



**Development of:
Inverurie Health & Care Hub Project
and
Foresterhill
Health Centre Project**

**OUTLINE BUSINESS CASE
16 MARCH 2016**

*This outline business case can be made available in other languages and formats if requested.

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1. Executive Summary

EXECUTIVE SUMMARY

1.1. Introduction

- 1.1.1. This document consolidates the business cases for both of the Inverurie Health and Care Hub and Foresterhill Health Centre projects which have developed via different paths to date. The developments of the business case are set out as follows:
- 1.1.2. An Initial Agreement (IA) for the Inverurie Health and Care Hub was approved by the Scottish Government Health and Social Care Department (SGHSCD) on 3rd October 2013 and invited NHS Grampian to proceed towards Outline Business Case (OBC) on the basis that Inverurie be developed as a hub Design, Build, Finance and Maintain (DBFM) project, to be bundled with NHS Highland's Argyle and Bute Mental Health Redesign project. In June 2015 NHS Highland formally advised NHS Grampian that due to a number of issues which could potentially delay the project they were withdrawing from the bundle.
- 1.1.3. The IA for The Baird Family Hospital and the ANCHOR Centre includes the relocation of Foresterhill Health Centre. The IA was approved by the NHS Grampian Board on 4th June 2015 and has been considered by the Capital Investment Group (CIG). The proposal outlined in the IA is to relocate Foresterhill Health Centre to an adjacent site within the Foresterhill Health Campus to allow for development of The Baird Family Hospital on its preferred site.
- 1.1.4. It is proposed to bundle these two projects and deliver them as a hub DBFM project. Significant preparatory work has already progressed to facilitate this.

1.2. Strategic Context

- 1.2.1. Health and social care services contribute in many different ways to making Scotland a world leader in these services. The Scottish Governments clear priorities for action and a strategic vision over the next five years are:
 - Care will be increasingly integrated, provided in a joined up way to meet the needs of the whole person;
 - The people of Scotland will be increasingly empowered to play a full part in the management of their health;
 - Care will be clinically effective and safe, delivered in the most appropriate way, within clear, agreed pathways; and
 - Health and social care will play a full part in helping the care system as a whole make the best use of scarce public resources.
- 1.2.2. The driving force for service change and redesign in NHS Grampian is the Health Plan and its delivery model, the Health and Care Framework. The latter is a 2020 vision for the implementation of the Health Plan.

- 1.2.3. Within the Health Plan, five strategic themes underpin the main areas of work which need to be addressed to meet the challenges in the future, arising from changes in population structure, need for services, workforce and technology to improve treatment and care for patients. These are:
- Improving health and reducing health inequalities
 - Involving patients, carers, the public, staff and partners
 - Delivering safe, effective and timely care in the right place
 - Developing the workforce and empowering staff
 - Getting the best from available resources
- 1.2.4. The Strategic Case for this OBC is closely aligned to these priorities and themes. It focuses on delivering care as close to home as possible, placing less reliance on acute inpatient beds and with a clear focus on responding to individuals' needs.
- 1.2.5. The changes that will arise from the two projects proposed in this OBC are designed to 'pull' patients from the acute sector, particularly those using Accident & Emergency and outpatient services, into the community to enable people to be treated and cared for as close to their home as possible, for as long as possible and by the right staff. A case for an element of service redesign is presented, which requires investment to deliver the new service models and to provide facilities which support required changes to be implemented locally within the Inverurie and Foresterhill Health Centre practice populations.
- 1.2.6. Through better integration of health and social care services, NHS Grampian aims to identify those who will benefit from more early intervention e.g. those with long term conditions and to support people at the end of their lives to remain within their homes or community should they wish to do so.

1.3. Organisational Overview

1.3.1. The (Shadow) Aberdeenshire Health and Social Care Partnership (H&SCP) (Inverurie Project)

- 1.3.1.1. The (Shadow) Aberdeenshire H&SCP provides services to a population of approximately a quarter of a million people residing within Aberdeenshire.
- 1.3.1.2. The purpose of the (Shadow) Aberdeenshire H&SCP is to be one uniform organisation which will enhance and develop the formerly separate services.
- 1.3.1.3. By becoming a fully integrated organisation, the Partnership seeks to enhance and promote the health and wellbeing of the people of Aberdeenshire.

1.3.2. The (Shadow) Aberdeen H&SCP (Foresterhill Project)

- 1.3.2.1. The (Shadow) Aberdeen H&SCP provides services to a population of over 250,000 people residing in Aberdeen City.
- 1.3.2.2. The purpose of the (Shadow) Aberdeen H&SCP is to work together with other key stakeholders to assess the health and social needs to the population of Aberdeen, plan and allocate resources to improve health and social care delivery.

1.4. Investment Objectives

- 1.4.1. The investment objectives in the IA's for both the Inverurie Health and Care Hub and the Foresterhill Health Centre have been revisited and reviewed for this OBC. This process of revisiting and reviewing the objectives for both projects has usefully confirmed that there is a common set of critical success factors that can be measured to ensure that the investment objectives are met.

1.5. Strategic Investment in Health Priorities for Communities

- 1.5.1. NHS Grampian has an Infrastructure Project Prioritisation Programme, which is regularly reviewed as part of its asset management process. The replacement of Inverurie Health Centre and replacement of the Aberdeen Maternity Hospital (which is reliant on the relocation of Foresterhill Health Centre to free up the preferred site for The Baird Family Hospital) are currently the top two priorities.
- 1.5.2. The replacement of the existing boiler infrastructure serving the Inverurie hospital site also rated highly within the Infrastructure Prioritisation, the inclusion of which is part of the new Inverurie Health and Care hub. This project presents NHS Grampian with an opportunity to significantly reduce backlog maintenance risks.

1.6. Business Needs – Inverurie Health and Care Hub

- 1.6.1. Inverurie Medical Group has had a longstanding challenge in meeting a rapidly expanding population. The practice, which currently operates out of two sites at Inverurie and a branch surgery at Kintore, has around 21,000 registered patients and is registering around 85-100 new patients per month. The practice population is expected to grow to 30,000 by 2023 (including the branch surgery at Kintore).
- 1.6.2. The existing accommodation is too small to meet the service needs of the current population, has very limited scope for extension and also requires significant investment in terms of backlog maintenance, creation of appropriate privacy, changing areas etc. Currently 16 GPs, 12 salaried staff, 15 nursing staff and a number of visiting clinics and specialties provide services in 18 consulting and 2 multipurpose rooms within the existing Health Centre. 10 of the consulting rooms and 1 of the multipurpose rooms are housed in temporary accommodation.
- 1.6.3. In addition to the ability to extend the range of services provided within the health centre accommodation, there are significant strategic advantages to be gained by co-locating the GP Practice within the local Community Hospital in terms of increasing GP/nurse/allied health professional led diagnostic and treatment

services. A Masterplan for the existing Inverurie Hospital site undertaken in July 2013, and agreed with Aberdeenshire Council in August 2013, confirmed that the existing hospital site would be a suitable location for a comprehensive “Health and Care Hub” to serve the Inverurie community and the wider population within the locality.

- 1.6.4. A comprehensive Health and Care Framework exercise undertaken with involvement from public and a wide range of local stakeholders also supports the proposal to develop a Health and Care Hub on the Inverurie Community Hospital site.
- 1.6.5. The scope of the Inverurie project is for the development of an Integrated Health & Care Hub based on a single site accommodating the following services:
- Medical Practice
 - Public dental service
 - Allied professionals
 - Radiology unit
 - Enhanced community diagnostics and treatment services including cardiology and audiology
 - Outpatient consulting
 - Community Maternity Unit (CMU)
 - Community nursing, midwifery and health teams
 - Aberdeenshire H&SCP Admin Team
- 1.6.6. The agreement to develop a CMU in Inverurie was one of the outcomes of the Grampian-wide Maternity Services Review which was approved by the (then) Health Minister, Nicola Sturgeon in 2012 following a major service change formal consultation process.
- 1.6.7. The dental service will have two dental chairs providing what will be known, in line with Scottish Government policy, as the Public Dental Service. This service will complement independent General Dental Practice in the Inverurie locality by providing specialist dental treatments that independent dentists cannot provide.

1.7. Business Needs – Foresterhill Health Centre

- 1.7.1. The site option appraisal for the proposed Baird Family Hospital concluded that the preferred location is on a site currently occupied by the Foresterhill Health Centre and Breast Screening Centre. This option, which requires the relocation of both current medical practices, is consistent with the Foresterhill Development Framework agreed with Aberdeen City Council in 2008 and refreshed in 2013. Deprivation factors related to the geography of both practices community make it essential that the new site remains in an area that would be accessible to a community with significant deprivation and health and social care inequality.
- 1.7.2. Design development for a new Foresterhill Health Centre was previously prepared in 2009, but did not progress to construction due to financial constraints at the time. The proposal is to revisit this earlier scheme as part of the preferred

option for the relocation of Foresterhill Health Centre. The Foresterhill Health and Care Centre will be within the (Shadow) Aberdeen H&SCP.

1.7.2.1. The scope of the Foresterhill project is for the relocation of Foresterhill Health Centre and accommodates the following services:

- Elmbank Group Practice
- Westburn Medical Group
- Retail pharmacy
- Allied health professionals including podiatry, speech and language therapy and dietetics
- Integrated Health and Social Care Team
- Community nursing, midwifery and health teams
- H&SCP Admin Team

1.8. Economic Option Appraisal

1.8.1. Each shortlisted option identified was assessed to determine best value for money and affordability. Although Inverurie Health and Care Hub and Foresterhill Health Centre are bundled into one project agreement they are both mutually exclusive in terms of their individual preferred options, therefore separate economic cases have been developed.

1.8.2. Workshops were held to consider the options for each project with various key stakeholders in attendance. The workshops identified qualitative benefit criteria and those attending considered and scored each option to provide weighted benefit point scores for each option and to identify a preferred way forward.

1.8.3. A financial and economic appraisal was carried out on each of the short listed options.

1.8.4. Results are given in **Table E1 below & Table E2** overleaf.

Table E1: Value for Money Ranking – Inverurie Health and Care Hub

Value for Money Analysis – comparing qualitative benefits to costs				
Option	Qualitative Benefits Score	Equivalent Annual Cost £000s	Cost per Benefit point £	VFM Economic Ranking
Option 1 Do Minimum	205	354	1,727	1
Option 2 Current Hospital Site	360	730	2,028	2
Option 3 Town Centre Site	220	832	3,782	5
Option 4 Dual Site	240	885	3,688	4
Option 5 Peripheral Site	265	782	2,951	3

Table E2: Value for Money Ranking – Foresterhill Health Centre

Value for Money Analysis – Comparing qualitative benefits to costs				
Option	Qualitative Benefits Score	Equivalent Annual Cost £000s	Cost per Benefit point £	VFM Economic Ranking
Option 1 - Do minimum (backlog maintenance)	195	40	204	1
Option 2 - Build a replacement Health Centre	365	436	1,195	2

1.9. The Preferred Way Forward

1.9.1. For Inverurie Health and Care Hub the “Do Minimum” option could not meet nor address the significant issues that represent the gap between current service need and provision and what the community requires into the future. For Foresterhill Health Centre the “Do Minimum” option could not meet the key objective of this project which is to release the land of the existing facility for use in The Baird Family Hospital project.

1.9.2. In discounting both “Do Minimum” as realistic options, the preferred way forward that emerged from both economic appraisals is summarised as follows:

- for Inverurie it is to create a co-located “Care Hub” on the Inverurie Community Hospital site;
- for Foresterhill Health Centre it is to relocate elsewhere within the Foresterhill Campus;

1.9.3. Both Inverurie and Foresterhill are to be bundled into a hub (DBFM) project agreement.

1.10. Commercial Considerations

1.10.1. Delivery is provided through a joint venture company hub North Scotland Limited commonly known as hubCo which brings together local public sector participants, Scottish Futures Trust and a Private Sector Development Partner.

1.10.2. The hubCo route has been established to provide a strategic long-term programme approach in Scotland to the procurement of community-focused buildings that derive enhanced community benefit.

1.10.3. The Inverurie Health and Care Hub Project and Foresterhill Health Centre will be developed as part of a bundle with a single project agreement by a non recourse special purpose company (Sub-hubCo) funded from senior and sub-debt underpinned by a 25 year service concession contract. The purpose of this company is to raise the necessary debt finance to enable construction and then to operate and maintain the building during the operating period.

- 1.10.4. NHS Grampian will occupy and provide services from the building under a “service concession” contract which places obligations on the Sub-hubCo to meet specific operating and maintenance standards in return for an annual service payment. The contract will run for 25 years and on cessation the building will revert to the legal ownership of NHS Grampian.
- 1.10.5. Soft facilities management services (such as domestic, catering, porter and external grounds maintenance) are excluded from the project agreement with Sub-hubCo and these services will be provided by NHS Grampian.
- 1.10.6. NHS Grampian will pay Sub-hubCo for the services in the form of a unitary charge (UC) payment which is adjusted retrospectively to reflect any performance or availability deductions.

1.11. Indicative Capital Costs

- 1.11.1. The indicative capital cost for the preferred way forward is £22.4m. **Table E3** below provides a breakdown between Inverurie Health and Care Hub and Foresterhill Health Centre

Table E3: Summary of Capital Investment

	Build Costs £000s	Enab-ling Work £000s	Equip- ment £000s	Sub Debt £000s	Total £000s
Inverurie (Option 2)	12,851	720	780	124	14,475
Foresterhill (Option 2)	7,603	0	285	74	7,962
Total	20,454	720	1,065	198	22,437

- 1.11.2. The construction cost associated with both projects will be financed through the Scottish Government’s hub pipeline of revenue financed infrastructure projects previously announced during 2014. The related equipping costs and enabling works will be financed from NHS Grampian’s formula capital allocation, supplemented in part by revenue funding generated from the disposal of surplus assets.

1.12. Indicative Revenue Costs

- 1.12.1. The base estimated annual UC payment, which is paid at the point of occupation and subsequently indexed over the next 25 years of service operation, is £2.096m. **Table E4** below shows the split between the projects.
- 1.12.2. Under current Scottish Government guidance, the element of the annual UC that is required to be funded by Health Boards, without specific additional funding being provided, is in the range of 10-15% of the annual total. The Scottish

Government provides an annual funding allocation to NHS Grampian for the remaining majority 85-90%.

- 1.12.3. As is the case with most new build projects which replace existing buildings, it is anticipated that the new facility will be significantly larger than the existing with a net increase in revenue running costs across the two buildings of approximately £0.6 million per annum.
- 1.12.4. It is assumed that clinical services can be re-provided in the new facilities within existing resources. **Table E4** below, details the estimated revenue consequences associated with the new facilities and the anticipated sources of funding.

Table E4: 2018/19 Revenue Costs – First Full Year of Operation

	Inverurie Health and Care Hub £ 000s	Foresterhill Health Centre £000s	Total £000s
Costs			
Unitary Charge	1,278	818	2,096
Additional Depreciation (Equipment)	78	28	106
Other Scheme Costs (Net Additional)	204	109	313
Total Additional Scheme Costs	1,560	955	2,515
Sources of Additional Funding			
SGHSCD Unitary Charge	1,152	741	1,893
NHSG Unitary Charge	126	77	203
NHSG Depreciation (Equipment)	78	28	106
NHSG (Other Scheme Costs)	149	77	226
Third Party	55	32	87
Total Sources of Additional Funding	1,560	955	2,515

1.13. Overall Affordability

- 1.13.1. The key financial components are summarised in **Table E5** overleaf. Figures relate to the project development and first full year of operations, 2018/19.

Table E5: Overall Affordability

	Inverurie Health and Care Hub £ 000s	Foresterhill Health Centre £000s	Total £000s
Development Costs			
Capital Costs	1,624	359	1,983
Advisor Fees	90	53	143
Commission Costs	52	22	74
Total Development Costs	1,766	434	2,200
Annual Revenue Costs			
Net Depreciation	78	28	106
Net Running Costs (excluding UC)	204	109	313
Unitary Charge Total	1,278	818	2,096
Total Annual Revenue Costs	1,560	955	2,515

- 1.13.2. NHS Grampian is committed to the project and has incorporated the necessary funding increases for capital and revenue consequences in its financial plans and Local Delivery Plan for the coming years
- 1.13.3. Provision has been made in the NHS Grampian current Infrastructure Plan for enabling works at Inverurie, and equipment and sub debt investment in both Inverurie and Foresterhill amounting to £1,983,000. It is anticipated that the site of the existing Inverurie Health Centre will be vacated and sold in due course; the net book value of that site is £758,000.
- 1.13.4. The net additional recurring running costs and depreciation for the Project, less the Government contribution to the UC, amounts to £622,000. Based on the current assessment of occupancy the Practices and other third parties will contribute £87,000. The balance is included by NHS Grampian in its forward planning for revenue consequences.

1.14. Project Management and Programme

- 1.14.1. A project governance structure has been established for this project using a programme and project management approach.
- 1.14.2. The project will flow through 3 main phases from concept to operation.
- 1.14.3. The project organisational structure has been developed to take account of the differences between these three phases:
- Concept to Financial Close
 - Financial Close to Operation
 - Operation to Service Completion (25 year term)
- 1.14.4. Each phase requires a different organisational structure; the Project Board and project groups will have common and specific roles and responsibilities during each phase. The structure, roles, remits and skills required need to reflect the differing needs of each phase.
- 1.14.5. The indicative milestones for the project are shown below in **Table E6**:

Table E6: Delivery Programme

Milestone	Milestone dates
New Project Request (revised to include Foresterhill)	June 2015
Foresterhill IA approval	August 2015
Stage 1 pricing submission	June 2015
OBC Board approval	Aug 2015
OBC CIG approval	Sept 2015
Stage 2 development	July 2015 - March 2016
Stage 2 pricing submission	March 2016
FBC approval by Board/CIG	May/June 2016
Financial Close	June/July 2016
Inverurie & Foresterhill commencement	July/Aug 2016
Foresterhill completion	Sept/Oct 2017
Services Commencement	Nov 2017
Inverurie Completion	Jan/Feb 2018
Services Commencement	March 2018

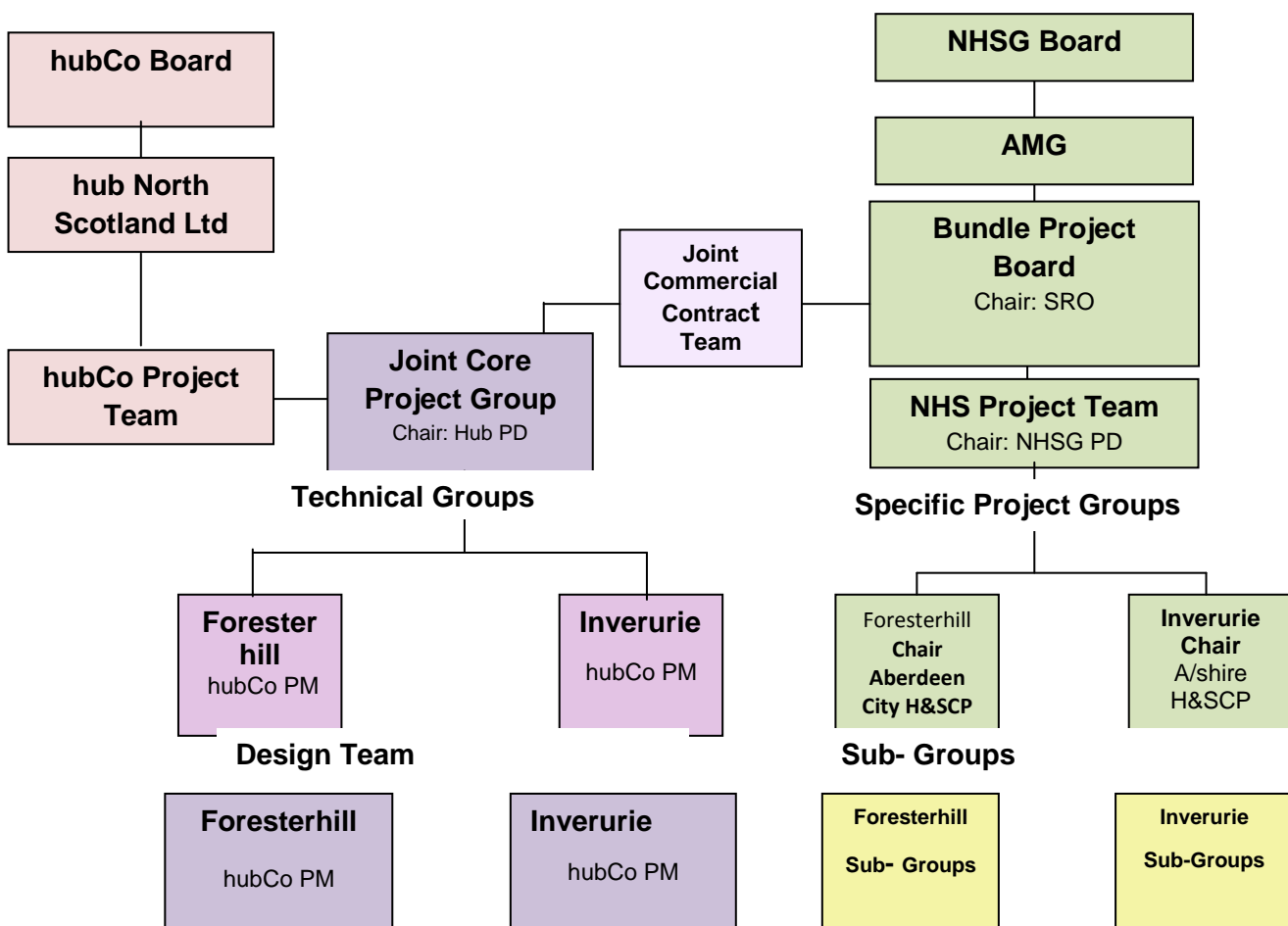
1.15. Benefits Realisation

1.15.1. The critical success factors required from the Inverurie Health and Care Hub and Foresterhill Health Centre bundle have been identified. A Benefits Realisation Plan for each is being developed and sets the benefits to be measured and monitored as part of the project. The project team, working with the relevant Operational Management Teams will develop a comprehensive Benefits Realisation Plan at Full Business Case (FBC) using the methodology developed by the NHS Scotland eHealth Team.

1.16. Risk Management

1.16.1. Major capital projects bring with them the potential for significant risks and one of the keys to the successful delivery of infrastructure projects is the management of risk. The Inverurie Health and Care Hub and Foresterhill Health Centre Bundle project will follow well established risk management methodologies. In terms of organisation a project structure has been established where escalated risks are actively managed. **See Fig. E1** below:

Fig E1: NHS Grampian Governance Structure



1.17. Post Project Evaluation

- 1.17.1. As with all business case processes, Post Project Evaluation will be carried out so that we can continue to learn and develop our processes moving forward. At the stage of the OBC the key performance measures and who will undertake the full project evaluation will be clearly articulated.
- 1.17.2. The purpose of undertaking a project evaluation is to assess how well the scheme has met its objectives and whether they have been achieved to time, cost and quality. Performance measures already contained in the Benefits Realisation Plan will not be replaced in the Project Evaluation Plan.

1.18. Support from NHS Grampian Board

- 1.18.1. The Development of Inverurie Health & Care Hub and the Relocation of Foresterhill Health Centre Outline Business Case is signed off by the Chair and Chief Executive on behalf of the NHS Grampian Board, for submission to the Scottish Government for Outline Business Case approval and permission to proceed to Full Business Case.

1.19. Conclusions

The Inverurie Health & Care Hub and Foresterhill Health Centre Project Outline Business Case:

- Delivers value for money;
- Is affordable to NHS Grampian;
- Is consistent with the strategic aims of NHS Grampian and NHSScotland;
- Has been designed to comply with the Project Brief;
- Has wide stakeholder support and
- Will deliver a reduction in overall carbon emissions.

Prof. Stephen Logan
Chairman
NHS Grampian

Mr. Malcolm Wright
Chief Executive
NHS Grampian

2. Background to the Strategic Cases

BACKGROUND TO THE STRATEGIC CASES

2.1. Background and Structure of the Strategic Case

2.1.1. This Project includes two quite distinct elements:

- Inverurie Health and Care Hub (IHCH) – The co-location of the Medical Group within the Community Hospital site and the formation of a Health and Care Hub which facilitates the relocation of social care services onto the same site and
- The Foresterhill Health Centre (FHC) will be relocated to an agreed adjacent site on the Foresterhill Health Campus and thereafter the existing building will be demolished. This Project will be pursued as an enabling work to allow development of Foresterhill Health Centre on the preferred site.

2.1.2. To allow both elements to be fully explored, this Outline Business Case (OBC) will consider the strategic and economic cases for Inverurie Health and Care Hub and Foresterhill Health Centre separately. The commercial, financial and management cases will be described as a single Project.

2.1.3. The Initial Agreement (IA) for Inverurie Health and Care Hub was approved by Scottish Government Health and Social Care Department (SGHD) on 3rd October 2013. The SGHCD accepted the recommendations and invited NHS Grampian to proceed towards OBC on the basis that Inverurie be developed as a hub Design, Build, Finance and Maintain (DBFM) project, to be bundled with NHS Highland's Argyle and Bute Mental Health Redesign project (known as Lochgilphead). See **appendix 1a**.

2.1.4. However in June 2015, NHS Highland formally advised NHS Grampian that unresolved issues impacting on the planned site for Lochgilphead could potentially delay the project indefinitely and consequently they were withdrawing the project from the proposed bundle so as not to compromise Inverurie's programme.

2.1.5. Inverurie (IHCH) as a standalone hub DBFM would be challenging in terms of meeting value for money criteria, however NHS Grampian have identified an emerging project requirement to relocate Foresterhill Health Centre as suitable to be bundled with this Project.

2.1.6. The IA for the Foresterhill Health Centre relocation is included as part of the IA for The Baird Family Hospital and the ANCHOR Centre that was approved by the SGHCD on 30th September 2015 see **appendix 1b**. The proposal is to relocate Foresterhill Health Centre to an adjacent site within the Foresterhill Health Campus to allow development of the Baird Family Hospital on its preferred site. In order to maintain the programme for the Baird Family Hospital, the relocation of Foresterhill Health Centre must be completed prior to the Baird and ANCHOR

Financial Close, hence the rationale for including the Foresterhill Health Centre relocation under a different procurement route.

- 2.1.7. Both projects have been combined within a single OBC. There has been no significant change to the scope of either Inverurie or Foresterhill's Strategic Case since approval of their respective IA's. However the Strategic Case has been refreshed to reflect current Scottish Capital Investment Manual (SCIM) guidance.

3. The Inverurie Strategic Case

THE INVERURIE STRATEGIC CASE

3.1. Outline of Proposal

- 3.1.1. This project will identify a solution for the relocation of Inverurie Medical Group within Inverurie and seeks to improve services to the affected population by:
- Providing care and treatment by working in partnership with other organisations through extended community teams, with professionals, patients, carers and communities as full partners in improving health and managing conditions.
 - Improving access to care and treatment through changes in the location of services, reduced travel time/distance and shorter waiting times.
 - Put in place the infrastructure for future development for the use of telemedicine or telephone consultations for return and routine outpatients, subject to funding being available.
 - Providing a local hub for maternity care for all women during pregnancy and after giving birth. Local labour and birth facilities for women and families with uncomplicated pregnancies, scanning and screening facilities, day assessment for women with some pregnancy complications, community based consultant clinics for women with complex health and/or social issues.
 - Services provided have strong evidence of clinical effectiveness based, as far as possible; patients not occupying acute inpatient beds who could have been cared for in other, non-inpatient settings.
- 3.1.2. This outline proposal will contribute materially to the delivery of the following key policies:
- 3.1.2.1. **Health Plan** and the **Health Care Framework** with the following themes: Improving health and reducing health inequalities; Involving patients, carers, the public, staff and partners; delivering safe, effective and timely care in the right place; developing the workforce and empowering staff and getting the best from available resource.
- 3.1.2.2. **NHS Grampian Maternity Strategy 2010-2015** which identifies the requirement for a Community Maternity Unit in Inverurie.
- 3.1.2.3. **NHS Grampian's Infrastructure Project Prioritisations** which lists NHS Grampian's priorities for investment set against a set of national strategic objectives. The replacement of Inverurie Health Centre is currently a top priority.
- 3.1.3. How this proposal responds to NHSScotland's strategic investment priorities and NHS Grampian Policies are developed throughout this Strategic Case and are listed in detail in **appendix 2a**.

3.2. Revisiting the Strategic Case

3.2.1. Strategic Background

- 3.2.1.1. The investment objectives in the IA's for the Inverurie Health and Care Hub have been revisited and reviewed for this OBC. The strategic context and scope of the Project is broadly unchanged since the Initial Agreement was approved.
- 3.2.1.2. The Initial Agreement was approved by SGHSCD on 3rd October 2013, refer to **Appendix 1a**. No specific conditions were outlined in the approval letter. Stakeholder involvement continues to be core to the Project.

3.3. Case for Change

- 3.3.1. This section outlines the benefits to be gained from this investment proposal and covers:
- Who is affected by this proposal?
 - What are the current arrangements related to this proposal?
 - What is the need for change?
 - What is NHS Grampian seeking to achieve from this proposal?
 - What measurable objectives will be gained from addressing these needs?
 - What risks could undermine these benefits?

3.4. Current Arrangements

3.4.1. Who is Affected?

- 3.4.1.1. NHS Grampian Board provides all healthcare services for the circa half- million people who live in Grampian, an area covering 3,000 square miles of city, town and village and rural communities. The Health Board also provides specialist tertiary services for the North of Scotland, employing around 17,000 staff. As a teaching Board, it also has close links to the University of Aberdeen and Robert Gordon University.
- 3.4.1.2. Across the North East of Scotland, there is a long history of successful joint working between the three local authorities, Aberdeen City, Aberdeenshire and Moray Councils and NHS Grampian. More recently joint working has included the third sector, independent care sector and most importantly communities Inverurie Health and Care Hub is within the (Shadow) Aberdeenshire Health and Social Care Partnership (H&SCP). The Aberdeenshire H&SCP delivers health and social care services in partnership with NHS Grampian community teams, GP practices, Community Hospitals and Aberdeenshire Council's social care team.
- 3.4.1.3. Inverurie is a key strategic community in the North East of Scotland, with a population that has grown steadily over recent years, rising 36.3% between 1991 and 2010. Continual improvements to the road and rail infrastructure support growth which is expected to continue unabated with the Council's Local

Development Plan identifying land for development of a further 3,650 houses resulting in an estimated 9,000 additional patients registering with the local medical practice.

- 3.4.1.4. The Inverurie Medical Group is the largest single practice in Scotland and has had a long standing challenge in meeting a rapidly expanding population. The Practice, which currently operates out of two sites at Inverurie and a branch surgery at Kintore, has around 21,000 registered patients between both sites and is registering around 85-100 patients per month. The registered list is expected to rise to 30,000 by 2023. The Branch Surgery at Kintore will not be affected by this project.
- 3.4.1.5. The practice population is expected to grow in size from 21,000 to 30,000 patients by 2023 according to the Local Development Plan.
- 3.4.1.6. A stakeholder analysis has formed part of this project documentation and is included within **Appendix 17**. Stakeholder engagement is ongoing as detailed throughout this OBC.

3.4.2. **Current Service Provision Arrangements and Building**

- 3.4.2.1. Over the last few years, the development of general practice and primary care and more recently the move towards Integrated Health and Social Care Partnerships has resulted in increasing demands for more and better facilities.
- 3.4.2.2. Due to this, health and social care professionals providing services to the population of Inverurie and surrounding areas, housed in their current facilities, find themselves restricted in terms of the services they are able to offer to patients. It is becoming increasingly difficult to provide the range and quality of services that patients reasonably expect from Primary Care in the 21st Century.
- 3.4.2.3. The main providers of Primary Care for the population of Inverurie and surrounding areas are housed in the Inverurie Health Centre, which despite the addition of temporary accommodation, is not fit for purpose and not capable of expansion to support the increasing demand for services.
- 3.4.2.4. As patient numbers have grown over the years, a number of modular buildings have been added to the main structure. This means that services are delivered from whichever space may be available, rather than providing a seamless service for patients in one particular area. A number of buildings, that provide space for clinics, are some distance from the reception area and waiting areas for these are limited.
- 3.4.2.5. The site itself sits within the centre of the town of Inverurie and is 'land-locked' at all sides. There is no room for expansion and patients currently struggle to park in the health centre car park as it is often taken up by non-health centre users. Accessibility can be difficult for those who are unable to use public transport and require vehicle access to the door of the practice.

3.4.3. General Medical Services

3.4.4. Inverurie Medical Group

- 3.4.4.1. Inverurie Medical Group is a 16 GP Partner Practice which currently operates from Inverurie Health Centre which is owned by NHS Grampian.
- 3.4.4.2. The Practice is clinically supported by 12 salaried GPs and a Practice Nursing Team of 15 Practice Nurses and healthcare staff. A Practice Manager and an Assistant Practice Manager provide managerial and administrative support with a team of receptionists, medical secretaries and chronic disease administrators.
- 3.4.4.3. Inverurie Medical Group, which is a large semi-rural practice, provides General Medical Services to the populations of Inverurie, Kintore, Daviot, Hatton of Fintray and the surrounding hinterland. The current Practice population is 21,000 and expected to grow to 30,000 by 2023.
- 3.4.4.4. Clinical care is delivered by GPs and a large team of practice nurses who specialise in chronic disease management. The clinical team is supported by 3 primary care technicians who provide phlebotomy, electrocardiogram and blood pressure near patient testing services.
- 3.4.4.5. On the day and unplanned care is primarily delivered at Inverurie for logistical reasons and due to the large population base in Inverurie. An on-call team provides on the day appointments, emergency home visits and a triage phone service for assessment of urgent medical problems and advice.
- 3.4.4.6. There are in excess of 1300 GP appointments, 500 Practice Nurse appointments and 300 Phlebotomy appointments on a weekly basis.
- 3.4.4.7. The Inverurie Surgical Clinic was developed in 1994. Since then, the clinic has developed into an extremely successful and respected service. The clinic provides a wide range of services up to and including level three e.g. vasectomies and plastic surgery procedures.
- 3.4.4.8. GP specialist and orthopedic and dermatology clinics are held on a weekly basis however space for delivering these is limited as consulting rooms are generally fully utilised delivering general medical services.
- 3.4.4.9. There is also a dedicated Community Nursing Team which comprises District Nurses, Health Visitors and Midwives. The District Nursing and Health Visitor teams are based at the Health Centre but also work in the community.
- 3.4.4.10. The District Nurses provide a community nursing service to the housebound patients registered with Inverurie Medical Group. The team requires frequent and daily access to the GPs, other health care professionals and multi-agency professionals based in Inverurie to co-ordinate and facilitate the timely treatment and care of patients in the Community.

3.4.4.11. The Health Visitor Team provides a public health nursing service to the 0-18 year's population registered with the Inverurie Medical Group. The service framework is directed by Hall4, GIRFEC and NESPC guidance. The services include developmental assessment of children, immunization, one-to-one support sessions, drop in clinics and group work sessions.

3.4.4.12. The Community Midwives provide consultations for pregnant women including confidential discussion, physical examination and minor diagnostic and treatment procedures for the patient population registered with Inverurie Medical Group.

3.4.5. Allied Health Professionals

3.4.5.1. A range of allied health professional led services are currently provided within the existing Health Centre and on the Inverurie Hospital site.

3.4.5.2. These Services include:

- Physiotherapy – General physiotherapy services are will be delivered alongside musculoskeletal physiotherapy services and rehabilitation of the wider community – frail elderly, those with neurological conditions, pulmonary rehabilitation etc (currently delivered at Inverurie Hospital within two separate buildings). **See Fig.1.**
- Speech and Language Therapy – the therapists based within Inverurie provide services to babies, children and adults. Support is provided to not just those with speech and language difficulties of learning disabilities but also those who have swallowing and eating difficulties and people who are suffering with degenerative diseases. Their patients also include those with stroke; PD; MS; MND, HD, neurosurgery, head-neck surgery and voice & fluency disorders. They run community clinics for paediatric services which include group therapy programmes (currently delivered at the Inverurie Hospital site). **See Fig.1.**
- Podiatry – the team based in Inverurie provide a full range of podiatry services to the Garioch population. This includes essential care, evaluation and treatment of foot problems as well as the more specialised services such as the fitting of orthotics and minor podiatry surgery. Currently Podiatry appointments are delivered at both Inverurie Medical Practice and Inverurie Hospital with all domiciliary activity coordinated at the health centre. **See Fig.1.**

3.4.5.3. Other services within the scope of this project are provided across Grampian from the following facilities:

- Urie Dental Practice – a 3 chair dental practice currently delivered within portacabins situated in the grounds of Inverurie Hospital. Urie Dental Practice mainly services the more vulnerable members of the Inverurie population for e.g. children and adults with significant, learning and

physical disabilities; looked after and vulnerable children, frail elderly and housebound patients. **See Fig.1.**

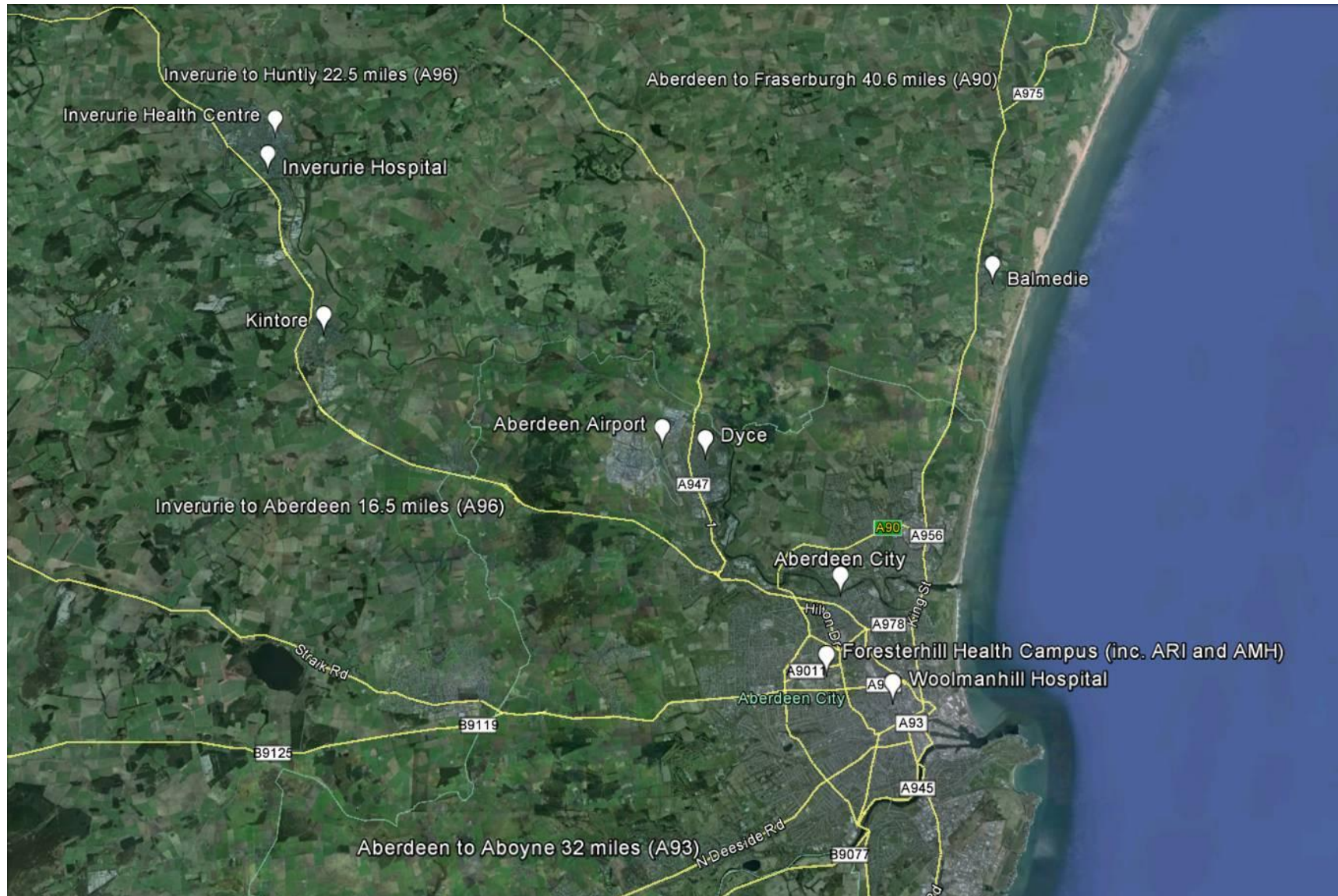
- Cardiology Clinics are hosted at the Inverurie Hospital within the Donbank Ward. This is a limited service due to lack of space within the Donbank Ward building. **See Fig.1.**
- Radiology – access to a radiology service for the Inverurie and surrounding population is either a community facility based in Huntly (22.5 miles north of Inverurie) or the radiology department based at Aberdeen Royal Infirmary. **See Fig. 1.**
- Audiology operates a limited service from the Donbank Ward at Inverurie Hospital – mainly for Hearing and Tinnitus tests. For any patients from Inverurie and the surrounding area requiring the use of an Audiology booth requires them to travel 16.5 miles to the service based at Woolmanhill Hospital within Aberdeen City. **See Fig. 1.**
- Visiting Consultants – there are a range of clinicians whose main base is elsewhere in Grampian that provide out-reach clinics locally for the Inverurie population. These clinics are mainly held at the Inverurie Health Centre, however due to lack of space these clinics cannot always be accommodated and would require a patient to travel into Aberdeen City. The range of services includes Ophthalmology, Rheumatology, Respiratory and Orthopaedic clinics. **See Fig.1.**

3.4.6. Maternity Services

- 3.4.6.1. Maternity services for women in the Inverurie and surrounding areas are limited to access to a community midwife within their own GP Practice. Currently, community midwives work in teams and provide community-based care to all women during pregnancy and after giving birth. A core part of their role is to be the named lead healthcare professional for women who are healthy and are experiencing an uncomplicated pregnancy. These teams however are not integrated with either a birth unit or midwife-led unit, which are dedicated facilities for women to labour and birth. There are currently two birth units within Aberdeenshire (Aboyne and Fraserburgh). These units can only accommodate one woman at a time. The location of these units is further away from Inverurie and surrounding areas than the main Aberdeen Maternity Hospital in Aberdeen City. **See Fig. 1.**
- 3.4.6.2. Appointments for routine scanning (dating/screening scan at 11-13 weeks and detailed scan at 20 weeks) are provided throughout Grampian but none of these services are based local to Inverurie or surrounding areas. Again, patients requiring this service would have to travel to Aberdeen Maternity Hospital.
- 3.4.6.3. The currently population in Central Aberdeenshire, particularly around the Inverurie area has a high potential to achieve 250 to 500 births. 39% of the Inverurie Practice population is aged 25-44. Inverurie also sits on one of “two strategic growth corridors” which will account for around 75-80% of growth in Aberdeen and Aberdeenshire over the next 20 years.

- 3.4.6.4. As identified within the Maternity Services Review 2012 – women who may need to be assessed and monitored during their pregnancy (for example, high blood pressure or severe morning sickness) have to travel to Aberdeen Maternity Hospital.
- 3.4.6.5. The building and physical facilities at Aberdeen Maternity Hospital do not meet the standards for maternity and neo-natal care in the 21st Century.
- 3.4.7. In conclusion, there are a range of services that are currently provided to the Inverurie and surrounding areas population but some are spread across a range of sites or geographical locations and/or are housed in buildings that are too small or not fit for purpose. **See Fig.1.**

Fig. 1: Current Service Locations within Aberdeenshire



3.5. Need for Change

3.5.1. There are four drivers to take action these have been summarised in the **table 1** below and the issues are developed throughout this section.

Table 1: Need for Change

Cause of the need for change:	Effect of the cause on the NHS Grampian:	Why action now:
Requirement for Better Integration of Services	Lack of synergy in current arrangements	Opportunity arising as a result of introduction arising from Health and Social Care Partnerships
Requirement for Enhancement to Services	Existing services are remote from affected community	Delivery of Health Plan vision
Support Delivery of Maternity Strategy	Limited local provision	NHS Grampian Maternity Strategy 2010-2015
Address Condition of Building	Current condition & performance of the Estate broadly unsatisfactory as set out in table below	Asset Management Plan Prioritisation

3.5.2. Better Integration of Services

3.5.2.1. Through better integration of health and social care services, NHS Grampian aims to identify those who will benefit from more early intervention e.g. those with long term conditions and to support people at the end of their lives to remain within their homes or community should they wish to do so.

3.5.2.2. Through signposting, patient education and consultation, as well as further development of the GP contract, it is likely that delivering health and treatment services within community settings becomes the norm. The provision of high quality, fit for purpose accommodation in a primary care setting will become more challenging. Examples of this are as follows:

- Expanding multi-disciplinary teams, with need for different/flexible accommodation including visiting teams to support shared care;
- Increase volumes of activity;
- More multi-disciplinary team (MDT) meetings (clinical/case conferences and managerial);

- Higher dependence on electronic records and communication systems including the ability to support patient focused booking;
- Requirement to be able to support the transition from paper records to electronic records;
- More undergraduate and postgraduate training now required to take place in primary/community settings;
- Accommodation and practice model being of interest to Career Start GPs and GPs with special interests.

3.5.2.3. A high degree of variation in the way that primary care and community hospital resources are used is evident from recorded activity information. The current lack of service integration results in less than optimal use of resources across the health and social care economy.

3.5.2.4. The current pattern of health and social care services provision on a number of different sites is ineffective in terms of service delivery and wasteful because there is considerable duplication of services, and clerical and reception staff.

3.5.3. **Enhancement of Services**

3.5.3.1. Co-location of the Medical Group within the Community Hospital and the formation of a Care Hub with social care services will facilitate and enable a significant increase in local service provision to include; dermatology, orthopedics and ultrasound. In the future, there is scope for including casualty services, increased outpatient (mental health and substance misuse) and inpatient services, a wider range of treatment and diagnostic services, an extended and integrated range of social care services and advocacy services. The Inverurie Health and Care Hub will accommodate; Inverurie Medical Group; community nursing teams; health visiting; Urie Dental Practice; radiology unit; allied health professionals; cardiology; audiology; out-patient accommodation and a CMU.

- Increasing range of diagnostic and treatment services for example, access to X-ray in a community setting;
- Emergence of telehealth/telecare solutions and the need to support and review patients using new technology resulting in the flexibility for alternative ways of providing/accessing care;
- Greater emphasis on patient education and support for self care.

3.5.3.2. Currently the local population must travel to Aberdeen for a Plain Film x-ray or a proportion may be seen at another community hospital with x-ray facilities in Huntly (outwith the Garioch area). Capital funding has been made available from NHS Grampian to provide x-ray equipment to support the scheme.

3.5.4. Delivery of Maternity Strategy

3.5.4.1. The agreement to develop a CMU in Inverurie was one of the outcomes of the Grampian-wide Maternity Services Review which was approved by the Cabinet Secretary in 2012 following a major service change formal consultation process. The data analysis which formed part of the 2012 review was revalidated in 2015. Inverurie has a high potential to achieve 250 to 500 births per annum in an area (central Aberdeenshire) where 39% of the Inverurie Practice population is aged 25-44 years old, The CMU will provide midwifery and some obstetric services to the pregnant women in Central Aberdeenshire.

3.5.4.2. The CMU will be a focal point of maternity care in Inverurie and the surrounding areas. It will provide labour and birth facilities for women and families who are likely to have an uncomplicated normal birth and who choose to give birth there, but it will also be a hub for maternity care for all women during pregnancy and after giving birth, providing e.g. ultrasound, consultant clinics, antenatal care and postnatal care.

