

**STAFF REPORT TO
THE PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE
MEETING OF OCTOBER 26, 2011**

SUBJECT Policy Framework for Funding Non-Traditional Capital Projects

PURPOSE

To develop a policy framework to guide Capital Regional Hospital District (CRHD) planning and decision-making for capital funding of non-traditional projects.

BACKGROUND

Traditional healthcare projects funded by the CRHD are owned by the Vancouver Island Health Authority (VIHA) and are used primarily for the reception and treatment of persons:

- (a) suffering from the acute phase of illness or disability;
- (b) convalescing from or being rehabilitated after acute illness or injury; or
- (c) requiring extended care at a higher level than that generally provided in a private hospital.

The *Non-Traditional Projects* (NTPs) category was established by the CRHD for the purpose of funding not-for-profit agencies other than VIHA for facilities providing: i) primary care (e.g. Bishop Coleman Memorial Health Centre on Pender Island and the Access Health Centre in Victoria) and ii) residential care (e.g. seniors and persons with addictions and/or mental illness).

To date, NTPs are funded on a case-by-case basis in response to community requests. Historically, the CRHD has included \$1 million annually through *Section 20* (non-debt service) funding for NTPs. The CRHD has also provided capital funding to NTPs through debt service capital grants.

Considering the limited availability of capital both from senior governments and within the CRHD, and the growing demand for funding NTPs, it is important to establish a forward-thinking policy framework that considers NTPs in the broader context of CRHD capital planning and increasing competition for scarce funding.

The attached Appendix "A" provides a set of recommended principles as a framework to guide the development of an NTP policy. Although not exhaustive, these principles are consistent with capital funding best practices and establish an overarching framework to develop specific and relevant NTP policy guidelines and funding criteria.

ALTERNATIVES

1. Approve the attached recommended principles to guide the development of an NTP policy and direct staff to develop specific policy guidelines to operationalize the funding principles, formalize the evaluation and assessment process, and inform community agencies interested in accessing this fund for the 2012 fiscal year.
2. Approve the attached recommended principles to guide the development of an NTP policy and that the NTP fund be administered on a case-by-case basis guided by these principles.
3. Approve the attached recommended principles to guide the development of an NTP policy, and provide staff with further direction to amend these principles and return with these amendments.

FINANCIAL IMPLICATIONS

Alternative 1:

This Alternative would provide greater clarity for applicants of the policies and procedures for NTP funding and for the CRHD Board in assessing the merits of each proposal. CRHD investments would need to be secured through an agreement such as a registered notation on title.

Alternative 2:

Status quo

This alternative would continue to deal with individual project requests on a case-by-case basis, funded through one-time capital contributions. While Alternative 2 fails to establish the degree of clarity and certainty around the CRHD's assessment of each proposal, it does allow the Board discretion to apply the attached proposed NTP principles and adapt funding policies to changing or unique circumstances.

Alternative 3:

There are no financial implications with this Alternative, except that decisions on NTP funding requests would be deferred until staff return with a follow up report recommending a set of amended guiding principles.

PUBLIC IMPLICATIONS

Clarifying and renewing the role of the CRHD with NTPs would foster "Community Partnerships", more effectively lever the Hospital District's capital funding contributions, and ensure ongoing service agreement support and operating funding for community-based agencies. By establishing clear policies and objectives, the CRHD can better address much-needed community projects and support the efforts of the Region's non-profit organizations.

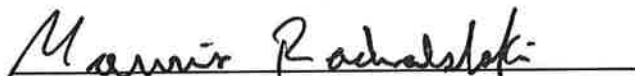
CONCLUSION

With the Board's desire to continue supporting local community priority projects and an increased discipline in the health funding framework, Alternative 1 would provide the opportunity for the CRHD to clarify the mandate of the NTP category. In support of NTP policy development, the attached guiding principles are based on best practices currently applied in other capital funding programs such as the CRD's Regional Housing Trust Fund and Canada Mortgage and Housing's Residential Rehabilitation Assistance Program.

RECOMMENDATION:

That the Committee recommends the Capital Regional Hospital District Board:

1. Approve the attached recommended principles to guide the development of an NTP policy, and direct staff to develop specific policy guidelines to operationalize the funding principles, formalize the evaluation and assessment process, and inform community agencies interested in accessing this fund for the 2012 fiscal year.


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Robert Lapham, General Manager
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Kelly Daniels, Chief Administrative Officer
Concurrence

Attachment: 1

COMMENTS:

APPENDIX "A"
STAFF REPORT TO
THE PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE

NON-TRADITIONAL CAPITAL PROJECTS
FUNDING POLICY PRINCIPLES

The following are proposed principles to guide the Non-Traditional Project capital funding policy:

- To be eligible for Capital Regional Hospital District (CRHD) funding, facilities must be designated by the Minister of Health as health care facilities as currently required under the *Hospital District Act*.
- Proponents must demonstrate both the need for capital funding, as well as the demand for services delivered through the facility to be constructed or upgraded.
- That CRHD funds be provided on a cost-shared basis only, leveraging other community contributions.
- The CRHD should not be the primary capital funder and CRHD funding should be conditional on confirmation that all other funding is secured by the applicant.
- That the public interest be served by ensuring facilities receiving CRHD funding continue to be used for their originally intended purpose.