun-27	\$25.0 m		Amber	Amber
10257	2 - Te Manawa Taki	Te Pae Hauora o Ruahine o Taranua MidCentral	Critical Infrastructure Interim Works, Palmerston North Hospital	Address critical issues with heating, ventilation, air-conditioning, medical gas, chillers, and pumping station (precursor for sitewide redevelopment)	TBC	TBC	\$30.2 m		Green	Green
10258	2 - Te Manawa Taki	Tairāwhiti	Generator and Electrical Upgrade and Electrical Supply to Site	Electrical upgrade, including supply to site and replacement of ageing generators, replacement of coal boilers	TBC	Mar-25	\$25.0 m		Green	Green
10238	1 - Northern	Waitematā	Construction of Waitākere Primary Birthing Unit	Construction of a 970sqm primary birthing facility, which includes six birthing/postnatal suites, to meet the urgent demand for maternity services in the West Auckland area.	Dec-22	Mar-25	\$12.3 m		Green	Green
10243	4 - Te Waipounamu	Nelson Marlborough	Project Whakatapuranga (Nelson Hospital Redevelopment)	Design and construction of a new Acute Services Building and refurbishment of existing clinical buildings across the campus to address seismic issues and critical services infrastructure.	TBC	TBC	\$73.0 m		Green	Green
							\$1,112.7 m			

ID	REGION	LOCATION/ CAMPUS	PROJECT NAME	PROJECT DESCRIPTION	FORECAST CONSTRUCTION COMPLETION	SPEND TO DATE	TOTAL FUNDING APPROVED	INDICATIVE TOTAL COST	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING
10001	1 - Northern	Te Toka Tumai Auckland	Facilities Infrastructure Remediation Programme - Tranche 1	Remediation of urgent infrastructure at Auckland City Hospital and Greenlane Clinical Centre	Jun-25	\$156.8 m	\$315.0 m	s9(2)(b)(ii), 9(2)(f)(iv)	Green	Green
10056	1 - Northern	Te Toka Tumai Auckland	Facilities Infrastructure Remediation Programme - Tranche 2	Building Resilience - New central plant, tunnels and future integration at Auckland City Hospital and Greenlane	Dec-25	\$139.6 m	\$355.9 m		Green	Green
102115	1 - Northern	Te Toka Tumai Auckland	Linear Accelerators Replacement, Auckland City Hospital	Linear Accelerator cancer radiation machines	Jun-24	\$1.9 m	\$11.3 m		Amber	Red
30002	1 - Northern	Te Toka Tumai Auckland	Starship Paediatric Intensive Care Unit (PICU) Bed Expansion and Atrium Redevelopment	Expansion of PICU to create an additional 10 beds in the current non-clinical area, and the development of atrium and public spaces on levels two and three in Starship Hospital to accommodate new public spaces, medical day stay and displaced PICU staff.	Jan-26	\$15.3 m	\$40.0 m		Amber	Red
10007	4 - Te Waipounamu	Waitaha Canterbury	Christchurch Hospital Redevelopment, Tower 3	The objective of the project is to provide a new ward tower to the existing IL4 Waipapa building (formerly Acute Services Building) to provide provision for 160 bed spaces across five ward (32 bed wards). The project has approval to fit out two of the wards currently to provide 64 beds, with the remaining three to be constructed as shell floors.	Oct-25	\$33.6 m	\$183.5 m		Green	Green
10220	4 - Te Waipounamu	Waitaha Canterbury	Compliance Works	Compliance works for the Christchurch Hospital Main Campus. This includes structural strengthening, passive fire compliance works, structural upgrades.	Jun-26	\$31.7 m	\$76.9 m		Green	Green
30006	4 - Te Waipounamu	Waitaha Canterbury	Parkside Enhancements - Tranche One	Upgrade aims to address many facility issues that hinder staff's ability to provide an adequate level of care for their patients. The proposed investment will support the refurbishment of the wards in Parkside building at Christchurch Hospital.	Feb-24	\$6.3 m	\$7.1 m		Amber	Amber