3.5.5. Building Condition

Table 2: Current Condition and Performance of the Estate

	Current condition & performance of the Estate				
	Existin g sq.m	Physical Condition	Statutory Standards	Space Utilization	Functional Suitability
Inverurie Health Centre	914	Not satisfactory	Satisfactory	Over- crowded	Not satisfactory
Inverurie Hospital	6,168	Not satisfactory	Not satisfactory	Over- crowded	Not satisfactory

3.5.5.1. **Table 2** above shows that condition of the existing Inverurie properties. It has been prepared in accordance with the PAMS Quality Output mechanism and shows that the properties are in an unsatisfactory physical condition, are overcrowded and functionally unsuitability for contemporary primary and community healthcare delivery. Since the existing health centre was originally built, their list sizes, workload and general level of service activity have increased as a result of increased populations and the expanded primary and community care services needed to support the local communities.

3.5.5.2. The services have now simply outgrown the buildings and have reached a state where they present a serious constraint on both the continuation and further development of services. There is very little potential for developing either

existing or new services within the existing facilities due to the physical limitations of extending buildings on the existing site; this is further evidenced in the Economic Case. Furthermore, the current design and functional suitability seriously compromise the provision of modern health and care services from these buildings, for example sound proofing between consulting rooms.

3.5.5.3. The backlog maintenance requirement for the existing buildings is also shown in **table 3** below:

Table 3: Backlog Maintenance

Backlog Maintenance Requirement (Prime Costs)					
	Low Risk £,000s	Moderate Risk £,000s	Significant Risk £,000s	High Risk £,000s	Total £,000s
Inverurie HC	62	199	48	86	347
Inverurie Hospital	63	605	1,161	0	1,828

3.5.5.4. It should be borne in mind that this backlog maintenance requirement is associated with the structure and physical condition of the buildings and even if these monies were expended, it would do little to address the space utilisation and functional suitability issues which currently exist in the buildings.

3.5.5.5. The existing facilities can, at times, compromise clinical standards and effectiveness and have been identified as risk management issues in areas such as cross-infection and health and safety. The existing accommodation also compromises the achievement at times of basic quality standards in terms of patients' privacy and dignity.

3.5.5.6. **Figures 2-7** overleaf gives an indication of the existing condition of each facility.

Fig 2: Inverurie Internal- Dated Consulting Room



Fig 3: Inverurie Internal- Overcrowded Reception



Fig 4: Inverurie Internal: Inadequate Records Storage



Fig 5: Inverurie External- Attached Modular Buildings/Portacabins



Fig 6: Inverurie External- Flat Roofs



Fig 7: Inverurie External- Overcrowded Car Park. Liable To Pot Holes and Flooding



3.6. What is NHS Grampian seeking to achieve from this proposal?

3.6.1. This section defines the critical success factors for this project and outlines a proposed service solution that is reflective of these.

3.6.2. Critical Success Factors

3.6.2.1. Critical success factors are used as part of the process to shape the investment objectives, sustainability objectives and the benefits criteria within the economic case to ensure alignment with a preferred option. The critical success factors were developed and re-visited by the H&SCP and the Inverurie project team; these are detailed below.

- a. To create modern, flexible and fit for purpose facilities for the Inverurie population to access a range of general medical services, community midwifery, community dental and diagnostic and treatment services. Primary, community and social services work in harmony ensuring that individuals pathways are as smooth as possible at all times;
- b. The project delivers within the available funding envelope;
- c. Delivers facilities that enable existing and planned enhancements to clinical services;
- d. Improvements in access for patients to a range of community, health and social care services in one location;
- e. Improvements in the oral health of the most vulnerable within the Inverurie population by improving access to dental services;
- f. Complies with all relevant health guidance (unless otherwise agreed as being inappropriate) including HAI SCRIBE guidance to ensure facilities are commensurate with current policy and reduce the risk of health related infection spread;
- g. Avoids any significant disruption to existing clinical services in the localities;
- h. Quality – delivery of key stakeholders (including community representatives) expectations (where these match the brief). “AEDET” reviews will be undertaken and will achieve a minimum score of 4-6 in all 10 categories;
- i. Sustainability – the achievement of BREEAM Healthcare “Excellent” for new build or “Very Good” for refurbishment is critical to the project success;

- j. Increases staff moral and assists recruitment and retention, particularly during times of healthcare staff shortages and
- k. A CMU solution that supports the delivery of NHS Grampian Maternity Service Strategy

3.6.2.2. A comprehensive Health and Care Framework exercise has taken place over the last two years and has the support of the public and wider stakeholders to create a co-located “Care Hub” on the Inverurie Community Hospital site. Currently dental and renal dialysis facilities are on site as well as inpatient beds for GP acute and psychiatric assessment. Following the recent review of the Grampian Maternity Service, the Inverurie hospital site has been identified as the location for a Community Maternity Unit (CMU) which forms part of the scope of this project.

3.6.3. **Desired Scope and Service Requirements**

3.6.3.1. The plans for the Inverurie Health and Care Hub (*see Fig. 8*) will see the creation of an improved multi-agency facility which will accommodate:

- Inverurie Medical Group who deliver a full range of GMS Services and a specific range of local enhanced services
- Community Nursing Team
- Public Health Nursing (Health Visiting)
- Urie Dental Practice
- Radiology Unit
- Allied Health Professionals
- Cardiology, Audiology and Out-Patient Accommodation
- Community Maternity Unit

3.6.3.2. The services delivered within the health centre will be relocated and the Health and Care Hub will allow all services to be delivered within one purpose built building. There are other services currently being delivered in a number of buildings across the community hospital site where space is available. Bringing these together will allow a streamlined service to be delivered to patients in one place and therefore improve their experience overall, reducing the need to travel between a variety of sites to receive their care.

3.6.3.3. Updated facilities will also allow services to be enhanced – something which is not possible in current premises. For example, General Practitioners with Special Interests (GPwSIs) will be able to work alongside clinics allowing direct referral. Currently, there are not enough clinical rooms available to allow this type of arrangement.

3.6.3.4. Those services that are enhancement to existing arrangements are:

3.6.4. **Dental Practice**

3.6.4.1. The dental service will have two dental chairs providing what will be known, in line with Scottish Government policy, as the Public Dental Service. This service will complement independent General Dental Practice in the Inverurie locality by providing specialist dental treatments that independent dentists cannot provide. These treatments include Relative Analgesia, (R.A. Sedation or Conscious Sedation), Intravenous Sedation, school and care home screenings, as well as acting as a specialist point of referral for areas such as paediatric dentistry, older people, and others with medical conditions that may make them unsuitable for treatment elsewhere.

3.6.5. **Radiology**

3.6.5.1. The Radiology Department will provide a plain film service (excluding Dental examinations) for GP referrals from the Inverurie Health and Care Hub catchment area. The facility will also deliver, to an agreed capacity, a service for the demand generated from outpatient's clinics in the Inverurie Health and Care Hub area.

3.6.6. **Cardiology**

3.6.6.1. The purpose built facility will provide specialised diagnostic cardiology testing consultation for the patients referred both from Inverurie and other GP practices which feed into the current service.

3.6.6.2. Cardiology services delivered by Inverurie Health and Care Hub will include new patient clinics, chest pain clinics, echocardiography, ECG (electrocardiography), PAD (patient activated device) and holter hook up.

3.6.7. **Audiology**

3.6.7.1. The audiology room will provide the following range of services during the course of the working week:

- Hearing Tests
- Tinnitus Clinics
- Hearing aids
- Reassessment
- Adult hearing and rehabilitation

3.6.8. **Community Maternity Unit**

- 3.6.8.1. The CMU will provide labour and birth facilities for women and families who are likely to have an uncomplicated normal birth and who choose to give birth there, but this will be just one part of their service. The CMU will be a hub for maternity care for all women during pregnancy and after giving birth. Although some services are available now, our approach will build on this and we see the units as busy, vibrant places that offer a wider range of care and support to a greater number of women and families.
- 3.6.8.2. The CMU will have access to health visiting, community nursing and general practitioner services which will allow a streamlined approach to women and their families. Housing staff within one overall site allows improved communication between professionals and an improved response time to arising issues. The added multipurpose and additional midwifery consulting rooms within the Health and Care Hub will facilitate the delivery of ante and post-natal care that can respond to women's needs when necessary by involving other co-located healthcare professionals.
- 3.6.8.3. The location of a CMU in Inverurie is consistent with the NHS Grampian Maternity Strategy which identified the location for the following reasons:
- The current population in Central Aberdeenshire, particularly around the Inverurie area, has a high potential to achieve 250 to 500 births in a local CMU. 39% of the Inverurie practice population is aged 25-44, which means there is a high potential for women and families to use the services which a CMU will offer.
 - There are plans for major house building in this area. Inverurie sits on one of two 'strategic growth corridors' which will account for around 75-80% of growth in Aberdeen and Aberdeenshire over the next 20 years.
 - Inverurie is conveniently situated on the main A96 road with rail and bus networks; it is on the way to, rather than away from, a Consultant Unit for many women; and is reasonably accessible if a transfer to a Consultant Unit is required.
 - There are small but significant areas of deprivation in Central Aberdeenshire, although not on same scale as Fraserburgh and Peterhead; and in recent years, there has been an increase in the teenage pregnancy rate, although not on the same scale as Aberdeen.

3.6.9. **Out-patient Consulting**

- 3.6.9.1. This will provide access to a wide range of specialist clinics provided by primary or secondary care clinicians. The clinics will be out-reach clinics for example ophthalmology, rheumatology, respiratory and orthopedics clinics.

3.6.10. Minor Injury Unit

3.6.10.1. The new Inverurie Health & Care Hub (IHCH) will support Service Redesign by helping to ease pressure on Aberdeen Royal Infirmary (ARI) by providing local access to a range of services including a Minor Injury unit and diagnostic and treatment services closer to home. An element of service redesign will happen before the development opens to ensure as smooth a transition as possible.

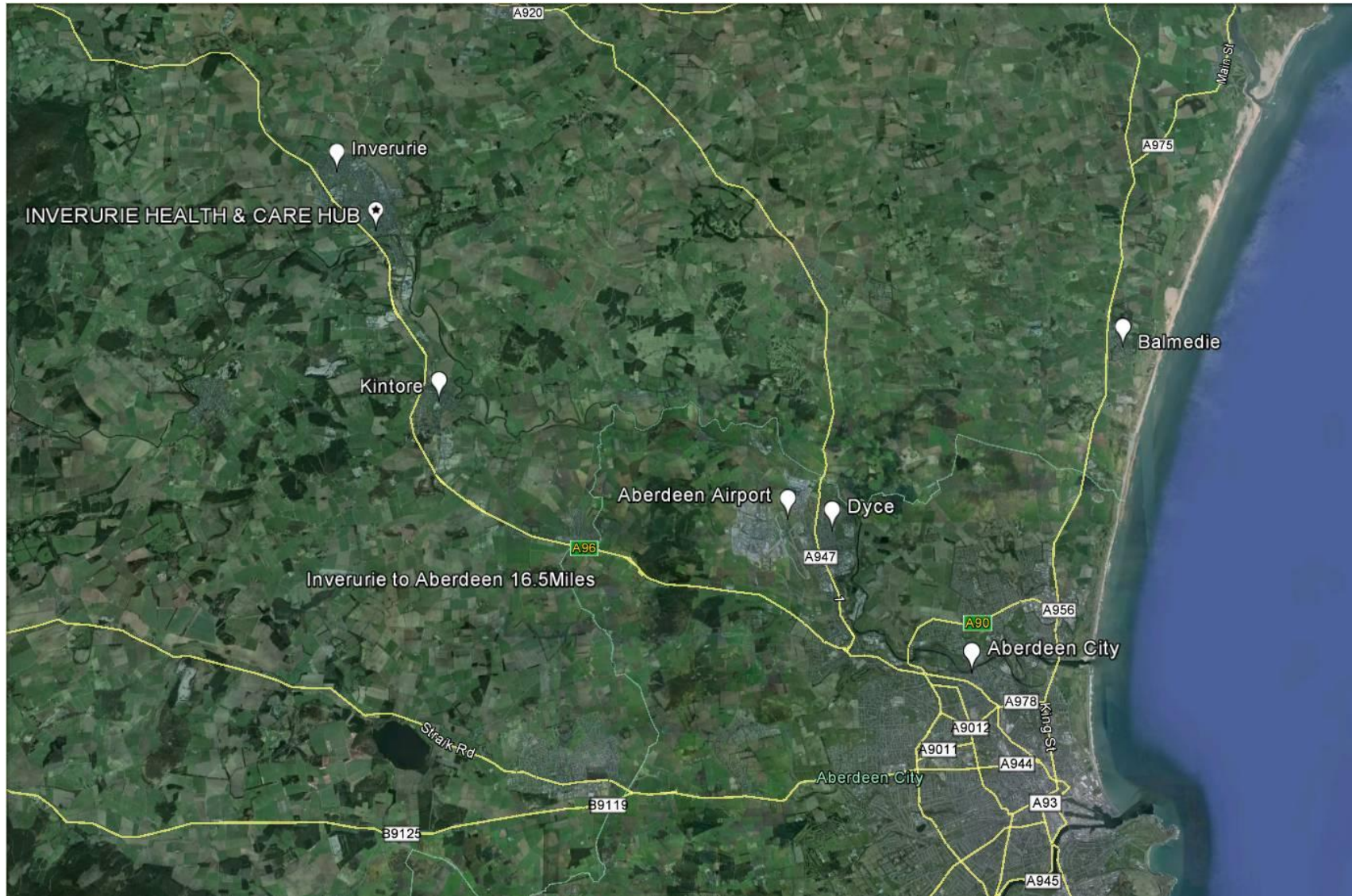
3.6.11. Carbon Reduction and Environment

3.6.11.1. The replacement of the boiler system at Inverurie Hospital site, included as part of the scope of providing the new Inverurie Health and Care hub will substantially reduce backlog maintenance on the existing site through the provision of a the new energy centre as well as corresponding efficiencies in energy consumption and emissions.

3.6.12. Records Storage

3.6.12.1. Independent GP Practices are responsible for managing their own record storage. Whilst the strategic direction of travel is towards future electronic storage, the actual transitional shift from paper to electronic storage will be challenging for a number of practices. In terms of the design layout, Inverurie has current provision for record storage. However mindful of future development, the rooms have been designed to be easily converted into other office/clinical areas at low cost, for example windows, lighting and ventilation are included and power points can be adapted/extended.

Fig. 8: Proposed Inverurie Health & Care Hub Site



3.7. Investment Objectives and Benefits

- 3.7.1. The rationale for investment should be reflected in the potential benefits to be gained from that investment. This provides both the evidence base that a proposal is worthwhile and that it presents value for money.
- 3.7.2. Potential options to support the delivery of these are developed in the Economic Case.

3.8. Investment Objectives

- 3.8.1. This section identifies the investment objectives by considering what NHS Grampian is seeking to achieve and how these will be measured.
- 3.8.2. The following objectives, overleaf in **Table 4**, are consistent with the principles of NHS Grampian's Health Plan and Routemap to 2020 Vision. The investment objectives have been prioritised into three categories; "essential", "important" and "beneficial".

Table 4: Investment Objectives

Essential							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
1	Vacating of premises that are too small and require significant investment in terms of backlog maintenance.	A.1	Successful construction of Inverurie Health and Care Hub.	Maximized range of health and social care services available locally and greater equity of service provision. Greater potential to avoid hospital admission. Reduces backlog maintenance.	High	Medium Term	Qualitative Service Resilience
2	Improved patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need.	C, D, H,K	Establish a patient focus group that can provide a baseline to measure the success in the future.	Services which provide personalized care and support designed to optimise well being and enable people to live long and healthier lives and have a positive experience of health and social care.	High	Medium-Long Term	Qualitative and potential resource efficiencies
3	Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff.	J,K	Measurable reduction in staff turnover. Measurable increase in the number of trainees in the practice.	Improved working arrangements and facilities for staff resulting in greater job satisfaction and less turnover/sickness.	Medium	Medium Term	Qualitative and resource efficiencies

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4	Solution that will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy.	C	Achieve higher % of integrated working.	Service integration and greater efficiency in the use of resources including streamlined management arrangements and integrated information systems and records management across health and social care	High	Short Term	Qualitative and potential resource efficiencies
5	Supports improvement in health and social care through timely access to diagnosis, treatment or improved learning for people e.g. long term conditions.	D, H, J	Measurement using national waiting time targets and Quality Outcomes Framework (QOF) (taking cognisance of the fact that QOF will be replaced in 2017 by a new GMS contract).	As many services as possible available at each visit, especially those with chronic disease combined with recognition that each patient contact should be the only contact needed to access all services.	High	Short Term	Qualitative and resource efficiencies
Important							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
6	Good access to services in terms of public transport, car parking, timely appointments but also easy way finding throughout the facility.	G, H, I, K	Establish patient focus group, use travel surveys and Did Not Attend (DNA) rates.	Specialist clinical advice from patient homes, health centre's and a wider range of community locations. Reduced travel time for patients. More timely and therefore more effective interventions	High	Short Term	Qualitative and resource efficiencies.

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7	Patient and staff safety improved through creation of a fit for purpose building with good access and health and safety standards.	F, H, I	Review of Datix Reports demonstrates reduction in incidents.	Significantly improved facilities providing a positive experience of the environment in which services are provided. Reduced adverse events.	Medium – High	Short Term	Qualitative and potential resource efficiencies
8	A flexible, modern, high quality accommodation with expansion capability “built-in” to allow for future growth if the population need requires it.	E.1, E.2, G, H, I, K	Undertake AEDET audits at key stages of the project.	Increased service resilience and responsiveness to public demand.	High	Short Term	Qualitative and resource efficiencies
9	Ability to move forward with Health and Social Care Integration working with Community Planning Partners e.g. Local Authority and Third Sector.	C, H	Increased usage by partners identified. Baseline v audits at 1, 3 and 5 years.	One point of contact for signposting to all health and social care services.	Medium	Short - Medium Term	Qualitative

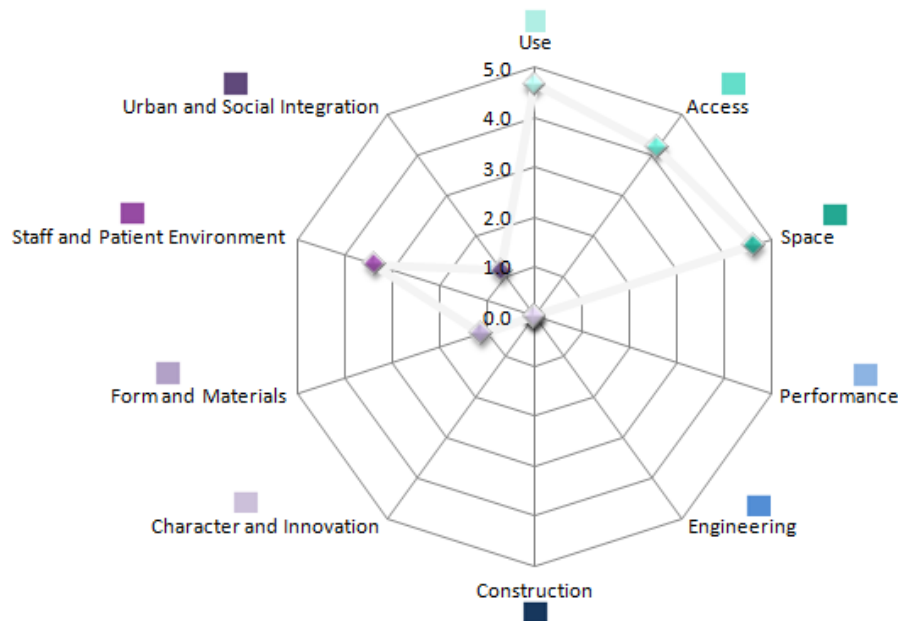
3.9. Sustainability Objectives

- 3.9.1. The Building Research Establishment's Environmental Assessment Method for Healthcare (BREEAM) sets the standard for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a buildings environmental performance.
- 3.9.2. Consistent with SCIM and CEL (2010) 19, NHS Grampian has an aspiration that, where possible, all new buildings achieve a BREEAM Excellent rating. In that regard an independent BREEAM assessor has been appointed and is working with the project team to target BREEAM Excellence 2011 NC rating.
- 3.9.3. NHS Grampian is committed to improving environmental performance both in the short and long term. The replacement of the boiler system at Inverurie Hospital site, included as part of the scope of providing the new Inverurie Health and Care hub will substantially reduce backlog maintenance on the existing site through the provision of a the new energy centre as well as corresponding efficiencies in energy consumption and emissions.

3.10. Design Quality Objectives

- 3.10.1. Consistent with SCIM and CEL (2010) 19, NHS Grampian is committed to improving the level of good design and ensuring business case outcomes are mapped into the design brief, to allow NHS Grampian Board assessment of quality throughout the development process.
- 3.10.2. The Achieving Excellence Design Evaluation Toolkit (AEDET) will be used throughout the development of the project to help NHS Grampian manage the design from initial proposals through to detailed design and will continue to do so through to post project evaluation. The baseline AEDET assessments for the existing Inverurie facilities are shown in **Fig. 9** overleaf.
- 3.10.3. In addition, the project team has worked with Architect + Design Scotland (A+DS) to develop a bespoke Design Statement for the Inverurie project (see **Appendix 12**). Compliance with the Design Statement will be monitored and reviewed by the NHS Grampian throughout the development of the project. The SCIM's supplementary guidance: NHSScotland Design Assessment Review Process (NDAP) also provides the benefit of an independent design review at key stages from A+DS and Health Facilities Scotland (HFS).

Fig. 9: Inverurie Premises AEDET



3.11. Benefits Realisation

3.11.1. Based on the Investment Objectives, benefits have been identified to support the assessment as to whether the project has successfully met its objectives. Benefits identified will be measured as part of Benefits Realisation Plan.

3.11.2. Benefits Register

3.11.2.1. A register of benefits to be realised as a consequence of the proposed developments are outlined in the Benefits Registers and are enclosed as **Appendix 15b**. The Benefits Registers outline the Investment Objectives in **section 3.8** and other key benefits that will be assessed over the life of the project and as part of the project evaluation:

- Improved patient and staff experience
- Backlog maintenance and opportunity savings
- Increase in range of healthcare services
- Environmental benefits
- Improved joint working across Health and Social Care professionals
- Local community benefits

3.11.2.2. A baseline and target value for each benefit will be identified with our Clinical Property Advisor working closely with stakeholders to ensure the baseline data and target values are identified for inclusion within the Full Business Case.

3.11.2.3. Additionally, a RAG score highlighting the importance of each benefit is indicated using the scale outlined below in **Table 5a**.

Table 5a: RAG Scale – Relative Importance

Scale/Rag	Relative Importance
1.	Fairly insignificant
2.	
3.	Moderately important
4.	
5.	Vital

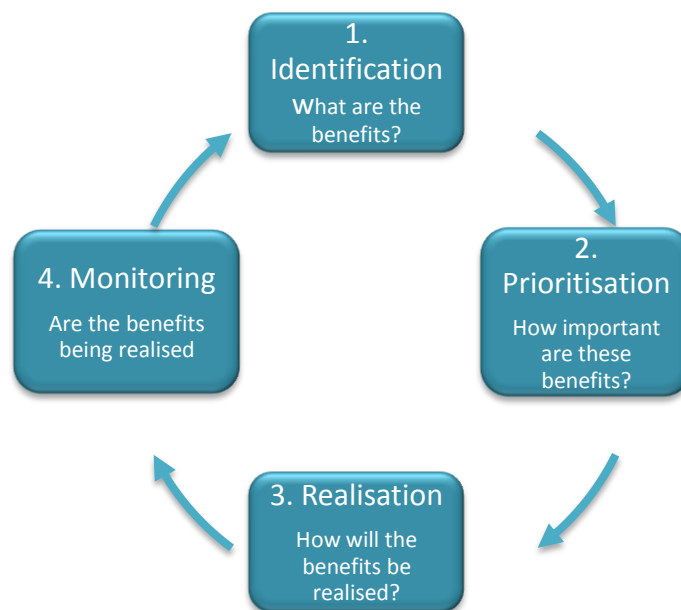
3.11.2.4. Each benefits register was put together at a workshop involving both project teams.

3.11.3. Benefits Realisation Plan

3.11.3.1. Building on the Benefits Register discussed in **section 3.11.2**, Benefits Realisation Plans were developed and have been produced and are included as **Appendix 15a**.

3.11.3.2. The Benefits Realisation Process is a planned and systematic process consisting of four defined stages outlined in **Fig. 10**.

Fig. 10: Benefits Realisation Process



3.11.3.3. The Benefits Realisation Plan outlines:

- Which Investment Objective the benefit addresses
- Who will receive the benefit
- Who is responsible for delivering the benefit
- Any dependencies that could affect delivery of the benefit
- Any support needed to realise the benefit
- A target date by which it is hoped the benefit is achieved

3.11.3.4. Benefits monitoring will be ongoing over the life of the Project through the planning, procurement and implementation phases. Progress will be reported to the Project Board at regular intervals and will culminate in the Project Evaluation Report to be produced.

3.11.3.5. A baseline value and target value for each benefit has been identified with some baseline patient and staff survey work scheduled for 2016/2017 to inform the Benefits Register.

3.11.3.6. The Benefits Register was put together following a series of conversations with a wide variety of stakeholders at a series of meetings, not at one specific workshop meeting.

3.11.3.7. The realisation of the benefits outlined in the Benefits Register is key to the successful delivery of the Project. The Benefits Realisation Plan, **Appendix 15a**, outlines the benefits, who will benefit and when each benefit will be delivered.

3.12. What, if any, external factors are influencing this proposal?

3.12.1. Having identified the creation of a co-located 'Care Hub' in Inverurie, the following sections consider the constraints and risks associated.

3.12.2. The main constraints and dependencies, reflective of the external factors influencing this project are outlined below.

3.12.3. Constraints and Dependencies

3.12.4. Constraints and dependencies are issues that place limitations on an investment proposal. Dependencies are where actions from others are needed to ensure the success of the proposal.

3.12.5. Financial

- **Capital Funding:** Public sector funding is such that the availability has to be prioritised to enable this project to go ahead. In addition, some components of the proposed project, such as equipment, will have to be met from NHS Grampian's capital resources, which has many pressures on it and represents an absolute constraint.

- **Revenue Funding:** There are many pressures on the revenue resources of NHS Grampian and funding available is limited by the climate of public sector constraint. The project will require to be delivered within existing resources and will require delivery of efficiencies and prioritisation. The demonstration of affordability of this scheme will be tested fully through the course of the project.
- **Occupiers of Facilities:** The recharges arising from the new facilities must be affordable to the occupiers.

3.12.6. **Commercial-** An agreed funder must be identified with terms that are agreeable to all key stakeholders.

3.12.7. **Programme-** The new facilities at Inverurie are required to support the proposed new model of health and social care services, must be available for use by early 2018 due to (a) The significant overcrowding and lack of space in existing premises; (b) The lapse of temporary planning consents in a number of the temporary buildings currently in use and (c) High risk of boiler failure on the current Inverurie site.

3.12.8. **Quality**

- The preferred design solutions should achieve an AEDT score of 4 – 6 in all 10 categories.
- The designs are compliant with the Authority Construction Requirements.

3.12.9. **Planning-** Full planning consent for the relocated Inverurie Health and Care Hub must be in place before FBC approval and Financial Close.

3.12.10. **Sustainability**

- The BREEAM pre-assessments demonstrate the potential to achieve BREEAM excellence if at all possible.
- The project should contribute to the NHS Grampian Carbon Target.

3.12.11. **Service**

- The existing facilities continue to deliver services until the new health facilities are in full operation.
- The Inverurie project is part of a wider transformational change programme re: the system of health and care and will provide essential and fundamental support for service change and redesign.

- As the project is an enabling one which supports the wider transformational change agenda across the Health Board and Council, it is dependent on the integration of operating systems and workforce redesign to deliver the full benefits of the new model of service delivery.

3.13. Risk Associated with this Project

3.13.1. A comprehensive Risk Register for the Project is in place and is being actively managed by the Project Team with regular review of the register completed in collaboration with our Project advisors (technical, legal and financial). **Appendix 4** provides a copy of the current risk register identifying risk description, mitigation strategy, risk owner and cost/impact at OBC stage. This section considers service risk with **section 5** considering project risks and the risk management strategy for the project.

3.13.2. Key Service Risks

3.13.2.1. Stakeholder Engagement with Project

3.13.2.2. Critical to the success of the project is broad and inclusive engagement with all stakeholders, both in terms of communicating/agreement input into the occupancy design layouts and service operation requirements, but also to ensure that patient and end users expectations are met.

3.13.2.3. This risk is being managed formally via consultation and communication with patient users, for example 2 public open days have been held and regular newsletters have been distributed within affected communities, and also by ensuring participation by patient representatives impacted by the project throughout the design stages, for example AEDET reviews, 1:200 sign offs and attendance at regular project meetings.

3.13.2.4. A part of the NDAPs process, engagement with Health Facilities Scotland and A+DS to review the design layout (see design statement in **Appendix 12**) also ensures that the design complies with standard benchmarks and is in line with policy objectives, in particular ensuring non-negotiable standards, for example the design of the building must be a welcoming, healing and reassuring place for patients and a place that supports life.

3.13.2.5. A communication resource (Patient Focus Public Involvement Officer) is involved to assist the project teams and to lead and develop the Communication Strategy. This will be further developed and its effectiveness will be reviewed periodically by the Project Board.

3.13.3. **Delivery of Maternity Strategy**

3.13.3.1. Failure to deliver Inverurie Health and Care Hub will have a detrimental effect on the approved NHS Grampian Maternity Strategy. One of the key outcomes from the Maternity Review in 2010 was to develop and identify locations for Community Maternity Units. One of the recommended locations was Inverurie due to (i) its current population (ii) the plans for major housebuilding in the area (iii) its close location to the A96 road with rail and bus networks which is on the way to rather than away from a Consultation Unit should that be required (iv) there are small but significant areas of deprivation in this area and in recent years there has been an increase in the teenage pregnancy rate and (v) Inverurie has a community hospital infrastructure that could serve a CMU and is a top priority for NHS Grampian in developing plans with the local community to better meet the needs of the whole population in the area which would help with the availability of funding for a new unit.

3.13.4. **Delivering Services**

3.13.4.1. The new facilities will support service redesign and the delivery of key service strategies e.g. Integration of Health and Social Care, NHS Quality Strategy. To ensure the delivery of this, there is a requirement to map service delivery aspirations to the design of the new facilities. There is a risk that the clinical strategy will lack clarity and that staffing structures to support the redesigned service cannot be achieved.

3.13.4.2. Service redesign to be pursued in tandem with the project programme. This redesign plan will be developed with the relevant NHS Grampian operational management team.

3.13.4.3. These business risks have been scored as medium to high within the risk register. The project team includes dedicated resources to represent the service and ensure integration of service re-design within the new facilities.

3.14. **Conclusion- Inverurie Health and Care Hub**

3.14.1. The plans for the Inverurie Health and Care Hub will see the creation of an improved multi-agency facility which will accommodate:

- Inverurie Medical Group who deliver a full range of GMS Services and a specific range of local enhanced services
- Community Nursing Team
- Public Health Nursing (Health Visiting)
- Urie Dental Practice
- Radiology Unit
- Allied Health Professionals
- Cardiology, Audiology and Out-Patient Accommodation
- Community Maternity Unit

3. The Inverurie Strategic Case

- 3.14.2. NHS Grampian aim to provide quality affordable assets complementing and supporting the high quality services which meet the population needs and are financially sustainable over the long term. Investment in modern facilities will facilitate integrated and new working practices; contribute to the challenges associated with delivering national and local policy.
- 3.14.3. The service redesign changes described in this OBC are critical to the delivery of efficient, effective, safe and affordable care in our current financial climate; there is no prospect of additional funding so the focus will be on implementing the required changes within the resources available. That will mean difficult decisions about prioritising existing resources.

4. The Foresterhill Strategic Case

THE FORESTERHILL STRATEGIC CASE

4.1. Outline of Proposal

- 4.1.1. The Foresterhill Health Centre (FHC) will be relocated to an agreed adjacent site on the Foresterhill Health Campus and thereafter the existing building will be demolished.
- 4.1.2. The Initial Agreement (IA) for this project considered the need to release the site on which the current Foresterhill Health Centre is located, this Outline Business Case has developed the proposed new facility to ensure benefits from the investment in a replacement health centre is optimised by service modernisation and, where appropriate, an element of redesign, resulting in enhanced services for the patient population.
- 4.1.3. The Development of Foresterhill Health Centre will also allow service modernisation and redesign in other parts of the Foresterhill Campus.
- 4.1.4. This outline proposal will contribute materially to the delivery of the following key policies:
- 4.1.5. **Health Plan** and the **Health Care Framework** with the following themes: Improving health and reducing health inequalities; Involving patients, carers, the public, staff and partners; delivering safe, effective and timely care in the right place; developing the workforce and empowering staff and getting the best from available resource.
- 4.1.6. **NHS Grampian's Infrastructure Project Prioritisations** – This lists NHS Grampian's priorities for investment set against a set of national strategic objectives. It is regularly reviewed as part of its asset management process. The replacement of the Aberdeen Maternity Hospital (which is reliant on the relocation of Foresterhill Health Centre to free up the preferred site for the Baird Family Hospital) is currently a top priority.
- 4.1.7. How this proposal responds to NHSScotland's strategic investment priorities and NHS Grampian Policies are developed throughout this Strategic Case and are listed in detail in **appendix 2b**.

4.2. Revisiting the Strategic Case

4.2.1. Strategic Background

- 4.2.1.1. The investment objectives in the IA's for the Foresterhill Health Centre has been revisited and reviewed for this OBC.
- 4.2.1.2. The relocation of Foresterhill Health Centre formed part of the IA for The Baird Family Hospital and the ANCHOR Centre which was approved by the SGHCD on 30th September 2015. The IA proposed to relocate Foresterhill Health Centre to an adjacent site within the Foresterhill Health Campus to allow development of

the Baird Family Hospital on its preferred site, this has not changed therefore the scope of the Project is unchanged.

- 4.2.1.3. However as the relocation of the health centre will be procured separately a fuller outline business case has been developed than that asserted by the Initial Agreement.

4.3. Case for Change

- 4.3.1. This section outlines the benefits to be gained from this investment proposal and covers:

- Developments on Foresterhill Health Campus
- Who is affected by this proposal?
- What are the current arrangements related to this proposal?
- What is the need for change?
- What is NHS Grampian seeking to achieve from this proposal?
- What measurable objectives will be gained from addressing these needs?
- What risks could undermine these benefits?

4.4. Foresterhill Health Campus Development

- 4.4.1. Foresterhill Health Centre is within Foresterhill Health Campus, it currently occupies the preferred site of the Baird Family Hospital and it is proposed to relocate it.
- 4.4.2. A Health Campus Projects Overview Group, chaired by the Director of Modernisation has been established to coordinate all of the developments and works on the Foresterhill Campus to ensure all activities are delivered on programme and within budget.
- 4.4.3. In 2015 a summary of Overarching Proposal of Application Notice (PAN) was prepared and submitted to Aberdeen City Council Planning Authority for Consideration. This document gives an overview of all projects planned for the Foresterhill Health Campus site over the next 5 years and contains relevant approval documentation. The projects are set out in **appendices 19a and 19b**.

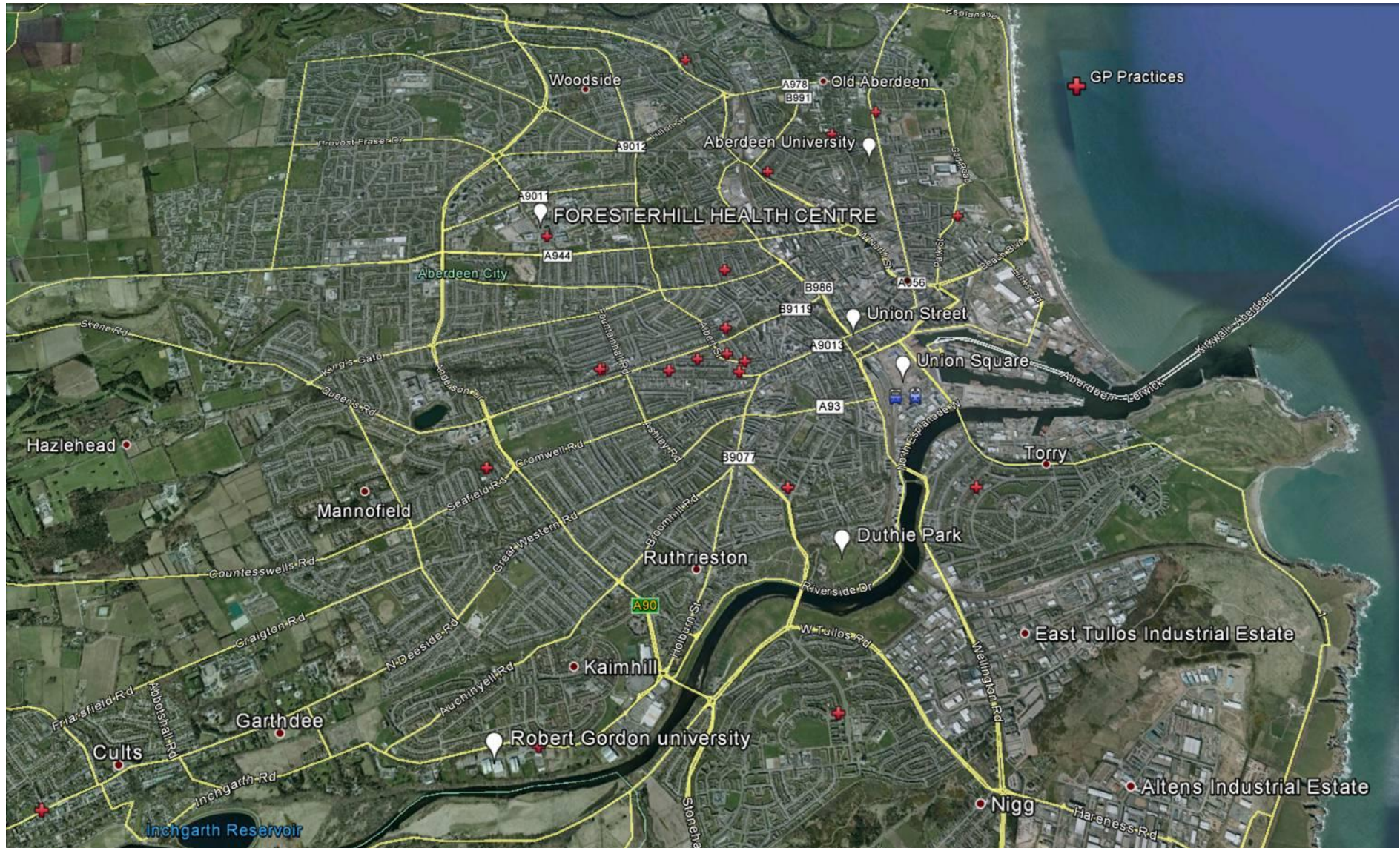
4.5. Current Arrangements

4.6. Who is Affected?

- 4.6.1. NHS Grampian Board provides all healthcare services for the circa half-million people who live in Grampian, an area covering 3000 square miles of city, town and village and rural communities. The Health Board also provides specialist tertiary services for the North of Scotland, employing around 17,000 staff. As a teaching Board, it also has close links to the University of Aberdeen and Robert Gordon University.

- 4.6.2. Across the North East of Scotland , there is a long history of successful joint working between the three local authorities, Aberdeen City, Aberdeenshire and Moray Councils and NHS Grampian, and more recently joint working has included the third sector, independent care sector and most importantly communities.
- 4.6.3. The (Shadow) Aberdeen H&SCP provides services to a population of circa 250,000 people residing in Aberdeen City.
- 4.6.4. The purpose of the (Shadow) Aberdeen H&SCP is to work together with other key stakeholders to assess the health and social needs to the population of Aberdeen, plan and allocate resources to improve health and social care delivery.
- 4.6.5. The Partnership provides social, primary and community health improvement services to residents of Aberdeen City (231,495) and some of the Aberdeenshire residents who travel to work in Aberdeen City. These services are provided through 30 General Medical Practices and a range of community facilities in the City.
- 4.6.6. The existing Foresterhill Health Centre is within the (Shadow) Aberdeen H&SCP see **Fig. 11** overleaf and hosts the two medical practices which will relocate to the proposed new Foresterhill Health Centre namely, Elmbank Group Practice and Westburn Medical Group.
- 4.6.7. Westburn Medical Group has a patient list size of 4,812 and Elmbank Group Practice has 10,340 patients. Both practices provide General Medical Services under the NHS and some private medical services to the population of their practice boundary (as agreed with NHS Grampian).
- 4.6.8. Nearly 40% of the Elmbank Group Practice and the Westburn Medical Group registered patients are from deprived areas where long term health conditions tend to be more prevalent.
- 4.6.9. A stakeholder analysis has formed part of this Project documentation and is included within **appendix 17**. Stakeholder engagement is ongoing as detailed throughout this OBC.

Fig. 11: Foresterhill Health Centre within Aberdeen City



4.7. Current Service Provision Arrangements and Building

- 4.7.1. Over the last few years, the development of general practice and primary care and more recently the move towards Integrated Health and Social Care Partnerships has resulted in increasing demands for more and better facilities.
- 4.7.2. Due to this, health and social care professionals housed in the current facility find themselves restricted in terms of the services they are able to offer to patients. It is becoming increasingly difficult to provide the range and quality of services that patients reasonably expect from General Practice in the 21st Century. This is due in part to the poor layout and lack of space for training purposes.
- 4.7.3. Given the increasing need for partnership working with other public sector agencies, such as the local authority and voluntary organisations, there is an even greater demand for additional floor space at this time.
- 4.7.4. Westburn Medical Group and Elmbank Group Practice are presently accommodated within the Foresterhill health Centre on the Foresterhill Site, Aberdeen. The centre was built in the 1970s to accommodate medical practices as well as certain community services, and the University of Aberdeen's academic department for General Practice. Over the life of the Foresterhill Health Centre to date, a number of changes and adaptations have been made. Although each was considered appropriate at the time, it has resulted in a building that compromises service delivery.
- 4.7.5. Both Elmbank Group and Westburn Medical Practice are part of the Central North Locality within Aberdeen City Health and Social Care Partnership which has a Strategic Lead for Addressing Health Inequalities; they are continually being presented with opportunities to work closely with Third sector agencies i.e. to host a "Well Being Coordinator". Unfortunately due to constraints within their existing accommodation they are unable to participate in the same way that other GP Practices within the locality have been able to.
- 4.7.6. Both Westburn Medical Group and Elmbank Group Practice teams are already used to co-locating with their multi-disciplinary team of Integrated Health and Social Care but with redesign of rooms and services this could be further enhanced.
- 4.7.7. Patients of both Westburn and Elmbank have historically (nearly 30 years) had an on-site pharmacy. This has worked extremely well and patients are most appreciative of the facility. Both practices have a very good working relationship with the pharmacy team and they are available to give help and advice during the whole consulting day. It is felt that this may be one of the reason patients decide to join the practice within Foresterhill Health and Care Centre.

4.8. General Medical Services

- 4.8.1. Elmbank Group Practice is a 7 GP Partner Practice who currently operate from Foresterhill Health Centre which is owned by NHS Grampian as part of the Foresterhill Campus
 - 4.8.2. Elmbank Group Practice is clinically supported by 1 GP retainer, 3 Practice Nurses, 2 Nurse Practitioners and 1 Health Care Assistant. A General Manager, Practice Manager and Assistant Practice Manager provide managerial and administrative support with a team of receptionists, medical secretaries and chronic disease administrators.
 - 4.8.3. Elmbank Group Practice provides General Medical Services to patients within their Practice area. The Practice currently provide over 900 GP appointments per week and 150 nurse appointments for their registered patient list of 10,300. As well as general nursing and GP consulting, Elmbank Group Practice provides full contraceptive services, high risk medication monitoring, substance misuse programmes, Keep Well Programme, Alcohol Brief Interventions and a full immunization service.
 - 4.8.4. Visiting services to Elmbank Group Practice include Substance Misuse, Diabetic Counselor and Counselor – offering on average 8 sessions per week.
 - 4.8.5. The Practice has high levels of deprivation and chronic medical problems, including high rate of substance misuse and social problems which require multi-disciplinary working.
 - 4.8.6. Elmbank Group Practice has continued to notice a steady trend in the patient list and this has been managed by reducing the number of patients from peripheral areas. There will continue to be upward pressure on the number of patients served by the Practice over the coming years.
 - 4.8.7. Due to their location on the Foresterhill Campus Site which also includes the AE Department, Elmbank Group experience a high number of Temporary Registrations from people visiting or working in the area that have required emergency care or have presented to A&E with a clinical need that could be dealt with by General Practice.
 - 4.8.8. Elmbank Group Practice is currently over-capacity in terms of patient numbers, but due to the locality and deprivation indicators of the catchment population, the Practice continues to accept new patients.
 - 4.8.9. Elmbank Group Practice is enthusiastically involved in teaching and training from work experience students hoping to apply for medical training, medical students from Aberdeen University, GP registrars and nursing and health visiting students. At any one time the Practice can have 4-6 GP trainees which currently leave them short of rooms. The Practice is keen to expand this service which is very welcomed by Aberdeen Health and Social Care Partnership due to the extreme difficulties facing General Practice in Aberdeen and beyond with GP recruitment. A significant number of GP retirees are expected in Aberdeen now and over the next few years which is already causing significant issues for the sustainability of general medical services provision.
-

- 4.8.10. According to the most recent NHS Grampian General Practice Workforce Survey (2013) 28% of the medical workforce are aged 50 or over in Aberdeen City. GP vacancies in Aberdeen City are taking on average 3-6 months to recruit. There has been no increase in the number of GPs within Aberdeen City since 2009.
- 4.8.11. Elmbank Group is also one of the first GP Practices in Grampian to have gone through the Productive General Practice Programme which is series of modules designed to help General Practice continue to deliver high quality of care whilst meeting increase levels of demand and diverse expectations.
- 4.8.12. Being part of Productive General Practice has helped put the patient, clinician and the Practice Team at the centre of improvement. At the heart of this Elmbank are identifying ways to re-think how they look at patient groups and new ways of delivering care.
- 4.8.13. The practice is keen to maximize their service delivery and redesign their working patterns in preparation for the forthcoming GP contractual changes in 2017.

4.9. Westburn Medical Group

- 4.9.1. Westburn Medical Group is a 2.5 GP Practice who currently operate from Foresterhill Health Centre which is owned by NHS Grampian as part of the Foresterhill Campus.
- 4.9.2. Westburn Medical Group is clinically supported by 2 Practice Nurses. A Practice Manager provides managerial and administrative support with a small team of receptionists and a medical secretary.
- 4.9.3. Westburn Medical Group provides General Medical Services to patients within their Practice area. The Practice currently provides over 300 GP appointments and over 170 Nurse appointments to their registered patient population of 4,800.
- 4.9.4. The Practice has high levels of deprivation and chronic medical problems, including a high rate of substance misuse and social problems which require multi-disciplinary working. At present the Practice have 5 SMS (substance misuse) sessions, 1 recovery coach session, 2 midwife sessions and 2 diabetic lifestyle coach sessions. The Practice is keen to expand and maximize on their existing services but unable to do so within their current accommodation.
- 4.9.5. Westburn Medical Group recognize that the demographic of Foresterhill Health Centre makes this an excellent training centre where trainees would gain great experience and have intimated that one of their GPs would be looking to become a trainer in the future.
- 4.9.6. Both Westburn and Elmbank Practice teams are already used to co-locating with their multi-disciplinary team of Integrated Health and Social Care but with redesign of rooms and Services this could be further enhance.

