BUSINESS CASE

Project: Valley View Residential Aged Care Upgrade

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1 Business Case History

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1.2 Revision History
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<td>Margaret Denton</td>
<td>ED Public Health and Ambulatory Care</td>
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<tr>
<td>Robert Pulsford</td>
<td>Director of Infrastructure</td>
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<td>Shane Matthews</td>
<td>Chief Operating Officer of Operations</td>
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<td>Melissa Vernon</td>
<td>Chief Operating Officer of Strategy and Reform</td>
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<td>John Arkell</td>
<td>Director of Finance</td>
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3 Executive Summary

Riverview Residence Collie (Inc.) is the overall management organisation of Valley View Residential Aged Care. The not for profit organisation has 64 high care residential aged care beds, 28 of which are Dementia Specific beds within two interlinking houses. The remaining 36 beds comprise 35 permanent beds and one respite bed.

Valley View provides essential residential aged care for the Collie community and surrounding South West region. The lack of dementia specific care in the South West region has been well recognised. Valley View’s commitment to dementia care is evidenced by nearly half the beds being dementia specific, a much higher ratio then most residential care facilities.

Within its ten year history the organisation has had a number of different management models including outsourcing and in house management structures. The lack of consistent management structure has severely impacted on the organisation’s ability to upgrade the building and replace assets. Non-existent or deferred scheduled maintenance resulted in the organisation having a backlog of building upgrades and assets requiring replacement. This is impacting on the quality of care residents are receiving alongside the organisation’s ability to attract new residents.

The organisation now has a highly experienced Board of Governance and Chief Operation Officer and a Strategic plan is in place which will support the organisation to upgrade the building and replace assets into the future.

Although this plan does address future asset replacement, environmental upgrades costs and routine scheduled maintenance, it does not address the backlog. Securing funding of $500,000 to upgrade the facility would allow the organisation to address the outstanding requirements.

The planned upgrade will improve the environment and services offered to current and future residents alongside attracting new residents therefore securing the long term viability of the organisation.

Valley view has confirmed the business case has their governance board approval; quotes obtained are aligned to the scope of works described.

4 Reasons

This funding will allow Valley View to meet a number of its Strategic objectives including:

- The delivery of the highest quality care services to the people of the South West regions of WA
- The provision of the best quality of care in a supportive environment relative to each person’s life journey.
- Providing personalised specific compassionate care to the residents in Valley View in a contemporary modern environment.
This funding will allow Valley View to upgrade specific areas of the building to enable the organisation to provide a continuation of care which links clinical capabilities and overall care strategy and impacts positively on the business environment.

Valley View Statement of Intent states:

“At Valley View we will be a team of people who will assist & enable our residents to live life to the fullest and will ensure that they have a true sense of purpose each and every day. Using a Person-centred approach, we will provide the best individualised care in a welcoming, safe, happy and comfortable environment”.

5 Business Options

Valley View has three business options in relation to the Residential Aged Care Building Upgrade Project:

Option 1 do nothing, Valley View will continue to manage within current funding and put aside small amounts of operational funding to upgrade the building and replace assets which will take at least 10 years. In the meantime more assets and upgrades will be required and no funds will be available to allow the organisation to be innovative and meet the expected demand for future services.

Option 2 do the minimal, Valley View will commence with minor improvements in time over a 5-year period repairing assets instead of replacing, costing more money in the long term.

Option 3 To embrace a full business project of change in a reasonable time frame ensuring equipment and assets are replaced with like for like.

The recommended option is option 3 as this would enable Valley View:

- to address the backlog of building upgrades and asset replacement in a timely manner
- to meet future building upgrades and asset replacement requirements
- maintain and improve the quality of care given to current and future residents
- to remain viable in the long term

6 Expected Benefits

Security Upgrade

1. Installation of Security gates and access control to ensure environment is safe for the residents living in a secure environment. Residents go outside into safe, enclosed private areas without needing locks unlocked or having to be accompanied thus ensuring regular use of outdoors and a degree of independence and choice. The outdoors and indoors merge together to one area to occupy and orientate residents.

