

Many community based organizations are experiencing facility pressures. Increasing client activity volumes, expanded scope of service and more collaborative service delivery strategies to address program priorities all require space to organize and/or deliver services. The increased funding for adult and children's community mental health services, recently announced in the Ontario budget (2004), is good news for the system. Many organizations may need to plan for new or expanded/renovated space to implement new or expanded services.

There is much competition for capital approvals and construction grants. In fact, the Capital Planning and Strategies Branch of the Ministry of Health and Long-Term Care (MOHLTC) receives about five capital plan submissions per week¹. Getting your organization to the top of the capital funding list can be a challenge. Knowing the players and working effectively within the process is a key element of success. This article summarizes key features of the capital planning process of the MOHLTC.

Capital Planning Roles

The regional offices of the MOHLTC are the prime contacts for capital as well as operational planning and need to be "sold" on your capital needs. The Capital Planning and Strategies Branch manages the capital planning process, providing technical advice and recommendations to regional offices, controllership for appropriation control, financial monitoring and multi-year forecasting.

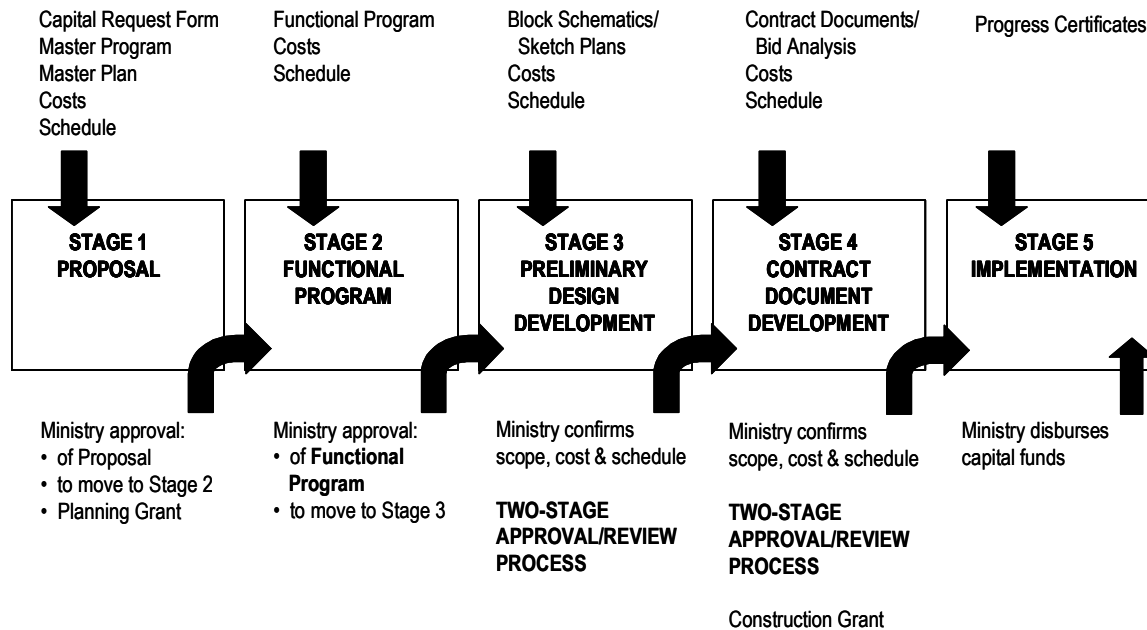
Core Features of the Planning Process

The MOHLTC is revising its capital planning process. While the changes aren't yet final, key elements are already in place and being applied to projects across the province. Key changes that may affect your organization are described.

The five stage capital planning process now applies to all publicly funded community based agencies as well as institutional health providers. Organizations must work through all the steps in the MOHLTC's capital planning process where the total project cost for renovations or new construction will exceed \$100,000. Figure 1 depicts the five stage planning process. Figure 2 presents the capital cost-sharing policy for community based organizations.

¹ December 8, 2003 presentation by the Capital Planning Unit, Ministry of Health and Long-Term Care.

Figure 1: Ministry of Health and Long-Term Care Capital Planning Stages ^a



^a Source: Ministry of Health and Long Term Care.

Capital project approval for construction/renovation now occurs much later in the planning process. Where previously the MOHLTC would award a project after approval of Stage 2 (functional program), the award is now made only when the tender package is ready.

Planning and design grants are now provided to cover planning costs once Stage 1 approval is received. This means that organizations must initially fund the planning costs to develop Stage 1 requirements, with the hope that their capital proposal will be approved. Once approved, the MOHLTC will flow 15 per cent of the estimated project cost to cover planning costs up to Stage 4 (Contract Development).

Capital Project Request (i.e., Stage 1) submission dates will be defined by the MOHLTC in its Annual Planning Cycle. We understand that one month per year will be designated for submission of capital proposals, which will require organizations to carefully schedule their planning work.

Figure 2: Capital Cost Sharing for Publicly Funded Community Organizations in Ontario ^a

Facility Type	Addiction, CHC's, Community Mental Health	Children's Treatment Centres	Elderly Person Centres	Homes for the Aged	Nursing Homes (non-profit)	Participation Houses	Supportive Housing
Maximum Level of Support (approved projects)	100%	66%	30%	50%	50%	80%	100%

^a Ministry of Health and Long-Care Care. Presentation – Capital Program Overview. December 8, 2003.

Importance of Stage 1 Planning

Effective Stage 1 planning is critical to the success of any capital project; all future planning stages refer back to the assumptions contained in Stage 1. The three main elements of the Stage 1 proposal are the capital request form, supplied by the MOHLTC, the master program and the master plan.

A master program is a broad level document that combines an assessment of the organization's existing facilities with the recommended changes required to fulfil a defined role or strategic directions. Its focus is long-range, considering needs for 5 to 15 years into the future. The master program identifies the changes anticipated in each component of service, the level of activity (workload) to be sustained, and the amount of space occupied and required for the future. It may also consider the staffing of the service.

The master program is used in a number of ways:

- it is a source document for a master plan
- it provides the MOHLTC with an indication of the organization's plans for the future
- it provides the executive team with a comprehensive picture of activity and resources, and a measure of changes necessary to meet future demands
- finally, for the manager, it serves as a means of planning changes in the scope or space for the service

The master plan provides the means to allocate and develop space rationally and coherently in response to program needs, over a period of time. It provides direction for the organization to make physical development decisions in relation to short, medium, and long term development requirements. The plan describes the existing situation, defines opportunities for development, recommends strategies for implementing the outcome of the master program, reflects order of magnitude capital costs for development options, and illustrates the development strategy and phasing in block schematic form.

In conclusion, this brief article highlights the changes to the capital planning process and the importance of Stage 1 planning. More information about the MOHLTC's capital planning process is available from your regional office and from the capital strategies and planning branch.

Article written by Patricia Cawley, senior consultant, Agnew Peckham and Associates.

Agnew Peckham works with community-based and institutional health service organizations to identify and advance their strategic, program and facility planning objectives. Monitoring and interpreting the evolving health care planning environment is a key element of our effectiveness. We regularly share our findings through articles such as this one. Should you require more information, please call Patricia Cawley or Debbie McDonald at Agnew Peckham (Tel: 416-924-7451), or e-mail pcawley@agnewpeckham.com, or dmcDonald@agnewpeckham.com

health care consultants

Suite 106, 4141 Yonge Street
Toronto, Ontario
M2P 2A8
(416) 924-7451
Fax 924-2268
agnewpeckham.com

**A G N E W
PECKHAM**