

BREWARRINA SHIRE COUNCIL

Agenda Submission for Ordinary Council Meeting held on 28 October 2011

TITLE:	Barwon River Medical Centre Report	DOC REF: Item 7
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REPORT BY:	Belinda Colless Economic Development Officer	DATE: 13 October 2011
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ATTACHMENTS:

Council e-mail to Ochre Health
Request Letter – Ochre Health
Estimate Cost of relocation – Ochre Health

Council wrote to Ochre Health (CEO, John Burns) on 23rd May 2011 informing Ochre that Council was successful in a funding application to the Department of Health and Aging for \$392,000 to refurbish and extend the Barwon River Medical Centre.

In this letter Council made the following offer to assist Ochre Health in relocating their premises during refurbishment and extension of the Barwon River Medical Centre;

- Use of the Brewarrina Dental Clinic as an alternate location for the medical centre, depending on the Dental Clinics availability, at no additional cost to Ochre
- Storage available to Ochre Health in the building adjacent to the Senior Citizens room at no additional cost to Ochre (any modifications at Ochre's expense)
- Assistance with moving to a new location (2 men and vehicle for 1 day)

Renovation and extension to the medical centre has been delayed and the option of using the Dental Clinic is no longer available.

Council has supported Ochre in finding alternate accommodation (see attached e-mail) and Ochre has decided on 32 Church St as the best option.

Ochre Health has written to Council requesting financial assistance to accommodate their re-location and to provide assistance with staff accommodation – see attached letter.

Council estimates that Ochre Health relocation costs and staff accommodation will amount to approximately \$38,983.45.

OPTIONS – Ochre Health Relocation

Council have the following options available:

Option 1

Decline the request from Ochre Health and explain that Council does not have the resources budgeted to accommodate their request.

Option 2

Council agree to pay for all or a contribution toward Ochre's request.

It seems reasonable that Council meet a proportion of the relocation costs and if required maybe funded by reallocation from an under utilized budget item.

If Council contributes 1/3 to Ochre Health's relocation (\$10,301) as well as an additional in-kind contribution of \$8080, our total contribution would be \$18,381. This is equivalent to 59% of Ochre Health's projected cash outlay for the relocation.

Ochre Health Staff Accommodation

Ochre Health has also requested assistance with re-locating their Aboriginal Health Worker who currently resides in 32 Church St.

If not required by Council Staff, an offer could be made to utilise a 1-bedroom unit from the pool of units at 27 Bourke St, to Ochre Health.

Rent for non-Council staff is \$150.00 per week as per the 2011/12 fees and charges policy.

Council could provide additional in-kind support to Ochre Health by reducing this fee by 1/3 and charging \$100.00 per week and contributing a further \$1,300 in-kind contribution to the project.

FINANCIAL IMPLICATIONS:

Council has offered \$8,080.05 of in-kind assistance in good faith to Ochre Health to date. This figure does not include EDO time in seeking alternate real estate for relocation of Ochre Health's business.

Ochre Health is requesting further financial assistance for re-location costs, estimated at \$30,903.40.

Council has no budget allocation in the 2011/12 budget for the relocation of Ochre Health.

Ochre Health will not be paying rental of \$100 / week on the Barwon River Medical Centre during the renovation period.

Council contributed \$24,440.04 toward the Barwon River Medical Centre in 2010/11 financial year.

NOTE: The total contribution provided by Council under "Option 2" recommendation, including in-kind contribution, waived income from unit rental and medical centre rental equates to \$20,981.17 (53% contribution to the relocation of the Barwon River Medical Centre for 6 months).

All figures are GST inclusive

LEGAL IMPLICATIONS:

Nil

RECOMMENDATION:

That:

- 1. Council agree to contribute \$18,381 toward the relocation costs of the Barwon River Medical Centre, comprising of \$10,301 direct cost and \$8,080 in-kind contribution, our costs to be met form savings in other budget items**
- 2. Council provide these funds on receipt of an invoice from Ochre Health and advise that all additional relocation project management and associated cost be met by Ochre Health; and**
- 3. If not required for Council Staff, Council offer a 1-bedroom unit to Ochre Health Staff at 3/27 Bourke St, Brewarrina at the reduced rate of \$100.00 per week unfurnished.**

Rod Shaw
General Manager

From: Lynette Reeves [lynette@ochrehealth.com.au]
Sent: Tuesday, 20 September 2011 8:58 AM
To: Economic Development Officer- Brewarrina Shire Council
Cc: General Manager- Brewarrina Shire Council; 'BARWON RIVER MEDICAL CENTRE'
Subject: RE: Medical Centre Re-location

Hi Belinda,
Thank you for the options below.
We have contacted the hospital, but that option will not work either.