4.10. Allied Health Professionals

4.10.1.1. A range of allied health professional led services are currently provided within the Foresterhill locality.

These include:

- Speech and Language Therapy
- Podiatry
- Dietetics

4.11. Community Nursing/Integrated Health and Social Care Team

4.11.1. Integrated Health and Social Care Team – includes the Health Visitors; District Nurses; Direct Delivery Team; Community Midwifery; Occupational Therapy and Care Management Team.

4.11.2. The teams outlined above is key to the delivery of co-ordinates services for patients being care for in the community, helping to streamline the delivery of health and social care services for patients.

4.11.3. Retail Pharmacy

4.11.4. The retail pharmacy provides a range of pharmacy services, prescription management and patient advice to the patients registered with the GP Practices located within Foresterhill Health Centre.

4.11.5. As well as providing services located within Foresterhill Health Centre, the facility is available to the general public who wish to access it.

4.11.6. The pharmacy team requires access to the GPs, other healthcare professional multi-agency professional based in the Health centre in order to ensure continuity of care and advice.

4.12. Need for Change

- 4.12.1. There are three drivers to take action these have been summarised in **table 6** below and the issues are developed through this section.

Table 6: Need for Change

Cause of the need for change:	Effect of the cause on the NHS Grampian:	Why action now:
Requirement to Release Baird Family Hospital Site	Unable to develop Baird Family Hospital in an optimal location.	Baird Family Hospital project is development with construction start date of January 2018
Deliver Better Integration and Enhancement of Services	Lack of synergy in current arrangements	Opportunity arising as a result of introduction arising from Health and Social Care Partnerships
Address Condition of Building	Current condition & performance of the Estate broadly unsatisfactory as set out in table below	Asset Management Plan Prioritisation

4.13. Release of Baird Family Hospital Site

- 4.13.1. The relocation of the Foresterhill Health Centre will enable NHS Grampian to complete business planning for the development of a new Women's Hospital which will provide maternity, gynaecology, breast screening and breast surgery services. It will also include a neo-natal unit, centre for reproductive medicine, an operating theatre suite, CMU and research and teaching facilities. This development will be known as "The Baird Family Hospital" and the preferred site is the site currently occupied by Foresterhill Health Centre. The relocation of Foresterhill Health Centre by 2017 is an enabling work which is on the critical path. The Baird Family Hospital is targeted by the Scottish Government to be completed by 2020.

4.14. Better Integration and Enhancement of Services

- 4.14.1. Through better integration of health and social care services, NHS Grampian aims to identify those who will benefit from more early intervention e.g. those with long term conditions and to support people at the end of their lives to remain within their homes or community should they wish to do so.

4.14.2. As delivering a greater volume and range of health treatment and care services within community settings becomes the norm, the provision of high quality, fit for purpose accommodation in a primary care setting becomes more challenging for the following reasons:

- Expanding multi-disciplinary teams, with need for different/flexible accommodation including visiting teams to support shared care;
- Increase volumes of activity;
- More multi-disciplinary team (MDT) meetings (clinical/case conferences and managerial);
- Increasing range of diagnostic and treatment services;
- Emergence of telehealth/telecare solutions and the need to support and review patients using new technology resulting in the flexibility for alternative ways of providing/accessing care;
- Higher dependence on electronic records and communication systems including the ability to support patient focused booking;
- Requirement to be able to support the transition from paper records to electronic records;
- More undergraduate and postgraduate training now required to take place in primary/community settings;
- Accommodation and practice model being of interest to Career Start GPs and GPs with special interests and
- Greater emphasis on patient education and support for self care.
- The combined effect of these initiatives will increase pressure on primary care accommodation in the coming years.

4.15. Building Condition

4.15.1. The backlog maintenance requirement for the existing buildings is also shown in **table 7** below:

Table 7: Backlog Maintenance

Backlog Maintenance Requirement (Prime Costs)					
	Low Risk £,000s	Moderate Risk £,000s	Significant Risk £,000s	High Risk £,000s	Total £,000s
Foresterhill HC	530	190	48	77	844

- 4.15.2. It should be borne in mind that this backlog maintenance requirement is associated with the structure and physical condition of the buildings and even if these monies were expended, it would do little to address the space utilisation and functional suitability issues which currently exist in the buildings.
- 4.15.3. Without investment in modern facilities which facilitate integrated and new working practices, the essential changes required in service models to meet the challenges associated with delivering national and local policy simply will be inhibited.
- 4.15.4. This lack of fit for purpose accommodation will exacerbate the ability to retain and recruit the necessary staff to provide health and social care services in the future.
- 4.15.5. The existing facilities can, at times, compromise clinical standards and effectiveness and have been identified as risk management issues in areas such as cross-infection and health and safety. The existing accommodation also compromises the achievement at times of basic quality standards in terms of patients' privacy and dignity.
- 4.15.6. **Figures 12-15** overleaf gives an indication of the existing condition of each facility.

Fig 12: Foresterhill Internal- Existing Records Storage



Fig 13: Foresterhill Internal: Dated Clinical Room



Fig 14: Foresterhill External- Flat Roofs



Fig 15: Foresterhill Internal- Overcrowded Admin Office



4.16. What is NHS Grampian seeking to achieve from this proposal?

- 4.16.1. This section defines the critical success factors for this project and outlines a proposed service solution that is reflective of these.

4.17. Critical Success Factors

- 4.17.1. Critical success factors are used as part of the investment objectives, sustainability objectives and the benefits criteria within the economic case to ensure alignment with a preferred option. The critical success factors were developed and re-visited by the H&SCPs and the Foresterhill project team and are detailed within **table 8** overleaf.
- a.(i) The relocation of the Westburn and Elmbank Medical Groups from the Health Centre to elsewhere within the Foresterhill site will enable NHS Grampian to commence business planning for the development of a new hospital which will provide maternity, gynaecology, breast screening and breast surgery services. It will also include a neo-natal unit, centre for reproductive medicine, an operating theatre suite, community maternity unit (CMU) and research and teaching facilities. This development will be known as “The Baird Family Hospital” and the preferred site is the existing site of Foresterhill health Centre.
- a.(ii) To create fit for purpose facilities for the Inverurie population to access a range of General medical Services and Diagnostic and treatment Services and ensuring that Primary, Community and Social Services work in harmony to ensure that individuals pathways are as smooth as possible at all times.
- b. The project is delivered within the available affordability envelope;
- c. Deliver facilities that enable existing and planned enhancements to clinical services
- d. Improvement in access to a range of health and social care services in one location;
- e. Improvement in access to Pharmacy and closer working relationships between professionals;
- f. Compliance with all relevant health guidance (unless otherwise agreed as being in appropriate) including HAI SCRIBE guidance to ensure facilities are commensurate with current policy and reduce the risk of health related infection spread;
- g. Avoid any significant disruption to existing clinical services in the locality;
- h. Quality- delivery of key stakeholders (including community representatives) expectations (where these match the brief) is critical to the success of the project. “AEDET” reviews will be undertaken and will achieve a minimum score of 4-10 in all categories. **See Fig. 16 under section 4.23, Design Quality Objectives;**

- i. Sustainability – the achievement of BREEAM Healthcare “Excellent” for new build or “Very Good” for refurbishment is critical to the project success and
- j Increase staff moral and assist recruitment and training of talented staff.

4.18. Desired Scope and Service Requirements

- 4.18.1. The proposed investment described in this OBC will develop new health facilities for the Foresterhill community. The relocation of Foresterhill Health Centre will include the Elmbank Group Practice, the Westburn Medical Group, retail pharmacy as well as provision for community services.
- 4.18.2. The plans for the new Foresterhill Health Centre development will see the creation of an improved multi-agency facility which will accommodate:
 - Elmbank Group Practice and Westburn Medical Group who deliver a full range of GMS services and a specific range of local enhanced services
 - Allied Health Professionals including Podiatry, Speech and Language Therapy and Dietetics
 - Health and Social Care Integrated Team including Health Visitors, Practice Attached Nursing Teams, Direct Delivery Nursing Team, Care Management, Occupational Therapy and Midwifery Services
 - Retail Pharmacy

4.19. Records Storage

- 4.19.1. Independent GP Practices are responsible for managing their own record storage. Whilst the strategic direction of travel is towards future electronic storage, the actual transitional shift from paper to electronic storage will be challenging for a number of practices. In terms of the design layout, Foresterhill has current provision for record storage. However mindful of future development, the rooms have been designed to be easily converted into other office/clinical areas at low cost, for example windows, lighting and ventilation are included and power points can be adapted/extended.

4.20. Investment Objectives and Benefits

- 4.20.1. The rationale for investment should be reflected in the potential benefits to be gained from that investment. This provides both the evidence base that a proposal is worthwhile and that it presents value for money.

4.21. Investment Objectives

- 4.21.1. This section identifies the investment objectives by considering what NHS Grampian is seeking to achieve.

4. The Foresterhill Strategic Case

- 4.21.2. The investment objectives in the IA's for the Foresterhill Health Centre has been revisited and reviewed for this OBC.
- 4.21.3. Benefits identified will be measured as part of Benefits Realisation Plan which is further discussed within the Management Case.
- 4.21.4. The following objectives, overleaf in **Table 8**, are consistent with the principles of NHS Grampian's Health Plan and Routemap to 2020 Vision. The investment objectives have been prioritised into three categories; "essential", "important" and "beneficial".

Table 8: Investment Objectives

Essential							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
1a.	Vacating of current premises to allow for The Baird Family Hospital	A.1	Successful construction of The Baird Family Hospital.	Completion of Baird Family Hospital.	High	Medium Term	Qualitative Service Resilience.
1b.	Move from premises that are too small and requiring significant investment in terms of backlog maintenance.	A.2	Successful construction of Inverurie Health and Care Hub	Maximised range of health and social care services available locally and greater equity of service provision. Greater potential to avoid hospital admission.	High	Medium Term	Qualitative Service Resilience.
2.	Improve patient experience by ensuring a wide range of general medical services are available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need.	C, D, H	Baseline of patient feedback v patient feedback at 1,3 and 5 years.	Services which provide personalized care support designed to optimise well being and enable people to live long and healthier lives and have a positive experience of health and social care.	High	Medium - Long Term	Qualitative and potential resource efficiencies
3.	Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals and contributes to the recruitment and retention of staff.	J	Measurable reduction in staff turnover. Measureable increase in the number of trainees in the practice.	Improved working arrangements and facilities for staff resulting in greater job satisfaction and less turnover/sickness.	Medium	Medium Term	Qualitative and resource efficiencies

4. The Foresterhill Strategic Case

4.	Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy.	C	Achieve higher % of integrated working. Change in workforce skill mix, demonstrates improved mix of skills and grades.	Service integration and greater efficiency in the use of resources including streamlined management arrangements and integrated information systems and records management across health and social care.	High	Medium – Long Term	Qualitative and potential resource efficiencies
5.	Supports improvement in health and social care through timely access to diagnosis, treatment or improved learning for people with e.g. long term conditions.	D, G, H	Measurement using national waiting time targets and Quality Outcomes Framework (QOF) (taking cognisance of the fact that QOF will be replaced in 2017 by a new GMS contract).	As many services as possible available at each visit, especially those with chronic disease combine with recognition that each patient contact should be the only contact needed to access all services.	High	Medium Term	Qualitative and resource efficiencies

4. The Foresterhill Strategic Case

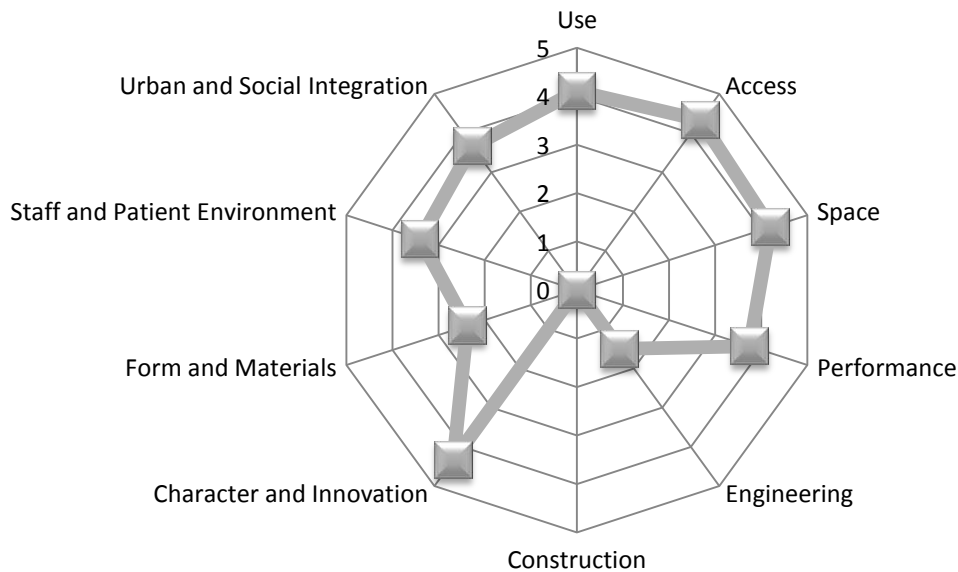
Important							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
6.	Good access to services in terms of public transport, car parking, timely appointments but also easy way finding throughout the facility.	F, G, H, I	Baseline of patient feedback v patient feedback at 1, 3 and 5 years.	Specialist clinical advice from patient homes, health centre's and a wider range of community locations. Reduced travel time for patients. More timely and therefore more effective interventions.	High	Medium Term	Qualitative and resource efficiencies
7.	Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards.	H, I	Review of Datix demonstrates reduction in incidents.	Significantly improved facilities providing a positive experience of the environment in which services are provided. Reduced adverse events.	Medium - High	Medium Term	Qualitative and potential resource efficiencies
8.	Ability to move forward with Health and Social Care Integration working with community planning partners, e.g. Aberdeen City Council and Voluntary Sector.	C, H	Increased usage by partner's id evidenced. Baseline v audits at 1, 3 and 5 years.	One point of contact for signposting to all health and social care services.	Medium	Longer	Qualitative
Beneficial							
10.	Provides business visibility so that people know where to go for services and is viewed as a positive structural addition to the local area.	G	Patient feedback using survey and sustained practice list size.	Increased service resilience and responsiveness to public demand.	High	Medium Term	Qualitative and potential efficiencies

4.22. Sustainability Objectives

- 4.22.1. The Building Research Establishment's Environmental Assessment Method for Healthcare (BREEAM) sets the standard for best practice in sustainable building design, construction and operation and has become one of the most comprehensive and widely recognised measures of a buildings environmental performance.
- 4.22.2. Consistent with SCIM and CEL (2010) 19, NHS Grampian has an aspiration that, where possible, all new buildings achieve a BREEAM Excellent rating. In that regard an independent BREEAM assessor has been appointed and is working with the project team to target BREEAM Excellence 2011 NC.
- 4.22.3. NHS Grampian is committed to improving environmental performance both in the short and long term. Additionally NHS Grampian has become a member of the Carbon Energy Fund for the Foresterhill Campus with the objective of implementing new technology to drive carbon reduction. The wider Foresterhill Campus project (which includes the provision for the new Foresterhill Health Centre) will deliver corresponding efficiencies in energy consumption and greenhouse emissions (GHG), leading to a reduction in backlog maintenance through the replacement of existing plant and infrastructure with a more energy efficient arrangement.

4.23. Design Quality Objectives

- 4.23.1. Consistent with SCIM and CEL (2010) 19, NHS Grampian is committed to improving the level of good design and ensuring business case outcomes are mapped into the design brief, to allow NHS Grampian Board assessment of quality throughout the development process.
- 4.23.2. The Achieving Excellence Design Evaluation Toolkit (AEDET) will be used throughout the development of the project to help NHS Grampian manage the design from initial proposals through to detailed design and will continue to do so through to post project evaluation.
- 4.23.3. Compliance with the Design Statement will be monitored and reviewed by the NHS Grampian throughout the development of the projects. The SCIM's supplementary guidance: NHSScotland Design Assessment Review Process (NDAP) also provides the benefit of an independent design review at key stages from A+DS and Health Facilities Scotland (HFS). Foresterhill, owing to its previous Framework Scotland design development work in 2009 is classed by NDAP as a transitional project and hence is treated separately to one starting from scratch. Nevertheless, a baseline AEDET review has been used to assess the 2009 previous design, inform NHS Grampian's recommendations for the new scheme going forward, and the results are shown below in **Fig. 16**.

Fig. 16: AEDET Baseline Results

4.24. Benefits Realisation

4.24.1. Based on the Investment Objectives benefits have been identified to support the assessment as to whether the project has successfully met its objectives. Benefits identified will be measured as part of Benefits Realisation Plan.

4.24.2. Benefits Register

4.24.2.1. A register of benefits to be realised as a consequence of the proposed developments are outlined in the Benefits Registers and are enclosed as **appendix 16b**.

4.24.2.2. The Benefits Registers outline the Investment Objectives in **section 4.21** and other key benefits that will be assessed over the life of the project and as part of the project evaluation:

- Improved patient and staff experience
- Backlog maintenance and opportunity savings
- Increase in range of healthcare services
- Environmental benefits
- Improved joint working across Health and Social Care professionals
- Local community benefits

4.24.2.3. A baseline and target value for each benefit will be identified with our Clinical Property Advisor working closely with stakeholders to ensure the baseline data and target values are identified for inclusion within the Full Business Case.

4.24.2.4. Additionally, a RAG score highlighting the importance of each benefit is indicated using the scale outlined below in **Table 5b**.

Table 5b: RAG Scale – Relative Importance

Scale/Rag	Relative Importance
1.	Fairly insignificant
2.	
3.	Moderately important
4.	
5.	Vital

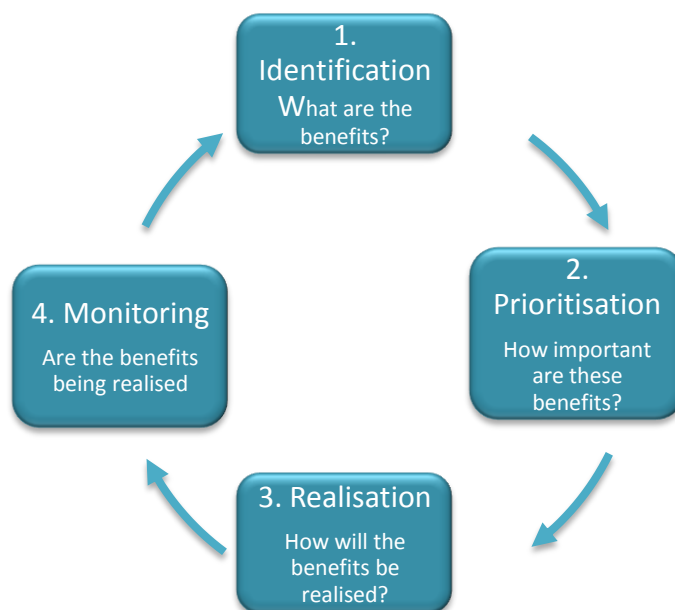
4.24.2.5. Each benefits register was put together at a workshop involving both project teams.

4.24.3. Benefits Realisation Plan

4.24.3.1. Building on the Benefits Register discussed in **section 4.24**, Benefits Realisation Plans were developed and have been produced and are included as **appendix 16a**.

4.24.3.2. The Benefits Realisation Process is a planned and systematic process consisting of four defined stages outlined in **Fig. 16**.

Fig. 16: Benefits Realisation Process



4.24.3.3. The Benefits Realisation Plan outlines:

- Which Investment Objective the benefit addresses
- Who will receive the benefit
- Who is responsible for delivering the benefit
- Any dependencies that could affect delivery of the benefit
- Any support needed to realise the benefit
- A target date by which it is hoped the benefit is achieved

4.24.3.4. Benefits monitoring will be ongoing over the life of the Project through the planning, procurement and implementation phases. Progress will be reported to the Project Board at regular intervals and will culminate in the Project Evaluation Report to be produced.

4.24.3.5. A baseline value and target value for each benefit has been identified with some baseline patient and staff survey work scheduled for 2016/2017 to inform the Benefits Register.

4.24.3.6. The Benefits Register was put together following a series of conversations with a wide variety of stakeholders at a series of meetings, not at one specific workshop meeting.

4.24.3.7. The realisation of the benefits outlined in the Benefits Register is key to the successful delivery of the Project. The Benefits Realisation Plan, **appendix 16a**, outlines the benefits, who will benefit and when each benefit will be delivered.

4.25. What, if any, external factors are influencing this proposal?

4.25.1. Having identified the current Foresterhill Health Centre site as the preferred location for the Baird & ANCHOR development, the following sections consider the constraints and service risks associated.

4.26. Constraints and Dependencies

4.26.1. Constraints and dependencies are issues that place limitations on an investment proposal. Dependencies are where actions from others are needed to ensure the success of the proposal. A summary of the main constraints and dependencies to be considered by the project team are outlined below.

4.26.2. Financial

- **Capital Funding:** Public sector funding is such that the availability has to be prioritised to enable this project to go ahead. In addition, some components of the proposed project, such as equipment, will have to be met from NHS Grampian's capital resources, which has many pressures on it and represents an absolute constraint.
 - **Revenue Funding:** There are many pressures on the revenue resources of NHS Grampian and funding available is limited by the climate of public
-

sector constraint. The project will require to be delivered within existing resources and will require delivery of efficiencies and prioritisation. The demonstration of affordability of this scheme will be tested fully through the course of the project.

- **Occupiers of Facilities:** The recharges arising from the new facilities must be affordable to the occupiers.

4.26.3. **Commercial-** An agreed funder must be identified with terms that are agreeable to all key stakeholders.

4.26.4. **Programme-** The relocation of Foresterhill Health Centre is a critical path enabling work for The Baird Family Hospital and ANCHOR Centre NPD project and as such must be completed by autumn 2017 if that project is to meet the Scottish Government's requirement for completion by 2020.

4.26.5. **Quality**

- The preferred design solutions should achieve an AEDET score of 4 – 6 in all 10 categories.
- The designs are compliant with the Authority Construction Requirements.

4.26.6. **Planning-** Full planning consent for the relocated Foresterhill Health Centre must be in place before FBC approval and Financial Close.

4.26.7. **Sustainability**

- The BREEAM pre-assessments demonstrate the potential to achieve BREEAM excellence if at all possible.
- The project should contribute to the NHS Grampian Carbon Target.

4.26.8. **Service**

- The existing facilities continue to deliver services until the new health facilities are in full operation.
- The Foresterhill project is part of a wider transformational change programme re: the system of health and care and will provide essential and fundamental support for service change and redesign.
- As the project is an enabling one which supports the wider transformational change agenda across the Health Board and Council, it is dependent on the integration of operating systems and workforce redesign to deliver the full benefits of the new model of service delivery.

4.27. Risk Associated with this Project

4.27.1. A comprehensive Risk Register for the Project is in place and is being actively managed by the Project Team with regular review of the register completed in collaboration with our Project advisors (technical, legal and financial). **Appendix 4** provides a copy of the current risk register identifying risk description, mitigation strategy, risk owner and cost/impact at OBC stage. The approach to Risk Management for this project is described in **section 5**.

4.27.2. Key Service Risks

4.27.3. Stakeholder Engagement with Project

4.27.3.1. Critical to the success of the project is broad and inclusive engagement with all stakeholders, both in terms of communicating/agreement input into the occupancy design layouts and service operation requirements, but also to ensure that patient and end users expectations are met.

4.27.3.2. This risk is being managed formally via consultation and communication with patient users, for example 2 public open days have been held within affected communities and a Patient Focus Public Involvement Officer has been appointed to attend regular Project Team meetings and feedback to patient groups.

4.27.3.3. A part of the NDAPs process, engagement with Health Facilities Scotland and A+DS to review the design layout (see design statement in **appendix 12**) also ensures that the design complies with standard benchmarks and is in line with policy objectives, in particular ensuring non-negotiable standards, for example the design of the building must be a welcoming, healing and reassuring place for patients and a place that supports life.

4.27.3.4. A communication resource (Patient Focus Public Involvement Officer) is involved to assist the project teams and to lead and develop the Communication Strategy. This will be further developed and its effectiveness will be reviewed periodically by the Project Board.

4.27.4. Delivering Services

4.27.4.1. The new facilities will support service redesign and the delivery of key service strategies e.g. Integration of Health and Social Care, NHS Quality Strategy. To ensure the delivery of this, there is a requirement to map service delivery aspirations to the design of the new facilities. There is a risk that the clinical strategy will lack clarity and that staffing structures to support the redesigned service cannot be achieved.

4.27.4.2. Service redesign to be pursued in tandem with the project programme. This redesign plan will be developed with the relevant NHS Grampian operational management team.

4.27.4.3. These business risks have been scored as medium to high within the risk register. The project team includes dedicated resources to represent the service and ensure integration of service re-design within the new facilities.

4.28. Conclusion- Foresterhill Health Centre

- 4.28.1. The plans for the Foresterhill Health Centre will, in the main, enable NHS Grampian to complete business planning for the development of The Baird Family Hospital on the Foresterhill Campus site. The Baird Family Hospital will provide maternity, gynaecology, breast screening and breast surgery services. It will also include a neo-natal unit centre for reproductive medicine, an operating theatre suite, CMU and research and teaching facilities.
- 4.28.2. However, by relocating the existing Health Centre to a new site, this has prompted the services to consider any service redesign and improvements to services that will be facilitated by more modern, fit-for-purpose premises. Enhancement to current services is further explained in the Benefits Realisation Plan (see **appendix 16a**).
- 4.28.3. The new facility will accommodate:
- Elmbank Group Practice
 - Westburn Medical Group
 - Speech and Language Therapy
 - Podiatry
 - Dietetics
 - Health and Social Care Integrated Team – including Health Visitors; District Nurses; Direct Delivery Team, Community Midwifery, Occupation Therapy and Care Management Team
 - Retail Pharmacy
- 4.28.4. NHS Grampian aim to provide quality affordable assets complementing and supporting the high quality services which meet the population needs and are financially sustainable over the long term. Investment in modern facilities will facilitate integrated and new working practices that are essential changes required to meet the challenges associated with delivering national and local policy.
- 4.28.5. The service redesign changes described in this OBC are critical to the delivery of efficient, effective, safe and affordable care in our current financial climate; there is no prospect of additional funding so the focus will be on implementing the required changes within the resources available.

5. Project Risks and Risk Management Strategy

PROJECT RISKS AND RISK MANAGEMENT STRATEGY

5.1. Strategic Risks

5.1.1. This section details the key risks that could impact on the successful delivery of the project and sets out what actions the stakeholders in the project will take to ensure these risks is minimised and managed.

5.2. Project Approvals

5.2.1. Delivery of the project on time is contingent on the timely approval at key stages of the project both by NHS Grampian and the Scottish Government. The approvals that will be required are:

- Outline Business Case (OBC)
- Full Business Case (FBC)
- Full Business Case – FBC Addendum

5.2.2. In addition, prior to OBC and FBC approval, the project will be monitored for timely progression at Key Stage Reviews (KSR) by Scottish Futures Trust (SFT), on behalf of the Scottish Government Health and Social Care Directorate (SGHSCD).

5.2.3. Additionally the SCIM supporting guidance on Design Assessment in the business case process requires adherence with NHSScotland Design Assessment Process (NDAP) as part of OBC and FBC approvals.

5.2.4. This business risk has been scored under a number of risk descriptors reflecting the different governance arrangements between the NHS Grampian Board, Capital Investment Group (CIG) and SFT. Whilst these risks can be mitigated by a combination of monitoring and strict adherence to programme, the project delivery team recognises there are a number of factors out with their control that remain a significant risk on time and cost. In the event of issues arising, the project team will immediately escalate to the Project Board as a precursor to entering into further dialogue with the NHS Grampian Board and CIG to investigate alternative approval arrangements.

5.3. Project Structure and People

5.3.1. The project governance structure is set out in more detail within the Management Case. There is a risk that the project will lack clear direction and have insufficient resources to deliver its objectives.

5.3.2. This business risk has been mitigated as set out in the Management Case, to provide a clear structure for the project. The project has also appointed a set of external advisors and as part of this process, includes flexibility to call off additional support to ensure that the project programme can be delivered. Recognising that NHS Grampian currently has competing projects requiring

resources; we are also in the process of recruiting additional and appropriately experienced project team members.

5.4. Funding

- 5.4.1. Public sector funding constraints mean that revenue and capital costs need to be contained within the available and agreed funding envelope. In determining the appropriate affordability targets for hubCo to design within, reference has been made to SFT's performance matrix benchmark setting methodology and agreed with SFT in advance of issuing the New Project Request form.
- 5.4.2. Initial construction cost estimates have been prepared which are within the affordability target and will continue to be refined throughout the further design development.
- 5.4.3. However there is a risk that cost can increase, for example due to construction inflation or abnormal site conditions following more detailed survey and investigations.
- 5.4.4. This business risk has been mitigated to medium as a result of including appropriate price risk allowances consistent with the level of design development at this stage. Additionally an appropriate buffer is included in the financial model to mitigate the risk of lending rate increases at Financial Close.

5.5. Commercial

- 5.5.1. The commercial aspects of a hub DBFM are set out in Commercial Case. There is a risk that the project will retain inherent risks that should be transferred to the private sector delivery team.
- 5.5.2. This business risk has been mitigated from high to medium through early engagement with hubCo and the funder's respective legal teams to agree appropriate risk transfer and contract drafting. Additionally the project team has previous experience of DBFM Financial Close as well as contract operating experience which will provide a clear understanding of the hub process, project agreement and risk transfer. Specific commercial risks are further detailed in the commercial case.

5.6. Financial Close – ESA 10

- 5.6.1. NHS Grampian recognises that the changes to accounting classification arising from recent European System of Accounts (ESA10) rules and guidelines will impact on the nature of the procurement and governance arrangements associated with Hub DBFM Projects and is a risk to the successful delivery of the project. This risk will be managed changes to arrangements being monitored and adopted by the project.

5.7. Site Availability and Construction

- 5.7.1. The preferred site locations for Inverurie and Foresterhill have been identified. For the site to be available for construction; prior enabling works, planning consents and site investigations will require to be delivered within a tight timescale. In addition, it is recognised that construction works may encounter delays, for instance utility connections and location of underground hidden services are two known examples of previous experience and will be mitigated by ensuring early engagement and early detailed survey investigations. Site surveys will be completed prior to Financial Close.
- 5.7.2. The business risk associated with the sites has been scored as high and very high within the risk register.
- 5.7.3. Early engagement with Aberdeen City and Aberdeenshire Council's Planning Department has been undertaken and development of a programme of works to deliver available sites within the constraints of the project programme has been progressed. Significant focus on achieving site availability is in place with capital funding made available by the infrastructure investment programme of NHS Grampian, for example progress with enabling works and the relocation of services on the Inverurie Hospital site.

5.8. Cross Critical Path Considerations

- 5.8.1. Bundling the Inverurie Heath and Care Hub project with the Foresterhill Health Centre project has an inherent risk that progress of the whole is determined only by the slowest component, and in this sense synchronicity between Inverurie and Foresterhill developments are essential to avoid programme delay both to the bundle (Inverurie and Foresterhill) and The Baird Family Hospital.
- 5.8.2. This business risk is ranked very high in the risk register, to be mitigated by strict monitoring of the projects programme and strong project management and governance to authorise corrective actions should the need arise.
- 5.8.3. The replacement of the existing boilers on the existing Inverurie hospital site is a very high priority within NHS Grampians Infrastructure Project Prioritisation Plan.
- 5.8.4. The successful delivery of Inverurie project provides an opportunity to address this replacement. The business risk is currently mitigated to medium through the upfront design development carried out during Stage 1; however failure to proceed or deliver an energy solution for the site could have a significant impact on the operational running of the existing site.

5.9. Business Continuity

- 5.9.1. The project team has considered planning for business continuity when reviewing the risks of the project and will develop plans to further address.
- 5.9.2. It is anticipated that services will continue to be delivered under the current arrangements at the existing Inverurie Health Centre and Inverurie Community Hospital until the new buildings have been commissioned and a strong emphasis will be placed on preparing and resourcing for the changes anticipated. One experience from previous projects has been the need to have a more robust commissioning programme leading up to occupation, in particular to ensure a soft landing and this will be developed within the appropriate timescales.
- 5.9.3. In relation to the project team, a strong emphasis has been placed on building a resilient team, including support from eventual end users of the service which will be augmented with the use of external advisors as appropriate.

6. The Economic Case

THE ECONOMIC CASE

6.1. Introduction

6.1.1. The purpose of the Economic Case within this Outline Business Case (OBC) is to set out how the project groups have selected the short list of options to be taken forward to the next stages of planning (the Full Business Case). Each of the shortlisted options is then considered in greater detail to determine the best value for money and affordability. Each project is mutually exclusive albeit have been bundled due to the nature of the delivery contract. Therefore a separate Economic Case Section has been developed for each. Section 1- Inverurie Health & Care hub is considered from 6.2 to 6.20 and Section 2 - Foresterhill Health Centre is considered from 6.21 to 6.41.

6.2. SECTION 1 - INVERURIE HEALTH & CARE HUB

6.2.1. This section details the Economic Case for Inverurie Health & Care Hub and describes:

- Benefit criteria used to assess options
- The long list of options
- The final short list of options considered appropriate to take forward to FBC stage and the rationale for excluding others

6.3. Benefit Criteria to Enhance and Improve Patient Experience

6.3.1. An option appraisal workshop was held with public representatives, project management and service management. The group created the following list of benefit criteria then weighted each criteria against each other using increments of 5 – 20 on the following basis:

- 5 - of least importance “nice to have”
- 10 – important that some element is reflected in the project
- 15 – very important to the project
- 20 – fundamental to the project

6.3.2. The agreed benefit criteria are shown in **Table 9** below.

Table 9: Benefit Criteria

Benefit Criteria		Weight
1	Physical access to the building by public transport	15
2	Physical access to the building by car including parking spaces	20
3	Future expansion and flexibility	15
4	Deliverability of the project and certainty	20
5	Integration of health and social care	10
6	Collocation of the project with hospital services (efficiency)	15
7	Picturesque and safe environment	5
8	Community inclusion and proximity to local services	5
	Total	105

6.4. Long List of Options for Location

6.4.1. The group outlined a long list of possible site location options in and around Inverurie. The long list of options were discussed and assessed based on availability, current ownership and general viability. Any options that were clearly not feasible were discounted. The complete long list of options is provided in **Appendix 5a**.

6.5. Short List of Options

6.5.1. Several of the options were then grouped together into one broad category (peripheral location) and assessed generally. In addition during the workshop it was agreed to remove the option for building the entire project on the existing health centre site as this proved not to be a viable option. A late option for the dual site was then discussed and added. Even though during the Initial Agreement (IA) a dual site was discounted and was not seen as the preferred way forward, it was evaluated in the workshop for completeness as members of the public had specifically asked about the potential of this option.

6.5.2. The short list of options was therefore discussed and agreed as summarised in **Table 10** below.

Table 10: Short Listed Options – Inverurie Health and Care Hub

Option	Description
1	Do minimum (backlog maintenance plus build CMU and X-ray)
2	Build entire project on existing hospital site
3	Build entire project in a town centre location (option 13)
4	Dual site – with CMU and X-ray to be built in the existing hospital grounds and main medical practice and AHPs within a town centre site. Specific details would still need to be determined e.g. where dental would be built.
5	Build in a peripheral location (options 3, 5 and 15)

6.6. Weighting and Ranking of Benefit Criteria

6.6.1. For each of the short listed options, each of the agreed benefit criteria was scored against a range of 1 - 4. A score of 1 reflects a serious weakness where a score of 4 reflects a positive strength. The weighted score is calculated by multiplying the weight by the score.

6.6.2. The ideal total was calculated by adding together all of the weights from the benefit criteria, then multiplying by 4 (maximum score) to give the maximum possible total or the “ideal total”. After scoring all scores were expressed as a percentage of the “ideal” total, therefore a score of $105 \times 4 = 420 = 100\%$.

6.6.3. The result tables for each of the short listed options are shown in **Appendix 5b**.

6.7. Summary and Conclusion of Option Appraisal Benefit Criteria Scoring

6.7.1. From the scores achieved from the benefit criteria scoring exercise, the short listed options 1 – 5 were ranked in order as shown in **Table 11** below:

Table 11: Scoring of Short Listed Options – Inverurie Health and Care Hub

Ranking	Option	Description	Weighted Score	% Score
1	2	Build entire project on existing hospital site	360	85.71%
2	5	Build in a peripheral location	265	63.10%
3	4	Dual site	240	57.14%
4	3	Build entire project in a town centre location	220	52.38%
5	1	Do minimum	205	48.81%

6.7.2. Applying the benefits criteria ranking demonstrates that Option 2, build entire project on existing hospital site, has the highest weighted score making it the preferred option using the non-financial benefits score, refer to **Table 11** above.

6.8. Costs and NPC/NPV Findings

6.8.1. This section of the OBC explains the methodology for costing the short-listed options in terms of both capital and revenue implications. A Generic Economic Model (GEM) has been applied to the resulting costs to derive the comparative cost implications of each of the options in the form of Equivalent Annual Costs (EAC) and Net Present Costs (NPC).

6.8.2. **Section 6.9** sets out the results of the financial and economic appraisal carried out on each of the short listed options and covers:

- The capital costs of each option
- The revenue cost implications
- Net present costs
- Value for Money analysis

6.8.3. The financial evaluation of each option is set in the context of the guidance provided in the Scottish Capital Investment Manual (SCIM). It incorporates a full analysis of the revenue and capital costs for each option. Whilst the preferred option is expected to be procured through the Hub revenue model, at this stage the analysis proceeds on the assumption that all options are NHS Capital solutions. This treatment is consistent with both the guidance contained in the SCIM and the advice provided by Scottish Government Health and Social Care Department (SGHSCD).

6.9. Capital and Revenue Costs Summary

6.9.1. Refer to **Table 12** below which shows the capital and revenue costs summary for each of the short listed options for Inverurie, inclusive of VAT.

Table 12: Costs Short Listed Options – Inverurie Health and Care Hub

	Option 1	Option 2	Option 3	Option 4	Option 5
	Do minimum	Current Hospital Site	Town Centre (Brown Field)	Dual Site	Peripheral Location (Green Field)
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Capital	6,667	16,922	17,838	20,309	16,636
Running Costs (Additional)	132	178	238	201	238

6.9.2. The following sections provide an analysis of the figures above.

6.10. Capital Costs Analysis

6.10.1. Option 1 – Do Minimum

6.10.1.1. The capital cost of this option amounts to £6.67M, being the estimate of the backlog maintenance and replacement of the temporary buildings (like for like in terms of size) at the Inverurie Health Centre, plus the construction of the Community Maternity Unit (CMU) and X-Ray facilities at Inverurie Community Hospital, refer to **Table 13** below.

Table 13: Capital Costs Option 1 – Inverurie Health and Care Hub

Option 1 Do Minimum	Health Centre £ 000s	CMU & X-Ray £ 000s	Total £ 000s
Construction	1,286	3,129	4,415
Optimism Bias (17.9%)	230	560	790
Equipment	0	350	350
Total Cost	1,516	4,039	5,555

6.10.1.2. Backlog Maintenance: The backlog maintenance costs are taken from the NHS Grampian Backlog Maintenance Register.

6.10.1.3. Decanting: Decanting is not seen as a requirement under this option, based on the assumption that the replacement of Inverurie Health Centre's temporary buildings would be in the existing car park.

6.10.2. Option 2 – Build Entire Project on Existing Hospital Site (New Build)

6.10.2.1. This option requires the demolition of several buildings on the Community Hospital Site and re-provision of the Energy Centre that serves the site, prior to commencing the new build. These buildings would require to be vacated as part of a series of enabling works in advance of the main contract.

6.10.2.2. The estimated Gross Internal Floor Area (GIFA) for the development is 3,960m². A Schedule of Accommodation is included in **Appendix 11a** including floor layouts.

6.10.2.3. Capital costs have been taken from the Stage 1 submission from hub North Scotland Ltd, refer to **Table 14**.

Table 14: Costs Option 2 – Inverurie Health and Care Hub

Option 2 New Build, Hospital Site	Cost £ 000s
Construction Cost	10,021
Design & Planning	970
Prelims, Fees, On-Costs	1,308
Risk	553
Equipment*	650
Enabling Works	600
Total Cost	14,102

* The equipment figure reflects the latest estimates. The cost is assumed to be the same for all options, with the exception of “Do Minimum”.

6.10.3. Option 3 – Build Entire Project in Town Centre (Brown Field)

6.10.3.1. Option 3 assumes that a suitable Town Centre site is available, that it is brown field in nature and that there will some restrictions in terms of space on which to complete the development, refer to **Table 15** overleaf.

Table 15: Costs Option 3 – Inverurie Health and Care Hub

Option 3 New Build, Town Centre	Cost £ 000s
Construction Cost	11,192
Optimism Bias (10.7%)	1,198
Equipment	650
Sub Total	13,040
Land Costs	2,189
Total Cost	15,229

6.10.4. Option 4 – Dual Site (New Health Centre in Town Centre Brown Field, New CMU & X-Ray at Hospital)

6.10.4.1. A dual site option was considered, with the Health Centre built in the Town Centre and the CMU and X-Ray facilities built at the Hospital. This option assumes that a suitable site is available, that it is brown field in nature and that there will be some restrictions in terms of space on which to complete the development refer to **Table 16**.

Table 16: Costs Option 4 – Inverurie Health and Care Hub

Option 4 Dual Site	Cost £ 000s
Construction Cost	12,817
Optimism Bias (14.6%)	1,871
Equipment	650
Sub Total	15,338
Land Costs	1,904
Total Cost	17,242

6.10.5. Option 5 – Build Entire Project on the Periphery of Inverurie (Green Field)

6.10.5.1. The peripheral site option would be on land identified for development within the Aberdeenshire Local Development Plan. It is assumed that the site will be green field in nature – i.e. a site where no buildings have ever been present, or without any significant contamination, refer to **Table 17 overleaf**.

Table 17: Costs Option 5 – Inverurie Health and Care Hub

Option 5 Dual Site	Cost £ 000s
Construction Cost	11,193
Optimism Bias (8.6%)	963
Equipment	650
Sub Total	12,806
Land Costs	1,269
Total Cost	14,075

6.11. Equipment Costs

6.11.1. The new equipment in Option 1 relates to the new CMU and X-Ray facility only. Backlog Maintenance work would be undertaken on the Health Centre, with no requirement for new equipment.

6.11.2. For options 2, 3, 4 and 5 there is a need to provide new equipment. Where possible it is intended that existing equipment will transfer with services to assist in keeping the total cost of new equipment to a minimum. In all cases the same estimate of £650,000 excluding VAT has been included, based on the most recent requirements.

6.12. Optimism Bias

6.12.1. Optimism Bias has been calculated for each option in accordance with HM Treasury's guidance for all but the preferred option which reflects the detailed costs from the stage 1 report from hubCo, these have an inherent risk provision. The Optimism Bias templates for each option are included as **Appendix 8a**.

6.13. Revenue Implications

6.13.1. The gross and net revenue impact of the options is dealt with in this section. Additional analysis is provided in **Appendix 13a** "Revenue Consequences".

6.13.2. The premises under consideration have a significant General Practice component and as such some of the running costs which are non-reimbursable in General Medical Services (GMS) terms are incurred by the Practice. For the purpose of this section of the OBC, all gross costs are taken into account irrespective of which party incurs those costs. This will give a consistent means of comparing the different options.

6.13.3. The analysis that follows provides a focus on the net additional costs that would be incurred under the different short listed options. Net additional costs are arrived at by deducting existing budgetary provision within NHS Grampian and contributions from the Practice.

6.13.4. In options 2, 3, 4 and 5 for determination of the additional cost it is assumed the Practice will make good any additional cost in respect of their non-reimbursable obligations. Additional revenue contributions will be incurred in respect of GMS

reimbursable costs, the cost of accommodation taken up by (Shadow) Aberdeenshire Health and Social Care Partnership services and the cost of accommodation taken up by NHS Grampian public dental service.

- 6.13.5. The estimated costs and contributions referred to above are incorporated in the revenue figures reflected in the Net Present Cost (NPC) of the short listed options.

6.14. Other Revenue Costs

- 6.14.1. In developing the OBC, the main revenue consequences factored into the analysis are the significant additional premises related costs which consist of Rates, Refuse, Energy, Maintenance Domestic Services, Window Cleaning and Grounds. Costs have been based on a combination of experience from other new builds in Grampian and information from services (Domestics) and external advisors (Rates).

- 6.14.2. The revenue cost calculations assume that VAT will be payable by the occupiers of the building on all gas, electric and telephones etc.

- 6.14.3. **Table 18** below sets out the potential impact on revenue budgets of the short listed options.

Table 18: Annual Running Costs – Inverurie Health and Care Hub

Estimate of Annual Running Cost Implications for the Short Listed Options			
Option	Estimated Facility Running Costs £ 000s	Estimated Revenue Contribution £ 000s	Net Annual Additional Revenue Costs £ 000s
Option 1 Do Minimum	179	(47)	132
Option 2 Current Hosp Site	512	(333)	178
Option 3 Town Centre Site	512	(274)	237
Option 4 Dual Site	480	(279)	201
Option 5 Peripheral Site	512	(274)	238

- 6.14.4. For the purpose of the option appraisal, capital funded procurement is assumed. NHS Grampian in this scenario would hold the head lease and sub-let to the GP Practice. In calculating the revenue contributions it is assumed the reimbursable expenses will be met in full from General Medical Services and the Practice will meet in full its obligation to additional cost associated with the larger building.
- 6.14.5. The additional revenue cost reflects the amount of funding to be identified by NHS Grampian for their occupied space.
- 6.14.6. An initial meeting has been held with the Practice to identify progress to date and to provide an indication of the estimated additional costs at this point in time. The

Practice has been made aware that, should the project proceed as a hubCo revenue procurement, there are particular issues associated with such a development that will increase their cost base further. The Practice will be kept advised of progress and any additional financial implications on a regular basis. A letter from Inverurie Medical Group confirming Agreement in Principle to the costs associated with an Occupation Agreement for these new premises is included as **Appendix 9a**.

6.15. Summary of Revenue Implications

6.15.1. **Table 19** below sets out the forecast additional revenue impact of the depreciation and the building running costs for the short listed options.

Table 19: Additional Annual Revenue Costs – Inverurie Health and Care Hub

Estimated Additional Annual Revenue Costs of Each Option			
Option	Net Additional Depreciation £ 000s	Net Additional Running Costs £ 000s	Total Additional Revenue Costs £ 000s
Option 1 Do Minimum	175	132	307
Option 2 Current Hosp Site	340	178	518
Option 3 Town Centre Site	364	238	602
Option 4 Dual Site	423	201	624
Option 5 Peripheral Site	358	238	596

6.16. Conclusions- Inverurie

6.16.1. Option 1 “Do Minimum” has the lowest additional revenue consequence at £307,000 with the additional running costs relating entirely to the new facility for the CMU and X-Ray.

6.16.2. Option 4 “Dual Site” has the highest additional revenue consequence at £624,000, due to a high depreciation cost (in line with the high build cost).

6.16.3. On the basis of additional running costs only, Option 1 “Do Minimum” has the most favourable outcome. However there are a number of reasons why this option will not provide the best solution, these are outlined in **sections 6.18.4 and 6.18.5**. In terms of non-financial criteria (weighted benefit points) outlined in **section 6.6** Option 1 (Do Minimum) came last in the short list with 205 points. Option 2 (New Build, Existing Hospital Site) was the clear leader with 360 points.

6.16.4. Allowing for the non financial benefits scoring in **section 6.6** and issues outlined in **sections 6.18.4 and 6.18.5**, Option 2 provides greater benefit and less risk when compared with the other options. This is reinforced in the forthcoming economic analysis in **section 6.17**.

