

COVER SHEET

2.19 Marsden Aged Care Facility PGF Application		For: Approve	
Tier:	1 - Regional	Sector:	Regional Projects
Background & context:		Recommendation(s):	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Marsden Developments, a trading entity of Whitehall Holdings Limited <p>Location:</p> <ul style="list-style-type: none"> Greymouth, West Coast <p>Proposal:</p> <ul style="list-style-type: none"> Marsden Aged Care Facility <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$^{Commercial Inform} PGF Funding: \$40,000 <p>Background: This project is seeking funding for a business case for the development of an aged care facility in Greymouth. This development is to create a mix of different accommodation types from villas to dementia care wards.</p> <p>Marsden Developments was formed in 1994 and has planned and constructed 4 stages of urban residential development and master plan for another 10 stages. Whitehall sole shareholder/director is Arthur Nicholas Powell.</p> <p>Greymouth currently has three aged care facilities each of which the applicant states is ^{Commercial Information}. In addition, each of the three facilities in Greymouth specialise in different types of care. The proposed facility will be the only facility of its kind to provide a mix of different care types.</p> <p>The project has been discussed by the PDU's West Coast regional advisory group which determined that this project is a priority for the Coast and supports this</p>		<p>We recommend that the SRC:</p> <p>a) Discuss the application from Whitehall Holdings Limited for the development of a business case for the creation of an aged care facility in the West Coast.</p> <p>b) Note the PDU Investment Team has assessed this application and conclude that there is alignment with the criteria of the Fund. Specifically;</p> <ul style="list-style-type: none"> The project will work to create ^{Comm} construction FTEs and ^{Comm} on going FTEs in the region. The project helps to provide ^{Free and fran} ^{Free and frank op} aged care facilities on the West Coast. <p>c) Note that MSD has assessed the application and have provided the following feedback(for full comments see attached documents);</p> <p>Free and frank opinions</p> <p>^{Free and frank op}</p> <p>^{Free and frank op}</p> <p>^{Free and frank op}</p> <p><i>The application proposes ^{Comm} FTE jobs in the construction phase of the care facility and in the long term ^{Comm} FTEs employed in the facility. A number of these jobs would require specialised skills such as nursing and specialised dementia care for residents living and visiting the facility.</i></p>	

<p>application. The advisory group and DWC both want to encourage and accelerate the developments of this business case.</p>	<p><i>We have not had any engagement with the applicant”.</i></p> <p>d) Approve \$40,000 from the PGF fund towards the Marsden Aged Care Facility project subject to:</p> <ul style="list-style-type: none"> • Approving the contractor to be used for the business case • Receiving and approving a detailed budget • Advising the applicant that the funding for the business case does not oblige the PGF to provide further funding for the project • Confirmation of Commercial cofunding 	
<p>PGF criteria that this proposal supports:</p>		
<p>PGF Criteria</p>	<p>Assessment Commentary</p>	<p>Rating (1✓ to 5✓)</p>
<p>Link with fund and government outcomes</p>		
<p>Creates permanent jobs</p>	<ul style="list-style-type: none"> • This project is projected to create ^{Comm} FTEs in the immediate construction phase and ^{Comm} FTEs when operating. As the project is looking to provide aged care and specialist dementia care wards some of the ^{Comm} FTEs identified will have to be skilled and have specialised healthcare and dementia training. 	<p>✓✓✓</p>
<p>Delivers benefit to the community</p>	<ul style="list-style-type: none"> • This project will add a benefit to the community through the availability of additional aged care facilities. This will allow more residents of the West Coast to remain in the West Coast during retirement rather than moving to other regions. In addition, where the findings of the business case can be made available for similar projects, this benefit could be multiplied. 	<p>✓✓</p>
<p>Increased utilisation and returns of Maori asset base</p>	<ul style="list-style-type: none"> • Not Applicable. 	
<p>Enhanced sustainability of natural assets</p>	<ul style="list-style-type: none"> • Not Applicable. 	
<p>Mitigation of climate change effects</p>	<ul style="list-style-type: none"> • Not Applicable. 	
<p>Additionality</p>		

Adding value by building on what is already there	<ul style="list-style-type: none"> The overall project will build upon a current development already completed by the applicant. 	✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> This project aims to develop a large aged care provider employing circa ^{Comm} FTEs long term. The creation of this facility will also allow those currently in Greymouth to continue to live and contribute to the local economy throughout their retirement. The counterfactual of this project would potentially mean that a significant number of retirement-aged individuals would have to leave the region. 	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> The Tai Poutini West Coast Economic Development Strategy 2018 identifies assessing and meeting the needs of an ageing population as one of its top 3 priorities for the region. This project is aligned with this priority. 	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> This project has significant local support, including from Commercial Information, which has set aside \$^{Commercial Info} for the completion of this project. 	
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> The applicant does not outline any procedures around project management beyond stating that they will follow standard project management procedures. 	
Risk management approach	<ul style="list-style-type: none"> The applicant has mitigated the two main risks to the project through the pre-engagement of key consultants on fixed rate contracts. 	
Future ownership/operational management	<ul style="list-style-type: none"> Future ownership of the project will vest with Marsden Developments. Commercial Information (one of NZ's largest aged care providers) would manage the facility. 	
The purpose of this briefing is to consider recommending/ declining PGF funds to the:		

Risks Issues:

- There is a risk that the business case to be funded identifies metrics unfavourable to the development of the wider project and the capital spent achieves no outcomes (the project is not built).

Eligibility points of note:

- *Due diligence:* Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- *Conflict(s) of interest:* Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MOH – MSD – Not supportive
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Supporting proposal:

Yes

Appendices:

Yes - Applications and supporting letters are as annexes

Sponsor(s):

N/A

Manager/Author of paper:

Privacy of natural persons, Investment Team / Alex Matheson, Investment Team

PROACTIVELY RELEASED