30008	3 - Central	Capital & Coast	Copper Pipes	Replacement of corroding hot-water pipes in Wellington Hospital.	Aug-26	\$60.5 m	\$50.4 m		Amber	Amber
10209	1 - Northern	Counties Manukau	Manukau Superclinic Expansion	Critical expansion of capacity at Manukau Health Park with supporting infrastructure, including outpatients, theatres, renal, radiology, integrated breast care and more.	Nov-25	\$81.6 m	\$316.8 m		Green	Green
10015	1 - Northern	Counties Manukau	Scott Building (Clinical Block) Recladding, Middlemore Hospital	Recladding of Scott Building (Clinical Block)	Nov-23	\$26.2 m	\$27.5 m		Green	Green
30014	3 - Central	Te Matau a Māui Hawke's Bay	Main Electrical Supply Upgrade	Replacement the DHB's aging main electrical switchboards in hospital buildings.	Jun-24	\$3.3 m	\$4.0 m		Amber	Amber
30013	3 - Central	Te Matau a Māui Hawke's Bay	Procedure Rooms Upgrade, Hawke's Bay Hospital	Fitout of two procedure rooms in the Ruakopito (Endoscopy) building to enable ophthalmological procedures to be undertaken whilst maintaining endoscopy procedures.	TBC	\$1.6 m	\$3.0 m		Red	Red
10148	3 - Central	Te Matau a Māui Hawke's Bay	Hawke's Bay Hospital Seismic Remediation Works	Seismic strengthening remediation works on theatres, and acute assessment unit.	Mar-24	\$6.8 m	\$8.8 m		Green	Amber
10218	3 - Central	Te Matau a Māui Hawke's Bay	Surgical Services Expansion Project (SSEP), Hawke's Bay Hospital	Bringing the previously shelled theatre eight online, expanding the post anaesthesia care unit (PACU), and minor modifications to the central sterile services department (CSSD).	Feb-24	\$13.6 m	\$18.8 m		Amber	Amber
30016	3 - Central	Capital, Coast & Hutt Valley	Maternity Ward and Neonatal Unit Upgrade	Facility redevelopment to improve care and outcomes for hapu mama, pepe and whanau.	TBC	\$2.6 m	\$9.5 m		Amber	Amber
30017	2 - Te Manawa Taki	Lakes	Women, Child and Family Facility Upgrade	Women, Child and Family Facility upgrade incorporates the Birthing Unit, Perinatal Unit, Childrens Unit, Special Care Baby Unit and a 24 bed general ward that is used currently for decanting. These units were in need for substantial investment to bring them standard meeting the needs for both patients and staff.	Jul-24	\$4.3 m	\$6.0 m		Amber	Amber
30019	3 - Central	Te Pae Hauora o Ruahine o Taranaki MidCentral	Surgical Procedural Interventional Recovery Expansion (SPIRE) Programme	A refurbishment that will increase surgical, procedural, and interventional capacity.	Nov-23	\$26.9 m	\$33.3 m		Amber	Green
30048	2 - Te Manawa Taki	Waikato	Tokoroa ED Reconfiguration	Reconfiguration of Tokoroa Hospital to improve infectious disease management, enlarge front of house, provide flexible space, and repurpose a consultation room as a plaster room.	Nov-23	\$1.3 m	\$1.2 m		Green	Green
10025	4 - Te Waipounamu	Southern	Project Whakatuputupu - New Dunedin Hospital	New Dunedin Hospital campus built across the ex Cadbury and Wilson blocks in central Dunedin to replace hospital services currently provided in the Clinical Services Block, Ward Block (acute clinical services, birthing, inpatient units, clinical and non-clinical support services and ambulatory services) and an Energy Centre.	Mar-29	\$270.6 m	\$1590.0 m		Red	Red
10222	1 - Northern	Waitematā	Building For The Future - Fit-out of shelled theatres, inpatient wards and procedure rooms, Tōtara Haumaru North Shore Hospital	Increasing capacity in Northern region with the fit-out of four surgical theatres, one 30-bed ward and two endoscopy procedure rooms within Tōtara Haumaru. Funding of this project has been spent and forecast as part of 10036.	Apr-24	\$0.0 m	\$41.4 m		Green	Green