6.17. NPC/NPV Findings

6.17.1. Economic Analysis

6.17.1.1. This section takes the capital and revenue cost projections for the short-listed options and derives the NPC and Equivalent Annual Cost (EAC) using discounted cash flow techniques. Applying the weighted benefit points score to the EAC allows for a comparison of the cost per benefit point for each option to arrive at a comparable economic appraisal.

6.17.1.2. The short-listed options were subjected to investment appraisal using the Discounted Cash Flow (DCF) technique. The DCF calculation takes account of:

- Capital development costs and other non-recurrent expenditure.
- Annual revenue costs

6.17.1.3. SCIM Guidance on the use of DCF has been followed, and the GEM has been used to analyse the forecast cash flows of the short-listed options. GEM outputs are given at **Appendix 10**. In accordance with guidance, capital charges and VAT are excluded from the calculations. Capital and revenue costs are added together to calculate a net present cost for total expenditure.

6.17.1.4. The results of the discounted cash flow calculations, shown as Equivalent Annual Cost (EAC), are summarised in **Table 20**.

Table 20: Equivalent Annual Cost Summary – Inverurie Health and Care Hub

Net Present Costs and Equivalent Annual Costs			
Option	Net Present Cost (NPC) £000s	Equivalent Annual Cost (EAC) £000s	Economic Ranking
Option 1 Do Minimum	7,855	354	1
Option 2 Current Hosp Site	16,181	730	2
Option 3 Town Centre Site	18,446	832	4
Option 4 Dual Site	19,624	885	5
Option 5 Peripheral Site	17,333	782	3

6.17.1.5. From the above analysis the option with the lowest EAC is Option 1 “Do Minimum” with an EAC of £ 354,000.

6.18. Value for Money Analysis

6.18.1. Value for money (VFM) is defined as the optimum solution in terms of comparing qualitative benefits to costs. This analysis has been performed on an economic annual cost basis in line with HM Treasury guidance and the results are shown overleaf in **Table 21**.

Table 21: Value for Money Ranking – Inverurie Health and Care Hub

Value for Money Analysis – comparing qualitative benefits to costs				
Option	Qualitative Benefits Score	Equivalent Annual Cost £000s	Cost per Benefit point £	VFM Economic Ranking
Option 1 Do Minimum	205	354	1,727	1
Option 2 Current Hospital Site	360	730	2,028	2
Option 3 Town Centre Site	220	832	3,782	5
Option 4 Dual Site	240	885	3,688	4
Option 5 Peripheral Site	265	782	2,951	3

- 6.18.2. The VFM analysis compares the cost per benefit point of the options. The option that is preferable is the one that demonstrates the lowest cost per benefit point.
- 6.18.3. From this analysis and the results, the preferred option from a simple value for money perspective, is Option 1 “Do minimum”.
- 6.18.4. While the “Do Minimum” option suggests best VFM, it has only been included as a benchmark against which to measure the other options. It scores last in terms of the qualitative benefits, which is a reflection of the fact that the present Health Centre accommodation is too small and cannot meet modern day requirements. The current premises are also land locked with no potential for expansion.
- 6.18.5. The “Do Minimum” option could not meet nor address the significant issues that represent the gap between current service need and provision and what the community requires into the future. The current Inverurie Health Centre is unsuitable for modern healthcare and the minimum investment proposed will not ultimately resolve the current unacceptable physical condition and functional unsuitability. The inability of the service to expand in the current building and to provide the enhanced services the team wishes to provide would mean that the current Inverurie Health Centre would continue to be unfit for modern clinical service delivery.
- 6.18.6. In discounting “Do Minimum” as a realistic option, it is therefore Option 2 that delivers best value for money in terms of the other viable options, based on EAC and Cost per Benefit Point by a significant margin.

6.19. Sensitivity Analysis

6.19.1. The net present costs have been subjected to a range of sensitivity tests to check whether changes to any of the assumptions about capital or revenue costs have a significant impact on the option rankings. Option 1 “Do minimum” has been excluded from the sensitivity analysis on the grounds that it is not a viable option, as outlined above. The tests undertaken were:

- Running Costs +10%
- Capital Construction Costs + 20%

6.19.2. The outcome of these tests in terms of the Value for Money analysis is summarised below in **Table 22**.

Table 22: Sensitivity Analysis – Inverurie Health and Care Hub

Equivalent Annual Costs and Cost Per Benefit Point					
	Option 1	Option 2	Option 3	Option 4	Option 5
	Do Minimum	New Build, Hospital Site	New Build Town Centre	New Build Dual Site	New Build Peripheral
Baseline					
EAC £000s	N/A	730	832	885	782
Qualitative Benefits	N/A	360	220	240	265
Cost per benefit point (£)	N/A	2,028	3,782	3,688	2,951
VfM Rank	N/A	1	4	3	2

Sensitivity 1 – Running Costs + 10%					
EAC £000s	N/A	775	877	928	827
Qualitative Benefits	N/A	360	220	240	265
Cost per benefit point (£)	N/A	2,153	3,986	3,867	3,121
VfM Rank	N/A	1	4	3	2

Sensitivity 2 – Capital Costs + 20%					
EAC £000s	N/A	840	928	995	878
Qualitative Benefits	N/A	360	220	240	265
Cost per benefit point (£)	N/A	2,333	4,218	4,146	3,313
VfM Rank	N/A	1	4	3	2

6.20. Conclusions – Inverurie

6.20.1. In recognising that Option 1 is unviable for the reasons explained in previous sections, the comments below focus on the comparison between options 2 and 5.

6.20.2. Sensitivity 1 – 10% Increase in Running Costs

6.20.2.1. The 10% increase actually enhances the already large difference between the cost per benefit point of Option 2 and Option 5. Therefore it is safe to state that changes in running costs have little bearing on the preferred option. This is because the size of the building in Option 5 is identical to Option 2.

6.20.3. Sensitivity 2 – 20% Increase in Capital Costs

6.20.3.1. An increase in capital costs of 20% across all options produced a similar result to the increase in revenue costs. The increase simply increased the difference between the preferred option and Option 5.

6.20.4. The sensitivity analysis carried out on the capital and revenue costs demonstrates that significant changes would be required in the costs of Option 5 for it to match the ranking allocated to the preferred option (Option 2). A 10% increase in revenue and 20% increase in capital for the preferred option do not invalidate the preferred option.

6.20.5. In summary Option 5 is a significant way from matching the VFM for the preferred option, Option 2.

6.21. SECTION 2- FORESTERHILL HEALTH CENTRE

- 6.21.1. This section details the Economic Case for Foresterhill Health Centre and describes:
- Benefit criteria used to assess options
 - The final short list of options considered appropriate to take forward to FBC stage and the rationale for excluding others.

6.22. Benefit Criteria to Enhance and Improve Patient Experience

- 6.22.1. An option appraisal workshop was held between project and service management during July 2015. The group created the following list of benefit criteria to largely mirror those identified by the Inverurie Health & Care Hub project. Each was then weighted each criteria against each other using increments of 5 – 20 on the following basis:

- 5 - of least importance “nice to have”
- 10 – important that some element is reflected in the project
- 15 – very important to the project
- 20 – fundamental to the project

- 6.22.2. The agreed benefit criteria are shown in **Table 23** below:

Table 23: Benefit Criteria – Foresterhill Health Centre

Benefit Criteria		Weight
1	Physical access to the building by public transport	10
2	Physical access to the building by car including parking spaces	10
3	Future expansion and flexibility	15
4	Deliverability of the project and certainty	20
5	Integration of health and social care	5
6	Best Supports WH&CC* Project	15
7	Safe environment	5
8	Community inclusion and proximity to local services	5
9	Supports NHSG Strategic Aims	5
10	Promotes Recruitment and Retention of Staff, the "Staff Experience"	5
11	Sustainability	5
	Total	100

* The new Women's Hospital (The Baird Family Hospital) and the Cancer Centre (The ANCHOR Centre)

6.23. Short List of Options

- 6.23.1. As the relocation of the Foresterhill Health Centre is essential enabling work, to create a site for the delivery of The Baird Family Hospital a short list of only 2 options are considered, with value for money considered against other projects of a similar nature. In 2009 NHS Grampian developed a business case for the relocation of Foresterhill Health Centre, as part of this work a suitable site on the Foresterhill Campus was identified for a replacement building and initial planning consent secured, therefore no further work on a site option appraisal has been taken in preparation of the OBC.
- 6.23.2. The short list of options agreed are as summarised in the **Table 24** below:

Table 24: Short-List Options – Foresterhill Health Centre

Option	Description
1	Do minimum (backlog maintenance)
2	Build a replacement Health Centre on Foresterhill Campus

6.24. Weighting and Ranking of Benefit Criteria

- 6.24.1. For each of the short listed options, each of the agreed benefit criteria was scored against a range of 1 - 4. A score of 1 reflects a serious weakness where a score of 4 reflects a positive strength. The weighted score is calculated by multiplying the weight by the score.
- 6.24.2. The ideal total was calculated by adding together all of the weights from the benefit criteria, then multiplying by 4 (maximum score) to give the maximum possible total or the “ideal total”. After scoring all scores were expressed as a percentage of the “ideal” total, therefore a score of $100 \times 4 = 400 = 100\%$.
- 6.24.3. The result tables for each of the short listed options are shown in **Appendix 6**.

6.25. Summary of Option Appraisal Benefit Criteria Scoring

- 6.25.1. From the scores achieved from the benefit criteria scoring exercise, the short listed options were ranked in order as shown in **Table 25** below:

Table 25: Option Appraisal Scoring – Foresterhill Health Centre

Ranking	Option	Description	Weighted Score	% Score
1	Do minimum	Do minimum backlog maintenance)	195	49
2	Build a replacement Health Centre	Build a replacement Health Centre on Foresterhill Campus	365	91

6.26. Conclusions from the Option Appraisal Workshop

6.26.1. Applying the benefits criteria ranking demonstrates that Option 2, build a replacement Health Centre on Foresterhill Campus, has the highest weighted score making it the preferred option using the non-financial benefits score, refer to **Table 25** above.

6.27. Costs and NPC/NPV Findings

6.27.1. This section of the OBC explains the methodology for costing the short-listed options in terms of both capital and revenue implications. A Generic Economic Model (GEM) has been applied to the resulting costs to derive the comparative cost implications of each of the options in the form of Equivalent Annual Costs (EAC) and Net Present Costs (NPC).

6.27.2. **Section 6.29** sets out the results of the financial and economic appraisal carried out on each of the short listed options and covers:

- The capital costs of each option
- The revenue cost implications
- Net present costs
- Value for Money analysis

6.27.3. The financial evaluation of each option is set in the context of the guidance provided in the SCIM. It incorporates a full analysis of the revenue and capital costs for each option. While the preferred option is expected to be procured through the Hub revenue model, at this stage the analysis proceeds on the assumption that all options are NHS Capital solutions. This treatment is consistent with both the guidance contained in the SCIM and the advice provided by SGHSCD.

6.28. Capital and Revenue Costs Summary

6.28.1. Refer to **Table 26** below which shows the capital and revenue costs summary for each of the short listed options.

Table 26 Costs: Foresterhill Health Centre

	Option 1	Option 2
	Do minimum £ 000s	New Build - replacement Health Centre £ 000s
Capital	1,058	9,408
Running Costs (Additional)	0	96

6.28.2. The following sections provide an analysis of the figures above.

6.29. Capital Costs Analysis

6.29.1. Option 1- Do Minimum

6.29.1.1. The combined capital outlay for this option amounts to £1.058 million, being the estimate of the backlog maintenance. **See table 27.**

Table 27: Capital Cost Analysis. Option 1- Foresterhill Health Centre

Option 1 Do Minimum	Total £000s
Construction	845
Optimism Bias (4.3%)	36
Equipment	0
Total Capital Cost	881

6.29.1.2. Backlog Maintenance: The backlog maintenance costs have been provided by the NHS Grampian Property and Asset Development Department and are taken from the NHS Grampian Backlog Maintenance Register and the NHS Grampian Asset Management Plan.

6.29.1.3. Decanting: Decanting is not seen as a requirement under this option, as backlog maintenance would be programmed over a number of years and be undertaken on an incremental basis.

6.29.2. Option 2- Build a replacement Health Centre

6.29.2.1. The estimated Gross Internal Floor Area (GIFA) for the development is 2,514m². A Schedule of Accommodation is included in **Appendix 11b**, including floor layouts.

6.29.2.2. Base costs have been derived from benchmark figures in discussion with SFT and reflect pricing at the second quarter of 2016, (the anticipated date of Financial Close). Costs have been further adjusted to reflect the specific features of this option, i.e. demolition; utilities, etc refer to **Table 28 overleaf.**

Table 28: Capital Cost Analysis Option 2- Foresterhill Health Centre

Option 2	Cost
New Build	£ 000s
Construction Cost	5,648
Site Specific Costs	1,104
Prelims, Fees, On-Costs	424
Risk	426
Equipment*	237
Total	7,839

* The equipment figure is derived based on a completed review of all equipment requirements for the project as at May 2015, including involvement of departmental staff and equipment transfer assumptions.

6.30. Equipment Costs

- 6.30.1. Option 1, backlog maintenance work would be undertaken on the Foresterhill Health Centre, with no requirement for new equipment.
- 6.30.2. For option 2, there is a need to provide new equipment. Where possible it is intended that existing equipment will transfer with services to assist in keeping the total cost of new equipment to a minimum. In all cases the same estimate of £237,000 excluding VAT has been included, based on the most recent requirements.

6.31. Optimism Bias

- 6.31.1. Optimism Bias has been calculated for each option in accordance with HM Treasury's guidance for all but only included for option 1 as the preferred option, reflects the detailed costs from the stage 1 pricing report from hubCo, has an up to date inherent risk provision. The Optimism Bias templates for each option are included as **Appendix 8b**.

6.32. Revenue Implications

- 6.32.1. The gross and net revenue impact of the options is dealt with in this section.
- 6.32.2. The premises under consideration have a significant General Practice component and as such some of the running costs which are non-reimbursable in General Medical Services (GMS) terms are incurred by the Practice. For the purpose of this section of the OBC and the related option appraisal all gross costs are taken into account irrespective of which party incurs those costs. This will give a consistent means of comparing the different options.

- 6.32.3. The analysis that follows provides a focus on the net additional costs that would be incurred under the different short listed options. Net additional costs are arrived at by deducting existing budgetary provision within NHS Grampian and contributions from the Practice.
- 6.32.4. In option 2 for determination of the additional cost it is assumed the Practice will make good any additional cost in respect of their non-reimbursable obligations. In addition costs will be recovered from the pharmacy who will occupy the new facility. Additional revenue contributions will be incurred in respect of GMS reimbursable costs, the cost of accommodation taken up by the (Shadow) Aberdeen H&SCP services.
- 6.32.5. The estimated costs and contributions referred to above are incorporated in the revenue figures within the Option Appraisal and reflected in the GEM which produces the NPC of the short listed options.

6.33. Other Revenue Costs

- 6.33.1. In developing the OBC, the main revenue consequences factored into the analysis are the significant additional premises related costs which consist of rates, refuse, energy, maintenance domestic services, window cleaning and grounds. Costs have been based on a combination of experience from existing and other new builds in Grampian and information from services (Domestics).
- 6.33.2. The revenue cost calculations assume that VAT will be payable by the occupiers of the building on all gas, electric and telephones etc.
- 6.33.3. Details of the running costs are given in **Appendix 13b** "Revenue Consequences".
- 6.33.4. **Table 29** below sets out the potential impact on revenue budgets of the short listed options.

Table 29: Potential Impact on Revenue Budgets – Foresterhill Health Centre

Estimate of Annual Running Cost Implications for the Short Listed Options			
Option	Estimated Facility Running Costs £ 000s	Estimated Revenue Contribution £ 000s	Net Annual Additional Revenue Costs £ 000s
Option 1 - Do minimum (backlog maintenance)	131	131	0
Option 2 - Build a replacement Health Centre	207	130	77

- 6.33.5. For the purpose of the option appraisal, capital funded procurement is assumed. NHS Grampian in this scenario would hold the head lease and sub-let to the GP

Practices. In calculating the revenue contributions it is assumed the reimbursable expenses will be met in full from GMS and the Practice will meet in full its obligation to additional cost associated with the new building.

- 6.33.6. The additional revenue cost reflects the amount of funding to be identified by NHS Grampian for their occupied space.
- 6.33.7. An initial meeting has been held with both Practices (Elmbank & Westburn) to identify progress to date and to provide an indication of the estimated additional costs at this point in time. The Practices have been made aware that, should the project proceed as a hubCo revenue procurement, there are particular issues associated with such a development that will increase their cost base further. The Practices will be kept advised of progress and any additional financial implications on a regular basis. A letter from Elmbank Group Practice and Westburn Medical Group confirming Agreement in Principle to the costs associated with an Occupation Agreement for these new premises is included as **Appendix 9b and 9c**.

6.34. Summary of Revenue Implications

- 6.34.1. **Table 30** below sets out the forecast additional revenue impact of the depreciation and the building running costs for the short listed options.

Table 30: Summary of Revenue Implications– Foresterhill Health Centre

Estimated Additional Annual Revenue Costs of Each Option			
Option	Net Additional Depreciation £ 000s	Net Additional Running Costs £ 000s	Total Additional Revenue Costs £ 000s
Option 1 - Do minimum (backlog maintenance)	0	0	0
Option 2 - Build a replacement Health Centre	35	77	112

6.35. Conclusions

- 6.35.1. Option 1 “Do Minimum” has no additional revenue consequences.
- 6.35.2. Option 2 “New Build” has the highest additional revenue consequence at £112,000, due to a high depreciation cost (in line with the high build cost) and greater running.
- 6.35.3. On the basis of additional running costs only, Option 1 “Do Minimum” has the most favourable outcome. However there are a number of reasons why this option will not provide the best solution. In terms of non-financial criteria (weighted benefit points) Option 1 (Do Minimum) came last in the short list with 195 points. Option 2 (New Build), was the clear leader with 365 points.

6.35.4. Allowing for the non financial benefits scoring and issues outlined in previous sections Option 2 provides the required benefit. This is reinforced in the forthcoming economic analysis.

6.36. NPC/NPV Findings

6.36.1. Economic Analysis

6.36.1.1. This section takes the capital and revenue cost projections for the short-listed options and derives the NPC and EAC using discounted cash flow techniques. Applying the weighted benefit points score to the EAC allows for a comparison of the cost per benefit point for each option to arrive at a comparable economic appraisal.

6.36.1.2. The short-listed options were subjected to investment appraisal using the Discounted Cash Flow (DCF) technique. The DCF calculation takes account of:

- Capital development costs and other non-recurrent expenditure.
- Annual revenue costs.

6.36.1.3. SCIM Guidance on the use of DCF has been followed, and the GEM has been used to analyse the forecast cash flows of the short-listed options. GEM outputs are given at **Appendix 10**. In accordance with guidance, capital charges and VAT are excluded from the calculations. Risk is included as a contingency sum within the capital costs. Capital and revenue costs are added together to calculate a net present cost for total expenditure.

6.36.1.4. For all short-listed options it has been assumed that the capital costs will be phased over a 15 month period over two financial years beginning June 2016.

6.36.1.5. The results of the discounted cash flow calculations, shown as Equivalent Annual Cost (EAC), are summarised in **Table 31**:

Table 31: NPC & EAC – Foresterhill Health Centre

Net Present Costs and Equivalent Annual Costs			
Option	Net Present Cost (NPC) £000s	Equivalent Annual Cost (EAC) £000s	Economic Ranking
Option 1 - Do minimum (backlog maintenance)	823	40	1
Option 2 - Build a replacement Health Centre	9,670	436	2

6.36.1.6. From the above analysis the option with the lowest EAC is Option 1 “Do Minimum” with an EAC of £ 40,000.

6.37. Value for Money Analysis

- 6.37.1. Value for money is defined as the optimum solution in terms comparing qualitative benefits to costs. This analysis has been performed on an economic annual cost basis in line with HM Treasury guidance and the results are shown in **Table 32 below**.

Table 32: Value for Money Analysis – Foresterhill Health Centre

Value for Money Analysis – comparing qualitative benefits to costs				
Option	Qualitative Benefits Score	Equivalent Annual Cost £000s	Cost per Benefit point £	VFM Economic Ranking
Option 1 - Do minimum (backlog maintenance)	195	40	204	1
Option 2 - Build a replacement Health Centre	365	436	1,195	2

- 6.37.2. The Value for Money analysis compares the cost per benefit point of the options. The option that is preferable is the one that demonstrates the lowest cost per benefit point. The above table shows that, from an economic perspective, the options are ranked in the following order of preference:

- 1 = Option 1: Do Minimum
- 2 = Option 2: Replacement Health Centre

From this analysis and the results, the preferred option from a value for money perspective, is Option 1 “Do Minimum”, however, it has only been included as a benchmark against which to measure the other options. It scores last in terms of the qualitative benefits.

- 6.37.3. The “Do Minimum” option could not meet the key objective of this project which is to release the land of the existing facility for use in the Baird Family Hospital project.
- 6.37.4. In discounting the “Do Minimum” option, Option 2 is the only alternative. However in developing this project to ensuring that it delivers best value for money benchmarking against similar project in relation to setting an affordability cap on prime costs has been used.

6.38. Sensitivity Analysis

- 6.38.1. The net present costs have been subjected to a range of sensitivity tests to check whether changes to any of the assumptions about capital or revenue costs have a significant impact on the option rankings. The tests undertaken were:
- Running Costs +10%
 - Capital Costs + 20%
- 6.38.2. The outcome of these tests in terms of the Value for Money analysis is summarised in **Table 33 below**.

Table 33: Sensitivity Analysis – Foresterhill Health Centre

	Option 1	Option 2
	Do Minimum	Replacement Health Centre
Baseline		
EAC £000s	40	436
Qualitative Benefits	195	365
Cost per benefit point (£)	204	1,195
VfM Rank	n/a	1
Sensitivity 1 – Running Costs + 10%		
EAC £000s	40	456
Qualitative Benefits	195	365
Cost per benefit point (£)	208	1,250
VfM Rank	n/a	1
Sensitivity 2 – Capital Costs + 20%		
EAC £000s	47	502
Qualitative Benefits	195	365
Cost per benefit point (£)	243	1,376
VfM Rank	n/a	1

6.39. Conclusions - Foresterhill

- 6.39.1. In recognising that Option 1 is unviable for the reasons explained in **section 6.36**, the comments below focus on impact of sensitivity analysis on option 2

6.39.1.1. Sensitivity 1 – 10% Increase in Running Costs

The 10% increase in running costs, increases cost per benefit point by 4.58%, therefore changes in running costs have a marginal impact on that indicator.

6.39.1.2. Sensitivity 2 – 20% Increase in Capital Costs

The 20% increase in capital costs, increases cost per benefit point by 15.11%, therefore changes in capital costs would have a material impact on that indicator.

6.40. Equipment Procurement

- 6.40.1. An 'Equipment Responsibility Matrix' has been prepared. This lists all equipment and specifies responsibility between Sub-hubCo and NHS Grampian in terms of supply, installation, maintenance and replacement over the course of the operational period.
- 6.40.2. Group 1 items of equipment (predominantly large, permanently installed plant or equipment) will be supplied, installed, maintained and replaced by Sub-hubCo throughout the 25 year contract term. The cost of Group 1 equipment is included within the total CAPEX cost in the calculation of the unitary charge.
- 6.40.3. Group 2 items of equipment (specialist items having space, construction or engineering implications) will be supplied by NHS Grampian, installed by Sub-hubCo and maintained by NHS Grampian. Group 3/4 items are supplied, installed, maintained and replaced by NHS Grampian. Some equipment will transfer from existing departments. £1.065 million has been included in the NHS Grampian Capital Plan.

7. The Commercial Case

THE COMMERCIAL CASE

7.1. Introduction

- 7.1.1. The Scottish Capital Investment Manual (SCIM) guidance proposes that the default position for delivering new build community facilities for the Inverurie Health & Care hub and the relocation of Foresterhill Health Centre, both having an equivalent capital value in excess of £750,000 should be via the Scottish Futures Trust (SFT) hub initiative.
- 7.1.2. The hub initiative in the North Territory is provided through a joint venture company (hub North Scotland Limited) bringing together local public sector participants, SFT and a Private Sector Development Partner (PSDP).
- 7.1.3. The North Territory hubCo PSDP is a consortium between Galliford Try PLC (formally Miller Corporate Holdings) and Sweett Equitix.
- 7.1.4. This section outlines the commercial transaction that NHS Grampian Board will be asked to sign up to and serves to communicate the following:
- The structure of the project development and scope of contracted services
 - The agreed risk allocation
 - The type of contract used and some key contractual terms
 - The underpinning methods of payment for the services and outputs including any premiums for risk transfer and
 - The implementation timescales which have been agreed for the delivery.
- 7.1.5. The Scottish Government has recently issued guidance recommending payment provision for consultants delivering projects through the hubCo process. In essence this guidance recognises current financial challenges faced by consultants who are not normally paid by the hubCo for any development work until after the project has reached Financial Close. In following the guidance, NHS Grampian will provide a working capital advance to hubCo to help cashflow the cost of development fees incurred by their supply chain, to be paid back to the NHS Grampian Board by hubCo at Financial Close. The advance will be requested by hubCo in tranches, the first draw down being issued on a stage 1 approval by the NHS Grampian Board, and thereafter in further installments only as fees are incurred, up to a maximum value of 80 % of the total stage 2 development fees. The risk to NHS Grampian of providing an unsecured loan will be mitigated by drawing up a formal legal arrangement to ensure that any advancement monies are repaid at Financial Close.
- 7.1.6. Recognising the importance of maintaining programme, and the potential impact of construction inflation arising from unnecessary delays in delivering either the Inverurie Health & Care Hub or the Foresterhill Health Centre projects, the NHS Grampian Board is proposing to enter into an underwriting agreement with hubCo.
- 7.1.7. This agreement will jointly cover the risk of hubCo commencing their Stage 2 design developments in advance of receiving a formal stage 1 approval by the NHS Grampian Board following Outline Business Case (OBC) approval by Capital Investment Group (CIG). The risk of NHS Grampian having to contribute

their share of the agreement would only materialise in the event that the stage 1 submission was not approved by the NHS Grampian Board/CIG.

7.2. The Structure of the Project Development and Scope of Contracted Services

- 7.2.1. The SFT hub initiative, which supersedes traditional style private finance procurement in Scotland, was established to provide a strategic long-term programmed approach to the procurement of community based developments.
 - 7.2.2. As a means towards driving maximum value for money the Inverurie Health & Care Hub development and the relocation of Foresterhill Health Centre will be bundled together.
 - 7.2.3. The projects will be delivered by a 'Sub-hubCo' (a non recourse vehicle funded from a combination of senior and subordinate debt underpinned by a 25 year service concession contract).
 - 7.2.4. The senior debt is provided by AVIVA Public Private Finance Limited with predetermined arrangement fees agreed with SFT through a framework agreement. Subordinate debt is provided by a combination of private sector (60%), SFT (10%), and following the introduction of new SFT guidance on the structure of hub projects the participant investment will now be (10%) with the remaining (20%) balance being expected to be by a newly formed hub community foundation charity.
 - 7.2.5. In essence the Sub-hubCo will be responsible for providing all aspects of design, construction, ongoing facilities management (hard maintenance services and lifecycle replacement of components) and finance throughout the course of the project term other than a small number of exceptions termed authority maintenance obligations (principally responsibility for making good/replacing wall, floor and ceiling finishes).
 - 7.2.6. Soft facilities management services (such as domestic, catering, porter and external grounds maintenance) are excluded from the project agreement (PA) with Sub-hubCo and these services will be provided by NHS Grampian.
 - 7.2.7. Group 1 items of equipment, which are generally large items of permanently installed plant or equipment will be supplied, installed, maintained and replaced by Sub-hubCo throughout the project term.
 - 7.2.8. Group 2 items of equipment, which are items of equipment having implications in respect of space, construction and engineering services, will be supplied by NHS Grampian, installed by Sub-hubCo, and maintained by NHS Grampian Board.
 - 7.2.9. Group 3-4 items of equipment are supplied, installed, maintained and replaced by NHS Grampian.
 - 7.2.10. The responsibility and interface of equipment and soft FM in the operational facility is a key consideration of the service provision. To facilitate this, an 'Equipment Responsibility Matrix' will be prepared, detailing all equipment by description, group reference, location and responsibility between NHS Grampian
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and Sub-hubCo in terms of supply, installation, maintenance and replacement over the course of the 25 year operational period. To facilitate joint working arrangements between NHS Grampian Board and the hard FM services provider an 'Interface Responsibility Matrix' will articulate responsibility at a practical operational level and supplements the PA.

7.3. Risk Allocation

7.3.1. A key feature of the hub initiative is the transfer of inherent construction and operational risk to the private sector that traditionally would be carried by the public sector. **Table 34** below outlines ownership of known key risks.

Table 34: Risk Allocation

	Risk Category	Potential Allocation		
		Public	Private	Shared
1	Design risk		√	
2	Construction and development risk		√	
3	Transitional and implementation risk		√	
4	Availability and performance risk		√	
5	Operating risk			√
6	Variability of revenue risks		√	
7	Termination risks			√
8	Technology and obsolescence risks		√	
9	Control risks	√		
10	Residual value risks	√		
11	Financing risks		√	
12	Legislative risks			√
13	Sustainability risks			√

7.3.2. Design risk sits with Sub-hubCo subject to the PA. For example, agreed derogations identified within the authority's construction requirements (ACR) and on-going authority's maintenance obligations during operation may give Sub-hubCo relief on certain designed components.

7.3.3. Construction and development risk sits with Sub-hubCo subject to the PA, for example a small number of delay and compensation events could entitle Sub-hubCo to compensation if the events materialised and this would be reflected in a revised unitary charge (UC) calculation.

7.3.4. Transition and implementation risk sits with Sub-hubCo subject to compliance with the authority's requirements and agreed commissioning timetable.

7.3.5. Availability and performance risk sits with Sub-hubCo subject to the project agreement. For example, availability or performance failures that arise as a result of an excusing clause could give Sub-hubCo relief from payment deduction.

7.3.6. Operating risk is a shared risk subject to each respective NHS Board and Sub-hubCo's responsibility under the PA and joint working arrangements within

operational functionality. The hub model has a capped rate of return that limits the circumstances where surpluses can be generated.

- 7.3.7. Variability of revenue risk is a shared risk subject to adjustments of the annual service payment under the PA. In addition each NHS Board is responsible for a number of pass through costs (costs charged to the SPV that are the responsibility of the NHS Board and passed to the authority for payment with no mark-up) such as energy and utility usage and direct costs such as local authority business rates, all of which are subject to different factors such as indexation.
- 7.3.8. Termination risk is a shared risk within the PA with both parties (Sub-hubCo and the Board) being subject to events of default that can trigger termination. In addition NHS Grampian has an additional right of voluntary termination subject to the project agreement.
- 7.3.9. Technology and obsolescence risk predominantly sits with Sub-hubCo however NHS Grampian could be exposed through specification and derogation within the ACR's, obsolescence through service change during the period of functional operation and relevant or discriminatory changes in law under the PA.
- 7.3.10. Change of control, for example termination due to a reason stated within the PA sits with the Board.
- 7.3.11. Residual value risks sits with the Board (value of the building at expiry of the concession term).
- 7.3.12. Financing risks predominantly sits with Sub-hubCo subject to the PA however relevant changes in law, compensation events that compensate Sub-hubCo and changes under the PA all may give rise to obligation on NHS Grampian to provide additional funding. Authority voluntary termination may also bring an element of reverse risk transfer due to aspects of the funding arrangement with the funder.
- 7.3.13. Legislative risks are shared subject to the PA. Whilst Sub-hubCo is responsible to comply with all laws and consents, the occurrence of relevant changes in law as defined in the PA can give rise to compensate Sub-hubCo.
- 7.3.14. Sustainability risks are proportionately shared subject to the PA. Sub-hubCo carry the risk of complying with the ACR's in terms of sustainable design and lifecycle of hard FM components however, NHS Board Grampian have exposure to aspects of authority maintenance obligations and carry some of the risk of thermal efficiency of the facility.

7.4. The Type of Contract Used and Key Contractual Arrangements

- 7.4.1. The agreement for the Inverurie & Foresterhill Bundle will be based on the SFT's hub standard form Design, Build, Finance, Maintain (DBFM) contract (the "Project Agreement"). The PA is signed at Financial Close and any derogation to the standard form position must be agreed with SFT.
- 7.4.2. Sub-hubCo will delegate the design and construction delivery obligations of the PA to its Tier 1 Building Contractor under a building contract. A collateral warranty will be provided in terms of other sub-contractors having a design liability. Sub-hubCo will also enter into a separate agreement with a FM Service Provider to provide hard FM service provision.
- 7.4.3. Following NHS Grampian and Sub-hubCo entering into the PA, the Board will also enter into occupancy agreements with Inverurie Medical Group, Elmbank Group Practice and Westburn Medical Group relevant to their occupation of space within the facility. Statements of 'Agreement in Principle' have been signed by Inverurie, Elmbank and Westburn Practices and copies of these statements are included as **Appendix 9a, 9b and 9c**.
- 7.4.4. NHS Grampian's Asset Management Group (AMG) has approved that NHS Grampian will provide its share of participant subordinate debt equity to support the development. This investment will be provided for at Financial Close.
- 7.4.5. The NHS Grampian Board will procure the grant of a license from the Scottish Ministers to Sub-hubCo in line with the standard contract position.
- 7.4.6. The term will be 25 years.
- 7.4.7. 'Termination of Contract' - as the NHS will own both the Inverurie site and Foresterhill (jointly with the University of Aberdeen then both buildings will remain in ownership of the NHS throughout the term, but be contracted to Sub-hubCo to allow them to construct and operate the building for the duration of this contract. On expiry of the contract each of the facilities will revert to NHS Grampian on behalf of The Scottish Ministers. Compensation on termination generally follows the standard contract position.
- 7.4.8. The Inverurie site is currently in the ownership of NHS Grampian. A detailed Masterplan for the redevelopment of the Inverurie Hospital has been prepared and accepted by Aberdeenshire Council (the planning authority) and will be used as a material consideration for any planning applications. Detailing planning consent will be sought by Sub-hubCo during their design development works.
- 7.4.9. The Foresterhill Health Campus is currently in the joint ownership of The Scottish Ministers (per NHS Grampian Board) and the University of Aberdeen. A Development Framework for the Foresterhill Health Campus was approved by Aberdeen City Council (the planning authority) in 2008 and refreshed in 2013 and will be used as a material consideration for any planning applications. Responsibility for planning consent in respect of Foresterhill Health Centre rests with Sub-hubCo.

- 7.4.10. Service Level Specifications will detail the standard of output services required and the associated performance indicators. Sub-hubCo will provide the services in accordance with its method statements and quality plans which indicate the manner in which the services will be provided.
- 7.4.11. NHS Grampian will be responsible for the costs to Sub-hubCo of any additional maintenance and/or corrective measures if the design and/or construction of the facilities and/or the components within the facilities do not meet the authority's construction requirements. Where appropriate, deductions will be made from the monthly service payment in accordance with the payment mechanism.
- 7.4.12. NHS Grampian (the authority's) maintenance obligations comprise of repairs and making good of all interior walls and ceiling finishes and, where appropriate, repairs and/or replacement of carpets and other non-permanent floor coverings in accordance with the frequency cycles stated in the PA. In addition the NHS Grampian is responsible for inspection and testing of electrical appliances. Failure by NHS Grampian to carry out the authority's maintenance obligations would result in a breach of the agreement and entitle sub-hubCo to carry out the works and be reimbursed.
- 7.4.13. Not less than 2 years prior to the expiry date an inspection will be carried out to identify the works required to bring the facilities into line with the hand-back requirements which are set out in the PA.
- 7.4.14. Sub-hubCo will be entitled to an extension of time on the occurrence of a delay event and to an extension of time and compensation on the occurrence of compensation events (in either case, during the carrying out of the Works). Sub-hubCo is relieved of the Board's right to terminate the PA for non-performance on the occurrence of relief events. This reflects the Standard Contract position.
- 7.4.15. NHS Grampian will set out its construction requirements in a series of documents termed authority's construction requirements. Sub-hubCo is contractually obliged to design and construct the facilities in accordance with the ACR's.
- 7.4.16. The Board has a monitoring role during the construction process and only by way of the agreed review procedure and/or the agreed change protocol will changes occur.
- 7.4.17. NHS Grampian and Sub-hubCo will jointly appoint an independent tester who will also perform an agreed scope of work that includes such tasks as undertaking regular inspections during the works, certifying completion, attending site progress meetings and reporting on completion status, identifying non compliant work, reviewing snagging progress as well as a range of other independent functions.
- 7.4.18. The Board will work closely with Sub-hubCo to ensure that the detailed design is completed prior to financial close. Any areas of design that do remain outstanding will, where relevant, be dealt with under the reviewable design data (RDD) and procedures as set out within the review procedure.

- 7.4.19. The PA details the respective responsibilities towards malicious damage or vandalism to the facilities during the operational term. NHS Grampian has an option to carry out a repair itself or instruct Sub-hubCo to carry out rectification.
- 7.4.20. Compensation on termination and refinancing provisions generally follows the standard contract position.

7.5. Method of Payment

- 7.5.1. NHS Grampian will pay for the services in the form of an annual service payment (ASP).
- 7.5.2. A standard contract form of payment mechanism will be adopted within the PA with specific amendments to reflect the relative size of the two facilities at Inverurie and Foresterhill, respective availability standards, core times, gross service units (number of service units applied to each functional area) and a range of services specified in the service requirements.
- 7.5.3. NHS Grampian will pay the ASP to Sub-hubCo on a monthly basis in arrears for only the buildings they are contracted with, calculated subject to adjustments for previous over/under payments, deductions for availability failures and performance failures and other amounts due to Sub-hubCo. Where any payment is in dispute then the Board will pay only parts or sums which are not in dispute.
- 7.5.4. The Board has a contractual right to set-off any sum due to it under the PA.
- 7.5.5. The ASP is subject to indexation as set out in the PA by reference to the retail prices index published by the Government's National Statistics Office. Indexation will be applied to the ASP on an annual basis. The base date will be the date on which the project achieves Financial Close.
- 7.5.6. Costs such as utilities usage charges (heating, water and electrical power) and operational insurance premiums are to be treated as pass through costs and, as such, are arranged by Sub-hubCo but added to the Monthly Service Payment as applicable. In addition, NHS Grampian is directly responsible for arranging and paying all connection, line rental and usage telephone and broadband charges. Local Authority rates are being paid directly by NHS Grampian.
- 7.5.7. Sub-hubCo is obliged to monitor its own performance and maintain records documenting its service provision both in terms of the PA and the Territory Partnering Agreement. Each Board will carry out performance monitoring on its own account and will audit Sub-hubCo's performance monitoring procedures in terms of the project agreement.

7.6. Personnel Arrangements

- 7.6.1. The management of soft facilities management services, such as domestic and porter services will continue to be provided by NHS Grampian.
- 7.6.2. No staff will transfer and therefore the alternative standard contract provisions in relation to employee transfer (TUPE) will not come into effect.
- 7.6.3. There are implications from the requirement by the Board to provide hard maintenance obligations in terms of the project agreement.

7.7. Implementation Timescales

- 7.7.1. The indicative implementation timescales for procuring the Inverurie and Foresterhill bundle has been discussed and agreed with hubCo. NHS Grampian will only submit the OBC to the CIG for approval once the Board, SFT and its advisors have agreed that the proposed stage 1 submission represents value for money at that stage in the process and is affordable.
- 7.7.2. The outline timetable for delivery of the Inverurie and Foresterhill bundle project outlined below in **Table 35**.

Table 35: Timetable for Delivery

Milestone	Milestone dates
New Project Request (revised to include Foresterhill)	June 2015
Foresterhill IA approval	July 2015
Stage 1 pricing submission	June 2015
OBC Board approval	Aug 2015
OBC CIG approval	Sept 2015
Stage 2 development	July 2015 - March 2016
Stage 2 pricing submission	March 2016
FBC approval by Board/CIG	May/June 2016
Financial Close	June/July 2016
Inverurie & Foresterhill commencement	July/Aug 2016
Foresterhill completion	Sept /Oct 2017
Services Commencement	Nov 2017
Inverurie Completion	Jan/Feb 2018
Services Commencement	March 2018

8. The Financial Case

THE FINANCIAL CASE

8.1. Introduction

8.1.1. The preferred options are:

- Inverurie Health & Care Hub (IH&CH): Option 2 New Build including CMU and x-ray on Inverurie Hospital Site,
- Foresterhill Health Centre (FHC): Option 2 Replacement Health Centre

The Financial Case sets out:

- The revenue and capital implications of the projects,
- A statement on overall affordability,
- Current position on sub debt and equity,
- Risks and
- The agreed accounting treatment.

8.1.2. The projects are part of a two project bundle, being taken forward as a hubCo Design Build Finance Maintain (DBFM) Service Concession Contract, utilising revenue funding.

8.2. Revenue Costs and Associated Funding for the Projects

8.2.1. To deliver the projects, capital investment will be required in the form of equipment, enabling work and sub debt investment. Capital contributions from Health Bodies in the form of a direct injection to DBFM projects have been excluded based on the recent guidance¹ issued by the Scottish Futures Trust (SFT).

8.2.2. The build costs of the projects will be financed using the Scottish Government's hub DBFM revenue funding model. Revenue funding will be required from both the Scottish Government and NHS Grampian in order to meet the unitary charge (UC) associated. Refer to **table 36** below.

Table 36: Summary of Capital Investment

	Build Costs £000s	Enab-ling Work £000s	Equip- ment £000s	Sub Debt £000s	Total £000s
Inverurie (Option 2)	12,851	720	780	124	14,475
Foresterhill (Option 2)	7,603	0	285	74	7,962
Total	20,454	720	1,065	198	22,437

8.2.3. **Table 37** below details the annual recurring revenue costs that will be associated with the project following commissioning. It details the projected UC, impact on depreciation of new equipment and the additional property costs anticipated as a result of the project.

Table 37: Summary of Additional Annual Revenue Costs

	Unitary Charge £000s	Depreciation (Equipment) £000s	Other Scheme Costs £000s	Total £000s
Inverurie (Option 2)	1,278	78	204	1,560
Foresterhill (Option 2)	818	28	109	955
Total	2,096	106	313	2,515

8.2.4. Further details of the capital and revenue elements of the project and sources of funding are provided in the following sections.

8.3. Recurring Revenue Costs

8.3.1. The recurring revenue costs associated with the project are summarised in **Table 38** overleaf. The revenue cost estimates assume that services are in place and available for use in 2017 with 2018/19 being the first full year of operation.

8.3.2. **Table 38** contains the Predicted Maximum Cost Unitary Charge (PMCUC) taken from the hub North Scotland Stage 1 Submission dated 29 June 2015, Financial Model v0100. From the Stage 1 model the proportions attributable to the Scottish Government Health and Social Care Directorate (SGHSCD) and NHS Grampian are 90.3% and 9.7% respectively.

Table 38: 2018/19 Costs – First Full Year of Operation

	IH&CH £ 000s	FHC 000s	Total £000s
Costs			
Unitary Charge	1,278	818	2,096
Additional Depreciation (Equipment)	78	28	106
Other Scheme Costs (Net Additional)	204	109	313
Total Additional Scheme Costs	1,560	955	2,515
Sources of Additional Funding			
SGHSCD Unitary Charge (90.3%)	1,152	741	1,893
NHSG Unitary Charge (9.7%)	126	77	203
NHSG Depreciation (Equipment)	78	28	106
NHSG (Other Scheme Costs)	149	77	226
Third Party	55	32	87
Total Additional Sources of Funding	1,560	955	2,515

- 8.3.3. Approximately 80% of the UC will be fixed with the balance subject to variation annually in line with the actual Retail Price Index (RPI) which is estimated at 2.5% per annum in the Financial Model for the purpose of this Outline Business Case (OBC). The UC for the first full year of operation (2018/19) has been indexed (inflated).
- 8.3.4. Additional depreciation of £106,000 is incurred from the planned capital purchase of equipment valued at June 2015 price levels. Depreciation is calculated on a straight line basis and assumes an average economic useful life of 10 years.
- 8.3.5. Other scheme costs represent the net additional component of building running costs after allowing for the offset of existing funding and third party contributions (e.g. GP). For consistency inflation has been applied at 2.5% on the costs. Full details of the other scheme costs for the preferred option are available in **Appendices 13a and 13b**.
- 8.3.6. Regarding the cost of services to be provided in the developments the following assumptions have been made:
- The cost to NHS Grampian of delivering services, i.e. staffing and non pay costs associated with the services which will be located in the developments, are not expected to increase. The transfer of services will be cost neutral.
 - There will be an Occupancy Agreement between the Medical Practices and NHS Grampian reflecting the Practices' commitment to the development and the associated costs. Costs will be reviewed annually and inflation has been applied above to reflect this. The Practices will be fully responsible for its own costs.

8.4. Recurring Funding Requirement – Unitary Charge (UC)

8.4.1. For the bundle the UC derived from the Stage 1 model is £2.096 million in year ending 2018/19, the first full year of operations. The method of disaggregating the individual project UC's have been allocated according to the Gross Internal Floor Area (GIFA) for each project.

8.4.2. Using this approach, the UC is split as follows in **Table 39** below based on the first full year of operations. Annual revenue support is requested each year, from SGHSCD, this will be adjusted for the impact of accounting convention and is in line with guidance provided by Capital Investment Group (CIG) on 21 February 2011.

Table 39: Unitary Charge- 2018/19

	% Split	Total Unitary Charge £000s	Annual Revenue Support Funding £000s
Inverurie (Option 2)	61%	1,278	1,152
Foresterhill (Option 2)	39%	818	741
Total	100%	2,096	1,893

8.4.3. NHS Grampian's element of the UC together with the annual depreciation charge and annual running costs are reflected in NHS Grampian's financial plans and Local Delivery Plan (LDP).

8.4.4. An analysis of the requested funding at OBC stage is given in **Table 40** below.

Table 40: Analysis of Funding Support

Contributions to Unitary Charge (OBC)	Unitary Charge £ 000s	SGHSCD Support %	SGHSCD Support £ 000s	NHSG Cost £ 000s
CAPEX	1,695	100	1,695	0
Special Purpose Vehicle (SPV)/ Insurance	135	100	135	0
Life Cycle Costs	126	50	63	63
FM Costs	140	0	0	140
Total	2,096		1,893	203
			90.3%	9.7%

8.4.5. The UC will be further refined through to Financial Close and funding requirement finalised at that stage.

8.5. Non-Recurring Revenue Costs

8.5.1. There will be non-recurring costs in the form of professional fees associated with the project. These are identified as £143,000 at this stage and are subject to review following the changes in the project bundle. These will be incurred as a non-recurring revenue expense by NHS Grampian and have been incorporated in NHS Grampian current financial plans.

8.5.2. Following on from experience gained with previous Hub revenue funded projects, more work is being done in-house as opposed to externally. As a consequence the scope of work of external advisors has been reduced to reflect essential work.

8.5.3. Additional non-recurring costs are anticipated in 2017/18 in respect of commissioning of the building and transfer of services from existing premises. An estimated £ 64,000 will be required to meet the cost of decanting, pre-cleaning, deployment of equipment (including IT), security during commissioning phase and post project evaluation. In addition, there will be de-commissioning costs at the current Inverurie Health Centre of £10,000. Refer to **table 41**.

Table 41: Commissioning Costs

Other Non-Recurring Costs	Inverurie (Option 2) £ 000s	Foresterhill (Option 2) £000s	Total £ 000s
Removal (Inc Flooring Protection)	20	10	30
Pre-Cleaning	6	2	8
Security	10	4	14
Post Project Evaluation	6	6	12
De-commissioning (Inverurie HC)	10	0	10
Total	52	22	74

8.5.4. During the development stage of this project, prior to Financial Close the Board will provide a loan to hubCo to cover the cost of surveys, stage 1 and stage 2 development fees. These costs (£770,000) will be reimbursed to the Board at Financial Close, however the Board has accepted that it bears the financial risk of this arrangement.