32 Church St – appears the best option.
I have spoken with Vivian this morning and she will go and have a look at the house to see what works will be necessary. We know that a ramp will be required at the front stairs to allow access. She will also get a better understanding of what other work is required.

Is the option to store boxes and equipment still available in the community hall area next to the practice?

Thank you

Kind regards

Lynette Reeves | *Clinical Operations Manager*

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From: Economic Development Officer- Brewarrina Shire Council [mailto:EDO@brewarrina.nsw.gov.au]
Sent: Tuesday, 20 September 2011 8:51 AM
To: Lynette Reeves
Cc: General Manager- Brewarrina Shire Council; BARWON RIVER MEDICAL CENTRE
Subject: Medical Centre Re-location

Dear Lynette,

Plans for the extension and refurbishment of the Doctors Surgery are moving along well and if all goes to plan, contractors will commence work in mid January 2012. Council will require a hand over of the Doctors Surgery by Ochre Health on Monday 16th January 2012 when the building will become a construction site. No further access will be provided to Ochre Health by Council until after the extensions and renovations are complete, this is expected by June 2012.

Council has recently been assisting Ochre Health find temporary premises during the extensions and renovations period.
The following have been investigated;

Brewarrina Shire Council – 5 Bourke St, Brewarrina - Considered and Declined by Council Staff

At a recent Management Meeting of Council Staff this option was discussed and rejected as this house is required for Council Staff.

Bulgan Place – Bathurst St, Brewarrina - Considered and Declined by Bulgan Committee

A letter was sent to the Chair of the Bulgan Place Management Committee on 30th August requesting use of their premises. No response has been received by Council in writing from Bulgan however a verbal indication is that the building is being considered for other uses. Please see attached letter.

Council has also enquired about the following premises on Ochre Health's behalf for consideration;

St Patrick's Presbytery – Bathurst St, Brewarrina

Council wrote to St Patrick's Parish on 9 September 2011 requesting use of their premises for 6 months (please see attached letter). The Parish have offered the Presbytery at \$1,200 / week rent. The Chair Person of the Parish Council, Mr Bill Finlayson has since contacted Council (Friday 16 September) and indicated that this figure could be re-negotiated. Bill suggested an informal meeting be held at the Presbytery with Ochre Health to negotiate further. This facility has ample rooms, although major works would need to be done to secure the building (no alarm), access technology and service the air-conditioners.

Darling Livestock Health and Pest Authority – 3 bedroom house, Bathurst St, Brewarrina

This House is behind the Darling Livestock Health and Pest Authority Office and access is limited as clients would need to walk up the drive to an entrance at the back. This building is currently vacant but has an alarm system. The house would probably need interior paint, air conditioners serviced (although there are 3 split systems inside). The Darling LHPA are happy to negotiate \$50 to \$100 / week rent as is – any alterations / repairs / maintenance are at the tenants expense.

32 Church St – Owned by Brewarrina Shire Council and currently rented by Ochre Health for \$100/week

This is a 3 bedroom house that has good air conditioning and an alarm system. It is not located in the CBD but about 5 blocks from the Post Office.

It is currently occupied by an Ochre Health employee. Council does have 1 bedroom flats available for staff to rent, if one of these flats is vacant in December, Council could offer this to the Ochre Health Employee as a priority (Business Plan Fees and Charges - \$150 / week unfurnished and \$180 / week furnished)

Other Medical Centre re-location options will need to be further investigated and negotiated by Ochre Health.

Council contribution to Ochre Re-location

Currently Ochre pay \$100 + GST for rental of the Barwon River Medical Centre (this includes all on costs, electricity, insurance, rates, alarm monitoring, repairs and maintenance to building and grounds). Council will forego this rent during the extension and renovation period.