10036	1 - Northern	Waitematā	Construction of new building, Tōtara Haumaru North Shore Hospital	Increasing capacity across the Northern region with a new build comprising eight surgical theatres, an endoscopy suite with four procedure rooms, five 30-bed wards for post-surgical care and to support acute and elective inpatient bed requirements, and associated clinical support services. Funding from project 10222 has been spent and forecast as part of this project.	Jan-24	\$253.5 m	\$267.1 m		Green	Green
30030	4 - Te Waipounamu	Southern	Rural Primary Birthing Units in Central Otago	Additional facility required due to rapid and sustained population growth in Central Otago.	Oct-25	\$3.2 m	\$7.0 m		Red	Red
10047	1 - Northern	Te Tai Tokerau Northland	Te Kotuku Redevelopment, Whangārei Hospital (Critical Works - Package 2)	Addressing capacity constraints and provide relief until the new hospital is commissioned, including: Special Care Baby Unit, Acute Assessment Unit, Ambulatory Care/Outpatients and Laboratory	Mar-24	\$39.2 m	\$49.5 m		Green	Green
10026	4 - Te Waipounamu	Southern	Keeping the Lights on - Stage 2 (Dunedin Hospital Transition Programme - Maintenance) (Critical Infrastructure Works)	Essential maintenance projects to maintain services until completion of the new Dunedin Hospital development.	Dec-25	\$2.5 m	\$23.6 m		Green	Green
10027	4 - Te Waipounamu	Southern	Urgent Interim Works - Deferred Main, Gastroenterology, Audiology, ICU	Redevelopment of gastroenterology, audiology and ICU facilities, and a deferred maintenance programme at Dunedin Hospital.	Jun-24	\$30.3 m	\$29.7 m		Amber	Amber
10079	2 - Te Manawa Taki	Taranaki	Taranaki Base Hospital Redevelopment - Project Maunga - Stage 2	This is Stage 2 of a 3 Stage inpatient building programme. Stage 1 completed in 2014. Recent seismic assessment informed the DHB had 5 EPB buildings (IL4 <34%) + 4 tunnels carrying essential services - all currently housing key clinical services (ED, ICU/HDU/CCU, Radiology, Renal, Pathology Lab, Maternity services). Further the buildings are aged and not fit for purpose - a few exceeding > 55 years. New building housing core clinical services including ED, radiology, laboratory, maternity services, neonatal and ICU (incorporating High Dependency Unit).	Feb-25	\$210.2 m	\$403.5 m		Amber	Amber
10227	2 - Northern	Northern Region	Replacement of end-of-life network devices, Northern Region	Replacement of 826 end-of-life network devices.	Dec-24	\$5.3 m	\$12.4 m		Green	Green
10049	1 - Northern	Waitematā	Waitematā Infrastructure Services Programme (ISP) Tranche 1A	Mitigation of risks in relation to critical assets and building resilience, focused on demolition of facilities, and relocation and provision of new infrastructure at the North Shore Hospital campus to support Tōtara Haumaru.	Dec-23	\$29.1 m	\$37.6 m		Green	Green

	ID	REGION	LOCATION/ CAMPUS	PROJECT NAME	PROJECT DESCRIPTION	FORECAST CONSTRUCTION COMPLETION	SPEND TO DATE	TOTAL FUNDING APPROVED	INDICATIVE TOTAL COST	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING
DELIVER	30024	4 - Te Waipounamu	Nelson Marlborough	Wairau Boilers	Replacement of boilers with an energy efficient, sustainable option.	Apr-24	\$1.0 m	\$8.1 m	s9(2)(b)(ii), 9(2)(f)(iv)	Green	Green
	10068	1 - Northern	Te Tai Tokerau Northland	Regional IT System Platform Implementation, Northern Region	Implement a new regional platform to support an integrated network of primary, community and hospital-based care.	TBC	\$5.0 m	\$17.1 m		Amber	Amber