8.6. Summary and Cashflow of All Costs and Associated Funding for the Project

8.6.1. The following **tables 42 and 43** consolidate the capital and review funding is needed to support the project during development and the first full year of operation.

Table 42: Costs - Cashflow

Costs	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
Capital Contribution*	0	0	0	0	0
Capital Enabling Works	720	0	0	0	720
Equipment (inc. VAT) – Inverurie	0	0	780	0	780
Equipment (inc. VAT) – Foresterhill	0	0	285	0	285
Sub Debt Investment - Inverurie	0	124	0	0	124
Sub Debt Investment - Foresterhill	0	74	0	0	74
Total Capital Costs	720	198	1,065	0	1,983
Advisor Fees	72	62	10		143
Commissioning Costs			74		74
<u>Recurring Revenue Costs</u>					
Unitary Charge			613	2,096	
Additional Depreciation (Equipment)			27	106	
Other Scheme Costs (Net Additional)			78	312	
Total Revenue Costs	72	62	802	2,514	
Total Costs	792	259	1,866	2,514	

* Capital contribution – per recent guidanceⁱⁱ issued by the SFT

Table 43: Sources of Funding- Cashflow

Sources of Funding	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
NHSG Formula Capital	720	198	1,065	0	1,983
SGHSCD Unitary Charge			580	1,893	
NHSG Unitary Charge			33	203	
NHSG Depreciation (Equipment)			27	106	
NHSG (Other Scheme Costs)	72	62	140	226	
Third Party (Medical Practices)			22	87	
Total	792	259	1,866	2,515	

8.6.2. Equipment: Equipment lists were developed in 2015 and costs reflect 2015 price levels. The total estimated cost of equipment including VAT, allowing for an element of existing equipment to transfer is £1,065,000.

8.6.3. **Table 44 overleaf** provides a further breakdown of the equipment costs.

Table 44: Equipment

	Equipment - Health Centre	Equipment - CMU	Equipment - X-ray	Total
	£000s	£000s	£000s	£000s
Inverurie (Option 2)	360	228	192	780
Foresterhill (Option 2)	285	0	0	285
Total	645	228	192	1,065

- 8.6.4. Sub Debt: At this stage of the project it is assumed that the Board will be required to provide the full 10% investment relating to the participants requirements per recent guidanceⁱⁱⁱ issued by the SFT.
- 8.6.5. The project bundle has a single Project Agreement and the most recent financial model (v0100) has the total sub debt investment anticipated to be £198,000. The Board confirms that provision has been made for this from its capital programme.
- 8.6.6. The new facilities in Inverurie will accommodate a population growth, partially as a result of housing development. Supplementary planning guidance is in place to support securing developer obligation funds from housing developers for primary healthcare infrastructure needs in this area. The timing and scale of the funds are uncertain at this stage, but will be applied to NHS Grampian contribution to this project, as appropriate.

8.7. Value for Money

- 8.7.1. The UC included within the hubCo pre Stage 1 submission has been scrutinised by external advisors as part of their due diligence towards their validation of the cost representing value for money at this stage.
- 8.7.2. In particular, the prime and non prime cost elements making up the total capital cost have been compared with other similar comparator projects with appropriate adjustment for different circumstances, industry benchmarks, compliance with method statement tests and where applicable individual rates and quantities have been validated back to their representative proforma caps. The view of the Technical Advisor is that hubCo have provided sufficient evidence for the purpose of a pre Stage 1 submission.
- 8.7.3. In terms of the commercial deal, our Financial Advisor has reviewed the key inputs underpinning components of the financial model used to calculate the UC with reference to representative pro-forma caps and current market intelligence. The optimisation of the financial model has also been reviewed and the key parameters are appropriate based on the financial model's underlying assumptions. The view of the Financial Advisor is that the quoted annual service

payment (ASP) is reflective of a value for money (VFM) position at pre Stage 1. This assessment is made based on the understanding that the model's cost inputs are consistent with those reviewed by the Board's Technical Adviser and the view that the model's financial assumptions which reflect the current market and the appropriate shareholder return as agreed through the Territory Partnering Agreement with Hub North Scotland.

- 8.7.4. Moving forward with completion of Stage 1 and the design development at Stage 2 the expectations of hubCo and the participants is that further value will be applied to the financial deal to reflect competitive market testing.

8.8. Depreciation

- 8.8.1. The current GP and Community Hospital premises and the land on which it sits are owned by NHS Grampian. As a consequence NHS Grampian carries depreciation in respect of these premises and there are therefore savings on depreciation to be applied.
- 8.8.2. The NHS Scotland Capital Accounting Manual has been followed throughout the calculations. The computations for assets are based on the following lives:
- New build – 40 years
 - Upgrade – 20 years
 - Equipment – 10 years
- 8.8.3. The new build elements have been assumed to be depreciated over 40 years as an average of the expected life.
- 8.8.4. The equipment has assumed depreciation over 10 years.
- 8.8.5. The impact of depreciation has been reflected in the costs consideration that has been set out.

8.9. Overall Affordability

8.9.1. The key financial components are summarised in **Table 45** below. Figures relate to the project development and first full year of operations, 2018/19.

Table 45: Overall Affordability

	Inverurie £000s	Forester-hill £000s	Total £000s
Development Costs			
Capital Costs	1,624	358	1,983
Advisor Fees	90	53	143
Commission Costs	52	22	74
Total Development Costs	1,766	434	2,200
Annual Revenue Costs			
Net Depreciation	78	28	106
Net Running Costs (excluding UC)	204	108	312
Unitary Charge Total	1,278	818	2,096
Total Annual Revenue Costs	1,560	954	2,514
Unitary Charge NHSG	126	77	203
Unitary Charge SGHSCD	1,152	741	1,893

- 8.9.2. Provision has been made in NHS Grampian's current Capital Plan for enabling works at Inverurie, equipment and sub debt investment amounting to £1,983,000. It is anticipated that the site of the existing Inverurie Health Centre will be vacated and sold in due course; the net book value of that site is £758,000.
- 8.9.3. Depreciation relates to equipment only. The Board has incorporated the additional £106,000 in its financial plans for the new equipment associated with this project.
- 8.9.4. The net additional recurring running costs for the Project, less the Government contribution to the UC, amounts to £515,000. Based on the current assessment of occupancy the Practices and other third parties will contribute £87,000. The balance of additional costs attributable to NHS Grampian amounts to £428,000, including its share of the UC of £203,000. This is included in its forward planning for revenue consequences.
- 8.9.5. NHS Grampian is committed to the Project and has incorporated the necessary funding increases for capital and revenue consequences in its financial plans and LDP for the coming years.

8.10. Financial Risk

- 8.10.1. All of the risks are identified within the project risk register are currently open. It is anticipated that the majority of these risks will be closed, or mitigated to reduced levels in the period leading up to Full Business Case (FBC) submission and Financial Close.
- 8.10.2. The financial risks carrying the greatest impact are the possibility that funding terms at Financial Close exceed the affordability caps identified for the project and/or that the preferred lender withdraws its offer. The market lending rates and lender commitment to the potential funding deal will be monitored during Stage 2 and up to financial close to identify such a situation as early as possible if it transpires.
- 8.10.3. The UC figure will be partially subject to the impact of inflation over the life of the contract with reference to the RPI. This is standard practice. The risk of movements in the RPI remains with the Board for the duration of the Project. The Board will deal with this from its allocated resources and reserves set aside for inflationary purposes.
- 8.10.4. The project team will continue to monitor these and other financial risks and mitigate the impact.

8.11. Agreed Accountancy Treatment

- 8.11.1. The Project will be delivered under hubCo DBFM Service Concession Contract over a 25 year term with NHS Grampian retaining all of the assets for no additional financial consideration at the end of the contract term.
- 8.11.2. The DBFM contract is defined as a 'Service Concession' arrangement under International Financial Reporting Interpretation Committee Interpretation 12 ('IFRIC 12') and will be "on balance sheet" in NHS Grampian's accounts. See **appendix 14** for commentary on the IFRIC 12 assessment by NHS Grampian by Caledonian Economic (the Board's Financial Advisor).
- 8.11.3. The contract and payment mechanism follows the hub DBFM standard form which has been modified recently to ensure it delivers a "private sector" classification within the National Accounts under European System of Accounts ESA 2010 rules. This arrangement incorporates transfer of construction and availability risk and a 'private sector' delivery structure. The classification of the hub DBFM standard form 'private classification' is an evolving issue and will be monitored by the Board through to Financial Close.
- 8.11.4. NHS Grampian Statement of Accounts are prepared under International Financial Reporting Standards (IFRS) and will recognize on its balance sheet the cost, at fair value, of the property, plant and equipment underlying the service concession as a non current (tangible) fixed asset and record a corresponding long term liability associated with the financing arrangement. The asset's carrying value will be determined in accordance with IAS 16 subsequent to financial close but for planning purposes fair value is assumed to be the Operator Model construction cost, £20.455 million.

- 8.11.5. Compensating additional CRL (Capital Resource Limit) cover will be required in financial year in 2016/17 (£12.3 million) & 2017/18 (£8.2 million) when the asset is recognised during construction and completion. This value will be confirmed following agreement on financial close.
- 8.11.6. The 'lease rental' paid on the long term liability will be derived by deducting all operating, lifecycle and maintenance costs from the contract amounts paid to the hubCo. The 'lease rental' Annual Service Payment will be split between repayments of the liability, interest charged on the liability and contingent rentals determined according to the indexation provisions in the Project payment mechanism.
- 8.11.7. The annual charge to the Statement of Comprehensive Net Expenditure (SOCNE) will consist of all operating, lifecycle and maintenance costs, contingent rentals, interest and Depreciation calculated on a straight line basis.
- 8.11.8. On the expiry of the contract term the Net Book Value of the asset will be equivalent to the residual value assessed in accordance with IAS 16.
- 8.11.9. The equipment £1,065,000 procured to enable the project, from NHS capital resources, will be accounted for by NHS Grampian as a non current (fixed) asset.
- 8.11.10. The additional recurring revenue costs of £2,515,000 will be covered partly by revenue support funding from the SGHSCD (£1,893,000), third party contributions (£87,000) with provision identified within NHS Grampian's Local Development Plan (LDP) to cover the balance (£535,000).

9. The Management Case

THE MANAGEMENT CASE

9.1. Project Management

- 9.1.1. This section aims to outline the project management and governance arrangements leading up to Financial Close and moving through design and construction into the operation of the completed facilities.
- 9.1.2. A Joint NHS Grampian/hubCo Project Group will be established to direct and monitor the process towards Financial Close. The group will meet monthly throughout the development phase; however in the run up to Financial Close the frequency will increase to fortnightly or weekly as appropriate.
- 9.1.3. A Financial Close protocol will be agreed between NHS Grampian and hubCo to clearly document the process to be tested in the weeks running up to Financial Close.
- 9.1.4. Robust project management plans have been developed to undertake the project development and to produce the bundle Full Business Case (FBC) for approval of the preferred options (for both Inverurie and Foresterhill). Project roles have been identified and appropriately experienced personnel identified. The NHS project team will be supported by an experienced team of technical, legal and financial advisors along with colleagues from Scottish Futures Trust (SFT).
- 9.1.5. **Project Programme**
- 9.1.5.1. **Table 46** overleaf sets out the milestones for the development of the Inverurie & Foresterhill bundle through FBC approval to Financial Close, construction and bringing into operation.

Table 46: Development Milestones

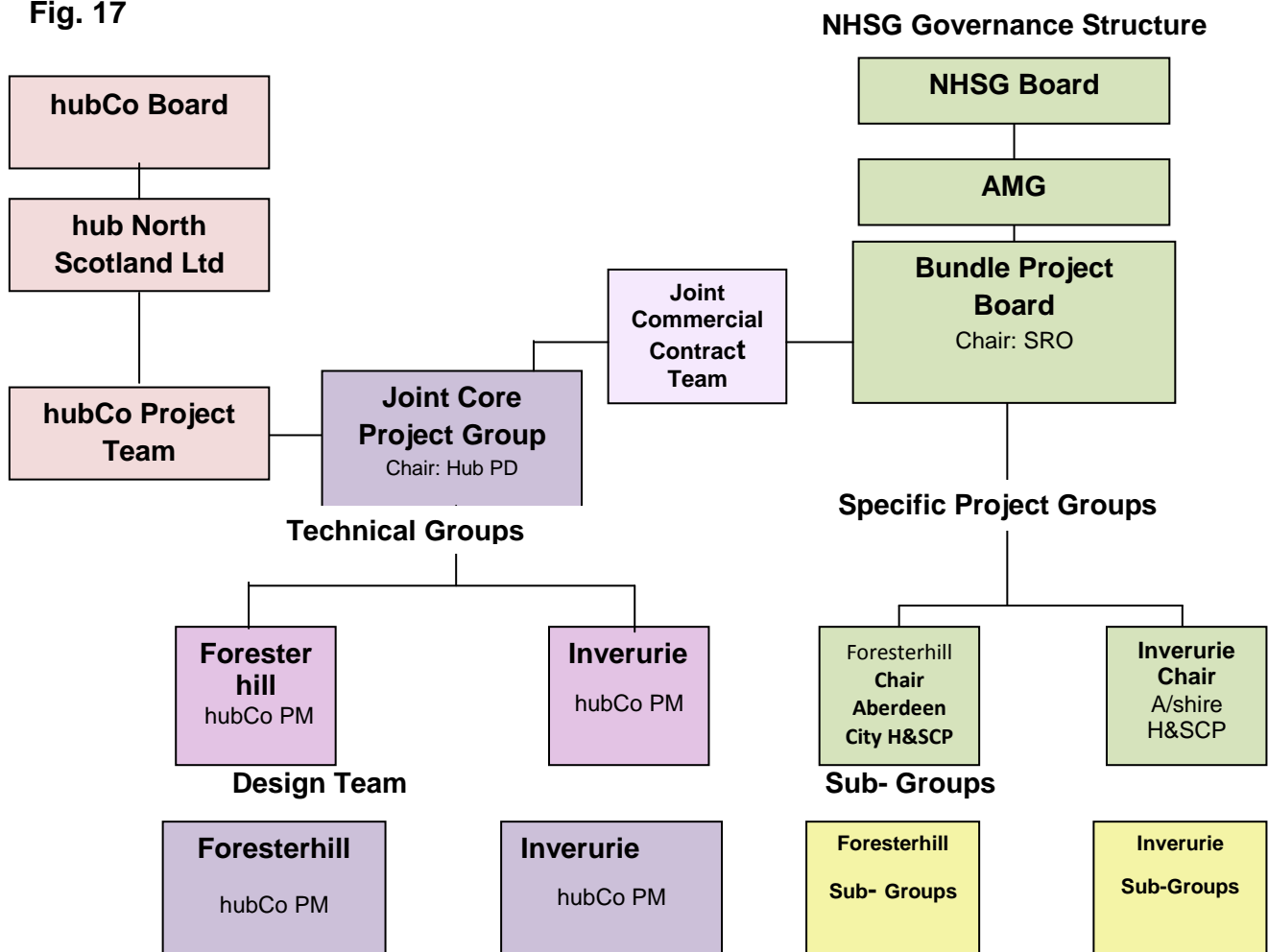
Activity	Timescale
OBC Approval - NHSG Board	6 Aug 2015
OBC consideration – CIG	1 Sept 2015
FBC Formal Approval by NHS Boards	May 2016
FBC Formal Consideration by CIG	June 2016
Financial Close	June/July 2016
Start on Site	July/Aug 2016
FBC Addendum to NHSG Board	Sept 2016
FBC Addendum to SGHSCD	Oct 2016
Completion/Handover Foresterhill	Sept/Oct 2017
Bring into Operation (Clinical Services)	Nov 2017
Completion /Handover Inverurie	Jan/Feb 2018
Bring into Operation (Clinical Services)	March 2018

9.1.6. Project Structure and Organisation

- 9.1.6.1. Project organisational charts, (including the remit and membership of key project groups) for the Inverurie & Foresterhill bundle is outlined in **Sections 9.2 and 9.3**.
- 9.1.6.2. The management structure of hubCo is set out in the Territory Partnering Agreement (TPA) and demonstrates how partnering services will be delivered for frontrunner and future pipeline projects that are included in the Territory Partnering Plan.
- 9.1.6.3. The project will flow through 3 main phases from concept to operation. The project organisational structure has been developed to take account of the differences between these three phases:
- Concept to Financial Close
 - Financial Close to Operation
 - Operation to Service Completion (25 year term)
- 9.1.6.4. Each phase requires a different organisational structure; the Project Board and project groups will have common and specific roles and responsibilities during each phase. The identified structure, roles, remits and skills reflect the differing needs of each phase.
- 9.1.6.5. **Section 9.2** seeks to outline the structure, roles, responsibilities of key groups and key personnel involved in delivering the project and organisation of the project during the phase's concept to Financial Close and Financial Close to operation. **See Fig. 17** overleaf. The structure during operation is included in **Section 9.3**.

9.2. Inverurie & Foresterhill Bundle Structure Concept to Operation

Fig. 17



9.2.1. Roles and Responsibilities Concept to Operation

9.2.1.1. The organisational structure outlined in **Fig. 17** above is common for the concept to operation phase of the project. The Joint Independent Test role is not formally in place until the project is preparing for Financial Close. The sub-hubCo will be formally created at Financial Close.

9.2.2. Asset Management Group (AMG)

9.2.2.1. Remit

- The remit of the AMG is to ensure system-wide co-ordination and decision making of all proposed asset investment/ disinvestment decisions for NHS Grampian ensuring consistency with policy and the strategic direction of NHS Grampian.
- The AMG works in conjunction with the NHS Grampian Board Senior Management Team to ensure consistency of approach consistent with policy and affordability.
- Approve business cases in advance of NHS Grampian Board submission

9.2.3. Inverurie and Foresterhill Bundle Project Board

9.2.3.1. Membership

Senior Responsible Officer (Chair)
Project Director
Project Manager
Finance Lead, Inverurie Project
Finance Lead Foresterhill Project
Head of Property and Asset Development
Operational/Service Lead – (Shadow) Aberdeenshire Health & Social Care Partnership
Operational/Service Lead – (Shadow) Aberdeen Health & Social Care Partnership
SFT Advisor
Clinical Lead, NHS Grampian

9.2.3.2. Remit

- To agree the scope of the project and supervise development of the concept and detailed design consistent with NHS Grampian strategy with appropriate stakeholder involvement.
- To drive the projects through Outline Business Case (OBC) and Full Business Case (FBC) approval within the NHS and Capital Investment Group (CIG) and thereafter to operation.
- To assure the project remains within the framework of the overall project strategy, scope and budget.
- To agree the project agreement (PA).
- To agree the inputs to be used in the financial model.
- To agree the New Project Request (NPR), Stage 1 and Stage 2 submissions (and approval as appropriate) including preparing for the Key Stage Reviews (KSR).
- In partnership with all stakeholders to successfully conclude Financial Close.
- To review the Risk Management Plan, ensuring all risks are identified; that appropriate mitigation strategies are actively applied and managed and escalated as necessary, providing assurance to the NHS Grampian Board that all risks are being effectively managed.
- To ensure that staff, partners and service end users are fully engaged in designing operating policies that inform the detailed design and overall procedures that will apply which in turn will inform the PA i.e. ensuring that the facilities are service-led rather than building-led.
- To develop, manage and review the Communication Plan ensuring appropriate involvement of, and communication with, all stakeholders, internal and external, throughout the project from conception to operation and evaluation.
- To ensure that the completed facilities are delivered on programme within budget and are compliant with the Authority's Construction Requirements (ACR's) and hubCo's proposals.
- To drive the project through construction activities and commissioning ready for occupation.

9.2.4. Inverurie Health & Care Hub and Foresterhill Health Centre Bundle Joint Core Project Group

9.2.4.1. Membership

HubCo

Project Director, hub North Scotland Ltd (Chair)

Project Manager

Tier 1 Contractor

Bundle

Project Director

Commercial Lead

Project Manager

Technical Lead

9.2.4.2. Remit

- To supervise production of the PA and all schedules.
- To ensure production of the Stage 1 and Stage 2 submissions consistent with the programme.
- To ensure that appropriate Construction Design and Management (CDM) arrangements are in place to supervise the project through all of its stages.
- To review progress against programme, report to Project Board.
- To maintain and manage risks and Project Risk Plan and escalate as appropriate.
- To ensure development of Facilities management (FM) arrangements including development of FM schedules, contract monitoring documentation and staff training.
- To progress all design issues relating to e.g. the reviewable design data (RDD), the finishes schedule and the change protocol as per the PA.
- To work with the Independent Tester to ensure compliance with the ACR's, hubCo proposals and the completion criteria per the PA.
- To monitor and review ongoing construction activities; supervise the functional commissioning and bring the facilities into operation in respect of the elements for which the NHS Grampian is responsible.
- Plan and agree arrangements for the technical commissioning as per the agreed programme.
- Agree and implement arrangements for handover.
- To coordinate the production of all technical and financial schedules from an NHS perspective.
- To participate with SFT in the KSR, helping to ensure their successful completion.
- To coordinate the production of the OBC and the FBC.

9.2.5. Inverurie Health & Care Hub and Foresterhill Health Centre Joint Commercial Contract Team

9.2.5.1. Membership

HubCo

Commercial Director, hub North Scotland Ltd

Legal Advisor, hub North Scotland Ltd

Bundle

Commercial Manager

NHS Legal Advisor

Finance Lead, Inverurie

Finance Lead, Foresterhill

Others as required

9.2.5.2. Remit

- To manage all commercial, development financial and legal issues associated with delivering a successful Financial Close.
- To manage all land matters and associated land matters in connection with the legal aspects of the Financial Close; interface with Central Legal Office (CLO) as appropriate.
- To discuss and agree the PA schedule of material amendments.
- To review the hubCo led funder's competition.
- To review Stage 1 and 2 reports.
- To ensure production of all appropriate legal schedules for inclusion in the PA consistent with the programme.
- Review the financial model and carry out model optimisation to ensure value for money.
- To ensure the PA is complete with all contract derogations agreed ready for Financial Close.
- To prepare and agree all appropriate conditions precedent with the NHS Board in preparation for Financial Close.
- To lead the commercial and Financial Close arrangements with the NHS Grampian Board and hubCo.
- To agree the inputs (e.g. CAPEX, sub-debt, FM and lifecycle costs) to be used in the financial model and recommend to the Project Board for approval.
- To review and agree the financial model with hubCo the financial advisors and SFT.
- To negotiate and agree the payment mechanism and service schedule within the P A
- To assist Property Department in any land purchase or associated land matters.

9.2.6. Specific Project Groups

9.2.6.1. Inverurie Project Group Membership

Project Manager
Technical Lead
(Shadow) Aberdeenshire H&SCP Manager, Inverurie (Chair)
Clinical Lead, Inverurie
Lead GP, Inverurie
AHP Representative
CMU Representative
Practice Representative Inverurie
Service Project Manager
(Shadow) Aberdeenshire H&SCP Finance Representative
Patient Representatives x 2
Patient Focus Public Involvement Officer
Aberdeenshire Council
Staff Side Rep

9.2.6.2. Foresterhill Health Centre Project Group Membership

Project Manager
Technical Lead
(Shadow) Aberdeen H&SCP Manager, Foresterhill (Chair)
Lead GP Elmbank
Lead GP Westburn
AHP Representative
Practice Representative Elmbank
Practice Representative Westburn
Service Project Manager
(Shadow) Aberdeen H&SCP Finance Representative
Patient Representatives x 2
Patient Focus Public Involvement Officer
Aberdeen City Council
Staff Side Rep

9.2.6.3. Remit: Inverurie Health & Care Hub Project Group and Foresterhill Health Centre Project Group's

- To lead on communication and involvement with staff, service users and the wider population.
 - To ensure that any Occupation Agreement is agreed with relevant partners e.g. GP Practices.
 - To contribute to the production of the OBC and FBC particularly the Strategic and Economic sections (option appraisal).
 - To lead on production of the Benefits Realisation Plan.
 - To lead on all service redesign activities associated with the successful operation of the new facility, including design and operation of services and workforce etc.
 - To lead on the development of operational policies in collaboration with the hubCo FM provider where appropriate.
-

9.2.7. Technical/Design Group

9.2.7.1. Membership

NHS Grampian

Project Manager
Technical Lead
Clinical Property Advisor
Estates Lead

hubCo

Project Manager (Chair)
Tier 1 Contractor
Architect
CDM
Engineer Structure
Engineer M&E

As required

Project Director NHS Grampian
Project Director hubCo
Infection Control Nurse

9.2.7.2. Remit

- To lead on design development consistent with the ACR's.
- To undertake regular risk reviews on behalf of each project to inform the bundle Risk Plan.
- To ensure all appropriate site investigation and survey work is undertaken to inform design.
- To ensure appropriate planning consents and building warrants are in place consistent with the programme.
- To agree all appropriate technical derogations.
- To ensure regular design review using AEDET (Achieving Excellence Design Evaluation Toolkit).
- To ensure BREEAM (Building Research Establishments Environmental Assessment for Healthcare) Excellence is, where possible, achieved as part of the design development.
- To ensure that regular HAI SCRIBE (Healthcare Associated Infection System for Controlling Risk in the Built Environment) assessments are undertaken at key stages throughout the projects.
- To support the development of all information required to inform the development of the Stage 1 and Stage 2 submissions by hubCo.
- To co-ordinate all design issues relating to RDD, finishes, Group 2 equipment and implementation of the change protocol consistent with the PA.
- To monitor and review during construction
- To ensure all utility information is available to inform design and operation of the facilities once commissioned.

9.2.8. Roles and Responsibilities

The following posts will be a mixture of full time and part time posts.

9.2.8.1. Senior Responsible Officer (SRO) – Alan Gray, Director of Finance

The key functions of this role will be to provide corporate leadership, support the OBC/FBC through the approval process to CIG, lead on external communication with Scottish Government and Members of Scottish Parliament (MSP's) etc., obtain funding and resources to ensure the project's delivery, negotiate on escalated issues with e.g. hubCo or NHS Grampian Board. To support the Project Director and project team to deliver the project as agreed in the FBC and PA.

9.2.8.2. Project Director – Stan Mathieson

The key functions of this role will be to lead and coordinate the project through all its stages in collaboration with the project team, Service Management Team, Project Board, hubCo, and SFT from Initial Agreement (IA) through New Project Request, Stage 1, OBC, Stage 2, FBC and Financial Close/ start on site. Ensuring that the deal is fit for purpose, consistent with the strategic objectives, affordable and demonstrates value for money. To lead on the production and approval of the Scottish Capital Investment Manual (SCIM) compliant OBC and FBC. To ensure successful completion of the facilities and bring into operation consistent with the project objectives and PA.

9.2.8.3. Project Manager – Clare Houston

The key functions of this role during implementation will be to assist the Project Director in ensuring that the project is progressing on all areas consistent with the agreed programme and cost envelope. To ensure regular risk identification, review and management in collaboration with hubCo.

9.2.8.4. Commercial Lead – Andy Oliver

To lead on production of the PA and schedules e.g. payment mechanism working with hubCo, legal, technical and financial advisors and SFT to ensure that the commercial deal is fit for purpose, commercially sound, has transferred appropriate risks to hubCo and demonstrates value for money for NHS Grampian. To lead on the Commercial Case in the OBC/FBC. To lead, with the support of the Contract Manager and Service Managers and hubCo/FM Service provider, bringing the facility into operation from a Sub-hubCo FM contract perspective.

9.2.8.5. **Finance Lead(s) Ross Davidson and Julie Anderson**

The key functions of this role during implementation will be to lead on all key financial issues in relation to the business case for their respective Boards including e.g. the Central Government support aspects of the financial model, sub-debt, economic appraisal for revenue project and financial analysis and value for money. Also to work with other finance colleagues and the Commercial Lead to lead the economic and financial sections of the OBC and FBC. To work with the Commercial Lead, Contract Manager, hubCo and FM Service Provider in relation to operation of the financial model.

9.2.8.6. **Technical Lead – John Gill**

The key functions of this role (which is a Senior Executive) during implementation will be to lead on the production of the technical specification and production of the technical authority requirements and to ensure that hubCo's proposals are consistent with the authority requirements including any agreed derogations. To work with hubCo to ensure all RDD, finishes, Group 2 equipment and change protocol issues are concluded consistent with the PA during construction and commissioning.

9.2.8.7. **Service Lead(s), Aberdeenshire H&SCP Head of Integration & Strategy, Aberdeen City Primary Care Development Manager. Clinical Lead(s) – Chris Allan GP, Aberdeenshire and Stephen Lynch GP, Aberdeen City.**

To create the Strategic Case for the OBC and FBC and ensure that the strategic objectives and service/ clinical brief is clear and delivered by the project. To lead on all service redesign required to ensure that the new facility delivers the desired service benefits. To support the project team during commissioning and bring the facilities into operation.

9.3. **Structure during Operation**

9.3.1. **Overview**

9.3.1.1. In addition to the structure put in place to deliver the project, an organisational structure that will help to ensure that the Design Build Finance Maintain (DBFM) project, once in operation, is well managed over the 25 year contract period. This section seeks to outline NHS Grampian's likely approach to contract management of DBFM projects. The likely structure for operating the DBFM Contract will be developed in the months to come and reflected in the FBC.

9.3.2. **Strategic Operational Management Team (SOMT)**

9.3.2.1. **Remit**

- Remit: The SOMT of NHS Grampian forms part of the Operational Management Framework by making key operational decisions on behalf of the Board.

9.3.3. **DBFM Strategic Management Group**

9.3.3.1. **Membership**

(Shadow) H&SCP General Manager/lead (Chair)
Contract Manager
DBFM Commercial Lead
Finance Lead(s)
General Manager – Hard and Soft FM
Clinical Representatives (as required)

9.3.3.2. **Remit**

- Strategic contract management role.
- Sharing policy and other strategic developments with contractor
- Supervise operational monitoring:
- Ensure obligations of contract are being met.
- Performance of Sub-hubCo so that services are delivered to required standards and actions for non-performance are adhered to.
- NHS meets the end user obligations in respect of the contract.

9.3.4. **Joint Contract Monitoring Team**

9.3.4.1. **Membership**

Sub-hubCo

Sub-hubCo's Representative
FM Service Provider's Representative

NHS Grampian

Contract Manager
Finance Lead
Service Lead (Authorities Representative)
Estates Manager (as required)
Commercial Lead (as required)

9.3.4.2. **Remit**

- Regular review of the performance audit reports produced by the FM Service Provider and any patient suggestions/ complaints and reports as appropriate.
- Discuss and agree remedial action in relation to any areas of poor performance.
- Plan for any training jointly where appropriate.
- Review payment mechanism and agree appropriate deductions.

9.3.5. **NHS Grampian Contract Team**

9.3.5.1. **Membership**

Contract Manager
Finance Representative
Service Representative
Estates Manager
Commercial Lead

9.3.5.2. **Remit**

- Review the performance audit reports produced by the FM Service Provider and also any appropriate patient comments, suggestions, complaints and Datix reports as appropriate for discussion with FM Service Provider.
- Review payment mechanism deductions and amend as appropriate.
- Arrange for training of new and existing staff in relation to operating the contract

9.3.6. **Contract Manager - TBC**

9.3.6.1. Working closely with the Commercial Lead, the Contract Manager post will be appointed during the construction phase to help ensure a smooth transition between construction and operating phases.

9.3.6.2. **Role of Contract Manager between Financial Close and Operation**

Work with the FM Service Provider and NHS Services Managers to produce contract monitoring documents, agree policies and working arrangements including:

- Risk Register
- Communications Plan
- Governance Structure
- Transition Plan
- Contract Administration Manual
- User Guide
- Project Directory
- Contingency Planning
- NHSG Contract Obligations
- Information Strategy
- Help Desk Procedures
- Staff Training (so that all users are able to engage appropriately with this new way of working, nurturing a joint working relationship with Sub-hubCo and the FM Service Provider)

9.3.6.3. Role of Contract Manager during Operation

The Contract Manager will be responsible for the management, auditing and co-ordination of the P A to ensure due diligence in terms of the application of the payment mechanism and the performance management arrangements. To co-ordinate activities between the Sub-hubCo/ FM Service Provider and the building users to ensure the effective delivery of services the facilities included in the P A:

- To manage the PA on behalf of NHS Grampian.
- To act as the key link between NHS Grampian operational FM Service Providers and the Sub-hubCo/ and FM Service Provider.
- To ensure the FM Contract, policies and procedures are being adhered to by all parties.
- To review and amend policy and procedure by mutual agreement with the FM Service Provider and Sub-hubCo.
- To review regularly FM Service Provider performance with NHS Grampian Contract Team in preparation for Joint Contract meetings.
- To review audit/performance data and undertake spot check audits as required.
- To liaise with Finance Department to ensure accurate payment mechanism deductions consistent with performance criteria outlined in the contract Schedules 12 and 14 of the PA.
- To prepare reports for the DBFM Strategic Management Group.

9.4. External Advisors

9.4.1. The Board's Project Team is supported by a team of external advisors, as set out below:

- Legal - Pinsent Masons
- Financial – Caledonian Economics
- Technical – Currie and Brown
- Insurance- TBA

9.4.2. Additionally NHS Grampian is being supported by SFT who retain responsibility for managing and agreeing any changes to this standard form DBFM PA.

9.4.3. The Project Team shall continue to review the advisory appointments to ensure appropriate and continued advisor support is made available throughout the construction period and into early operation stage as necessary.

9.5. Benefits Realisation

9.5.1. The critical success factors required from the Inverurie Health & Care Hub and Foresterhill Health Centre Bundle have been identified in the strategic case of this OBC. A Benefits Realisation Plan for each has been developed and sets the benefits to be measured and monitored as part of the project. The project team, working with the relevant Operational Management Teams will develop a comprehensive Benefits Realisation Plan at FBC using the methodology developed by the NHSS eHealth Team.

- 9.5.2. Overall responsibility for ensuring that the benefits of the project are achieved rests with NHS Grampian and will be managed by the appropriate operational management teams through line accountability and demonstrated in performance review of objectives.
- 9.5.3. Initial work has been undertaken in developing Benefits Realisation Registers for both Inverurie Health & Care Hub and Foresterhill, see **Appendices 15b and 16b**. Further work will be required to finalise the register, which will inform a Benefit Realisation Plan, to be finalised for FBC.
- 9.5.4. Where relevant, the performance measures identified within the Benefits Realisation Plan will be reviewed as part of the Project Evaluation Plan.

9.6. Risk Management

9.6.1. Overview

- 9.6.1.1. Major capital projects bring with them the potential for significant risks and one of the keys to the successful delivery of infrastructure projects is the management of risk. The Inverurie Health & Care Hub and Foresterhill Health Centre bundle project will follow well established risk management methodologies and best practice in terms of organisation has established a project structure where escalated risks are actively managed.
- 9.6.1.2. Risk is managed within the project team as described in the project structure and led by the Project Director. The risk work stream has been established to identify, evaluate, manage and monitor risks throughout the life of the project. Since IA approval for both projects, a number of risk workshops have been conducted to identify the retained risks inherent in the project. The workshops explore all risks covering business risk, services risk and external risk, as defined in SCIM, with a view to identifying ways of eliminating, reducing and managing the risks in a manner that mitigates any effect on the project overall.
- 9.6.1.3. Under the hub DBFM option, significant risk is borne by Sub-hubCo and not the Board.

9.6.2. Role and Remit

- 9.6.2.1. The remit of the NHS Grampian Project Team during the OBC stage has been to review all project risks and establish a register that reflects the project status and DBFM model.
- 9.6.2.2. Each identified risk, along with the agreed management actions and the identified risk owner has been recorded in the revised project Risk Register. The Risk Register is a live document, which is updated as new risks are identified and existing risks amended. The current Risk Register is included as **Appendix 4**. In accordance with emerging reporting remit of the project team, the 5 highest rated risks are reported on an exception basis to the Project Board at every meeting.

9.6.2.3. The risk assessment is intended to identify the key risks associated with the option. Subsequently, these are evaluated, where possible priced, and a risk management strategy is developed to determine how to best manage the risks.

9.6.3. Methodology

9.6.3.1. The process of risk assessment is fourfold:

- **Risk Identification** – develop a risk register covering key risk areas and individual risks within these areas.
- **Risk Assessment** – each of the options was assessed against the Risk Register. The process will be continued for the preferred option at FBC to continually assess the impact, probability and exposure using a simple scale of 1 (very low) to 5 (very high). The overall exposure to risk is then a product of the impact of risks and likelihood of them occurring.
- **Risk Quantification** – putting a value to each of the risks using estimates of probability, impact and timing are determined for the preferred option.
- **Developing a Risk Management Plan** – a plan to manage all the risks identified in the Risk Register for the preferred option, including responsible persons and monitoring mechanism.

9.6.4. Risk Assessment Process

9.6.4.1. The Risk Register has evolved and is provided in **Appendix 4**. Items of risk have continually been assessed via dedicated workshops attended by members of the project team.

9.6.4.2. Risk exposure has been assessed through assigning probabilities to events. The probability of each of the risks occurring and the impact, should it occur, has been assessed using the following scale; **1** - Very Low, **2** - Low, **3** - Medium, **4** - High, **5** - Very High.

9.6.4.3. The product (by multiplying together) of the assessment of the potential impact and the probability of occurrence gives rise to an overall analysis of the risk e.g. low to high as detailed below.

9.6.4.4. This provides a useful indication of the risks requiring the greatest degree of risk management effort.

9.6.5. The Risk Register

9.6.5.1. A Joint Project Risk Register was developed with involvement from key NHS Grampian and hubCo team members. This register identifies and assesses the level of risk and assigns an owner to all project risks i.e. either hubCo, NHS Grampian or shared. Each risk is reviewed to mitigate and/or, where possible, eliminate the risk. The Risk Register is reviewed every month at the Joint Project Group meeting. The risk and mitigation is reviewed, new risks are identified, risks are closed and significant risks are escalated, as appropriate. A copy of the most recent Risk Register is enclosed at **Appendix 4**.

9.6.5.2. The risk management strategy will be to regularly review the Risk Register to continue to minimise the level of risk and ultimately control the risk through agreed management strategies. The risk reviews will be undertaken jointly with hubCo. This process will be completed through a monitoring structure incorporating in-house managers and external financial, legal and technical advisors.

9.7. Post Project Evaluation (PPE)

9.7.1. As with all business case processes this will be carried out throughout the business case so that we can continue to learn from previous experience and develop our processes moving forward. NHS Grampian is in the process of carrying out PPE on two DBFM projects and the results will be available to inform the FBC. At the stage of the OBC the key performance measures and who will undertake the full project evaluation will be clearly articulated.

9.7.2. The purpose of undertaking a Project Evaluation is to assess how well the scheme has met its objectives and whether they have been achieved to time, cost and quality. Performance measures already contained in the Benefits Realisation Plan will not be replaced in the Project Evaluation Plan (PEP).

9.7.3. The evaluation will be led by the project team and supplemented by representatives of the user groups and other key stakeholders. The Project Board, or its successor, will receive evaluation reports on each element.

9.7.4. In accordance with current guidance and good practice the project will be evaluated in stages:

9.7.4.1. Stage 1 – Procurement Process Evaluation

An evaluation of the procurement process will be undertaken following Financial Close to assess the effectiveness of the procurement process in meeting the project objectives and identify any issues and lessons to be learned. This stage will also enable the project team to review its performance and aid in future development of skills.

9.7.4.2. Stage 2 – Monitoring Process

During the construction period progress will be monitored to ensure delivery of the project to time, cost and quality to identify issues and actions arising. On completion of the construction phase the actual project outputs achieved will be reviewed and assessed against requirements, to ensure these match the project's intended outputs and deliver its objectives.

In addition the Project Board will undertake a brief evaluation workshop at 6 monthly intervals throughout the project to allow for reflection, learning and improvement as the project progresses through its various phases.

9.7.4.3. **Stage 3 – Initial Project Evaluation of the Service Outcomes**

This will be undertaken 6 to 12 months after the new facilities have been commissioned. The objective is to determine the success of the commissioning phase and the transfer of services into the new facilities and what lessons may be learned from the process.

9.7.4.4. **Stage 4 – Follow-up Project Evaluation**

This will be undertaken 2 years into the operational phase by the Evaluation Team to assess the longer term service outcomes and ensure that the project's objectives continue to be delivered.

In each stage the following issues will be considered:

- To what extent relevant project objectives have been achieved.
- To what extent the project went as planned.
- Where the plan was not followed, why this has happened.
- How plans for the future projects should be adjusted, if appropriate.

9.7.5. **Objectives of the Evaluation**

9.7.5.1. The objective of the evaluation is to learn from the project with the aim of resolving issues as they arise where possible and to learn retrospectively about issues that the project and its stakeholders faced to try and make sure that they are avoided or indeed repeated where appropriate in future projects contributing to the body of learning and the quality of project and risk management, both within NHS Grampian and across Scotland in co-operation with e.g. Health Facilities Scotland.

9.7.5.2. Additionally the PPE will be linked with the Benefits Realisation Plan review where appropriate, to assess whether the objectives of the project have been achieved.

9.7.6. **Scope of the Evaluation**

9.7.6.1. A number of dimensions will be explored during stages 2-4 of the project evaluation. NHS Grampian will use the 'Logical Framework Approach' to provide a framework for completion of the evaluation.

9.7.6.2. **Table 47** overleaf provides an indication of the areas that will be explored at the different stages of evaluation. This will be subject to change and refinement throughout the project.

9.7.6.3. Where possible any necessary work will be undertaken by the Benefits Realisation and PPE Sub Group to commission audit and survey work during 2013/14 to provide a baseline against which specific elements of the project will be evaluated.

9.7.6.4. Additionally a judgment will be made in relation to specific elements of the evaluation when it is difficult to determine which action had an impact on e.g. service performance indicators.

9.7.7. **Methodology**

9.7.7.1. The evaluation will use a number of quantitative and qualitative methods to gather information to include for example, structured questionnaires, semi-structured interviews, team workshops and retrospective audit of project records.

9.7.8. **Evaluation Team**

9.7.8.1. The evaluation team will include two key officers; e.g. the Clinical Property Advisor and a Health Intelligence Analyst with appropriate administration support.

9.7.8.2. The Benefits Realisation Plan and PPE Steering Group will support and manage the project evaluation through design, construction, commissioning and operation.

9.7.8.3. The membership may change over the life of the project but involves:

- Project Director
- Project Manager (Service)
- Project Manager (Technical)
- Senior Service Manager
- Clinical Property Advisor
- Stakeholders (2) – Service Leads
- Public Representative (1)
- Estates Representative
- Finance Representative

Table 47: Post Project Evaluation Dimensions

Stage 2	Evaluation of time, cost and service performance Adherence to management procedures Adherence to the procurement process Review of the design solution Review of the Contractor's performance
Stage 3	Have the benefits outlined in the Benefits Realisation Plan been achieved? Is the building functionally suitable? Has the NHS Backlog maintenance register been reduced as planned? What did stakeholders feel about involvement and communication throughout the different stages of the project? Was the correct equipment specified and procured? Was the project completed on time? Was the project completed on budget? Was the commissioning/bring into operation process, smooth, organised and co-ordinated? What were the reasons for delay? What actions should be taken to prevent future problems?
Stage 4	Have the benefits outlined in the Benefits Realisation Plan been achieved? Is the building functionally suitable? Has the NHS Backlog maintenance register been reduced as planned? Have the operating costs outlined in the FBC been achieved or improved? Have the maintenance costs outlined in the FBC been achieved or improved? What has been the impact of the risk allocation on NHS?

9.8. Support from NHS Grampian Board

The Development of Inverurie Health & Care Hub and the Relocation of Foresterhill Health Centre Outline Business Case is signed off by the Chair and Chief Executive on behalf of the NHS Grampian Board, for submission to the Scottish Government for Outline Business Case approval and permission to proceed to Full Business Case.

9.9. Conclusions

The Inverurie Health & Care Hub and Foresterhill Health Centre Project Outline Business Case:

- Delivers value for money
- Is affordable to NHS Grampian
- Is consistent with the strategic aims of NHS Grampian and NHSScotland
- Has been designed to comply with the Project Brief
- Has wide stakeholder support
- Will deliver a reduction in overall carbon emissions.

Prof. Stephen Logan
Chairman
NHS Grampian

Mr. Malcolm Wright
Chief Executive
NHS Grampian

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Appendix 1a: Initial Agreement Approval Letter (Inverurie Health & Care Hub)

Acting Director-General Health & Social Care and
Acting Chief Executive NHS Scotland
John Connaghan

T: 0131-244 2410 F: 0131-244 2162
E: dghsc@scotland.gsi.gov.uk

Mr Richard Carey
Chief Executive
NHS Grampian
Summerfield House
2 Eday Road
Aberdeen
AB15 6RE



3 October 2013

Dear Richard

NHS GRAMPIAN – INVERURIE INTEGRATED HEALTH AND SOCIAL CARE HUB – INITIAL AGREEMENT

The above Initial Agreement has been considered by the Health Directorate's Capital Investment Group (CIG) at its meeting of 24 September 2013. CIG recommended approval and I am pleased to inform you that I have accepted that recommendation and now invite you to submit an Outline Business Case.

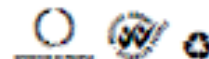
Approval to proceed is given on the basis that this project will be developed as a hub Design, Build, Finance and Maintain (DBFM) project and that it will be bundled with NHS Highland's Argyll and Bute Mental Health Redesign Project.

We note that the second phase of the project described in the Initial Agreement would involve a significant element of service change. This approval is for Phase 1 of the project only. In taking forward any preparations for the second phase you should stay in close contact with your Performance Management team and you will, of course, be expected to comply with the requirements of CEL (4) 2010 and relevant Scottish Health Council guidance on service change.

A public version should be submitted to Marlane McGowan at the address below within one month of receiving this approval letter. It is a compulsory requirement within SCIM, for schemes in excess of £5m, that NHS Boards set up a section of their website dedicated specifically to such projects. The approved Business Cases/ contracts should be placed there, together with as much relevant documentation and information as appropriate. Further information can be found at http://www.scim.scot.nhs.uk/Approvals/Pub_BC_C.htm.

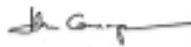
I would ask that if any publicity is planned regarding the approval of the business case that NHS Grampian liaise with SG Communications colleagues regarding handling. As always, CIG members will be happy to engage with your team during the development of the Outline

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.scotland.gov.uk



Business Case and to discuss any concerns which may arise. In the meantime, if you have any queries regarding the above please contact Mike Baxter on 0131 244 2079 or e-mail Mike.Baxter@scotland.qsi.gov.uk.

Yours sincerely



JOHN CONNAGHAN

Appendix 1b: Initial Agreement Approval Letter (Foresterhill Health Centre)

Director-General Health & Social Care and
Chief Executive NHS Scotland
Paul Gray

T: 0131-244 2790
E: dghsc@gov.scot

Malcolm Wright
NHS Grampian
Summerfield House
2 Eday Road
Aberdeen
AB15 6RE



30 September 2015

Dear Malcolm

NHS GRAMPIAN – BAIRD FAMILY HOSPITAL AND ANCHOR CENTRE – INITIAL AGREEMENT

The above Initial Agreement has been considered by the Health Directorate's Capital Investment Group (CIG) at its meeting of 21 July. Since that date, CIG members have been working with your project team to address the queries that were raised at the meeting. CIG has now recommended approval and I am pleased to inform you that I have accepted that recommendation and now invite you to submit an Outline Business Case.

