

POINT OF ENTRY BUSINESS CASE.

Project initiation date: 25 July 2023
Project title: **552 Rapanui Road – Bason Reserve House**
Hapū/iwi active partnership consideration: Active partnership does not apply
Note: your consideration for active partnership must take into account [Tupua te Kawa](#) – a set of indigenous values at law.

Business case prepared by: Bob Henry

Business owner: General Manager Community Property & Places

[\[Link\] to guidelines "The PoE template explained..."](#)

PROBLEM / OPPORTUNITY STATEMENT

552 Rapanui Rd, Bason Botanic Gardens homestead. This property is approx. 123 year old house and was the original homestead for the farm now known as Bason Botanic Gardens. The farm was gifted to the council in July 1966 by Stanley Bason. The property is currently being utilised as a rental property, with a weekly rental income of \$ 480.00 per week (\$24960.00 per year).

Other than general ongoing planned and reactive maintenance this building will also require upgrading of the exterior shell and interior fittings as listed below:

- Fence replacement,
- Roof replacement,
- All stormwater and sewage system upgraded, and
- Re-piling of building.

These improvements will ensure the property is fit for purpose and maintained in a hygienic, safe and proactive manner to allow for increased utilisation of the buildings and reduce maintenance requirements.

BENEFITS STATEMENT

Operational costs reduction. Refresh of a current rental property, to ensure it meets health homes requirements, and remains a viable rental accommodation.

Social Benefits:

- Improving the quality of a council freehold property to ensure it continues to meet current healthy homes requirements and remains safe and fit for purpose.
- Strengthening community engagement by providing a well-maintained rental accommodation for private rental.

Economic Benefits:

- Extending the life of existing assets that will deteriorate and lose value without an adequate investment in maintenance.
- Economic health benefits for the community when local companies, contractors and their labour is engaged.
- Ongoing costs of repairs and possible interior damage to buildings will be avoided. Create training and development opportunities for employees and strengthens business capabilities.

Environmental Benefits:

- Extending the life of the buildings by repairing rather than replacing supports low waste and low emissions targets.
- Product sustainability and visual aesthetics are considerations in procurement criteria.

Cultural Benefits:

- Respondents can demonstrate a partnering approach and cultural awareness in their submission.
- The homestead is part of the Bason Botanic Gardens history and story that has taken the original homestead garden and been developed into a 4 star garden under the NZGT garden rating system.

STRATEGIC CASE

Housing quality, availability and affordability are critical determinants of social wellbeing. Whanganui District Council Housing Strategy 2019 strategic case is aligned with the strategy document goals “Whanganui’s housing systems and infrastructure function well; Homes are good quality and future-proofed; Homes meet the needs of our people; Housing network supports united, thriving and connected communities.

The council is responsible to the community to ensure community assets are maintained to enhance and maintain the assets value.

FINANCIAL CASE

It is intended that the work be completed over 3 years of the Long Term Plan:

Year 3 - Replacement of house boundary fence,

Year 4 - Reroof of the house, and

Year 6 – upgrade of storm, wastewater systems and re-piling of house.

We are yet to receive a baseline quote for this work, the current LTP funding is optimistic:

- Some of this work is specialised work which will be required to go to tender/contract
- There will be a reduction in Opex.

These costs have been prioritised for the house by a condition assessment and visual inspection. See attachment for the detailed activities for each year.

Year of LTP for delivery:	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$	\$	\$15000.00	\$90000.00	\$	\$115000.00	\$	\$	\$	\$
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34

External funding contributions: Choose an item.

Capex \$	Opex \$	Funded by
\$220,00.00 over 3 years		debt funded/Rental

*Note: providing explanation via free text is also acceptable in the above boxes.

RISK EVALUATION

Item	Potential Risk Event	Likelihood	Consequence
1	Continual deterioration of Council-owned housing asset	Almost certain	Major
2	Loss of affordable housing for tenants who have low to moderate financial means	Likely	Moderate
3	Water Ingress into the interior of flats	Likely	Major

4	Costs of repairs from internal water damage	Likely	Major
5	Costs of damage to tenant's personal property	Likely	Moderate
6	Adverse publicity	Likely	Moderate
7	Tenants' health deteriorates	Possible	Minor

OPTIONS APPRAISAL

Option 1: Upgrade building utilities and roofing – will reduce current Opex for building and provide an updated and functional asset for future community activities

Option 2: Continue to carry out remedial and H&S repairs – may reduce some Opex costs, however this may result in urgent major repairs needing to be carried out just to maintain the building at the current level.

Do Nothing / Status quo Council could be in breach of Rental conditions, damage will continue to cause an increase to Opex, possible loss of Tenant, any further damage may result in urgent repairs at a higher cost or demolition.