	10069	1 - Northern	Te Toka Tumai Auckland	Tū Pono Āroha - Hospital Administration Replacement Project	Delivery of a replacement Patient Administration System (PAS) for Auckland to secure business continuity and integrate with other current Northern Region PAS solutions	Dec-23	\$19.8 m	\$55.0 m		Green	Green
	10045	1 - Northern	Counties Manukau	Acute Radiology Unit Relocation, Middlemore Hospital	Relocate existing radiology department from earthquake-prone Galbraith Building to Harley Gray Building.	Oct-25	\$2.2 m	\$44.5 m		Green	Green
	10240	3 - Central	Capital, Coast & Hutt Valley	Renewal of Vertical Transport (Lifts) - Tranche 2	Renewal of failing lifts in seven buildings across Wellington Regional Hospital.	Dec-25	\$1.9 m	\$5.8 m		Green	Green
	10210	1 - Northern	Counties Manukau	Building Recladding, Middlemore Hospital & Manukau Health Park	Year 2 of Stage 2 of the recladding programme to address leaky building and cladding issues.	May-26	\$2.9 m	\$67.0 m		Green	Amber
	102117	2 - Te Manawa Taki	Taranaki	Linear Accelerators	Replacement of Linac and Bunker as part of regional services.	Jul-25	\$11.2 m	\$56.1 m		Green	Green
	102116	1 - Northern	Te Tai Tokerau Northland	Radiation Oncology Project	New radiation oncology facility and redevelopment of the Jim Carney Cancer Centre	Feb-26	\$3.5 m	\$60.9 m		Green	Green
	30037	3 - Central	Wairarapa	Outpatients Refurbishment	This funding will enable the outpatients' area to be re-fitted for a triaging area, new office and clinic space which will better position the DHB for future models of care including virtual consultations.	Jun-24	\$0.2 m	\$0.9 m		Red	Red
	10204	1 - Northern	Waitematā	Manaaki Hōhonu - Construction of inpatient ward and ICU, Waitākere Hospital	Increasing capacity at Waitākere Hospital with a new build comprising a 30-bed inpatient ward and an 8-bed ICU (with 6 ICU beds initially fitted out), with future-proofing for additional clinical space.	Feb-26	\$6.2 m	\$88.9 m		Green	Green
	10112	4 - Te Waipounamu	Te Tai o Poutini West Coast	Te Rau Kawakawa Buller Integrated Family Health Centre (IFHC)	Development of Buller Integrated Family Health Centre in Westport.	Sep-24	\$20.8 m	\$21.0 m		Amber	Red
	10005	4 - Te Waipounamu	Waitaha Canterbury	Energy Centre and Services Tunnel	Redevelopment of Energy Centre and Services Tunnel post 2011 Canterbury Earthquakes.	Jun-24	\$63.7 m	\$65.6 m		Amber	Amber
	30044	3 - Central	Whanganui	Infusion Therapy Unit	New build of a local outpatient chemotherapy unit. Infusion Therapy Unit Development.	Dec-23	\$0.0 m	\$0.8 m		Amber	Amber
\$4,422.5 m											

Appendix Two – Mental Health Project Performance Summary

Appendix 2 Health Capital Envelope (HCE) - Project List									Reporting Period: October 2023 For October Capital Projects Update		
PHASE	ID	LOCATION	PROJECT NAME	INTER-VENTION LEVEL	PREVIOUS MONTH RATING	CURRENT MONTH RATING	SPEND TO DATE	TOTAL FUNDING APPROVED OR ALLOCATED	INDICATIVE TOTAL COST	COMPLETION CALENDAR YEAR (PRACTICAL COMPLETION)	NEXT MILESTONE
DEFINE	30004	Hauora a Toi Bay of Plenty	Whakatāne Hospital - Te Toki Maurere - Mental Health and Addictions Acute Inpatient Unit redevelopment	3	Red	Amber	\$0.0 m	\$15.0 m	s9(2)(b)(ii), 9(2)(f)(iv)	TBA	Investment decision
DESIGN	30003	Hauora a Toi Bay of Plenty	Tauranga Hospital - Te Whare Maiangiangi - Mental Health and Addictions Acute Inpatient Unit redevelopment*	3	Green	Green	\$0.0 m	\$23.1 m		Q4 2026	Completion of consultant procurement