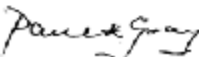
These two projects, together with the other interlinked developments currently planned for the Foresterhill campus, represent a complex and ambitious programme of investment. Given this, I would ask you to liaise closely with CIG members as you move forward with the development of your projects. CIG members will be happy to discuss work in progress and to provide advice and support to your team as they take forward these important projects.

A public version of the final revised Initial Agreement document should be sent to Colin Wilson (Colin.Wilson2@gov.scot) within one month of receiving this approval letter, for submission to the Scottish Parliament Information Centre (SPICe). It is a compulsory requirement within SCIM, for schemes in excess of £5m, that NHS Boards set up a section of their website dedicated specifically to such projects. The approved Business Cases/contracts should be placed there, together with as much relevant documentation and information as appropriate. Further information can be found at www.scim.scot.nhs.uk/Approvals/Pub_BC_C.htm.

I would ask that if any publicity is planned regarding the approval of the Initial Agreement that NHS Grampian liaise with SG Communications colleagues regarding handling.

If you have any queries regarding the above please contact David Browning on 0131 244 2082 or e-mail David.Browning@gov.scot.

Yours sincerely


Paul Gray

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Appendix 2a: Links to NHS Scotland Strategic Priorities (Inverurie Health & Care Hub)

1. Links to NHSScotland's Strategic Priorities

1.1. Health and social care services contribute in many different ways to making Scotland a world leader in these services. The Scottish Government's clear priorities for action and a strategic vision over the next five years are:

- Care will be increasingly integrated, provided in a joined up way to meet the needs of the whole person;
- The people of Scotland will be increasingly empowered to play a full part in the management of their health;
- Care will be clinically effective and safe, delivered in the most appropriate way, within clear, agreed pathways; and
- Health and social care will play a full part in helping the care system as a whole make the best use of scarce public resources

1.2. The Strategic Case for this OBC is closely aligned to these Scottish Government priorities for action. It focuses on delivering care as close to home as possible, placing less reliance on acute inpatient beds and with a clear focus on responding to individuals' needs.

1.3. Links to other Policies and Strategies

1.3.1. The proposal to create Inverurie Health and Care Hub is wholly in tune with the strategic priorities set out in both the national and local strategies listed below and discussed throughout the Strategic Case.

1.4. Local Strategies

1.4.1. The 2020 Workforce Vision - NHS Grampian is fully engaged in development of the 2020 Workforce vision. Building on the current workforce framework "A Force for Improvement", the 2020 workforce vision is currently being developed. Integration of health and social care is a thread that runs through all of the 2020 workstreams which are underpinned by:

- Staff governance and engagement
- Leadership and capability
- Capacity and modernisation

1.4.2. The driving force for service change and redesign in Grampian is the **Health Plan** and its delivery model, the **Health Care Framework**. The latter is a 2020 vision for the implementation of the Health Plan.

- 1.4.3. Within the Health Plan, five strategic themes underpin the main areas of work which need to be addressed to meet the challenges in the future, arising from changes in population structure, need for services, workforce and technology to improve treatment and care for patients. These are:
- Improving health and reducing health inequalities
 - Involving patients, carers, the public, staff and partners
 - Delivering safe, effective and timely care in the right place
 - Developing the workforce and empowering staff
 - Getting the best from available resources
- 1.4.4. The Inverurie Health and Care Hub Project is an essential part of investments and work programmes which support and promote the delivery of the **Health Plan and the Health Care Framework**.
- 1.4.5. **Ageing Well in Aberdeenshire – Joint Commissioning Strategy for Older People 2013-2023** - The strategy proposes how local care and health services will develop over the next ten years, always aiming to provide the best possible outcomes, as defined by older people themselves, collectively and individually.
- 1.4.6. **NHS Grampian Maternity Strategy 2010-2015** which identifies the requirement for a Community Maternity Unit in Inverurie.
- 1.4.7. **Aberdeenshire Health and Social Care Partnership Draft Strategic Plan –** these plans have been developed and in relation to primary care are reflective on this development.
- 1.4.8. **NHSG Dental Action Plan 2013-2017** and the Public Dental Service Grampian – 2020 identifies key action and priorities for the Public Dental Service relevant to Inverurie.
- 1.4.9. **NHS Grampian’s Asset Management Plan (AMP)** which aims to ensure that assets are used efficiently, coherently and strategically to support the future clinical and corporate needs of the Board consistent with our forecast for service needs. One of its key themes is the reductions in cost, energy consumption and greenhouse gas emissions (effective).
- 1.4.10. **NHS Grampian’s Infrastructure Project Prioritisations –** This lists NHS Grampian’s priorities for investment set against a set of national strategic objectives. The replacement of Inverurie Health Centre is currently a top priority. The replacement of the existing boiler infrastructure serving the Inverurie Community Hospital is also rated highly within the Infrastructure Prioritisation, the inclusion of which as part of the new Inverurie Health and Care hub presents NHS Grampian with an opportunity to significantly reduce backlog maintenance risks.

1.5. National Strategies

- 1.5.1. **Reshaping Care for Older People** – In 2011, the Scottish Government outlined a national vision for reshaping care and support for older people in “Reshaping Care for Older People: A Programme for Change 2011-2021”.
- 1.5.2. **Telehealth and Telecare Strategy** - The role of telehealth care in supporting the delivery of strategic initiatives such as Reshaping Care for Older People and Shifting the Balance of Care has been increasingly recognised within the Scottish Government and with Health and Social Care Partnerships. The Scottish Centre for Telehealth and Telecare launched " A National Telehealth and Telecare Delivery Plan for Scotland to 2015: “Driving Improvement Integration and Innovation" in Dec 2012.
- 1.5.3. **A Route Map to the 2020 Vision for Health and Social Care** - sets out approach to a new and accelerated focus on priority areas for action in for Health and Social Care in Scotland

Appendix 2b: Links to NHS Scotland Strategic Priorities (Foresterhill Health Centre)

1. Links to NHSScotland's Strategic Priorities

1.1. Health and social care services contribute in many different ways to making Scotland a world leader in these services. The Scottish Government's clear priorities for action and a strategic vision over the next five years are:

- Care will be increasingly integrated, provided in a joined up way to meet the needs of the whole person;
- The people of Scotland will be increasingly empowered to play a full part in the management of their health;
- Care will be clinically effective and safe, delivered in the most appropriate way, within clear, agreed pathways and
- Health and social care will play a full part in helping the care system as a whole make the best use of scarce public resources

1.2. Links to other Policies and Strategies

1.2.1. The proposal to create Foresterhill Health Centre in Aberdeen is wholly in tune with the strategic priorities set out in both the national and local strategies listed below.

1.3. Local Strategies

1.3.1. A number of other organisational strategies have influenced the development of this OBC:

1.3.2. **The 2020 Workforce Vision** - NHS Grampian is fully engaged in development of the 2020 Workforce vision. Building on the current workforce framework "A Force for Improvement", the 2020 workforce vision is currently being developed. Integration of health and social care is a thread that runs through all of the 2020 workstreams which are underpinned by:

- Staff governance and engagement
- Leadership and capability
- Capacity and modernisation

1.3.3. **Aberdeen City Health and Social Care Partnership Draft Strategic Plan** – these plans have been developed and in relation to primary care are reflective on this development.

1.3.4. **NHS Grampian's Asset Management Plan (AMP)** which aims to ensure that assets are used efficiently, coherently and strategically to support the future clinical and corporate needs of the Board consistent with our forecast for service needs. One of its key themes is the reductions in cost, energy consumption and greenhouse gas emissions (effective).

- 1.3.5. **NHS Grampian’s Infrastructure Project Prioritisations** – This lists NHS Grampian’s priorities for investment set against a set of national strategic objectives. It is regularly reviewed as part of its asset management process. The replacement of the Aberdeen Maternity Hospital (which is reliant on the relocation of Foresterhill Health Centre to free up the preferred site for the Baird Family Hospital) is currently a top priority.

1.4. **National Strategies**

- 1.4.1. **Telehealth and Telecare Strategy** - The role of telehealth care in supporting the delivery of strategic initiatives such as Reshaping Care for Older People and Shifting the Balance of Care has been increasingly recognised within the Scottish Government and with Health and Social Care Partnerships. The Scottish Centre for Telehealth and Telecare launched " A National Telehealth and Telecare Delivery Plan for Scotland to 2015: “Driving Improvement Integration and Innovation" in Dec 2012.
- 1.4.2. **Reshaping Care for Older People** – In 2011, the Scottish Government outlined a national vision for reshaping care and support for older people in “Reshaping Care for Older People: A Programme for Change 2011-2021”.
- 1.4.3. **A Route Map to the 2020 Vision for Health and Social Care** - sets out approach to a new and accelerated focus on priority areas for action in for Health and Social Care in Scotland

Appendix 3: Business Scope- Option Appraisal at IA (IHCH)

1. **Main Business Options-** Option Appraisal Undertaken at Initial Agreement Stage: Suggested Preferred Way Forward

1.1. **Option Categories**

- 1.1.1. The Project Group has identified a range of possible options that meet the investment objectives, potential scope and key service requirements for the project. This generation of options was undertaken using the Options Framework approach in accordance with the SCIM guidance which required the group to systematically work through the available alternatives for the project in terms of five categories of choice as shown in the table below:

Category of choice	Description
Scope	How big/small is the project? What is included, what is not included, boundaries, services?
Service Solution	How do we deliver the scope? Models of service delivery, use of technology, new ways of working, centralised/de-centralised etc.
Service Delivery	Who does the delivery? In-house, outsourced, mixed economy model etc.
Implementation	How do we make the change happen? Roll out, big bang, phased delivery etc.
Funding	How do we fund it? Capital, Hub revenue, lease etc.

1.2. **Scope Options**

- 1.2.1. In terms of the scope options, it was agreed that the following services should be considered as potentially within the scope of the project:

- Services provided by Inverurie Medical Group
- Services provided at the Inverurie Community Hospital and other related services provided outwith the hospital site
- The proposed Inverurie Community Maternity Unit

- 1.2.2. Therefore, the development of scope options has inherently considered all of these services as potentially within options. The rationale for the inclusion of these services within the scope of the project stems from the clear policy requirement to ensure more effective partnership working between the primary and secondary care professionals and other partners in the delivery of health and social care to communities.

1.2.3. For a multi-dimensional project such as this which spans a wide range of health and social care services, it became clear that there are a large number of options that can be formed by different combinations of scope. Therefore, in order to provide a manageable list of options, high level descriptions of the options have been developed which incorporate the following elements of scope:

- Geographical area/catchment population to be served
- Level of service functionality
- Capacity assumptions/issues

1.2.4. The scope of services considered for inclusion within the project can be summarised by the three main scope options shown in the table below:

Scope 1	Scope 2	Scope 3
<p>Status Quo/Do Minimum – The range of services provided and the geographic areas and catchment population remain as existing but with CMU and x-ray provided as currently planned.</p>	<p>Expanded Range of Services – The range of services provided to the Inverurie community is expanded to include more GPSI services, diagnostic and treatment capacity and a wider range of visiting consultant led outpatient clinics. CMU and x-ray are provided as currently planned.</p>	<p>Expanded Range of Services and Extended Geographic Areas – Expanded range of services as in Scope Option 2 for the Inverurie community with CMU and x-ray provided as currently planned. In addition, Community Hospital services are expanded to cover the wider Garioch geographic area.</p>

1.3. Service Solution Options

- 1.3.1. A new service model which aims to deliver care as close to home as possible, placing less reliance on inpatient beds and with a clear focus on responding to individuals' needs is at the heart of the project proposed in this OBC. The proposed investment is intended to facilitate and enable service transformation, and improved effectiveness and efficiency. The degree to which this service transformation can be achieved will depend on the appetite for change and commitment of the community and all the stakeholders. The service solution options shown in the table that follows describe a "continuum of change" which in essence, conceives change as a continuous process rather than specifically defined step changes.

Service Solution 1	Service Solution 2	Service Solution 3	Service Solution 4
<p>Status Quo/Do Minimum - Existing service model (GP team, PC Team, LA teams) operating largely independently. The functionality and working of teams remain within clear boundaries which are largely based on existing contracts and organisational structures.</p>	<p>Integrated Service Model - Integrated multi-disciplinary and multi-agency teams created by restructuring existing service teams</p>	<p>Integrated Service Model with less IP beds - Integrated teams & new model of working including maximum use of technology (tele-health, near-patient testing, technology-supported peripatetic teams etc.) with an assumed impact over time of a reduced number of inpatient beds required in the Community Hospital/Care Hub</p>	<p>Integrated Service Model with No IP beds - Integrated teams & new model of working including maximum use of technology (tele-health, near patient testing, technology supported peripatetic teams etc) with an assumed impact over time of no requirement for inpatient beds in the Community Hospital/Care Hub</p>

1.4. Service Delivery Options

1.4.1. In relation to service solution, the options for Service Delivery were identified as shown in the table that follows:

Service Delivery 1	Service Delivery 2	Service Delivery 3	Service Delivery 4
<p>Status Quo/Do Minimum - Existing service delivery teams i.e. GP Practice, PC teams, hospital teams and Social Services teams. It is recognised that given the expected increases in population in Inverurie then the existing teams will need to be increased in size.</p>	<p>Additional Teams - Whilst retaining the existing service delivery teams, this option assumes that new, separate teams will be formed to cope with the expected increases in populations and activity.</p>	<p>Integrated Health & Care Teams - Fully integrated teams formed across existing health, Local Authority, voluntary and independent sector organisations</p>	<p>Integrated Health & Care Teams + alternative providers for IP beds - Fully integrated teams but with alternative providers (independent sector) delivering any required inpatient hospital services</p>

1.5. Implementation Options

- 1.5.1. The options for implementation of the proposed changes were identified as shown in the table that follows:

Implementation 1	Implementation 2	Implementation 3
Gradual Expansion - Existing teams and facilities will be expanded/reconfigured to meet service needs as demand increases.	Step Changes - this option assumes that new teams and supporting facilities will be developed to cope with the expected increases in population and demand for services as required. In practice, this will be a series of step changes which will have to be planned in anticipation of expected increases in service need.	Develop an Integrated Health & Social Care Hub - this option assumes that the required changes in service solution and delivery will be implemented through the creation of integrated a Health & Social Care Hub with co-located services and teams.

1.6. Funding Options

- 1.6.1. The options for funding the proposed developments are shown in the table that follows:

Funding 1	Funding 2	Funding 3	Funding 4
NHS Capital - NHS Grampian would be the owner of new health facilities with the potential for GPs and other organisations to be tenants.	hubco funding solution - Use of the hubco funding vehicle for all of the required building development. All parties would be tenants.	Cost Rent Scheme - Use of the existing Cost Rent Scheme to fund the capital development, NHSG and LA would be tenants.	Prudential Borrowing - Use of the Prudential Borrowing to fund the capital development with NHSG and GPs as tenants

1.7. Preferred Way Forward

1.7.1. Using the Options Framework approach, the following actions were undertaken:

- The options within the first category of choice (scope) were assessed in terms of how well each option met the evaluation criteria (investment objectives and CSFs) and whether each option was 'out', 'in' or a 'maybe'; in other words, whether it should be discounted immediately or carried forward, either as the preferred choice in the category or a possibility for consideration.
- The options for the delivery of the preferred choice (scope) in relation to the next category of choice (service solution) were considered and again, options were identified either as the preferred choice or as carried forward or discounted.
- The process was repeated for all other five categories of choice.

1.7.2. The preferred way forward based on the appraisal of the main options (long list) for the successful delivery of the project is, in practice, only a 'direction of travel' for the delivery of the project and should not be confused with the clearly defined preferred option for the project which will emerge from the detailed economic appraisal carried out at the Outline Business Case stage.

1.7.3. Adopting the Options Framework approach led to the construction of a reference project from the preferred choice in each category i.e. an amalgamation of the preferred choice for the scope, service solution, service delivery, implementation and funding. It should be noted that the reference project is essentially the preferred way forward given that it is predicated upon the best assessment at this stage of the available options in each category of choice. Moreover, it has been arrived at logically and systematically using the Options Framework.

1.8. Short Listed Options

1.8.1. In addition to the reference project, a more ambitious project and a less ambitious project were constructed from some of the "carried forward" options in each category of choice. The Reference Project, together with the "More Ambitious", "Less Ambitious" and the "Status Quo/Do Minimum" project form the shortlist of options which will be the subject of a rigorous option appraisal at the Outline Business Case stage.

1.8.2. The short list of options that will be taken forward for detailed appraisal in the Outline Business Case is described in the table that follows:

	Shortlisted Options			
	Option 1 Status Quo/ Do Minimum	Option 2 Preferred Way Forward (Reference Project)	Option 3 (Less ambitious)	Option 4 (More ambitious)
Scope	Status quo/Do minimum	Expanded range of local Health & Social Care Services for the Inverurie community. In addition, an extended geographic area and catchment population for community hospital services to achieve critical mass and economic viability for inpatient and outpatient services, and diagnostic and treatment services	The scope of this option will include the core services i.e. GMS, maternity, x-ray, community hospital etc. the capabilities and range of expanded services will be limited.	As Option 2, but with a further expanded range of local and community hospital services particularly in relation to treatment and diagnostics, near- patient testing, nurse-led clinics, dexameter scanner, chemotherapy etc. This option will seek to identify elements of scope which are desirable and provide exceptional value for money i.e. high benefits for relatively low cost.

<p>Service Solution</p>	<p>Status quo/Do minimum</p>	<p>Develop as part of a phased approach.</p> <p>Phase 1: Integration of Health Centre, Community Dental Unit and existing hospital based services - developing a new model for Integrated Health & Social Care provision, alongside current investment in enhanced diagnostic and treatment services and integration of services for dementia assessment and care</p>	<p>Partial development of the Health Centre to create additional accommodation over a split site</p>	<p>Develop Phase 1 & Phase 2 to create.</p> <p>an Integrated Health & Social Care Hub including IP beds.</p> <p>Maximising the impact & benefits of new models of care & facilities to improve & expand local service provision further to include: casualty care, increased outpatient services and enhanced diagnostic and treatment services</p>
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Service Delivery	Status quo/Do minimum	Integrated Health & Care teams co-located	Split teams to work over separate facilities	Fully integrated Health & Social Care teams co-located
Implementation	Gradual expansion of teams and facilities – reacting to increased demand on services	Phase 1 development of an Integrated Health & Social Care Hub based on a single site	Creating new processes for teams to operate over separate facilities as required to meet increases in demand	Integrated Health & Social Care Hub developed as a single scheme on a single site
Funding	NHS Capital and Cost Rent for GP premises	NHS Capital or hubco revenue solution	NHS Capital or hubco revenue solution	NHS Capital or hubco revenue solution

Appendix 4: Risk Register

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

Likelihood	IMPACT ->	Impact				
		1- Negligible	2- Minor	3- Moderate	4- Major	5- Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM	
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH	
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH	
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH	
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH	

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
S	001	Failure to proceed with Foresterhill means that Baird & ANCHOR cannot be delivered on its preferred site	3	5	15	H	Maintain dialogue with SG to avoid delay in programme to Financial Close.	NHSG	1	5	5	M	Service/Financial/Programme		
S	002	The Inverurie Practice are unable to continue delivering services in current facilities against the backdrop of growing population and the need to achieve waiting times if larger accommodation is not available.	5	5	25	H	Seek to produce a sound SCIM compliant business case which clearly outlines the service impact of delay or failure to proceed on meeting the health needs of any growing population. Ensure periodic review of patient numbers or changes to assumptions	NHSG	4	5	20	H	Service/Financial		
S	003	GPs fail to relocate to new premises due to not agreeing to terms of the occupancy agreement and/or running costs.	3	5	15	H	Robust estimates of property costs to be developed. Communication to be entered into with GP practices at earliest opportunity.	NHSG	2	5	10	H	Service/Financial		
S	004	There is insufficient flexibility built into the schedule of accommodate to meet the new 2017 GP contract or future health provision requirements i.e. 20:20 vision	3	4	12	H	detailed review of current accommodation to meet GMS allowances. Review patient numbers with practice	NHSG	2	4	8	M	Service/Financial		
S	005	Lack of synchronicity between Westburn & Elmbank practices results in delay in signing both GP occupation agreements.	4	4	16	H	dialogue with both practices to ensure synchronicity	NHSG	2	4	8	M	Service/Financial/Programme		
S	006	Failure to proceed with the CMU at Inverurie means that the Midwifery review can only be completed by finding an alternative solution	5	5	25	H	If there is any likelihood that the project will not proceed investigate other solutions for these services.	NHSG	5	5	25	H	Service/Financial		
S	007	The final agreed specification, layout etc agreed for the CMU at Inverurie acts as a precedent on wider projects covered by the Midwifery review	3	4	12	H	Dialogue with wider Maternity Service and B&A project team to ensure consistency across various projects and that the Maternity Service understands that the final design sign-offs could become a precedent for future projects	NHSG	2	4	8	M	Service		
S	008	The CMU at Inverurie does not deliver the Service objectives covered by the Midwifery Review or mothers continue to travel to Aberdeen	3	5	15	H	Seek to produce a sound SCIM compliant business case which clearly outlines the service impact of delay or failure to proceed. Ensure periodic review of patient numbers or changes to assumptions	NHSG	2	5	10	H	Service/Financial		
S	009	Wrong assumption in the Midwifery Review Business case about patient numbers meaning an underflow provision on space requirements/utilised space at CMU at Inverurie	3	4	12	H	Ensure periodic review of patient numbers or changes to assumptions	NHSG	2	4	8	M	Service/Financial		
S	010	Failure to proceed with Inverurie means Change Fund support identified for Inverurie X-ray services is lost resulting in the service remaining in acute sector.	4	5	20	H	If there is any likelihood that the project will not proceed investigate other solutions for these services.	NHSG	3	5	15	H	Service/Financial		
S	011	The proposed dental chair transfer from current Urie Dental Practice to an independent dental practitioner cannot be accommodated within Inverurie	3	4	12	H	Dental Service to maintain dialogue with independent sector to ensure transfer per business case. Build flexibility by considering independent practices outwith Inverurie	NHSG	2	4	8	M	Service		
S	012	The business case objectives of the public dental service for Inverurie are not met by locating in new development	3	5	15	H	In conjunction with Service, seek to produce a sound SCIM compliant business case which clearly outlines the service impact of delay or failure to proceed. Review case at periodic stages	NHSG	2	5	10	H	Service/Financial		
I	013	NHSG Enabling works programme for Inverurie is not executed in advance of DBFM	4	5	20	VH	Agree and implement a realistic enabling works programme with adequate contingency arrangements in place.	NHSG	3	5	15	H	Finance/Programme		
S	014	The temporary Dental practice move from current porta-cabins to Allan Ward impacts on current Dental Service and access for patients	3	4	12	H	Ensure early dialogue with service to ensure that scope of move meets requirements. Early sharing of 1:50 layouts and meeting service on site to review proposed accommodation. Ensure engagement with actual end users as well as management team. Liaise with NHSG Health & Safety team	NHSG	2	4	8	M	Service		
I	015	The temporary fit out of Allan Ward by Hub to accommodate temporary Dental Service move delays excavation of substructures/ hubco start on site	3	4	12	H	Early dialogue with NHSG to agree scope of temporary works. Design signed off and building warrants applied for. Ensure all service connections are available. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build risk allowance into overall hub programme to accommodate a small percentage of slippage	hubCo	2	4	8	M	Service/Finance/Programme		

Risk Register
Inverurie & Foresterhill Bundle

Prefix B: Bundle level 'Common Programme' risk
 Key I: Inverurie Specific Project Risk
 F: Foresterhill Specific Project Risk
 S: NHS Service risk

Likelihood	IMPACT ->	Impact				
		1- Negligible	2- Minor	3- Moderate	4- Major	5- Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM	HIGH
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
I	016	The temporary fit out of Allan Ward to accommodate several relocations (hub & NHSG led work) does not meet HEI/HAI/Health & safety standards	2	5	10	H	Involve wider NHSG teams including Health Infection and Safety around project meeting. Review Design scope of works	hubco/NHSG	2	5	10	H	Finance/ Programme/ Service/ Legal		
I	017	The Gate lodge refurbishment works are not completed in time to accommodate the SAS Service permanent move - this will impact on hubco programme	4	4	16	H	Early dialogue with SAS to ensure design scope is approved. Ensure approvals of AMG to commit expenditure. Ensure necessary warrants and approvals are in place through Term Contractor. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build flexibility into refurbishment programme to accommodate a small percentage of risk slippage	NHSG	3	4	12	H	Finance/ Programme		
S	018	Temporary Physio Service move from Service Block to Allan Ward impacts on service and patients	3	4	12	H	Ensure early dialogue with service to ensure that scope of move meets requirements. Early sharing of 1:50 layouts and meeting on site to review proposed accommodation. Ensure engagement with actual end users as well as management team	NHSG	2	4	8	M	Service		
S	019	Semi Permanent OT Service move from Service Block to Allan Ward impacts on service and patients	3	4	12	H	Ensure early dialogue with service to ensure that scope of move meets requirements. Early sharing of 1:50 layouts and meeting on site to review proposed accommodation. Ensure engagement with actual end users as well as management team	NHSG	2	4	8	M	Service		
I	020	Allan Ward is required for a major clinical requirement i.e. Pandemic outbreak meaning that the temporary OT, Dental, Physio etc moves cannot take place	1	5	5	M	Contingency planning. Discussions with Service around locating back up accommodation off-site. Look for hubco to build in flexibility in programme for re-phasing works	NHSG	1	5	5	M	Service/ Programme/ finance		
I	021	Aspirin Ward beds are required for a major clinical requirement i.e. Pandemic outbreak meaning that demolition cannot take place to suit programme	1	5	5	M	Contingency planning. Look for hubco to build in risk flexibility in programme for re-phasing demolition, car park works	NHSG	1	5	5	M	Service/ Programme/ finance		
I	022	Joint Social & Mental Health Team move off-site delays refurbishment of Gate Lodge for SAS move from Service Block	4	4	16	H	Early dialogue with Joint Social & Mental Health Team to ensure that their phased decanting is programmed. Ensure approvals of AMG to commit expenditure. Ensure necessary warrants and approvals are in place through Term Contractor for refurbished works. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build flexibility into refurbishment programme to accommodate a small percentage of risk slippage	NHSG	3	4	12	H	Finance/ Programme		
I	023	Delay in refurbishment of Staff Home will impact on the Old Peoples Services relocation to Hospital site impacting on other moves	3	4	12	H	dialogue with H&SCP to ensure budget is available for works. Ensure approval through AMG. Ensure necessary warrants and approvals are in place through Term Contractor. Ensure dialogue with NHSG Estates team to co-ordinate programme	NHSG	2	4	8	M	Finance/ Programme		
S	024	Failure to deliver replacement boilers at Inverurie Hospital as part of the development works will increase the likelihood of a boiler failure impacting on the existing Hospital	5	5	25		progress with Inverurie scheme and ensure phasing of boiler replacement within works	NHSG	5	5	25		Service		
S	025	The NHSG/Independent contractors/other public sector stakeholders fail to agree joint working arrangements/protocols for operating the new premises at Inverurie & Foresterhill	4	4	16	H	Village and Woodside user protocols to be used as a template and initiate early dialogue with users through project groups to commence a working agreement	NHSG	2	4	8	M	Service		
I	026	The existing infrastructure of retained buildings is unsuitable for connection to new facilities	3	4	12	H	Understanding the existing infrastructure and ensuring the design solution is appropriate. DSSR to liaise with NHSG Estates officers to focus on the existing heating installation and connections to it Carry out early surveys.	hubCo	3	4	12	H	Finance/ Programme		
I	027	Existing Travel plan for site does not meet inclusion of a new health centre on Inverurie site/ new development needs, failure to agree new travel plan.	3	4	12	H	Develop travel plan early in the design process to make sure that good solutions can be included in design.	NHSG	2	4	8	M	Service		
F	028	New development transport requirement Existing Travel plan for ARI does not meet new development needs, failure to agree new travel plan.	3	4	12	H	Develop travel plan early in the design process to make sure that good solutions can be included in design.	NHSG	2	4	8	M	Service		
I	029	lack of public transport/bus route changes to new location in Inverurie affects patient	1	2	2		All travel issues to be resolved ahead of FBC.	NHSG	1	2	2		Service		

Risk Register
Inverurie & Foresterhill Bundle

Prefix B: Bundle level 'Common Programme' risk
 Key I: Inverurie Specific Project Risk
 F: Foresterhill Specific Project Risk
 S: NHS Service risk

Likelihood	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
F	030	Distance from existing bus stop affects patient numbers.	1	2	2		All travel issues to be resolved ahead of FBC.	NHSG	1	2	2		Service		
S	031	Boots the Pharmacy and Bon Accord Care do not require accommodation within new Health Centre and withdraw financial contribution	2	4	8	M	Gareth Evans to have early discussions with Boots and Bon Accord. Final deadline to be issued to Boots for a decision, and if required area to be removed from scheme - this would be dealt with in planning terms as a change	NHSG	2	4	8	M	Service		
B	032	Lack of synchronicity between Inverurie & Foresterhill individual project design development causes programme delay	5	4	20	VH	To be monitored through monthly management team meetings	huboo/NHSG	2	4	8	M	Programme/Financial		
S	033	NHSG working capital loan to huboo to cover development upfront fees not paid back at financial close	3	4	12	H	legal agreement to be entered into to ensure remedy for payment return	NHSG	1	3	3		Service		
S	034	Group 2,3 & 4 equipment costs exceeds budget.	4	3	12	H	RDS will inform Equipment Requirements to be priced by Board/HFS for Inclusion in OBC.	NHSG	3	2	6	M	Service/Financial		
S	035	Failure to agree transfer of Group 2,3 & 4 equipment.	4	3	12	H	Board to raise with HFS and service users to agree transferring equipment list	NHSG	2	3	6	M	Service/Financial		
S	036	NHSG Advisor costs exceed budgeted sum	2	3	6	M	Costs actively monitored and forecasted. Rising costs to be flagged up at earliest opportunity to Project Board.	NHSG	1	2	2	L	Service/Financial		
B	037	Stage 2 affordability caps (CAPEX, LC & FM) exceed the stage 1 approval causing delay to FBC/KSR	2	5	10	H	Stage 2 capex affordability problems to be mitigated by cost control, further surveys where required, early market testing, joint value management sessions to be run by Morrison Construction	hubCo	1	4	4	M	Programme		
B	038	Stage 3 affordability caps (CAPEX, LC & FM) exceed NPR affordability caps causing delay.	4	5	5	M	Stage 3 capex affordability problems to be mitigated by joint value management sessions to be run by Morrison Construction	hubCo	4	5	5	M	Programme		
B	039	Unitary charge output in the financial model doesn't demonstrate value for money (VFM)/affordability	2	4	8	M	Benchmarking of completed schemes, previous Aviva projects, capital & SPV costs. Financial Advisors to ensure that lending package is competitive with others available in the financial market place and that model is fully optimised	hubco	1	3	3	L	Financial		
B	040	The board fails to approve the OBC business case in line with the programme.	3	5	15	H	Seek to produce a robust SCIM compliant business case. Early engaging with Chair of AMG and Board. Build flexibility into the programme by underwriting the risk between stage 1 & 2 with hubco. Investigate additional Board/AMG meetings	hubco/NHSG	3	5	5	M	Programme		
B	041	The board fails to approve the FBC business case in line with the programme.	2	5	10	H	Seek to produce a robust SCIM compliant business case. Early engaging with Chair of AMG and Board. Build flexibility into the programme by Investigating additional Board/AMG meetings	hubco/NHSG	1	5	5	M	Programme		
B	042	CIG fails to approve the OBC business case in line with the programme.	3	5	15	H	Seek to produce a robust SCIM compliant business case. Early dialogue & pre-submission presentation to CIG members. Build flexibility into the programme by underwriting the risk between stage 1 & 2 with - Investigate additional CIG meetings	hubco/NHSG	2	5	10	M	Programme		
B	043	CIG fails to approve the FBC business case in line with the programme.	3	5	15	H	Seek to produce a robust SCIM compliant business case. Early dialogue with & pre-submission presentation to CIG members. Build flexibility into the programme Investigating additional CIG meetings	hubco/NHSG	2	5	10	H	Programme		
B	044	Scottish Government changes its support funding position before financial close	1	5	5	M	Maintain dialogue with SG to avoid delay in programme to Financial Close.	NHSG	1	5	5	M	Financial		
B	045	Scottish Government changes its support funding during the 25 years operation resulting in NHSG having to fund UC in full	1	4	4	M	ensure SG letter of commitment for 25 years at FBC but maintain annual dialogue with to ensure I&F is a priority funded project. Ensure implications built into NHSG plans	NHSG	1	4	4	M	Financial		
B	046	NHSG's financial position changes affecting the projects affordability to go to financial close	1	5	5	M	Ensure cost implications of the project are fully built into the financial plans of NHSG.	NHSG	1	5	5	M	Financial		
B	047	The Board & CIG are unable to approve an FBC due to the conditions for ESA 10 remaining unresolved	4	5	20	VH	Await final confirmation of ESA 10 resolution from SG and respond accordingly	huboo/NHSG	4	5	20	VH	Financial/Commercial/programme		

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

IMPACT ->	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
B	048	Uncertainty over Foresterhill funding support if SG does not approve Bald & ANCHOR project OBC due to the conditions for ESA 10 remaining unresolved	4	5	20	VH	Await final confirmation of ESA 10 resolution from SG and respond accordingly	huboo/NHSG	4	5	20	VH	Financial/ Commercial/programme		
S	049	Board revenue costs for business case exceed affordability (to NHSG)	3	4	12	H	Robust estimates of additional revenue costs to be developed. Additional costs to be discussed with Senior Finance Management team in order to build into revenue plans of NHSG	NHSG	2	4	8	M	Service/Financial		
B	050	Bond market lending rate increases significantly	3	4	12	H	Ensure buffer agreed with Financial Advisors accurately reflects market conditions and maintain watching brief for market changes and be prepared to adjust the buffer if required.	Hubco	3	4	12	H	Financial/ Commercial		
B	051	AVIVA/SFT framework changes e.g. Rates, package or terms	1	3	3	L	Terms and rates negotiated by SFT. Term sheets to be checked through dialogue with funders	NHSG	1	3	3	L	Financial/ Commercial		
B	052	Construction inflation calculations are inadequate	3	4	12	H	Industry standard inflation indices to be used until such times as tendered packages confirm actual costs. Continue to monitor and update on a quarterly basis.	huboo/NHSG	2	4	8	M	Financial/Programme		
B	053	Parties unable to agree commercial risks to appropriate party leading up to FC	3	4	12	H	Early dialogue with respective legal and technical parties/advisors regarding appropriate risk transfer and contract drafting. Engage with SFT concerning derogations and Project Agreement/commercial adjustment required.	huboo/NHSG	3	4	12	H	Commercial/ Legal		
B	054	AVIVA Funder default or withdrawal from market before FC	1	5	5	M	SFT/hubco would need to procure a further funder for the Northern Territory, either through market competition or using other Territory funder	Hubco	1	5	5	M	Financial/Programme		
B	055	The parties fail to meet deadlines for agreement of final PA technical schedules	3	4	12	H	Ensure appropriate capacity and capability is deployed to undertake a clearly defined workload and timetable. Review programme and escalate to PDs/Boards as necessary	huboo/NHSG	2	3	6	M	Programme		
B	056	FM Contractor service obligations in Schedule 12 are unsatisfactory in cost or timescale	3	4	12	H	Early dialogue with the authority, service provider, technical advisors and SFT to agree benchmarking. Review scope of service for affordability.	Hubco	2	4	8	M	Financial		
B	057	Not all A, B & C shareholders agree to their share of sub debt	1	5	5	M	Other investors to confirm sub debt investment at commercial close.	huboo/NHSG	1	4	4	M	Commercial/ Legal		
B	058	Changes to Statutory Authority legislation that affect design, cost and programme e.g. Change in Building Control requirements	2	4	8	M	Ensure design complies with standards contemporaneous to time of submission. Regarding change in Building Regulations change October 2015 submit Building Warrant.	Hubco	1	3	3	L	Financial		
B	059	Stage 1 approval is not achieved consistent with agreed revised programme.	4	4	16	M	NHSG to maintain dialogue with Hubco in case of any delay beyond September 2015. Extend underwriting agreement/staged 1/2 payments.	huboo/NHSG	4	5	5	M	Programme		
B	060	Stage 2 approval is not submitted & approved consistent with agreed revised programme.	2	4	8	M	Timely submission/clarifications by hubco in line with programme and timely evaluation/approval of submission by NHSG	huboo/NHSG	1	3	3	L	Programme/Financial		
B	061	Changes to NHS policy that affects design, cost and programme e.g. Change in clinical requirements.	2	3	6	M	Anticipate as much as possible any emerging policy or legislation change during the design stage and try to anticipate what physical changes might be required change reflect them into the design as funding allows. Maintain	NHSG	1	2	2	L	Programme/Financial		
B	062	Board requests major changes during construction and operation	2	4	8	M	Board has an agreed strategy and provision made for incurring and authorising unavoidable changes. Change control procedure and NHS to identify funds	NHSG	2	3	6	M	financial		
B	063	Board requests minor change during construction/operations	5	2	10	H	Board has an agreed strategy and provision made for incurring and authorising unavoidable changes	NHSG	4	2	8	M	financial		
B	064	Sub-Hubco proposals including derogations are not accepted by NHSG.	2	4	8	M	Should be managed early in the process and the contractor should be aware of Ars and BREEAM. Need to ensure that any changes made do not conflict with the planning permission.	hubco	1	3	3	L	Programme		
B	065	Hubco fails one or more TPA track-record tests or KPI's.	1	5	5	M	Dialogue around corrective action	Hubco	1	3	3	L	Commercial/ Legal		

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B: Bundle level 'Common Programme' risk
Key	I: Inverurie Specific Project Risk
	F: Foresterhill Specific Project Risk
	S: NHS Service risk

		Impact				
IMPACT ->		1- Negligible	2- Minor	3- Moderate	4- Major	5- Severe
Likelihood	1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
	2 - Unlikely	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
	5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
B	066	Hubco supply chain performance Issues/insufficient capacity in delivering Stage 2 and FC, eg. Stage 2 documentation: costs too high - time taken to 'clean down' price from Tier 1 Contractor - late submission of documentation by Hubco - documentation incomplete by: Tier 1 Contractor, NHS, Hubco or others.	3	4	12	H	Any issues to be addressed quickly to minimise implications for programme	hubco	2	4	8	M	Programme/Financial		
B	067	NHSG has insufficient capacity and capability to deliver required actions on time	2	4	8	M	NHSG to address any issues to quickly to minimise implications for programme. PD to escalate to Project Board if necessary for authority to engage temporary agency staff/secondments	NHSG	2	4	8	M	Programme/Financial		
B	068	Failure by hub to appoint appropriate Professional expertise to inform design (Design, Commercial, Critical).	2	3	6	M	Appointment of appropriate design team and consultants early in Stage 1, early in stage 2	hubco	1	3	3	L	Commercial/Legal		
B	069	Failure of the funders to accept titles for either project.	2	5	10	H	Requirement for title information low on composite trader.	NHSG	1	3	3	L	Programme/Financial		
B	070	HUB Project structure and operating system is not fit for purpose.	3	3	9	M	Agree document management system and discipline on structure/manager. AP's system in place and training day on 8/7/15 will establish folder structure etc. To be used for stage 2 drawing iteration only.	Hubco	2	3	6	M	Programme/Financial		
I	071	Inverurie Thermal efficiency modelling doesn't meet AR's target for facility.	2	3	6	M	Run model at earliest opportunity and incorporate design modifications	Hubco	1	3	3	L	Finance/Programme		
F	072	Foresterhill Thermal efficiency modelling doesn't meet AR's target for facility.	2	3	6	M	Run model at earliest opportunity and incorporate design modifications	Hubco	1	3	3	L	Finance/Programme		
B	073	Main contractors & supply chain members (design team & sub-contractors) going into receivership/defaulting on appointment agreement	1	5	5	M	Careful selection process and monitoring by Tier 1 Contractor.	Hubco	1	5	5	M	Commercial/Legal		
B	074	Delay in achieving Key Stage Review (KSR) approval at Stage 1/OBC.	3	4	12	H	Work closely with SFT and hubCo to identify and address issues as they arrive and not when the stage submission is received.	hubco/NHSG	1	4	4	M	Construction/Programme		
B	075	Delay in achieving Key Stage Review (KSR) approval at and Stage 2/FBC.	3	4	12	H	Work closely with SFT and hubCo to identify and address issues as they arrive and not when the stage submission is received.	hubco/NHSG	1	4	4	M	Construction/Programme		
B	076	Poor market returns both in terms of price level and interest stage 2 work packages	4	4	16	H	Issue tenders with Bills of Quantities wherever possible. Tier 1 Contractor to agree procurement strategy early.	Hubco	3	3	9	M	Programme/Financial		
B	077	Schedule of Material Amendments are not agreed	2	3	6	M	Submitted for Inverurie in Stage 1. Foresterhill to be similar. Any proposed amendments to be proposed by NHSG	hubco/NHSG	1	3	3	L	Programme/Financial		
B	078	Directly employed sub-contractors may fail to adhere to the Programme.	3	3	9	M	Regular monitoring against programme and mitigation where required by Morrison Construction	Hubco	2	3	6	M	Programme/Financial		
I	079	Land matters on Inverurie Hospital site - service way leaves, reserved rights and road access cannot be agreed within programme timescale.	3	4	12	H	Early assessment of what wayleaves etc. will be required. Early dialogue with relevant adjacent land owners, e.g. Aberdeenshire Council.	NHSG	2	4	8	M	Finance/Programme		
F	080	Land matters on ARI - service way leaves, reserved rights and road access cannot be agreed within programme timescale.	3	4	12	H	Early assessment of what wayleaves etc. will be required. Early dialogue with relevant adjacent land owners, e.g. Aberdeen University	NHSG	2	4	8	M	Finance/Programme		
I	081	Continuity of IT provision during server changeover on live Inverurie hospital site	4	3	12	H	Planned and discussed with IM&T and Hubco	Hubco	3	3	9	M	Finance		
F	082	Continuity of IT provision during server changeover on live ARI hospital site	4	3	12	H	Planned and discussed with IM&T and Hubco	Hubco	3	3	9	M	Finance		

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B: Bundle level 'Common Programme' risk
Key	I: Inverurie Specific Project Risk
	F: Foresterhill Specific Project Risk
	S: NHS Service risk

		Impact				
		1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
Likelihood	1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
	2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
	3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
	5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
I	083	Loss of IT provision during Inverurie construction phase due to construction works	4	3	12	H	Radar surveys and records to ascertain service locations and suitable protection measures	Hubco	2	3	6	M	Finance		
F	084	Loss of IT provision during Foresterhill construction phase due to construction works	4	3	12	H	Radar surveys and records to ascertain service locations and suitable protection measures	Hubco	2	3	6	M	Finance		
I	085	Planning Conditions for Inverurie are overly onerous and difficult to achieve within programme	3	3	9	M	Review any conditions attached to Consent and early liaison with Planners to purify. Stick to masterplan.	Hubco	2	3	6	M	Finance/ Programme		
F	086	Planning Conditions for Foresterhill are overly onerous and difficult to achieve within programme	3	3	9	M	Review any conditions attached to Consent and early liaison with Planners to purify. Stick to masterplan.	Hubco	2	3	6	M	Finance/ Programme		
I	087	Site surveys at Inverurie result in abnormal costs or delay (over and above allowances made at NPR).	4	5	20	VH	DT to identify site constraints, (Listed Building status, environmental concerns, ground conditions). Road access and services to be explored. Ecology to be progressed and CAT Scan to be scoped with SI. Price risked in NPR	hubco	3	5	15	H	Finance/ Programme		
F	088	Site surveys at Foresterhill result in abnormal costs or delay (over and above allowances made at NPR).	4	5	20	VH	DT to identify site constraints, (environmental concerns, ground conditions). Road access and services to be explored. Ecology to be progressed and CAT Scan to be scoped with SI. Price risked in NPR	hubco	3	5	15	H	Finance/ Programme		
B	089	Failure to Engage with HFS & A&DS regarding NDAP process, late delivery of Design Statement and or change resulting from NDAP review at OBC and FBC approval Stage.	3	4	12	H	NHS have engaged with HFS and A+DS, the Design Statement is agreed. NDAP process is underway. Essential recommendations incorporated.	hubco/NHSG	2	4	8	M	Programme/Financial		
I	090	Design and I/SO's not signed off by all Inverurie stakeholders/end users.	3	4	12	H	Produce Clinical Output Spec, non clinical specification and design statement with users. Have regular dialogue with key stakeholders and the design team to make sure that the brief is being met.	NHSG	2	3	6	M	Finance/ Programme		
F	091	Design and I/SO's not signed off by all Foresterhill stakeholders/end users.	3	4	12	H	Produce Clinical Output Spec, non clinical specification and design statement with users. Have regular dialogue with key stakeholders and the design team to make sure that the brief is being met.	NHSG	2	3	6	M	Finance/ Programme		
I	092	Fail to accommodate appropriate HAI controls in design development .	2	5	10	H	Undertake regular HAI Sorbie assessments throughout the project and agree actions to address all HAI compliant issues identified.	hubco	1	5	5	M	Finance/ Programme/Commercial/legal		
F	093	Fail to accommodate appropriate HAI controls in design development .	2	5	10	H	Undertake regular HAI Sorbie assessments throughout the project and agree actions to address all HAI compliant issues identified.	hubco	1	5	5	M	Finance/ Programme/Commercial/legal		
I	094	Fail to agree Fire Strategy with NHS Fire Officers, GFRS and Building Control at Inverurie, in particular decompanelment CMU	2	5	10	H	MRT and Morrison's construction to coordinate and agree Fire Strategy with appropriate officers early in Stage 2	hubco	2	4	8	M	Programme/ Legal		
F	095	Fail to agree Fire Strategy with NHS Fire Officers, GFRS and Building Control at Foresterhill	2	5	10	H	MRT and Morrison's construction to coordinate and agree Fire Strategy with appropriate officers early in Stage 2	hubco	2	4	8	M	Programme/ Legal		
I	096	Failure to achieve BREEAM target for Inverurie Site	3	4	12	H	Early BREEAM workshop and agreement on Credits to be achieved in dialogue with HFS and allocation of responsibility. NHSG also to discuss with A+DS	hubco/NHSG	2	3	6	M	Commercial/ Legal		
F	097	Failure to achieve BREEAM target for Foresterhill site	3	4	12	H	Early BREEAM workshop and agreement on Credits to be achieved in dialogue with HFS and allocation of responsibility. NHSG also to discuss with A+DS	hubco/NHSG	2	3	6	M	Commercial/ Legal		
I	098	Risk of encountering / damaging Unknown Services below ground during construction	3	2	6	M	Radar survey conducted	Hubco	2	2	4	M	Finance/ Programme		
F	099	Risk of encountering / damaging Unknown Services below ground during construction	3	2	6	M	Radar survey conducted	Hubco	2	2	4	M	Finance/ Programme		
I	100	Failure to engage with utilities companies to ascertain capacity, connectivity and suitability of existing infrastructure to support the project.	2	3	6	M	DSSR to maintain engagement with Utility Companies	hubco	2	3	6	M	Finance/ Programme		

Risk Register

Inverurie & Foresterhill Bundle

Prefix	B: Bundle level 'Common Programme' risk
Key	I: Inverurie Specific Project Risk
	F: Foresterhill Specific Project Risk
	S: NHS Service risk

Likelihood	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	HIGH
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
F	101	Failure to engage with utilities companies to ascertain capacity, connectivity and suitability of existing infrastructure to support the project.	2	3	6	M	DSSR to maintain engagement with Utility Companies	hubco	2	3	6	M	Finance/ Programme		
I	102	Planning Obligations costs exceed allowance in NPR/stage costs.	3	3	9	M	Seek to engage with Aberdeenshire Council around potential obligations at an early stage.	Hubco	3	3	9	M	Finance/ Programme		
F	103	Planning Obligations costs exceed allowance in NPR/stage costs.	3	3	9	M	Seek to engage with Aberdeen City Council around potential obligations at an early stage.	Hubco	3	3	9	M	Finance/ Programme		
I	104	Risk of disruption to ongoing live hospital operations during construction & enabling works due to noise/dust/parking/service disruption - working time restrictions	5	4	20	VH	Enter into early dialogue with the design team and hospital management to understand key issues to be addressed during construction and build in how they will be managed to the programme and cost profile.	hubco/NHSG	5	4	20	VH	Finance/ Programme/ service		
F	105	Risk of disruption to ongoing live hospital operations during construction works due to noise/dust/parking/service disruption - working time restrictions	5	4	20	VH	Enter into early dialogue with the design team and hospital management to understand key issues to be addressed during construction and build in how they will be managed to the programme and cost profile.	hubco/NHSG	5	4	20	VH	Finance/ Programme/ service		
F	106	Failure to maintain access to loop road during construction works	4	4	16	H	Enter into early dialogue with the design team and hospital management to understand key issues to be addressed during construction and build in how they will be managed to the programme and cost profile.	hubco	3	4	12	H	service		
B	107	Independent Tester fails to adhere to programme/scope	3	4	12	H	Ensure that IT fully understands the independent nature of the role	hubco/NHSG	2	4	8	M	Programme/Financial		
F	108	Land matters - joint ownership issues with University hold up title reports	3	4	12	H	Early engagement with CLO & University. Letter in principle to be issued identifying UoA area reposition elsewhere on Foresterhill site	NHSG	2	4	8	M	Commercial/ Legal		
F	109	Due diligence of previous M&E design proposals causes programme delay	3	4	12	H	DSSR to advise	hubco	2	4	8	M	Programme		
F	110	The extent of planning changes requires a non material amendment	3	2	6	M	User changes to design to be controlled within existing footprint	NHSG	2	2	4	M	Finance/ Programme		
F	111	Failure to liaise with NHS staff regarding tie in to existing utilities on site.	2	4	8	M	Hubco to engage early with NHS staff on site to identify work to be carried out and agree a programme for this. Issue to be raised through Foresterhill Health Campus Overview Group	hubco	2	3	6	M	Finance/ Programme		
I	112	Failure to liaise with NHS staff regarding tie in to existing utilities on site.	2	4	8	M	Hubco to engage early with NHS staff on site to identify work to be carried out and agree a programme for this.	hubco	2	3	6	M	Finance/ Programme/ Service		
I	113	Failure to liaise with NHS staff regarding tie in of new energy connections to existing buildings	2	4	8	M	Hubco to engage early with NHS staff on site to identify work to be carried out and agree a programme for this.	hubco	2	3	6	M	Finance/ Programme/ Service		
I	114	Unable to achieve parking space planning requirements for patient numbers on hospital site	2	4	8	M	Early communication with end user groups, planning and roads	Hubco	2	4	8	M	Finance/ Programme/ Service		
F	115	Unable to achieve parking space planning requirements for patient numbers on hospital site	2	4	8	M	Early communication with ARI Estates transport group, end user groups, planning and roads	Hubco	2	4	8	M	Finance/ Programme/ Service		
I	116	Unable to agree allocation of adequate balance in staff/patient parking space requirements on hospital site/health centre designated car park	2	4	8	M	Ensure dialogue with Hospital Management/Practice reps and Estates car parking teams to ensure agreement on allocation of spaces. Ensure end users develop a strategic parking policy similar to Woodside Project	NHSG	2	4	8	M	Service		
F	117	Unable to agree allocation of adequate balance in staff/patient parking space requirements within Foresterhill health centre designated car park	2	4	8	M	Ensure dialogue with Hospital Management/Practice reps and Estates car parking teams to ensure agreement on allocation of spaces. Ensure end users develop a strategic parking policy similar to Woodside Project	NHSG	2	4	8	M	Service		
I	118	Hospital Staff park in designated patient car parking spaces: no car parking for patients	2	4	8	M	Ensure dialogue with estates car parking teams and adequate signposting	NHSG	2	4	8	M	Service		
F	119	Hospital Staff park in designated patient car parking spaces: no car parking for patients	2	4	8	M	Ensure dialogue with estates car parking teams and adequate signposting	NHSG	2	4	8	M	Service		
F	120	Additional cost / issues with Road Department requirements - Pedestrian Crossing, service access, new patient access etc.	3	3	9	M	More detailed discussion with Planning / Building Control/Roads to establish nature and extent of work required.	Hubco	3	3	9	M	Finance/ Programme		

Risk Register

Inverurie & Foresterhill Bundle

Prefix	B: Bundle level 'Common Programme' risk
Key	I: Inverurie Specific Project Risk
	F: Foresterhill Specific Project Risk
	S: NHS Service risk

IMPACT ->	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 17.11.15.