STAKEHOLDER ANALYSIS

Stakeholder	Influences	Key interests & issues
<u>WHANGANUI DISTRICT COUNCIL</u>	High power/highly interested (Manage closely)	Providing affordable Housing members of the community.
<u>TENANT</u>	High power/less interested (Keep satisfied)	Council could potentially breach the NZ Governments Healthy Homes Standards (water ingress [entry]). This could also impact negatively on Council's housing assets.
Council Staff and Contractors	Low power/highly interested (Keep informed)	Provides jobs, job satisfaction, and engages local contractors
Community	Low power/highly interested (Keep informed)	Utilises and benefits from Bason Reserve

Evidence to support this project was provided by the Property and Facilities Team who engaged several Roofing, Plumbing and building companies to provide an initial assessment of the work required to upgrade the drainage, roofing and re-piling and to provide indicative costs.

KEY CONSTRAINTS, DEPENDENCIES AND ASSUMPTIONS

There is no change to business as usual, these are important piece of proactive maintenance/replacement that are required to maintenance required viability for the continued life of the asset.

It is specialised work, and therefore requires a more detailed assessment and design to ensure the building is maintained and the tenant can have continued enjoyment of the house

NEXT STAGE

- Quotes to be gathered (or project tendered) to get indicative costing
- Quote to be accepted
- Planned closure to be done at appropriate time of year
- Works to be carried out by contractor

Please contact the PMO (interim Stuart White: stuart.white@whanganui.govt.nz or 021738273) for any inquiries relating to this form or the business case process.

Team Leader/Project Manager Self-Review		Strategic Panel FINAL score	
Strategic Fit	3	Strategic Fit	3
Benefits	3	Benefits	3
Economic Impact	3	Economic Impact	2
Level of Service Improvements	3	Level of Service Improvements	2
Risk of doing nothing	3	Risk of doing nothing	3

*Note a copy of the anchored scoring matrix is available at the end of this document.

PROJECT MANAGEMENT OFFICE TO COMPLETE

Communications team level of involvement: Choose an item. *(PMO to liaise with the Communications team)*

ELT REVIEW

Date: Click or tap to enter a date.

ELT Minutes Reference: Click or tap here to enter text.

Agreed next steps:

Click or tap here to enter text.

If this project is **approved for a detailed business case**, then –

Name and job title of **Project Sponsor**

Click or tap here to enter text.

ANCHORED SCORING MATRIX

SCORE	Strategic Fit: <i>How well is this project aligned with our Strategic Vision for Whanganui?</i>	Benefits: <i>How valuable are the benefits this project delivers?</i>	Economic Impact: <i>How will this project contribute to the wider economic activity of the Whanganui District?</i>	Level of Service: <i>How well does this projects address shortfalls in our Level of Service?</i>	Risk of Doing Nothing: <i>What risks would NPDC be exposed to, if the investment is not made?</i>
Weight	35%	25%	20%	15%	5%
5	This investment plays a critical contribution to Council Objectives, Goals and Strategy.	This investment has a measureable Costs Benefit Ratio (CBR) and the benefits will return more than double the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being at least three times the cost of the project.	This investment addresses critical (e.g. regulatory non-compliance or safety issues) shortfalls in our current levels of service.	WDC could be exposed to very high risks.
4	This investment is a direct component or enabler to achieve Council Objectives, Goals and Strategy.	This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being greater than the cost of the project.	This investment addresses significant (material user experience issues) shortfalls in our current levels of service	WDC could be exposed to high risks.
3	This investment contributes to a wider programmes of work designed to progress the Council strategic objectives and goals.	This investment has no measureable Cost Benefit Ratio but our community are clearly willing to pay for the benefits.	This project is the catalyst or key enabler for one-time only economic activity that is at least three times the cost of the project.	This investment addresses small (nuisance level issues) shortfalls in our current levels of service	WDC would be exposed to medium risks.
2	This investment is aligned to at least one of the Council strategic objectives and/or goals with limited direct contributions.	This investment has no measureable Cost Benefit Ratio and we think our community is willing to pay for the benefits, but we have not confirmed this.	This project is the catalyst or key enabler for one-time only economic activity that is greater than the cost of the project.	This investment makes no change to levels of service.	WDC would be exposed to low risks.
1	This investment has no direct contribution to Council goals and strategy.	The costs outweigh the benefits.	The economic benefit of this project is less than the cost of delivering the project.	This investment reduces levels of service.	WDC would have to put in a work around or keep using a poor or inefficient process.



Property	Task	Item	Work	PMJob	Account	Project Manager	EstCost	Year
Bason Reserve House	13095	5b - Services Plumbing	Upgrade Drains	1240173720390	737	Facilities	\$35,000.00	2029
Bason Reserve House	2116	3a - Exterior cladding Roofs and Gutters	Roof Replacement	1240173720390	737	Facilities	\$90,000.00	2027
Bason Reserve House	14479	7b - Yards Fencing	Replace tall fence around house	1240173720390	737	Facilities	\$15,000.00	2026



**WHANGANUI
DISTRICT COUNCIL**
Te Kaunihera a Rohe o Whanganui