	10232	Waitaha Canterbury	Hillmorton Hospital - Masterplan Redevelopment Tranche 1	2	Green	Green	\$2.7 m	\$129.3 m		2028	Completion of developed design
	30041	Te Tai o Poutini West Coast	Grey Base Hospital - Mental Health and Addictions Facility replacement	3	Red	Red	\$0.8 m	\$20.0 m		Q3 2026	Completion of detailed design
	300151	Hutt Valley	Hutt Hospital – Tranche 2 - Mark Dunajtschik Mental Health Centre**	3D	Amber	Amber	\$0.0 m	\$80.0 m		Q4 2026	Completion of developed design
	10073	Waikato	Waikato Hospital - Te Pae Tawhiti - Mental Health Adult Acute Inpatient Facility replacement	2	Amber	Amber	\$14.4 m	\$175.6 m		Q2 2026	Award of main contractor (mental health facility)
DELIVER	30033	Taranaki	Taranaki Base Hospital - Tukapa House and Te Puna Waiora - Acute Inpatient Mental Health Facility upgrade	0	Green	Green	\$3.2 m	\$9.0 m		Q1 2024 - Te Puna Waiora Q4 2024 - Tukapa House	1. Completion of safety upgrades 2. Contractor procurement
	10075	Lakes	Rotorua Hospital - Mauri Ora - Mental Health and Addictions Inpatient Facility redevelopment	3	Amber	Amber	\$6.0 m	\$50.0 m		Q3 2025	Award of main contract
	30015	Hutt Valley	Hutt Hospital Acute Mental Health Unit Tranche 1 - Enabling Works**	0	Amber	Amber	\$3.3 m	\$8.0 m		Q2 2024	Completion of enabling works
	30021	Nelson Marlborough	Nelson Hospital - Wāhi Oranga Mental Health Inpatient Unit refurbishment	0	Amber	Amber	\$1.0 m	\$5.5 m		Q3 2024	Practical completion
	10207	Tairāwhiti	Gisborne Hospital - Te Whare Awhiora - Acute Mental Health and Addictions Facility	3	Amber	Amber	\$10.0 m	\$31.1 m		Q4 2024	Weather tight structure
	10050	Waitematā	Mason Clinic - E Tū Wairua Hinengaro - Tranche 1	1	Amber	Red	\$29.6 m	\$162.8 m		Q3 2025	Completion of sub-structure
	10020	Te Pae Hauora o Ruahine o Taranua MidCentral	Palmerston North Hospital - Acute Mental Health Unit replacement	2	Green	Green	\$10.6 m	\$66.6 m		Q2 2025	Weather tight structure
	30025	Northland	Whangarei - Community Mental Health Hub at Manaia House	0	Amber	Red	\$20.7 m	\$21.6 m		2024	Confirm remediation scope
	10010	Waitaha Canterbury	Specialist Mental Health Services Relocation from The Princess Margaret Hospital (TPMH) to Hillmorton Hospital	0	Green	Green	\$80.6 m	\$81.8 m			Post Implementation Review
DEBRIEF	10012	Capital & Coast	Rātonga-Rua-O-Porirua campus - Manawai - Individualised Service Units	0	Green	Green	\$13.3 m	\$13.3 m			Post-occupancy evaluation
	10014	Counties Manukau	Middlemore Hospital - Tiaho Mai - Mental Health Inpatient Unit	0	Green	Green	\$66.2 m	\$67.5 m			Not applicable
	\$960.3 m										

The IIG refer to estimated practical completion rather than ‘go live’ dates. Practical completion refers to the infrastructure component of the project, when the building and fit out is complete. ‘Go live’ incorporates operational decision-making including service change management and staffing.

Actual cost and practical completion are only confirmed once a project is completed. There are key stage gates where accuracy of an estimate is enhanced, these are generally at business case decision, at the end of each design phase and main contract award. For this reason, IIG recommends that project information is updated (rebaselined) at key stage gates.

*\$30 million was allocated through Budget 2022. The use of \$23.1 million is approved for this project with the remaining \$6.9 million placed in reserve.

** From June 2023, the Mark Dunajtschik Mental Health Centre project at Hutt Hospital was separated into two projects (enabling and main build) for reporting purposes.