Revision D

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	OBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
F	121	Issues with existing culvert through middle of site - SEPA agreement.	3	3	9	M	Early dialogue with SEPA including site investigation. NOTE: SEPA agreement may have been reached previously.	Hubco	2	2	4	M	Commercial/ Legal		
F	122	Ecology issues relating to existing trees etc.	3	3	9	M	Receive reports and further discussion required.	hubco	2	2	4	M	Commercial/ Legal		
F	123	Works required to stabilise footpath and roadway on Westburn Road after construction commencement.	1	4	4	M	Receive reports and further discussion required to determine extent of works.	hubco	1	4	4	M	Commercial/ Legal		
F	124	Flood assessment of risk due to location of Gilcomston Burn.	2	3	6	M	Early dialogue with SEPA and Planning to include site investigation. NOTE: work may have been completed.	hubco	1	3	3		T&C		
F	125	Any boundary issue from within Campus or Woodhill House.	2	4	8	M	Early dialogue / discussion with Planning.	hubco/NHSG	2	2	4	M	Commercial/ Legal		
F	126	Communication issues concerning other developments on site at the same time. The multiple works/contracts running concurrent at ARI impact on the works sequence/compound and storage/delivery of materials	3	4	12	H	PAN and general access issues under discussion with planners. Need to understand other works (car park Baird Hospital) and regular meetings with contractors	hubco/NHSG	2	4	8	M	Finance/ Programme		
I	127	Contractor parking & a suitable compound cannot be accommodated on site	3	3	9	M	Check that proposed site affords enough space to accommodate parking required.	Hubco	3	3	9	M	Finance/ Programme		
F	128	Contractor parking & a suitable compound cannot be accommodated on site	3	3	9	M	Check that proposed site affords enough space to accommodate parking required.	Hubco	3	3	9	M	Finance/ Programme		
B	129	HubCo Board Approval is not secured for revised NPR	2	5	10	H	Board Meeting to gain approval 30th July for stage 1.	hubco	1	5	5	M	Programme/Financial		
B	130	HubCo Board Approval is not secured for Stage 1	2	5	10	H	Early dialogue with hub to ensure programmed Board meetings meet programme dates. Investigate extra Board meetings.	hubco	1	5	5	M	Programme/Financial		
B	131	HubCo Board Approval is not secured for Stage 2	2	5	10	H	Early dialogue with hub to ensure programmed Board meetings meet programme dates. Investigate extra Board meetings.	hubco	1	5	5	M	Programme/Financial		
B	132	HubCo Board Approval is not secured for FC	2	5	10	H	Early dialogue with hub to ensure programmed Board meetings meet programme dates. Investigate extra Board meetings.	hubco	1	5	5	M	Programme/Financial		
I	133	Planning permission not granted within programme	3	4	12	H	Engage the planning authority and others e.g. Historic Scotland, AD+S in early dialogue to confirm working parameters and identify any barriers to approval.	hubco/NHSG	3	4	12	H	Finance/ Programme		
F	134	Planning permission not granted within programme	3	4	12	H	Engage the planning authority and others e.g. Historic Scotland, AD+S in early dialogue to confirm working parameters and identify any barriers to approval.	hubco/NHSG	3	4	12	H	Finance/ Programme		
I	135	Fail to achieve a commercially viable solution to provide energy through CHP to existing hospital and new health centre.	3	3	9	M	Early dialogue with hubCo, design team and energy experts to build on the survey already undertaken. Agree viable solution.	hubco/NHSG	2	3	6	M	Finance/ Programme		
F	136	Fail to achieve a commercially viable solution to provide energy from new CEF system to new health centre.	3	3	9	M	Early dialogue with hubCo, design team and energy experts to build on the survey already undertaken. Agree viable solution.	hubco/NHSG	2	3	6	M	Finance/ Programme		
I	137	Noisy CHP and ventilation plant may affect acoustic treatment resulting in neighbourhood complaints	4	2	8	M	Undertake early acoustic testing to establish noise level from CHP plant.	Hubco	2	2	4	M	Commercial/ Legal		
I	138	Staged Handover of project - Energy Centre not delivered on time	4	3	12	H	Review phasing and access to existing Dental Unit	Hubco	2	3	6	M	Service/ Operational		

Appendix 5a: Long List of Options for Location (IHCH)

Inverurie Health & Care Hub – Long list of Options for Location

Option	Description	Greenfield/ Brownfield Site	Town centre/ peripheral	Included in Short List (Yes/ No)
1	Existing health centre site	Brownfield	Town centre	No <ul style="list-style-type: none"> • Owned by NHSG • Site too small • If used, building would be a multi-storey development and would not be granted planning permission
2	Existing hospital site	Brownfield	Peripheral	Yes <ul style="list-style-type: none"> • Owned by NHSG • Agreed Masterplan in place
3	Uryside	Greenfield	Peripheral	Yes <ul style="list-style-type: none"> • Not owned by NHSG • Council have plans to create football fields • Floodplain, marshland
4	Greenfield site beside new care home	Greenfield	Peripheral	No <ul style="list-style-type: none"> • Not owned by NHSG • Site too small
5	Highclere	Greenfield	Peripheral	Yes <ul style="list-style-type: none"> • Not owned by NHSG

				<ul style="list-style-type: none"> • Across the bypass from town
6	Academy site	Brownfield	Town centre	No <ul style="list-style-type: none"> • Not owned by NHSG • Land proposed for part of the new academy
7	Kellands park (behind hospital)	Greenfield	Peripheral	No <ul style="list-style-type: none"> • Not owned by NHSG • Land not available for purchase as owned by Inverurie Community
8	Keithhall Road	Greenfield	Town centre	No <ul style="list-style-type: none"> • Not owned by NHSG • Floodplain • Site too small
9	Old Blythewood site	Brownfield	Peripheral	No <ul style="list-style-type: none"> • Not owned by NHSG • Old building would need to be removed • Very restricted access to site
10	Marks and Spencer's car park	Brownfield	Town centre	No <ul style="list-style-type: none"> • Not owned by NHSG • Council may object to losing parking beside train station

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				<ul style="list-style-type: none"> • Site too small
11	Crichie Farm	Greenfield	Peripheral	No <ul style="list-style-type: none"> • Owned by a developer for houses therefore land not available
12	Papermill	Brownfield	Peripheral	No <ul style="list-style-type: none"> • Owned by a developer for houses therefore land not available • Site out of town
13	Market Green, North Street	Greenfield	Town centre	Yes <ul style="list-style-type: none"> • Not owned by NHSG • Potential ground contamination • Site large enough
14	Victoria Street	Brownfield	Town centre	No <ul style="list-style-type: none"> • Not owned by NHSG. • Land proposed for part of the new academy • Site too small
15	Soutarford Development	Greenfield	Peripheral	Yes <ul style="list-style-type: none"> • Not owned by NHSG • Space available

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Appendix 5b: Short List of Options for Location (IHCH)

**INVERURIE HEALTH AND CARE HUB
OPTION APPRAISAL WORKSHOP
FRIDAY 22nd AUGUST 2014, 10.00 AM - 4.00 PM
HOPEVILLE SOCIAL CLUB, INVERURIE**

Present:

Jackie Bremner	Chair/ Project Director, NHS Grampian
Alison Tough	Project Manager, NHS Grampian
Ross Davidson	Finance Manager, NHS Grampian
John Gill	Strategic Property Planning Manager, NHS Grampian
Laura Dodds	Public Involvement Manager
Mike Ogg	Head of Integration & Strategy, Garioch Inverurie Hospital
Janine Langler	Programme Manager, Garioch Inverurie Hospital
Jane Graham	Area Manager Garioch Inverurie Hospital
Valerie Rorie	Assistant Practice Manager, Inverurie Medical Group
Christopher Allan	GP, Inverurie Medical Group
Kenneth Gibson	Community Midwifery Manager, Aberdeen Maternity Hospital
Margaret Harrow	Friends of Inverurie rep
Archie Peebles	Community Council rep
Linda Mitchell	Recent maternity service experience rep
Jean Mackenzie	NHS Grampian involvement rep
Linda Davies	Scottish Health Council
Ian Francis	CHP Partnership rep

1. INTRODUCTION

Jackie began the workshop by providing some background on the project and then read the Initial Agreement approval letter from the Scottish Government (October 2013) that confirms approval for us to progress with Phase 1 of the project only at this stage (i.e. General Practice, Diagnostic and Treatment Facilities including e.g. Radiology and the Community Midwife Unit).

2. BENEFIT CRITERIA TO ENHANCE AND IMPROVE PATIENT EXPERIENCE

The group discussed and reached consensus on a total of 8 benefit criteria for the project, they then applied a weighting to each benefit. The group agreed on the following list of Benefit Criteria a definition of each benefit is included as Appendix 1.

The group then weighted each benefit criteria against each other using increments of 5 – 20 on the following basis:

- 5 - of least importance "nice to have"
- 10 – important that some element is reflected in the project
- 15 – very important to the project
- 20 – fundamental to the project

Benefit Criteria		Weight
1	Physical access to the building by public transport	15
2	Physical access to the building by car including parking spaces	20
3	Future expansion and flexibility	15
4	Deliverability of the project and certainty	20
5	Integration of health and social care	10
6	Colocation of the project with hospital services (efficiency)	15
7	Picturesque and safe environment	5
8	Community inclusion and proximity to local services	5
Total		105

3. LONG LIST OF OPTIONS

The group discussed a long list of possible location options in and around Inverurie. The long list of options were discussed and assessed based on availability, current ownership and general viability. Any options that were clearly not feasible were discounted. The long list of options is shown in the table below:

Option	Description	Greenfield/ Brownfield Site	Town centre/ peripheral	Potentially Viable option (each to be further investigated if appropriate)
1	Existing health centre site <ul style="list-style-type: none"> • Owned by NHSG • Looked into previously, would need to be a multi-storey building with 3 floors of car parking, then CMU, then medical practice, AHPs etc. • Too small • Building would be too tall to allow planning permission 	Brownfield	Town centre	No
2	Existing hospital site <ul style="list-style-type: none"> • Owned by NHSG • Big enough 	Brownfield	Periphera	Yes
3	Uryside <ul style="list-style-type: none"> • Owned by: TBC • Council have plans for football fields 	Greenfield	Periphera	Yes

4. SHORT LIST OF OPTIONS

Several of the options were grouped together into 2 categories (town centre location; peripheral location) and assessed generally. In addition, during the workshop it was agreed to remove the option for building the entire project on the existing health centre site as this proved not to be a viable option and ranked the lowest of all the options. A new late option for the dual site was then discussed and evaluated in the workshop for completeness as members of the public have been specifically asking about the potential of this option.

The short list of options was therefore discussed and agreed to be the following:

Option	Description
1	Do minimum (backlog maintenance plus build CMU and X-ray).
2	Build on existing hospital site.
3	Build in a town centre location (options 6, 10 and 13).
4	Dual site – with CMU and X-ray to be built in the existing hospital grounds and main medical practice and AHPs within a town centre site. Specific details would still need to be determined e.g. where dental would be built.
5	Build in a peripheral location (options 3, 4, 5, 11, 12 and 15).

5. WEIGHTING AND RANKING OF BENEFIT CRITERIA

The weighted benefit criteria were then scored for each of the 5 options. The criteria were scored against a range of 1 - 4. A score of 1 reflects a serious weakness where a score of 4 reflects a positive strength. The weighted score is calculated by multiplying the weight by the score.

The ideal total was calculated by adding together all of the weights from the benefit criteria, then multiplying by 4 (maximum score) to give the maximum possible total or the "ideal total".

NB: After scoring all scores were expressed as a percentage of the "ideal" total, therefore a score of $105 \times 4 = 420 = 100\%$.

	<ul style="list-style-type: none"> ▪ Floodplain, marshland 			
4	Greenfield site beside new care home <ul style="list-style-type: none"> ▪ Owned by: TBC ▪ Land availability: TBC ▪ Looked into previously: too small 	Greenfield	Peripheral	Yes
5	Highclere <ul style="list-style-type: none"> ▪ Owned by: TBC ▪ Across the bypass 	Greenfield	Peripheral	Yes
6	Academy site <ul style="list-style-type: none"> ▪ Owned by: TBC ▪ Land may be required for part of the new academy • Too close to the school? 	Brownfield	Town centre	Yes
7	Kellands park (behind hospital) <ul style="list-style-type: none"> • Owned by: TBC • Existing sports grounds, would need to be relocated. • Looked into previously: rejected 	Brownfield/ Greenfield	Peripheral	No
8	Keithhall Road <ul style="list-style-type: none"> ▪ Owned by: TBC ▪ Floodplain ▪ Site too small 	Greenfield	Town centre	No
9	Old Blytheswood site <ul style="list-style-type: none"> • Old building to be removed • Very restricted access to site 	Brownfield	Peripheral	No
10	Marks and Spencer's car park <ul style="list-style-type: none"> ▪ Council may object to losing parking beside train station • Too small? 	Brownfield	Town centre	Yes
11	Crichie Farm <ul style="list-style-type: none"> • Owned by a developer for houses therefore may not be available 	Greenfield	Peripheral	Yes
12	Papermill <ul style="list-style-type: none"> • Owned by a developer (Kirkwood) for houses therefore may not be available 	Brownfield	Peripheral	Yes
13	Market Green, North Street <ul style="list-style-type: none"> ▪ Owned by: TBC • Is the ground contaminated? • Big site 	Greenfield	Town centre	Yes
14	Victoria Street <ul style="list-style-type: none"> • Owned by: TBC • Land may be required for part of the new academy ▪ Too small 	Brownfield	Town centre	No
15	Soutarford Development <ul style="list-style-type: none"> ▪ Owned by: TBC ▪ Is there space available: TBC • Cost of land: TBC 	Greenfield	Peripheral	Yes

OPTION 1: Do minimum (backlog maintenance on Health Centre plus build CMU and X-ray)

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	2	40
3	Future expansion and flexibility	15	1	15
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	1	10
6	Colocation of the project with hospital services (efficiency)	15	2	30
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	205
Percentage of Maximum Available Score			%	48.81%

OPTION 2: Build on existing hospital site

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	4	80
5	Integration of health and social care	10	3	30
6	Colocation of the project with hospital services (efficiency)	15	4	60
7	Picturesque and safe environment	5	3	15
8	Community inclusion and proximity to local services	5	2	10
			Total	360
Percentage of Maximum Available Score			%	85.71%

OPTION 3: Build in a town centre location

	Benefit Criteria	Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	1	15
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	2	20
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
Percentage of Maximum Available Score			Total %	220 52.38%

OPTION 4: Dual site – with CMU and X-ray to be built in the existing hospital grounds and main medical practice and AHPs within a town centre site

	Benefit Criteria	Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	3	45
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	1	10
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
Percentage of Maximum Available Score			Total %	240 57.14%

OPTION 5: Build in a peripheral location

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	2	30
2	Physical access to the building by car including parking spaces	20	4	80
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	2	20
6	Colocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	3	15
8	Community inclusion and proximity to local services	5	1	5
			Total	265
Percentage of Maximum Available Score			%	63.10%

6. OPTIONS 1 – 5 RANKED IN ORDER

Ranking	Option	Description	Weighted Score	% Score
1 st	2	Build entire project on existing hospital site	360	85.71%
2 nd	5	Build in a peripheral location	265	63.10%
3 rd	4	Dual site	240	57.14%
4 th	3	Build entire project in a town centre location	220	52.38%
5 th	1	Do minimum	205	48.81%

7. CONCLUSIONS

Applying the benefit criteria ranking demonstrates that Option 2, build on existing hospital site, has the highest weighted score and highest percentage of the ideal total making it the preferred option using the non-financial benefits score. The 5 options have been ranked in order of the most preferable option with regards to service improvement.

The next steps are for Ross and John to work on the economic appraisal for each of the short listed options and then to apply the algorithm which will determine the option to move forward with that is best for service and is affordable.

The results of the economic appraisal will be shared with the project team during October.

Members of the group were reminded that these discussions should remain confidential until the economic appraisal has been performed on all of the short listed options.

Appendix 1 - Benefit Criteria Definitions

1. **Physical access to the building by public transport**
Access to the building for patients and staff by walking or public transport.
2. **Physical access to the building by car including parking spaces**
Road access into the building and close proximity to car parking. Ample car parking for car users and particularly for patients for rural communities' where public transport access is limited. It is critical that women in labour are able to stop/get dropped off/ get parked near the front of the building. It is assumed that 24 hour access will be available for emergency services, regardless of the location.
3. **Future expansion and flexibility**
The potential for the option to support a growth in the services offered and the expected growth in patient population.
4. **Deliverability of the project and certainty**
Can the project be realistically delivered in a 2 - 3 year timescale e.g. is the land available, does anything have to be removed before building can start; is the ground contaminated; is it on a floodplain that needs to be prepared before use etc..
5. **Integration of health and social care**
Does the option meet the aims and objectives of national policy in shifting the balance of care and the integration health and social care. Providing access to services locally where possible reducing the number of patients travelling to Aberdeen for investigation and treatment.
6. **Co-location of services (efficiency)**
By bringing a diverse range of services together under one roof, there is an inherent opportunity to improve working practices in terms of efficiency (sharing support services) and the integration of services and working practices.
7. **Picturesque and safe environment**
Creating a nice place, which would be nice to work (enhancing staff recruitment and retention) and a nice to visit as a patient. Also creating a safe and secure environment for patients and staff.
8. **Community inclusion and proximity to local services**
Meets the needs of the community (all ages) so that the community have a sense of ownership of the building and belonging.

Appendix 6: Short List of Options for Location (FHC)

**FORESTERHILL HEALTH CENTRE
OPTION APPRAISAL WORKSHOP – 3 July 2015**

Present: Julie Anderson, Stan Mathieson, Clare Houston (input by email)

1. BENEFIT CRITERIA TO ENHANCE AND IMPROVE PATIENT EXPERIENCE

Using the optional appraisal workshop for Inverurie Health and Care Hub and work previously undertaken on Foresterhill Health Centre in 2009, as baselines the group discussed and reached consensus on a total of 1benefit criteria for the project, they then applied a weighting to each benefit. The group agreed on the following list of Benefit Criteria a definition of each benefit is included as Appendix 1.

The group then weighted each benefit criteria against each other using increments of 5 – 20 on the following basis:

- 5 - of least importance "nice to have"
- 10 – important that some element is reflected in the project
- 15 – very important to the project
- 20 – fundamental to the project

Benefit Criteria		Weight
1	Physical access to the building by public transport	10
2	Physical access to the building by car including parking spaces	10
3	Future expansion and flexibility	15
4	Deliverability of the project and certainty	20
5	Integration of health and social care	5
6	Best Supports WH&CC Project	15
7	Safe environment	5
8	Community inclusion and proximity to local services	5
9	Supports NHSG Strategic Aims	5
10	Promotes Recruitment and Retention of Staff, the "Staff Experience"	5
11	Sustainability	5
Total		100

2. SHORT LIST OF OPTIONS

As the project is part of the enabling works for the new Baird Hospital, i.e. the site which the current health centre is on was part of the site identified for the Baird, only 2 options were shortlisted.

The short list of options was therefore discussed and agreed to be the following:

Option	Description
1	Do minimum (backlog maintenance).
2	Build a replacement Health Centre on Foresterhill Campus .

3. WEIGHTING AND RANKING OF BENEFIT CRITERIA

The weighted benefit criteria were then scored for each of the 2 options. The criteria were scored against a range of 1 - 4. A score of 1 reflects a serious weakness where a score of 4 reflects a positive strength. The weighted score is calculated by multiplying the weight by the score.

The ideal total was calculated by adding together all of the weights from the benefit criteria, then multiplying by 4 (maximum score) to give the maximum possible total or the "ideal total".

NB: After scoring all scores were expressed as a percentage of the "ideal" total, therefore a score of $100 \times 4 = 400 = 100\%$.

OPTION 1: Do minimum (backlog maintenance)

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	10	2	20
2	Physical access to the building by car including parking spaces	10	2	20
3	Future expansion and flexibility	15	0	0
4	Deliverability of the project and certainty	20	1	20
5	Integration of health and social care	5	1	5
6	Best Supports WH&CC Project	15	0	0
7	Safe environment	5	1	5
8	Community inclusion and proximity to local services	5	2	10
9	Supports NHSG Strategic Aims	5	1	5
10	Promotes Recruitment and Retention of Staff, the "Staff Experience"	5	1	5
11	Sustainability	5	1	5
			Total	195
Percentage of Maximum Available Score			%	49%

OPTION 2: Build a replacement Health Centre on Foresterhill Campus

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	10	3	30
2	Physical access to the building by car including parking spaces	10	3	30
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	4	80
5	Integration of health and social care	5	3	15
6	Best Supports WH&CC Project	15	4	60
7	Safe environment	5	2	10
8	Community inclusion and proximity to local services	5	4	20
9	Supports NHSG Strategic Aims	5	4	20
10	Promotes Recruitment and Retention of Staff, the "Staff Experience"	5	4	20
11	Sustainability	5	4	20
			Total	365
Percentage of Maximum Available Score			%	91

4. OPTIONS 1 – 5 RANKED IN ORDER

Ranking	Option	Description	Weighted Score	% Score
1	2	Build a replacement Health Centre on Foresterhill Campus	365	91
2	1	Do minimum	195	49

5. CONCLUSIONS

Applying the benefit criteria ranking demonstrates that Option 2, build a replacement Health Centre on Foresterhill Campus, has the highest weighted score and highest percentage of the ideal total making it the preferred option using the non-financial benefits score. The 2 options have been ranked in order of the most preferable option with regards to service improvement.

The next steps the economic appraisal for each of the short listed options and then to apply the algorithm which will determine the option to move forward with that is best for service and is affordable.

Appendix 1 - Benefit Criteria Definitions

1. **Physical access to the building by public transport**
Access to the building for patients and staff by walking or public transport.
2. **Physical access to the building by car including parking spaces**
Road access into the building and close proximity to car parking. Ample car parking for car users and particularly for patients for rural communities' where public transport access is limited. It is critical that women in labour are able to stop/get dropped off/ get parked near the front of the building. It is assumed that 24 hour access will be available for emergency services, regardless of the location.
3. **Future expansion and flexibility**
The potential for the option to support a growth in the services offered and the expected growth in patient population.
4. **Deliverability of the project and certainty**
Can the project be realistically delivered in a 2 - 3 year timescale e.g. is the land available, does anything have to be removed before building can start; is the ground contaminated; is it on a floodplain that needs to be prepared before use etc..
5. **Integration of health and social care**
Does the option meet the aims and objectives of national policy in shifting the balance of care and the integration health and social care. Providing access to services locally where possible reducing the number of patients travelling to Aberdeen for investigation and treatment.
6. **Best Supports WH&CC Project**
Allows the release of the timely site of the current health centre site for use by the WH&CC project.
7. **Picturesque and safe environment**
Creating a nice place, which would be nice to work (enhancing staff recruitment and retention) and a nice to visit as a patient. Also creating a safe and secure environment for patients and staff.
8. **Community inclusion and proximity to local services**
Meets the needs of the community (all ages) so that the community have a sense of ownership of the building and belonging.

Appendix 7: Benefit Criteria and Scoring of the Options- Results

INVERURIE HEALTH AND CARE HUB – LOCATION OPTION APPRAISAL

OPTION 1: Do Minimum (backlog maintenance on Health Centre plus build CMU and X-ray)

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	2	40
3	Future expansion and flexibility	15	1	15
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	1	10
6	Collocation of the project with hospital services (efficiency)	15	2	30
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	205
Percentage of Maximum Available Score			%	48.81%

OPTION 2: Build Entire Project on Existing Hospital Site

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	4	80
5	Integration of health and social care	10	3	30
6	Collocation of the project with hospital services (efficiency)	15	4	60
7	Picturesque and safe environment	5	3	15
8	Community inclusion and proximity to local services	5	2	10
			Total	360
Percentage of Maximum Available Score			%	85.71%

OPTION 3: Build Entire Project in a Town Centre Location

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	1	15
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	2	20
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	220
Percentage of Maximum Available Score			%	52.38%

OPTION 4: Dual Site – with CMU and X-ray to be Built in the Existing Hospital Grounds and Main Medical Practice and AHPs Within a Town Centre Site

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	3	45
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	1	10
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	240
Percentage of Maximum Available Score			%	57.14%

OPTION 5: Build in a Peripheral Location

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	2	30
2	Physical access to the building by car including parking spaces	20	4	80
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	2	20
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	3	15
8	Community inclusion and proximity to local services	5	1	5
			Total	265
Percentage of Maximum Available Score			%	63.10%

Appendix 8a: Optimism Bias Template (IHCH)

INVERURIE - OPTION 2 - BUILD ENTIRE PROJECT ON EXISTING HOSPITAL SITE				APPENDIX 6					
Optimism Bias - Upper Bound Calculation for Build				After Mitigation					
Lowest % Upper Bound		12.5%							
Mid %		40%							
Upper %		80%							
Actual % Upper Bound for this project		25.5%		8.0%					
Build complexity				Scope of scheme					
<i>Choose 1 category</i>				<i>Choose 1 category</i>					
Length of Build	< 2 years	X	0.50%	0.50%	Facilities Management	Hard FM only or no FM	X	0.00%	0.00%
	2 to 4 years		2.00%	0		Hard and soft FM		2.00%	
	Over 4 years		5.00%	0					0
<i>Choose 1 category</i>				<i>Choose 1 category</i>					
Number of phases	1 or 2 Phases	X	0.50%	0.50%	Equipment	Group 1 & 2 only		0.50%	0
	3 or 4 Phases		2.00%	0		major Medical equipment	X	1.50%	1.50%
	More than 4 Phases		5.00%	0		All equipment included		5.00%	0
<i>Choose 1 Category</i>				<i>Choose 1 category</i>					
Number of sites involved (i.e. before and after change)	Single site*	X	2.00%	2.00%	IT	No IT implications		0.00%	0
	2 Site		2.00%	0		Infrastructure		1.50%	0
	More than 2 site		5.00%	0		Infrastructure & systems	X	5.00%	5.00%
* Single site means new build is on same site as existing facilities				<i>Choose more than 1 category if applicable</i>					
Location				Service changes - relates to service delivery e.g NSF's					
<i>Choose 1 Category</i>				<i>Choose 1 category</i>					
New site - Green field	New build		3%	0	External Stakeholders	1 or 2 local NHS organisations	X	1.00%	1.00%
New site - Brown Field	New Build		8%	0		3 or more NHS organisations		4.00%	0
Existing site	New Build	X	5%	5.00%		Universities/Private/Voluntary sector/Local government		8.00%	0
	or								
Existing site	Less than 15% refurb		6%	0					
Existing site	15% - 50% refurb		10%	0					
Existing site	Over 50% refurb		16%	0					
				8.00%					
				Gateway					
				<i>Choose 1 category</i>					
	RPA Score	Low	X	0%	0.00%				
		Medium		2%	0				
		High		5%	0				
				17.50%					

INVERURIE - OPTION 3 - BUILD ENTIRE PROJECT IN TOWN CENTRE (BROWN FIELD)				APPENDIX 6					
Optimism Bias - Upper Bound Calculation for Build				After Mitigation					
Lowest % Upper Bound		12.5%							
Mid %		40%							
Upper %		80%							
Actual % Upper Bound for this project		28.5%		10.7%					
Build complexity				Scope of scheme					
<i>Choose 1 category</i>				<i>Choose 1 category</i>					
Length of Build	< 2 years	X	0.50%	0.50%	Facilities Management	Hard FM only or no FM	X	0.00%	0.00%
	2 to 4 years		2.00%	0		Hard and soft FM		2.00%	
	Over 4 years		5.00%	0					0
<i>Choose 1 category</i>				<i>Choose 1 category</i>					
Number of phases	1 or 2 Phases	X	0.50%	0.50%	Equipment	Group 1 & 2 only		0.50%	0
	3 or 4 Phases		2.00%	0		major Medical equipment	X	1.50%	1.50%
	More than 4 Phases		5.00%	0		All equipment included		5.00%	0
<i>Choose 1 Category</i>				<i>Choose 1 category</i>					
Number of sites involved (i.e. before and after change)	Single site*	X	2.00%	2.00%	IT	No IT implications		0.00%	0
	2 Site		2.00%	0		Infrastructure		1.50%	0
	More than 2 site		5.00%	0		Infrastructure & systems	X	5.00%	5.00%
* Single site means new build is on same site as existing facilities				<i>Choose more than 1 category if applicable</i>					
Location				Service changes - relates to service delivery e.g NSF's					
<i>Choose 1 Category</i>				<i>Choose 1 category</i>					
New site - Green field	New build		3%	0	External Stakeholders	1 or 2 local NHS organisations	X	1.00%	1.00%
New site - Brown Field	New Build	X	8%	8.00%		3 or more NHS organisations		4.00%	0
Existing site	New Build		5%	0		Universities/Private/Voluntary sector/Local government		8.00%	0
	or								
Existing site	Less than 15% refurb		6%	0					
Existing site	15% - 50% refurb		10%	0					
Existing site	Over 50% refurb		16%	0					
				11.00%					
				Gateway					
				<i>Choose 1 category</i>					
	RPA Score	Low	X	0%	0.00%				
		Medium		2%	0				
		High		5%	0				
									17.50%

INVERURIE - OPTION 4 - DUAL SITE OPTION				APPENDIX 6					
Optimism Bias - Upper Bound Calculation for Build				After Mitigation					
Lowest % Upper Bound		12.5%							
Mid %		40%							
Upper %		80%							
Actual % Upper Bound for this project		38.5%		14.6%					
Build complexity				Scope of scheme					
<i>Choose 1 category</i>				<i>Choose 1 category</i>					
<i>Length of Build</i>	< 2 years	X	0.50%	0.50%	Facilities Management	Hard FM only or no FM	X	0.00%	0.00%
	2 to 4 years		2.00%	0		Hard and soft FM		2.00%	
	Over 4 years		5.00%	0					0
<i>Choose 1 category</i>				<i>Choose 1 category</i>					
<i>Number of phases</i>	1 or 2 Phases	X	0.50%	0.50%	Equipment	Group 1 & 2 only		0.50%	0
	3 or 4 Phases		2.00%	0		major Medical equipment	X	1.50%	1.50%
	More than 4 Phases		5.00%	0		All equipment included		5.00%	0
<i>Choose 1 Category</i>				<i>Choose 1 category</i>					
<i>Number of sites involved (i.e. before and after change)</i>	Single site*		2.00%	0	IT	No IT implications		0.00%	0
	2 Site	X	2.00%	2.00%		Infrastructure		1.50%	0
	More than 2 site		5.00%	0		Infrastructure & systems	X	5.00%	5.00%
* Single site means new build is on same site as existing facilities				<i>Choose more than 1 category if applicable</i>					
Location				External Stakeholders					
<i>Choose 1 Category</i>				<i>Choose 1 category</i>					
<i>New site - Green field</i>	New build		3%	0	External Stakeholders	1 or 2 local NHS organisations	X	1.00%	1.00%
<i>New site - Brown Field</i>	New Build	X	8%	8.00%		3 or more NHS organisations		4.00%	0
<i>Existing site</i>	New Build		5%	0		Universities/Private/Voluntary sector/Local government		8.00%	0
	or				Service changes - relates to service delivery e.g NSF's				
<i>Existing site</i>	Less than 15% refurb		6%	0	<i>Choose 1 category</i>				
<i>Existing site</i>	15% - 50% refurb	X	10%	10.00%	Stable environment, i.e. no change to service			5%	0
<i>Existing site</i>	Over 50% refurb		16%	0	Identified changes not quantified	X		10%	10.00%
					Longer time frame service changes			20%	0
				21.00%	Gateway				
					<i>Choose 1 category</i>				
					RPA Score	Low	X	0%	0.00%
						Medium		2%	0
						High		5%	0
									17.50%

INVERURIE - OPTION 6 - BUILD ENTIRE PROJECT IN PERIPHERAL LOCATION (GREEN FIELD)				APPENDIX 6			
Optimism Bias - Upper Bound Calculation for Build				After Mitigation			
Lowest % Upper Bound		12.5%					
Mid %		40%					
Upper %		80%					
Actual % Upper Bound for this project		23.5%		8.6%			
Build complexity				Scope of scheme			
<i>Choose 1 category</i>				<i>Choose 1 category</i>			
<i>Length of Build</i>		X		Facilities Management	Hard FM only or no FM	X	0.00%
	< 2 years	X	0.50%		Hard and soft FM		2.00%
	2 to 4 years		2.00%				0
	Over 4 years		5.00%				0
<i>Choose 1 category</i>				<i>Choose 1 category</i>			
<i>Number of phases</i>		X	0.50%	Equipment	Group 1 & 2 only		0.50%
	1 or 2 Phases	X	0.50%		major Medical equipment	X	1.50%
	3 or 4 Phases		2.00%		All equipment included		5.00%
	More than 4 Phases		5.00%				0
<i>Choose 1 Category</i>				<i>Choose 1 category</i>			
<i>Number of sites involved (i.e. before and after change)</i>	Single site*	X	2.00%	IT	No IT implications		0.00%
	2 Site		2.00%		Infrastructure		1.50%
	More than 2 site		5.00%		Infrastructure & systems	X	5.00%
* Single site means new build is on same site as existing facilities				<i>Choose more than 1 category if applicable</i>			
Location				External Stakeholders			
<i>Choose 1 Category</i>				<i>Choose 1 category</i>			
<i>New site - Green field</i>	New build	X	3%	1 or 2 local NHS organisations		X	1.00%
<i>New site - Brown Field</i>	New Build		8%	3 or more NHS organisations			4.00%
<i>Existing site</i>	New Build		5%	Universities/Private/Voluntary sector/Local government			8.00%
	or						0
<i>Existing site</i>	Less than 15% refurb		6%	Service changes - relates to service delivery e.g NSF's			
<i>Existing site</i>	15% - 50% refurb		10%	<i>Choose 1 category</i>			
<i>Existing site</i>	Over 50% refurb		16%	Stable environment, i.e. no change to service			5%
				Identified changes not quantified	X		10%
				Longer time frame service changes			20%
			6.00%				0
							10.00%
							0
				Gateway			
				<i>Choose 1 category</i>			
				RPA Score	Low	X	0%
					Medium		2%
					High		5%
							0
							0.00%
							0
							0
							17.50%

Appendix 8b: Optimism Bias Template (FHC)

APPENDIX 6B

FORESTERHILL - OPTION 1 - BACKLOG MAINTENANCE

Outstanding Risks - Upper Bound Calculation For Build

Lowest % Upper Bound	12.5%
LOD %	40%
Upper %	80%
Actual % Upper Bound for this project	17.0%

After Mitigation

4.3%

Build complexity		X		
Choose 1 category				
Length of Build	< 2 years	X	0.50%	0.50%
	2 to 4 years		2.00%	0
	Over 4 years		5.00%	0
Choose 1 category				
Number of phases	1 or 2 Phases	X	0.50%	0
	3 or 4 Phases	X	2.00%	2.00%
	More than 4 Phases		5.00%	0
Choose 1 Category				
Number of sites involved	Single site*	X	2.00%	2.00%
	2-5 sites		2.50%	0
	More than 5 sites		5.00%	0
* Single site means new build's or same site as existing facilities				
Location				
Choose 1 Category				
New site - Green field	New Build		25%	0
New site - Brown field	New Build		5%	0
Existing site	New Build		5%	0
	or			
Existing site	Less than 15% rebuild	X	5%	5.00%
Existing site	15% - 50% rebuild		10%	0
Existing site	Over 50% rebuild		15%	0
10.80%				

Scope of activities		X		
Choose 1 category				
Facilities Management	HC3 F4 only or no FM	X	0.20%	0.20%
	HC3 and soft FM		2.00%	0
Choose 1 category				
Equipment	GROUP 1 & 2 only	X	2.50%	0.50%
	Under Medical equipment		1.50%	0
	All equipment facilities		5.00%	0
Choose 1 category				
IT	No IT implications	X	0.20%	0.20%
	Infrastructure		1.50%	0
	Infrastructure & systems		5.00%	0
Choose more than 1 category if applicable				
External Stakeholders	1 to 2 local NHS organisations	X	1.00%	1.00%
	5 or more NHS organisations		4.00%	0
	Universities - local/voluntary			
	sector/local government		8.00%	0
Service changes - relates to service delivery e.g MSFs				
Choose 1 category				
Service environment, i.e. recharge to service		X	0%	0.00%
Handled or engaged not quantified			10%	0
Larger care times services e.g angia			25%	0
Gateway				
Choose 1 category				
RPA Score	Low	X	0%	0.00%
	Medium		25%	0
	High		5%	0
5.20%				

APPENDIX 6b

FOR LESTER HILL - OPTION 2 - BUILD ENTIRE PROJECT IN PERIPHERAL LOCATION (BROWN FIELD)

After Mitigation

Customised Bias - Upper Bound Calculator for Build

Lowest % Upper Bound	12.5%
Mid %	40%
Upper %	80%
Bonus % Upper Bound for this project	35.5%

12.1%

Sample of scheme	0	0.50%	1.50%	3.00%	5.00%	10.00%	20%	30%	50%	100%	200%
Build complexity											
Class 1 category											
Length of build	< 2 years	2 to 4 years	Over 4 years								
	X	X	X	0.50%	0	0	0	0	0	0	0
				2.00%	0	0	0	0	0	0	0
				3.00%	0	0	0	0	0	0	0
Class 2 category											
Number of phases	1 or 2 Phases	3 or 4 Phases	More than 4 Phases								
	X	X	X	0.50%	0	0	0	0	0	0	0
				2.00%	0	0	0	0	0	0	0
				3.00%	0	0	0	0	0	0	0
Class 3 category											
Number of sites involved	Single site	2 Sites	More than 2 sites								
	X	X	X	2.00%	0	0	0	0	0	0	0
				3.00%	0	0	0	0	0	0	0
				5.00%	0	0	0	0	0	0	0
*Single site means new build is on same site as existing facilities											
Location											
Class 4 category											
New site - Green field	New build	New build	New build								
	X	X	X	3%	0	0	0	0	0	0	0
				5%	0	0	0	0	0	0	0
				8.00%	0	0	0	0	0	0	0
Existing site	Less than 10% build	10% - 50% build	Over 50% build								
	X	X	X	3%	0	0	0	0	0	0	0
				13%	0	0	0	0	0	0	0
				15%	0	0	0	0	0	0	0
41.00%											
Gateway											
Class 5 category											
Risk Rating	Low	Medium	High								
	X	X	X	0%	0	0	0	0	0	0	0
				2%	0	0	0	0	0	0	0
				5%	0	0	0	0	0	0	0
24.00%											

Appendix 9a: Statement of ‘In Principle Agreement’ from Inverurie Medical Practice

INVERURIE MEDICAL GROUP

Mr Gareth Evans
 Property Transaction manager
 Property and Asset Development
 NHS Grampian
 Summerfield House
 Eday Road
 Aberdeen
 AB15 6RE

NHS GRAMPIAN
 PROPERTY AND ASSET
 DEVELOPMENT
 15 APR 2015

10th April, 2015

Dear Mr Evans

GPs letter of intent -

Agreement in Principle

We Inverurie Medical Group ("the Practice"), in respect of the proposed facility development at Inverurie Health and Care Hub, and having regard to the NISG paper "Independent GP Practice occupation within hub facilities" version 20/12/12 confirm that we:

- ✓ have reviewed the schedule of accommodation, plans and specifications for the whole facility as detailed within the stage 1 submission, not yet submitted;
- ✓ have reviewed the extent of accommodation, indicated on floor plans as designated for the sole use of the Practice both in terms of the indicative room adjacencies and individual room layout towards meeting the requirements of the Practice;
- ✓ have reviewed the extent of further accommodation, indicated on floor plans as communal/shared/split areas and understand the Practice will be responsible for a share of appropriated cost;
- ✓ have received and are taking professional advice regarding the template Offer and Agreement provided to us by NHSG;
- ✓ understand and agree that any changes to the proposed accommodation or the services indicated by the Practice may have implications on the costs payable by the Practice;

We [..the Practice...] acknowledge that in order for NHSG to progress the facility development with hubs and in particular to facilitate the approval of an Outline Business Case by NHSG Board, NHSG require the Practice to confirm their intention in principle to occupying the agreed space within the new facility.

Accordingly, we the Practice confirm that it is our intention to move the Practice premises to the new facility once it has been completed subject always to:

1 CONSTITUTION STREET INVERURIE ABERDEENSHIRE AB51 4SU
Tel : 0845 337 9911 Fax : 01467 627770

Dr Chris Allen
 Dr Clive Brewster
 Dr Sa'y Haidarous
 Dr John Innes
 Dr Shadia Koleogora

Dr Karen Barker
 Dr Vicki Clacher
 Dr George Laidon
 Dr Peter Macgregor
 Dr David McCredie
 Dr Chris Wilkins

Dr Fiona Dawber
 Dr Richard Gordon
 Dr Annette Huret
 Dr Laura Myles
 Dr Nick Smith


- a) agreement of the terms and conditions upon which we will occupy the new facility;
- b) the costs payable by us in connection with and/or arising out of such occupation;
- c) the completion of the new facility in accordance with plans, specifications and room data sheets as approved by us and in accordance with applicable statutory requirements.

We further confirm that, as soon as reasonably practicable, and once the details of the facility have been further developed by NHSG and hubco, we the Practice will accept the terms of an Offer (with an Agreement attached) on behalf of NHSG, such Offer and Agreement to be substantially in the form of the template documents provided to us, subject to project specific drafting being included (including as to the matters referred to in the preceding paragraph).

We understand that this undertaking requires to be completed as part of the Outline Business Case with unconditional formal missives (comprising an Offer with Agreement attached and an Acceptance of the said Offer being issued on behalf of the Practice) being completed as part of Financial Close. Without these documents the development will not progress.

This letter is not intended to form part of a legally binding contract and is not contractual in its effect.

Signed on behalf of Inverurie Medical Group (the Practice) dated 10th April, 2015

..........

Appendix 9b: Statement of ‘In Principle Agreement’ from Elmbank Group Practice

Dr James A REPPER
Dr Ruby M J WATT
Dr Christopher D PROVAN
Dr Elizabeth A PHULL
Dr Guruprasad PADUBIDARE
Dr Emily J ANDERSON
Dr Mishaim BHANA



FORESTERHILL HEALTH CENTRE
WESTBURN ROAD
ABERDEEN
AB25 2AY

Tel: 0345 33 70 710
Prescriptions: 01224 558177
Fax: 01224 661599

Dear Gareth,

Apologies that we have been unable to complete the official letter of intent at this time, due to being unable to contract a lawyer as yet.

However, we are happy to officially notify you of the following:

- Elmbank Group Practice agrees to work with the NHS, for the purposes of moving building in 2017. The intention is that we will move out of the current Foresterhill Health Centre and into a building elsewhere on the site.
- We have now verbally agreed terms for the layout of the new building, and expect to be able to sign these off as soon as the finalized drawings arrive with us.

This intention is entirely dependant on the mutual agreement of costs.

If you require any further information, please don't hesitate to contact me on the details in the header.