2. Install new modernised phone system including portable phones to ensure staff can communicate appropriately with internal and external support. The telephone upgrade
and access to portable phones will allow staff access to specialists support in a timely manner which will improve the care outcomes to residents alongside saving staff time.

**Cosmetic/Environmental Upgrade**

1. Installation of high grade quality industrial vinyl to replace carpets in bedrooms of Dementia specific house x 28 and in all dining areas in the 4 houses as carpets are damaged beyond repair. The installation of vinyl as opposed to carpet will make cleaning of the floors easier and less expensive which in turn will improve infection control across the site.
2. Painting the interior and exterior of the Valley View facility inclusive of a five year scheduled maintenance painting programme.
3. Installation of appropriate energy efficient lighting for all houses and main corridors, lounge rooms and main activity room. Ensuring lighting installed offers high quality and energy efficient solutions. The link between well-being and health is an important relationship to consider within a modern contemporary environment and the current lighting is not appropriate.
4. New shade sails for outdoor living environment – 4 x 2 courtyards. This will allow residents and visiting families to socialise and enjoy the outdoor courtyards.
5. The establishment of a café area for residents and visiting families inside the main corridor alcove area with access to gardens.

**Equipment Up-grade**

1. Two new Combi ovens for the main kitchen. The current ovens are beyond their useful economic life and requiring ongoing repairs. Ovens required to ensure meals are cooked appropriately for all residents and no further expenditure on old ovens that constantly need repairs.
2. New Industrial dishwashers for all four satellite kitchens. Dishwashers in place are household dishwashers and are not fit for purpose.
3. Full replacement of un-usable and unrepairable instant hot and cold-water systems to six areas.
4. Various equipment repairs – batteries to all beds, corner discs for beds, air mattress repairs.
5. Essential clinical equipment including Hoists, shower trollies, wheelchairs, clinical auditing equipment.
6. Various furniture in resident’s bedrooms.
7. Upgrading of dining tables, chairs, lounge chairs, crockery and linen throughout the facility.
8. Gardening equipment
9. Occupational and physiotherapy equipment for therapy activities.

All of the above items require replacement as they are either unrepairable, damaged or are potentially un-safe.

The overall benefits of the security upgrade, the cosmetic/environment upgrade and the equipment replacement and renewal will allow Valley View to fulfil its set strategic plan.
“To enhance our capabilities to provide care delivery in a contemporary modern environment”.

**Project Management**  
Costing for Project Manager to ensure governance and accountability occurs for the successful initiation, planning, design, execution, monitoring, controlling and closure of this project.

7 **Expected Dis-benefits**  

**Security Upgrade**  
Organising resident security and safety while security gates and fences are being installed.

**Cosmetic/environment upgrade**  
Organising resident security and safety while all systems are being up-graded and installed.

**Equipment Up-grade**  
Organising alternatives to static equipment utilised daily.

8 **Timescale**  
1. Eight months from the acceptance of funding, second half of 2018.

9 **Costs**  
1. Summary Costs for Security upgrade - $42,000  
2. Summary costs for cosmetic/environment upgrade - $280,000  
3. Summary costs for equipment - $153,000  
4. Summary costs for Project Manager - $25,000

10 **Investment Appraisal**  
The project is proposed to be funded by an election commitment of $500,000. There are no incremental costs and all ongoing maintenance costs will be met by Valley View as part of their equipment maintenance and assets replacement budget.

11 **Major Risks**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th>Consequences</th>
<th>strategies to reduce risk</th>
<th>Risk Rating following strategies</th>
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<tbody>
<tr>
<td>Poor workmanship</td>
<td>Low</td>
<td>Medium</td>
<td>Ensure reputable</td>
<td>Low</td>
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<td>Cost acceleration</td>
<td>Medium</td>
<td>High</td>
<td>organisations complete the inherent requirements of job. Ensure quotes are actioned in timely manner.</td>
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<tr>
<td>Contractor not meeting the contract requirement</td>
<td>Medium</td>
<td>Medium</td>
<td>Ensure PM engages with contractor and signs agreement. Ensure PM liaises with team and strategies OSH alternatives.</td>
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<tr>
<td>Disruption to residents and staff</td>
<td>Medium</td>
<td>High</td>
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