Council will also assist with in-kind labour to assist Ochre Health re-locate furniture and fixtures to a new location and / or storage – approximately 2 men for a day.

In addition, Council will undertake in-kind maintenance to assist Ochre Health in preparing new premises – approximately 2 men for 1 week to undertake painting, building maintenance, lawn and garden maintenance as required.

Requests for further assistance will need to be in writing to Council, for consideration at an ordinary Council meeting, as no budget allocation for the relocation of the Medical Centre is allocated in Councils annual budget.

Regards

Belinda Colless

EDO / Grants Officer
Brewarrina Shire Council
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General Manager

Mr Rod Shaw

Brewarrina Shire Council

Dear Mr Shaw,

With the necessary temporary relocation of Barwon River Medical Centre to 32 Church Street to allow for the refurbishment of the existing premises we have been advised of a number of issues that will need to be addressed in 32 Church Street to ensure the medical practice can function successfully.

I have been advised that the following items need to be attended:

- ✓ Front steps and pathway need to be made safe and a ramp installed.
- ✓ Carpet cleaning
- ✓ Some extra split system air-conditioning, currently one evaporative unit in roof.
- ✓ Moving of furniture from this surgery for use at the new location, beds, desks etc
- ✓ Security screens on front windows – the rest of the house has security screens.
- ✓ Some alterations to provide a counter type space for reception (with materials used from current surgery if possible).
- ✓ Phone connections
- ✓ Computer connections
- ✓ secure locks on both front and back doors
- ✓ Removal of signage and relocate to building after 16th January.

Brewarrina Council has advised Council will also assist with in-kind labour to assist Ochre Health relocate furniture and fixtures to a new location and / or storage – approximately 2 men for a day.

In addition, Council will undertake in-kind maintenance to assist Ochre Health in preparing new premises – approximately 2 men for 1 week to undertake painting, building maintenance, lawn and garden maintenance as required.

Ochre Health would like to request to Brewarrina Council consideration of financial assistance to cover the cost of the above works. In particular works that will add value to this property that is owned by council.

ie: carpet cleaning, upgraded air conditioning, security screens, secure locks, phone and internet connections.

The move to 32 Church Street will also necessitate the current tenant Pricilla, to be relocated to alternative accommodation whilst the works are in progress. Ochre Health would also like to request a consideration from Council to offer Pricilla a flat that may be available to rent, at the same rental rate

that she is currently paying at 32 Church Street. The move from 32 Church Street will be financially detrimental to Pricilla if she is required to pay an increased rent.

Thank you for your consideration of the matter raised. I would be pleased to address any questions raised by council regarding this issue.

Yours sincerely

Lynette Reeves

Clinical Operations Manager

Ochre Health Pty Ltd

Relocation Barwon River Medical Centre
Sandon St to 32 Church St, Brewarrina

Carpentry Quote **\$15,794.00**

Supply materials and labour for;

- Disabled access ramp
- 2 split system air conditioning
- 4 refrigerated air conditioners
- Replace locks
- Fit security screens to front of house
- Build Counter for reception

(these requirements have been requested by the Clinic Manager Ochre Health Brewarrina)

Electrical Estimate **\$ 4,900.00**

\$330 / circuit x 3	\$ 990
Switchboard upgrade	\$1,000
Mains upgrade	\$2,000
Air conditioning circuit upgrade (refrigeration mechanic)	<u>\$1,000</u>
	\$4,900

Data Estimate

Relocate data and supply and install data cabling (travel and acc included) **\$ 5,500.00**

Brewarrina Shire Council **\$ 7,345.50**

In-kind removals, maintenance, sign relocation	\$6,045.50
Educed rental for 26 weeks	<u>\$1,300.00</u>
	\$7,345.50

Carpet Cleaning Estimate **\$ 400.00**

Cleaning - \$200.00
Travel - \$200.00

Additional Telephone Lines

Two additional telephone lines connected to the building **\$ 1,500.00**

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	\$35,439.50
GST	\$ 3,543.95

TOTAL **\$38,983.45**

13/10/2011