Yours sincerely,

Rob Johnson
Practice Manager

Opening Hours:
Monday - Friday 8.30am - 6.00pm
Consultations by appointment only

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Appendix 9c: Statement of ‘In Principle Agreement’ from Westburn Medical Group



31st July 2015

Dear Gareth,

I am sorry that we have been unable to complete the official letter of Intent yet. I am sure you will appreciate that we wish to have a legal view on this.

However, we are happy to notify you that:

- Westburn Medical Group agrees to work with MHSG, for the purposes of moving premises in 2017. The intention is to move from the current Foresterhill Health Centre into a building elsewhere on the site.
- We have verbally agreed terms for the layout of the new building, and plan to sign these off on Friday 31st July.

This intention is entirely dependent on the mutual agreement of costs.

If you require any further information, please don't hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Kari M. Millar".

Kari M Millar
Practice Manager

FORESTERHILL
HEALTH CENTRE
Westburn Road
Aberdeen AB9 8AY
Tel: 01224 579505 / 559578
Fax: 01224 559597

Appendix 10: Generic Economic Model (GEM) Extracts (IHCH & FHC)

Summary of Project NPC and EACs
Inverurie Base Case

	Appraisal Period	Option 1		Option 2		Option 3		Option 4		Option 5		
		NPC £'000	Risk Adjustment £'000	Risk Adjusted NPC £'000	NPC £'000	Risk Adjustment £'000	Risk Adjusted NPC £'000	NPC £'000	Risk Adjustment £'000	Risk Adjusted NPC £'000	NPC £'000	Risk Adjustment £'000
Option 1 On-Station	44 Years	7,855.3		7,855.3	354.4		354.4					
Option 2 Hospital Site	44 Years	16,181.4		16,181.4	7,900		7,900					
Option 3 Town Centre - Proximal	44 Years	18,445.0		18,445.0	851.2		851.2					
Option 4 Dual Site	44 Years	19,625.6		19,625.6	885.1		885.1					
Option 5 Peripheral Location - Greenfield	44 Years	17,332.7		17,332.7	781.9		781.9					

Summary of Project NPCs and EACs
FHC East Case

	Appraisal Period	SUMMARY		Risk Adjusted NPC	Risk Adjustment	EAC	Risk Adjusted NPC
		NPC	EAC				
		£'000	£'000	£'000	£'000	£'000	£'000
Option 1 No Stimulus	40 Years	822.7	822.7	822.7	-	29.7	39.7
Option 2 Business as Usual (Business)	40 Years	9,665.7	9,665.7	9,665.7	-	436.2	436.2
Option 3 D	40 Years	-	-	-	-	-	-
Option 4 D	40 Years	-	-	-	-	-	-
OBC Option 5	40 Years	-	-	-	-	-	-

Summary of Project NPC's and E.A.C's
Inventory 10% Running Costs

		SUMMARY								
		Appraisal Period	NPC £'000	Risk Adjustment £'000	Risk Adjusted NPC £'000	E.A.C £'000	Risk Adjustment £'000	Risk Adjusted NPC £'000		
Option 1	Do Nothing	40 Years	3,235.5	-	3,235.5	-	3,235.5	354.4	-	354.4
Option 2	Hospital Site	40 Years	15,179.2	-	15,179.2	-	15,179.2	775.0	-	775.0
Option 3	Toro Centre - Brownhill	40 Years	25,445.4	-	25,445.4	-	25,445.4	877.2	-	877.2
Option 4	Woolf Site	40 Years	20,555.4	-	20,555.4	-	20,555.4	927.5	-	927.5
Option 5	Peripheral location - Greenfield	40 Years	18,330.3	-	18,330.3	-	18,330.3	827.0	-	827.0

**Summary of Project NPC's and RAC's
Inverurie 20% Capital Costs**

	Appraisal Period	NPC		Risk Adjusted NPC		T.S.C.		Risk Adjusted NPC	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SUMMARY									
Option 1 Du Prynnaun	40 Years	7,655.3		7,655.3		255.4		354.4	
Option 2 Hospital Site	60 Years	18,671.7		18,011.2		840.1		840.1	
Option 3 Tomb Centre - Brownfield	40 Years	30,571.9		20,371.9		938.1		928.1	
Option 4 Dural Site	40 Years	22,050.1		22,050.1		905.1		905.1	
OBC Option 2 Peripheral Lochbox - Greenfield	40 Years	19,450.9		19,450.9		872.5		872.5	

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05/10/2015

Summary of Project NPC's and EAC's
FHC 10% Running Costs

	Appraisal Period	NPC		Risk Adjusted NPC		EAC		Risk Adjusted NPC	
		£'000	£'000	Risk Adjustment	£'000	£'000	£'000	Risk Adjustment	£'000
OPTION 1									
Option 1 No Minimum	35 Years	838.6	838.6		838.6	40.5			40.5
OPTION 2									
Option 2 Restore and rebuild	43 Years	10,113.6	10,113.6		10,113.6	456.2			456.2
OPTION 3									
Option 3 £	43 Years	-	-		-	-			-
OPTION 4									
Option 4 £	43 Years	-	-		-	-			-
DEC Option 5									
Peripheral Location - (Preskield)	53 Years	-	-		-	-			-

Calculation of NPC's and EAC's based on the 10% Running Costs

15/03/2016

Summary of Project NPC's and EAC's
FHC_20% Capital Costs

	Appraisal Period	NPC £'000	Risk Adjustment £'000	Risk Adjusted NPC		EAC £'000	Risk Adjustment £'000	Risk Adjusted NPC	
				£'000	£'000			£'000	£'000
SUMMARY									
Option 1 Do Minimum	35 Years	994.5	-	994.5	-	473	-	473	-
Option 2 Relocate and adjust	40 Years	11,190.7	-	11,190.7	-	512.1	-	512.1	-
Option 3)	40 Years	-	-	-	-	-	-	-	-
Option 4)	40 Years	-	-	-	-	-	-	-	-
OBC Option 5 Peripheral Location - Greenfield	40 Years	-	-	-	-	-	-	-	-

Appendix 11a: Schedule of Accommodation and 1:200 Layouts (IHCH)

10. Appendices

Building Type	ገንዘብ ለ ምን ዓይነት ጉዳይ ለውጥ	ገንዘብ	Practice Representative											Date	7-Aug-15
Practice Name	ገንዘብ ለውጥ ጉዳይ		Version												
Prime User	Space	No. of Rooms / Users	Normal Allowed Area	% of space allocated to GP	GP Area sq. m.	% of space allocated to CIP	CIP Area sq. m.	% of space allocated to Community Dental	Community Dental Area sq. m.	% of space allocated to CMU	CMU Area sq. m.	% of space allocated to Social Work	Social Work Area sq. m.	Total Area sq. m.	
GP Practice Prime Area	GP Consulting Room (GF)	20	14.0	100%	280.0									280.0	
GP Practice Prime Area	GP Consulting Trainer Room (GF)	2	16.5	100%	16.5									16.5	
GP Practice Prime Area	Nurse Practitioner Consulting Room (GF)	2	14.0	100%	14.0									14.0	
GP Practice Prime Area	GP Consulting Registrar (Trainee) Room (GF)	2	14.0	100%	14.0									14.0	
GP Practice Prime Area	Interview Room	2	9.0	100%	9.0									9.0	
GP Practice Prime Area	Practice Waiting Area per Consulting Room (GF)	2	51.4	100%	51.4									51.4	
GP Practice Prime Area	Practice Waiting Area per Consulting Room (GF)	2	36.2	100%	36.2									36.2	
GP Practice Prime Area	Children's Play Area (GF)	2	5.8	100%	5.8									5.8	
GP Practice Prime Area	Children's Play Area (GF)	2	5.8	100%	5.8									5.8	
GP Practice Prime Area	Treatment Room / Minor Injuries (GF)	2	20.0	100%	20.0									20.0	
GP Practice Prime Area	Treatment Room (GF)	2	17.0	100%	17.0									17.0	
GP Practice Prime Area	Treatment Room (GF)	2	14.0	100%	14.0									14.0	
GP Practice Prime Area	Clinette (GF)	2	4.0	100%	4.0									4.0	
GP Practice Prime Area	Test Room (GF)	2	4.0	100%	4.0									4.0	
GP Practice Prime Area	Minor Procedures/Surgery Room (GF)	2	20.0	100%	20.0									20.0	
GP Practice Prime Area	Recovery Room (GF)	2	14.0	100%	14.0									14.0	
GP Practice Prime Area	Treatment Room Storage space per Room (GF)	2	8.0	100%	16.0									16.0	
GP Practice Prime Area	Treatment Waiting Area per Treatment Room (GF)	6	3.4	100%	13.4									13.4	
GP Practice Prime Area	Practice Nurses Office (Single)	2	9.0	100%											
GP Practice Prime Area	Practice Nurses Office (Multi) per Nurse	2	5.5	100%											
GP Practice Prime Area	Reception + Disable counter (GF)	2	4.5	100%	12.0									12.0	
GP Practice Prime Area	Doctors Admin. / Mail Room 4 desks & Secretaries 3 desks (FF)	2	23.0	100%	23.0									23.0	
GP Practice Prime Area	Admin Data Office 7 Desks (FF)	2	40.2	100%	40.2									40.2	
GP Practice Prime Area	Admin Office for Finance, Surgical, Cardiology 3 desks (FF)	2	5.5	100%	16.5									16.5	
GP Practice Prime Area	Admin Back Office Reception 8 desks (GF)	2	5.5	100%	44.0									44.0	
GP Practice Prime Area	Record storage space / 1000 patients (including expansion allowance) (FF)	2	49.5	100%	49.5									49.5	
GP Practice Prime Area	Practice Managers Office (GF)	2	16.0	100%	16.0									16.0	
GP Practice Prime Area	Assistant Practice Managers Office	2	9.0	100%	9.0									9.0	
GP Practice Prime Area	Meetings Room (10 Persons)	2	20.0	100%											
GP Practice Prime Area	Meetings Room (20 Persons)	2	30.0	100%											
GP Practice Prime Area	Meetings Room (30 Persons) (FF)	2	46.1	100%	46.1									46.1	
GP Practice Prime Area	Meetings Room / Library	2	30.0	100%											
GP Practice Prime Area	Library / Teaching Room (10 Persons)	2	20.0	100%											
GP Practice Prime Area	Library / Teaching Room (20 Persons) (FF)	2	30.0	100%	30.0									30.0	
GP Practice Prime Area	Library / Teaching Room (30 Persons) (FF)	2	45.0	100%											
GP Practice Prime Area	General / Equipment Store (GF)	2	11.3	100%	11.3									11.3	
GP Practice Prime Area	General / Equipment Store	2	10.2	100%	10.2									10.2	
GP Practice Prime Area	Staff Rest Room / Beverage Bay (Based on GP Unit size) (FF)	2	98.7	67.0	66.1	20.0	19.7	13.0	12.8					98.7	
GP Practice Prime Area	Male Staff Changing allowance per average No. of Staff (FF)	2	9.8	82.0	8.0			18.0	1.8					9.8	
GP Practice Prime Area	Female Staff Changing allowance per average No. of Staff (FF)	2	25.3	57.0	14.4	24.0	6.1	19.0	4.8					25.3	
GP Practice Prime Area	Clinical Waste (large) (GF)	2	12.0	50	6.0	50.0	6.0							12.0	
GP Practice Prime Area	Multi-purpose Room / Health Education Room (small)	2	20.0	100%											
GP Practice Prime Area	Multi-purpose Store (small)	2	4.0	100%											
GP Practice Prime Area	Multi-purpose Room / Health Education Room (large) (GF)	2	30.2	50		50.0	15.1			50.0	15.1			30.2	
GP Practice Prime Area	Multi-purpose Store (large) (GF)	2	8.0	50		50.0	4.0			50.0	4.0			8.0	
GP Practice Prime Area	Community Nursing Team Leaders Offices (FF)	2	11.0	0		100.0	11.0							11.0	
GP Practice Prime Area	Community Nursing Team Offices per WTE Health Visitor (FF)	2	5.5	0		100.0	38.5							38.5	
GP Practice Prime Area	Community Nursing Team Offices per WTE District Nurse (FF)	2	5.5	0		100.0	38.5							38.5	
GP Practice Prime Area	Community Nursing Team Offices per WTE Secretarial Support (FF)	2	5.5	0		100.0	5.5							5.5	
GP Practice Prime Area	Community Nursing Store (small)	2	8.0	0		100.0									
GP Practice Prime Area	Community Nursing Store (medium)	2	10.0	0		100.0									
GP Practice Prime Area	Community Nursing Store (large) (GF)	2	14.0	0		100.0	14.0							14.0	
GP Practice Prime Area	Community Services Waiting Area per Treatment Room	2	3.4	0		100.0									

10. Appendices

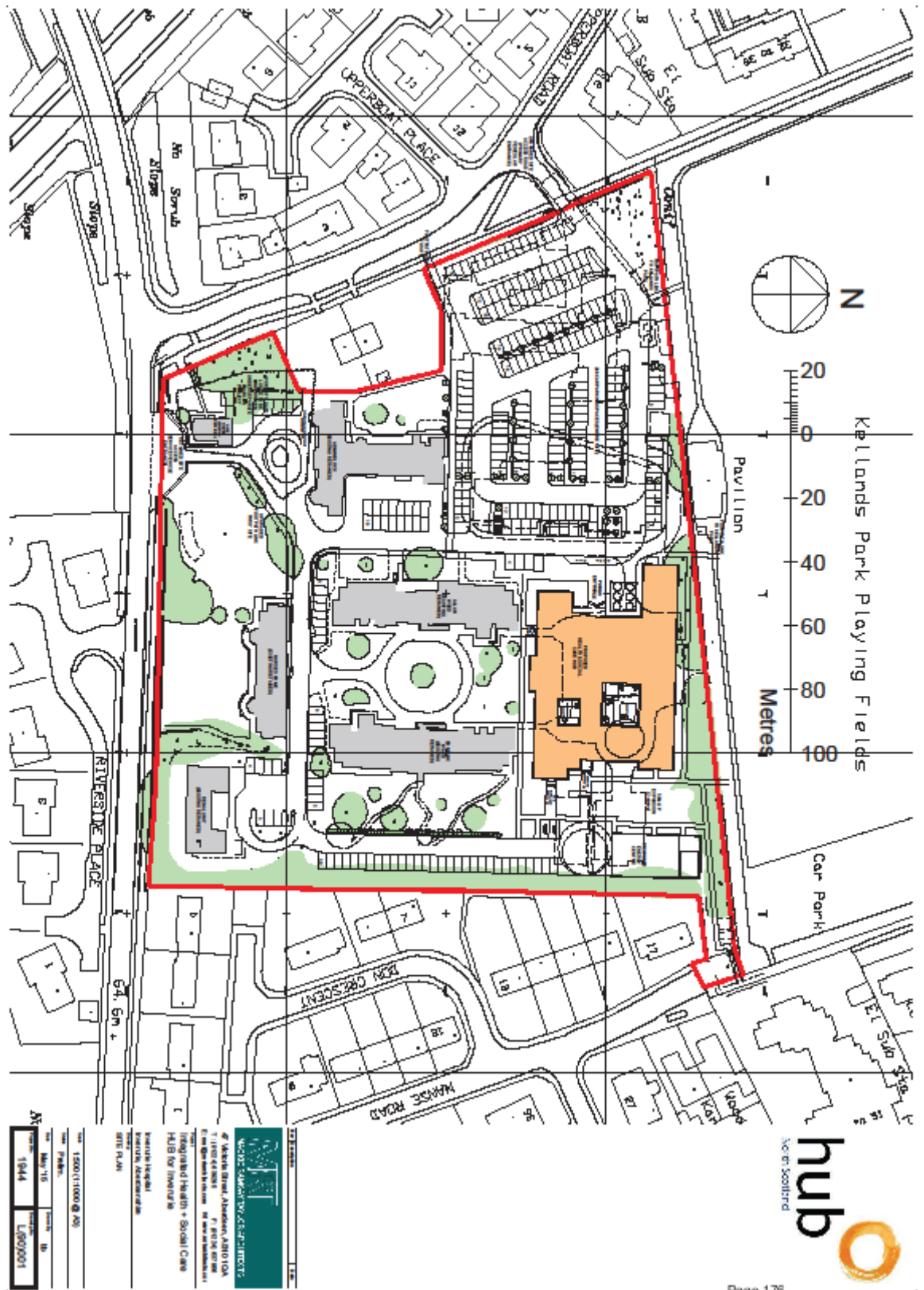
Prime User	Space	No. of Rooms / Users	Normal Allowed Area	% of space allocated to GP	GP Area sq. m.	% of space allocated to CHP	CHP Area sq. m.	% of space allocated to Community Dental	Community Dental Area sq. m.	% of space allocated to CMU	CMU Area sq. m.	% of space allocated to Social Work	Social Work Area sq. m.	Total Area sq. m.
CHP Prime Area	Reception/Admin/Records (GF)	2	4.6	0%	0.0	100.0	4.6							4.6
CHP Prime Area	Midwifery Service Consulting Room (GF)	6	14.0	0%	0.0	100.0	28.0							28.0
CHP Prime Area	Podiatry Office (2 person) (FF)	2	5.5	0%	0.0	100.0	11.0							11.0
CHP Prime Area	Podiatry Treatment Room (FF)	3	16.0	0%	0.0	100.0	16.0							16.0
CHP Prime Area	Podiatry Treatment Room (FF)	3	19.7	0%	0.0	100.0	19.7							19.7
CHP Prime Area	Audiology Consulting / Booth (GF)	2	20.0	0%	0.0	100.0	20.0							20.0
CHP Prime Area	Physiotherapy Treatment Room per Bay (FF)	2	10.0	0%	0.0	100.0	60.0							60.0
CHP Prime Area	Physiotherapy Treatment Room (FF)	3	14.0	0%	0.0	100.0	14.0							14.0
CHP Prime Area	Physiotherapy Store (FF)	1	14.9	0%	0.0	100.0	14.9							14.9
CHP Prime Area	Physiotherapy Office Space (GG)	0	15.0	0%	0.0	100.0								
CHP Prime Area	Physiotherapy Activity Space (FF)	3	32.0	0%	0.0	100.0	32.0							32.0
CHP Prime Area	Community Cardiology Clinic Assessment Room (FF)	3	17.2	0%	0.0	100.0	17.2							17.2
CHP Prime Area	Community Cardiology Clinic Ultrasound Room (FF)	3	14.0	0%	0.0	100.0	14.0							14.0
CHP Prime Area	Community Cardiology Clinic Consulting Room (FF)	3	14.0	0%	0.0	100.0	14.0							14.0
CHP Prime Area	X Ray Room (GF)	3	30.0	0%	0.0	100.0	30.0							30.0
CHP Prime Area	X Ray Office (GF)	3	9.3	0%	0.0	100.0	9.3							9.3
CHP Prime Area	X Ray 2 No Changing rooms (GF)	3	3.0	0%	0.0	100.0	3.0							3.0
CHP Prime Area	X Ray 1 No Changing room (Disabled) (GF)	3	6.0	0%	0.0	100.0	6.0							6.0
CHP Prime Area	Speech & Language Consulting Room (FF)	2	14.0	0%	0.0	100.0	28.0							28.0
CHP Prime Area	Speech & Language Group Consulting Room (FF)	3	20.0	0%	0.0	100.0	20.0							20.0
CHP Prime Area	Speech & Language Storage (FF)	3	10.0	0%	0.0	100.0	10.0							10.0
CHP Prime Area	CUP Waiting Consulting Rooms (GF)	5	14.0	0%	0.0	100.0	56.0							56.0
CHP Prime Area	CUP Waiting Consulting Rooms (FF)	3	14.6	0%	0.0	100.0	14.6							14.6
CHP Prime Area	CUP Waiting Consulting Rooms (FF)	3	14.0	0%	0.0	100.0	14.0							14.0
CHP Prime Area	CHP Interview room (FF)	3	9.0	0%	0.0	100.0	9.0							9.0
CHP Prime Area	3 No Physiotherapy Office Space/5 No Hotdesks for CHP Team	2	44.0	0%	0.0	100.0	44.0							44.0
CHP Prime Area	Visitors Toilet Male	2	2.4	0%	0.0	100.0	2.4							2.4
CHP Prime Area	Visitors Toilet Female	2	2.4	0%	0.0	100.0	2.4							2.4
CHP Prime Area	CHP Services Waiting Area per Treatment Room (GF)	3	30.2	0%	0.0	100.0	30.2							30.2
CHP Prime Area	CHP Services Waiting Area per Treatment Room (FF)	3	20.0	0%	0.0	100.0	20.0							20.0
CHP Prime Area	CHP Services Waiting Area per Treatment Room (SALT) (FF)	3	34.0	0%	0.0	100.0	34.0							34.0
CHP Prime Area	Dirty Toy Wash	3	6.7	0%	0.0	100.0	6.7							6.7
CHP Prime Area	Patient WC (WITH Patient Assistance Space)	3	4.3	0%	0.0	100.0	4.3							4.3
CHP Prime Area	Staff Changing allowance (enhancement) per average No. of Staff	0	0.7	0%	0.0	100.0								
CHP Prime Area	Staff Rest Room (enhancement) per additional staff member	0	1.5	0%	0.0	100.0								
Dental Unit	Treatment Room	2	16.0	0%	0.0	100.0		100.0						
Dental Unit	Treatment Room (Wheelchair/Special Needs) (FF)	2	19.0	0%	0.0	100.0		38.0						38.0
Dental Unit	Practice Manager's Office	2	9.0	0%	0.0	100.0								
Dental Unit	Interview Room / Quiet Room (FF)	3	10.0	0%	0.0	100.0		10.0						10.0
Dental Unit	Recovery Room (FF)	3	9.9	0%	0.0	100.0		9.9						9.9
Dental Unit	X Ray Room (FF)	3	8.5	0%	0.0	100.0		8.5						8.5
Dental Unit	Waiting Area per Treatment Room including play area (FF)	2	18.2	0%	0.0	100.0		18.2						18.2
Dental Unit	Reception/Admin/Records (FF)	3	16.5	0%	0.0	100.0		16.5						16.5
Dental Unit	Hot Desk Office (FF)	3	16.7	0%	0.0	100.0		16.7						16.7
Dental Unit	Dental Store (FF)	3	11.0	0%	0.0	100.0		11.0						11.0
Dental Unit	Childminder Store (FF)	3	10.0	0%	0.0	100.0		10.0						10.0
Dental Unit	LDU (FF)	3	14.0	0%	0.0	100.0		14.0						14.0
Dental Unit	OSR (LDU equipment only) (FF)	3	4.0	0%	0.0	100.0		4.0						4.0
Dental Unit	Plant Room - Compressor/Suction Plant (FF)	3	5.1	0%	0.0	100.0		5.1						5.1
Dental Unit	Clinical Waste	3	4.0	0%	0.0	100.0		4.0						4.0
Dental Unit	Domestic Services Room	0	4.0	0%	0.0	100.0								
Dental Unit	Toilet: Male Patients/Visitors (suitable for disabled)	3	5.0	0%	0.0	100.0		5.0						5.0
Dental Unit	Toilet: Female Patients/Visitors (suitable for disabled)	3	5.0	0%	0.0	100.0		5.0						5.0
Dental Unit	Toilet: Patients Disabled (shared in building)	3	5.0	0%	0.0	100.0								
Dental Unit	Toilet - Staff Mixed	3	2.5	0%	0.0	100.0		2.5						2.5
Dental Unit	Staff Rest Room (enhancement) per additional staff member (FF)	0	1.5	0%	0.0	100.0								

10. Appendices

Prime User	Space	No. of Rooms / Users	Normal Allowed Area	% of space allocated to GP	GP Area sq. m.	% of space allocated to CIP	CIP Area sq. m.	% of space allocated to Community Dental	Community Dental Area sq. m.	% of space allocated to CMU	CMU Area sq. m.	% of space allocated to Social Work	Social Work Area sq. m.	Total Area sq. m.
Dental Unit	Staff Changing allowance (enhancement) per average No. of Staff (FF)	0	0.7	0			100.0							
Dental Unit	Staff Changing allowance (enhancement) per average No. of Staff (FF)	0	0.7	0			100.0							
Dental Unit	Toilet - Staff toilet allowance for Female (shared within Changing area)	1	2.5	0			0							
Dental Unit	Toilet - Staff toilet allowance for Male (shared within Changing area)	1	2.5	0			0							
Dental Unit	Toilet - Staff disabled (shared in building)	1	5.0	0			0							
Dental Unit	Staff Shower (shared within Changing)	1	5.0	0			0							
CMU	Entrance-Pushchair-Bay Waiting Area	1	12.0	0						100.0	12.0			12.0
CMU	Reception: 2 position / Staff Desk	1	11.0	0						100.0	11.0			11.0
CMU	Patients WC: ambulant user	1	2.6	0						100.0	2.6			2.6
CMU	Patients WC: disabled/wheelchair user	1	5.5	0						100.0	5.5			5.5
CMU	Refreshment/Vending Machine Bay	1	3.4	0						100.0	3.4			3.4
CMU	Day Assessment Unit: 4 2 beds/reclining chairs	1	28.0	0						100.0	28.0			28.0
CMU	Consulting/Examination Room: double sided couch access	1	14.0	0						100.0	14.0			14.0
CMU	LDRP Room: standard (including pool)	1	31.0	0						100.0	31.0			31.0
CMU	Water Sitting Pool	1	31.0	0						100.0	31.0			31.0
CMU	Single Bedroom with Cot	1	19.0	0						100.0	19.0			19.0
CMU	Single Bedroom with Cot	1	18.8	0						100.0	18.8			18.8
CMU	En-Suite: shower, WC & wash	5	4.5	0						100.0	22.5			22.5
CMU	En-Suite: shower, WC & wash	1	5.1	0						100.0	5.1			5.1
CMU	Imaging Room: ultrasound	1	16.5	0						100.0	16.5			16.5
CMU	Interview/Counseling/Outlet Room	1	9.0	0						100.0	9.0			9.0
CMU	Patients Pantry	1	7.8	0						100.0	7.8			7.8
CMU	Emergency Trolley Bay	1	1.9	0						100.0	1.9			1.9
CMU	Clean Utility	1	15.6	0						100.0	15.6			15.6
CMU	Preparation Room / Baby Feed storage	1	7.0	0						100.0	7.0			7.0
CMU	Dirty Utility	1	12.0	0						100.0	12.0			12.0
CMU	Disposal Hold	1	10.0	0						100.0	10.0			10.0
CMU	DGR	1	10.0	0						100.0	10.0			10.0
CMU	Store: equipment	1	5.7	0						100.0	5.7			5.7
CMU	Store: equipment	1	6.5	0						100.0	6.5			6.5
CMU	Store: linen	1	4.5	0						100.0	4.5			4.5
CMU	Office: general, 3 person	1	16.0	0						100.0	16.0			16.0
CMU	Staff Rest Room	1	12.0	0						100.0	12.0			12.0
CMU	Staff Changing: female, 10 places	1	4.0	0						100.0	4.0			4.0
CMU	Staff Changing: male, 2 places	1	2.1	0						100.0	2.1			2.1
CMU	Staff WC Disabled	1	4.5	0						100.0	4.5			4.5
CMU	Staff WC: female	1	2.1	0						100.0	2.1			2.1
CMU	Staff WC: male	1	2.1	0						100.0	2.1			2.1
CMU	Staff Shower: accessible, mixed	1	5.0	0						100.0	5.0			5.0
CMU	Mobility Workstation	1	4.8	0						100.0	4.8			4.8
Social Work	5 No Holdalls for Social Work Team	5	5.5									100.0		
Social Work	Staff Changing allowance (enhancement) per average No. of Staff	0	0.7									100.0		
Social Work	Staff Rest Room (enhancement) per additional staff member	1	1.5									100.0		
Common Support Areas	Entrance / From Bay Maintenance to building with Wheelchair bay	1	10.0	40.9	4.1	32.8	3.3	8.4	0.8	17.9	1.8			10.0
Common Support Areas	Entrance / From Bay (Large - 7 + Dodder Practice)	1	10.0	40.9	4.1	32.8	3.3	8.4	0.8	17.9	1.8			10.0
Common Support Areas	Patients / Visitors Toilet(s)	1	2.5	40.9	32.8		8.4			17.9				
Common Support Areas	Female Patients / Visitors Toilet(s)	6	2.5	40.9	4.1	32.8	3.3	8.4	0.8	17.9	1.8			10.0
Common Support Areas	Male Patients / Visitors Toilet(s)	6	2.5	40.9	4.1	32.8	3.3	8.4	0.8	17.9	1.8			10.0
Common Support Areas	Patients / Visitors Disabled Toilet / Adult Changing	1	10.1	40.9	4.1	32.8	3.3	8.4	0.9	17.9	1.8			10.1
Common Support Areas	Baby Changing / Feeding Room	1	6.1	40.9	2.5	32.8	2.0	8.4	0.5	17.9	1.1			6.1
Common Support Areas	Mixed Staff Toilet(s)	1	2.5	40.9	1.0	32.8	0.8	8.4	0.2	17.9	0.4			2.5
Common Support Areas	Mixed Staff / Shower(s)	1	5.0	40.9		32.8		8.4		17.9				
Common Support Areas	Male Staff Toilet(s)	2	2.3	40.9	1.9	32.8	1.5	8.4	0.4	17.9	0.8			4.6
Common Support Areas	Male Staff Shower(s)	1	5.0	40.9	2.0	32.8	1.6	8.4	0.4	17.9	0.9			5.0
Common Support Areas	Female Staff Toilet(s)	6	2.5	40.9	4.1	32.8	3.3	8.4	0.8	17.9	1.8			10.0
Common Support Areas	Female Staff Shower(s)	1	5.0	40.9	2.0	32.8	1.6	8.4	0.4	17.9	0.9			5.0
Common Support Areas	Staff Disabled Toilet(s)	1	5.4	40.9	2.2	32.8	1.8	8.4	0.5	17.9	1.0			5.4
Common Support Areas	Domestic Services Room (small) (FF Staff/GP/Office)	1	5.2	40.9	2.1	32.8	1.7	8.4	0.4	17.9	0.9			5.2
Common Support Areas	Domestic Services Room (large) (FF CHR/Dental Area)	1	9.9	40.9	4.0	32.8	3.2	8.4	0.8	17.9	1.8			9.9

10. Appendices

Prime User	Space	No. of Rooms / Users	Normal Allowed Area	% of space allocated to GP	GP Area sq. m.	% of space allocated to CHP	CHP Area sq. m.	% of space allocated to Community Dental	Community Dental Area sq. m.	% of space allocated to CMU	CMU Area sq. m.	% of space allocated to Social Work	Social Work Area sq. m.	Total Area sq. m.	
Common Support Areas	Domestic Service Room (large) (GP - GP and CHP area)	3	10.0	40.9	4.1	32.8	3.3	8.4	0.8	17.9	1.8			10.0	
Common Support Areas	Telephone, IT, Node Equipment Room (FF)	3	16.7	40.9	6.8	32.8	5.5	8.4	1.4	17.9	3.0			16.7	
Common Support Areas	Domestic Bulk Storage (GP)	2	9.5	40.9	3.9	32.8	3.1	8.4	0.8	17.9	1.7			9.5	CHECK
	Sub-Total Area				1614.7		825.8		208.3		445.2			2483.0	
Circulation Area	Add 33.3% for Circulation Area	1	733.7	40.9	299.8	32.8	240.4	8.4	61.9	17.9	131.6			733.7	732.8
Circulation Area	Allowance for walls and voids @ 6%	3	221.8	40.9	90.6	32.8	72.6	8.4	18.7	17.9	39.7			221.8	
Circulation Area	LR (Type B & C, 2 storey with 1 lift) 900mm	3	10.2	40.9	4.2	32.8	3.3	8.4	0.9	17.9	1.8			10.2	
Circulation Area	LR (Type B & C, 2 storey with 1 lift) 1190mm	2	11.6	40.9	4.7	32.8	3.8	8.4	1.0	17.9	2.1			11.6	
Circulation Area	LR (Type C, 3 storey with 1 lift)	8	22.5	40.9		32.8		8.4		17.9					
Circulation Area	LR (Type D, 2 storey with 2 lift)	8	30.0	40.9		32.8		8.4		17.9					
Circulation Area	LR (Type D, 3 storey with 2 lift)	8	45.0	40.9		32.8		8.4		17.9					
Circulation Area	Staircase (Type B 2 storey 1 Staircase)	7	37.8	40.9	46.1	32.8	37.0	8.4	9.5	17.9	20.2			112.8	
Circulation Area	Staircase (Type B 2 storey 2 Staircase)	2	34.8	40.9	14.2	32.8	11.4	8.4	2.9	17.9	6.2			34.8	
Circulation Area	Staircase (Type C 2 storey 2 Staircase)	8	40.0	40.9		32.8		8.4		17.9					
Circulation Area	Staircase (Type C 3 storey 2 Staircase)	8	60.0	40.9		32.8		8.4		17.9					
Circulation Area	Staircase (Type D 2 storey 3 Staircase)	8	60.0	40.9		32.8		8.4		17.9					
Circulation Area	Staircase (Type D 3 storey 3 Staircase)	8	90.0	40.9		32.8		8.4		17.9					
Hospital Support Areas	Hospital General Storage	3	20.0		0	100.0	20.0							20.0	
Hospital Support Areas	Wake-up-Receipt & Dispatch Storage	3	25.0		0	99.0	24.8							24.8	
	Total Heated Space				1474.4		2316.8		304.6		666.9		6.0	3488.8	3652.5
Common Support Areas	Hospital General Storage	8	20.0		0	55.4		14.3		30.3					1403.3
Common Support Areas	Electrical Switchgear Room	3	9.0	40.9	3.7	32.8	2.9	8.4	0.8	17.9	1.6			9.0	
Common Support Areas	Plant Rooms/Generator (approx. floor area based on total)	3	86.3	40.9	35.3	32.8	28.3	8.4	7.3	17.9	15.5			86.3	
CMU	Medical Gas manifold / storage	3	5.0		0			100.0	5.0					5.0	
Dental Unit	Medical Gas manifold / storage (GP)	2	5.0		0			100.0	5.0					5.0	
Common Support Areas	Wake-up-Receipt & Dispatch Storage	8	30.0		0	55.4		14.3		30.3					
Common Support Areas	ENERGY CENTRE (Plant Space)	3	188.0		0	55.4	104.2	14.3	26.8	30.3	57.0			188.0	
Common Support Areas	Allowance for walls and voids @ 6%	3	14.5		0	55.4	8.0	14.3	2.1	30.3	4.4			14.5	
Common Support Areas	External Refuse Area/Clinical Waste/ Grounds Maintenance Storage (allowed for separately)														
	Total Estimated Floor Area in sq. m.				1418.3		2279.8		346.1		730.8		6.0	3560.2	3600.2
															CHECK
															CHECK
							813.5		209.3		445.2				CHECK





ENERGY CENTRE

FIRST FLOOR PLAN

(REVISION 1.1)

Project: **Smallholme Health Centre**

Client: **Scottish Health Board**

Architect: **Scottish Health Board**

Scale: **1:100**

Date: **11/03/2014**

Drawn by: **1944**

Checked by: **1000002**

Room No.	Description	Area (m ²)
101	Reception	150
102	Waiting Area	200
103	GP Consultation	120
104	GP Consultation	120
105	GP Consultation	120
106	GP Consultation	120
107	GP Consultation	120
108	GP Consultation	120
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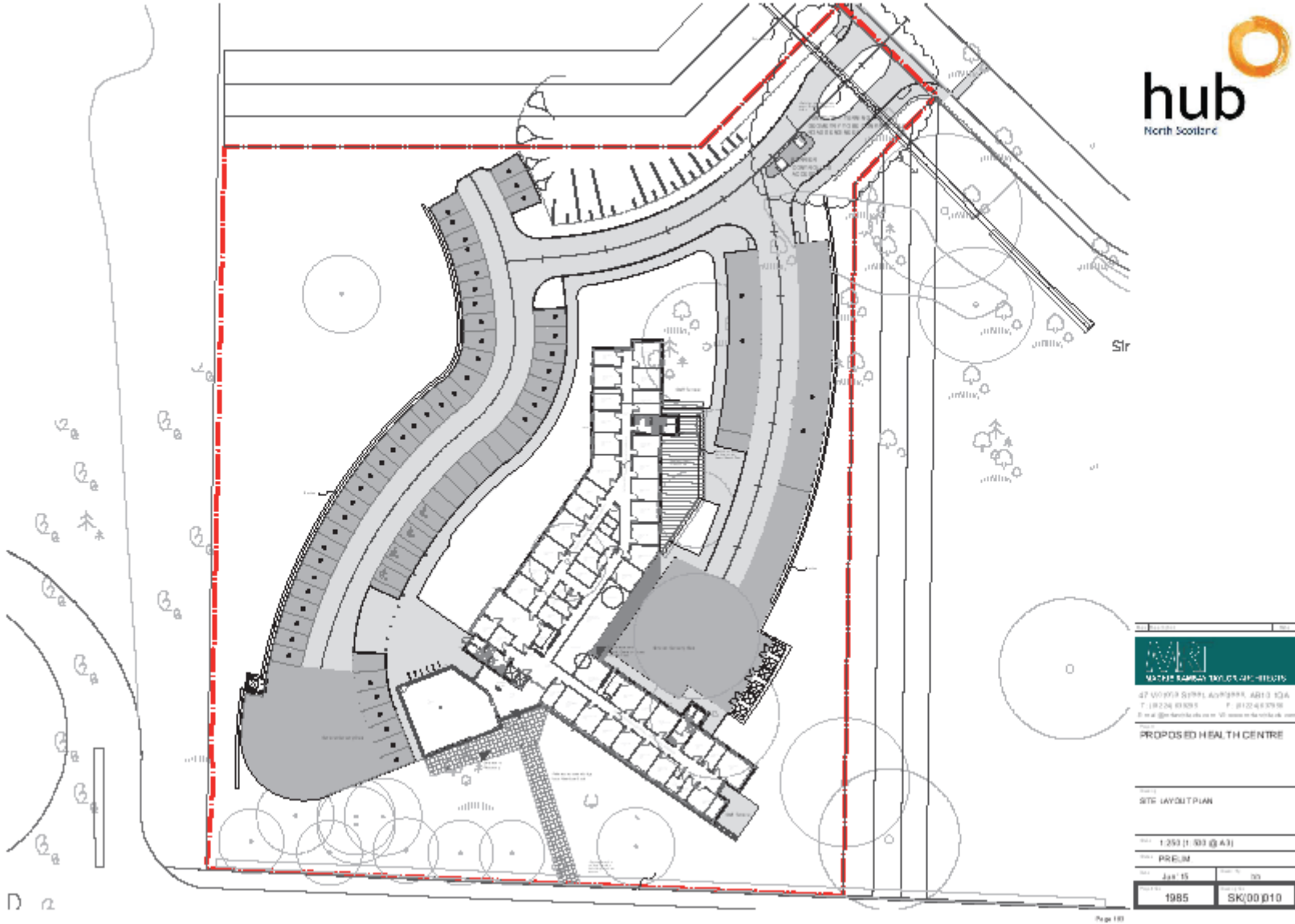
Appendix 11b: Schedule of Accommodation and 1:200 Layouts (FHC)

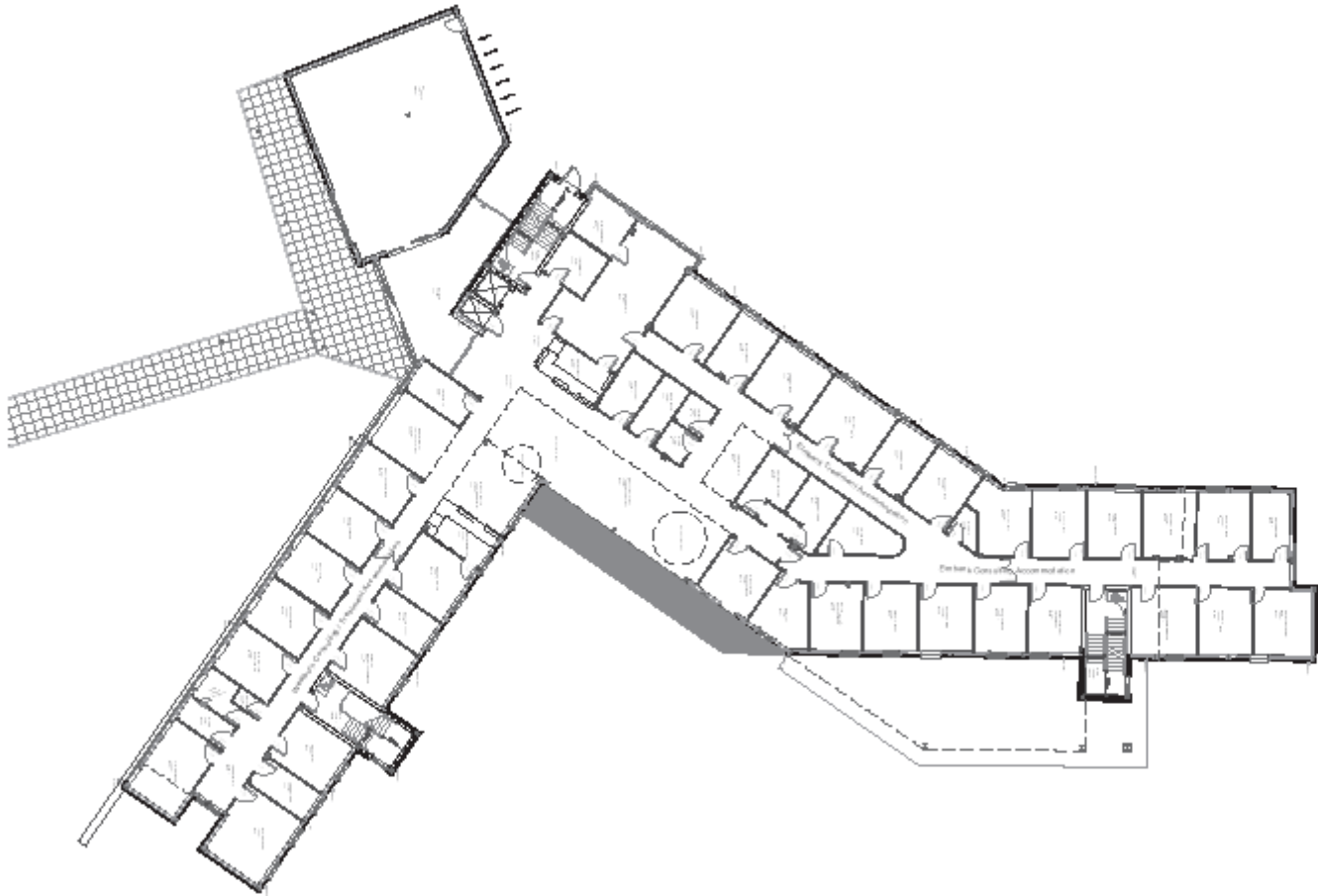
10. Appendices

Building Type	Standard 340 GP Unit Type C Building 3 Storey	Practice Representative														Date
Practice Name	Elmbank Medical Group & Westburn Medical Group	Version	GP	FP	FP	FP	FP	FP	FP	FP	FP	FP	FP	FP	FP	1-Jul-15
Prime User	Space	No. of Rooms / Users	Normal Allowed Area	% of space allocated to GP	Elmbank GP Area sq. m.	% of space allocated to GP	Westburn GP Area sq. m.	% of space allocated to CHP	CHP Area sq. m.	% of space allocated to Social Work	Social Work Area sq. m.	% of space allocated to Retail Pharmacy	Retail Pharmacy Area sq. m.	Total Area sq. m.		
Elmbank Prime Area	GP Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Trainer Room	1	16.5	100	16.5									16.5		
Elmbank Prime Area	Nurse Practitioner Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	GP Consulting Registrar (Trainee) Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	Interview Room	2	9.0	100	18.0									18.0		
Elmbank Prime Area	Practice Waiting Area per Consulting Room	14	4.5	100	58.2									58.2		
Elmbank Prime Area	Children's Play Area	1	8.7	100	8.7									8.7		
Elmbank Prime Area	Treatment Room	1	17.0	100	17.0									17.0		
Elmbank Prime Area	Treatment Room	1	17.0	100	17.0									17.0		
Elmbank Prime Area	Reception	1	4.0	100	4.0									4.0		
Elmbank Prime Area	Staff room	1	4.0	100	4.0									4.0		
Elmbank Prime Area	Minor Procedures/Surgery Room	1	20.0	100	20.0									20.0		
Elmbank Prime Area	Recovery Room	1	10.0	100	10.0									10.0		
Elmbank Prime Area	Treatment Room Storage space per Room	1	4.0	100	4.0									4.0		
Elmbank Prime Area	Treatment Waiting Area per Treatment Room	1	3.4	100	3.4									3.4		
Elmbank Prime Area	Practice Nurse Office/Single Consulting Room	1	14.0	100	14.0									14.0		
Elmbank Prime Area	Reception + Disable counter	2	4.5	100	9.0									9.0		
Elmbank Prime Area	Doctors Admin. / Mail Room space per GP Unit size	3	1.5	100	4.5									4.5		
Elmbank Prime Area	Administration / Secretarial space per person	7	5.5	100	38.5									38.5		
Elmbank Prime Area	Record storage space 12,000 patients (including expansion allowance)	1	30.0	100	30.0									30.0		
Elmbank Prime Area	Practice Managers Office	2	9.0	100	18.0									18.0		
Elmbank Prime Area	Meeting Room (20 Persons)	1	30.0	100	30.0									30.0		
Elmbank Prime Area	Library	1	15.0	100	15.0									15.0		
Elmbank Prime Area	General / Equipment Store	1.5	10.0	100	15.0									15.0		
Elmbank Prime Area	Staff Rest Room / Beverage Bay (Based on GP Unit size)	1	30.0	100	30.0									30.0		
Elmbank Prime Area	Male Staff Changing allowance per average No. of Staff	5	0.7	100	3.5									3.5		
Elmbank Prime Area	Female Staff Changing allowance per average No. of Staff	3	0.7	100	2.1									2.1		
Elmbank Prime Area	Seniority Training Team Leaders Office	1	9.0	100	9.0									9.0		
Elmbank Prime Area	Seniority Training Team Office per GP Unit Health Visitor	1	5.5	100	5.5									5.5		
Elmbank Prime Area	Seniority Training Team Office per GP Unit District Nurse	1	5.5	100	5.5									5.5		
Elmbank Prime Area	Seniority Training Team Office per GP Unit Community Support	1	5.5	100	5.5									5.5		
Elmbank Prime Area	Seniority Training Team Office	1	12.0	100	12.0									12.0		
Westburn Prime Area	GP Consulting Room	2	14.0	0		100.0	28.0							28.0		
Westburn Prime Area	GP Consulting Room	1	14.0	0		100.0	14.0							14.0		
Westburn Prime Area	GP Consulting Trainer Room	1	16.5	0		100.0	16.5							16.5		
Westburn Prime Area	Nurse Practitioner Consulting Room	1	14.0	0		100.0	14.0							14.0		
Westburn Prime Area	GP Consulting Registrar (Trainee) Room	1	14.0	0		100.0	14.0							14.0		
Westburn Prime Area	Interview Room	1	9.0	0		100.0	9.0							9.0		
Westburn Prime Area	Practice Waiting Area per Consulting Room	14	4.5	0		100.0	26.9							26.9		
Westburn Prime Area	Children's Play Area	1	4.0	0		100.0	4.0							4.0		
Westburn Prime Area	Treatment Room	1	17.0	0		100.0	17.0							17.0		
Westburn Prime Area	Reception	1	4.0	0		100.0	4.0							4.0		
Westburn Prime Area	Staff Room	1	4.0	0		100.0	4.0							4.0		
Westburn Prime Area	Minor Procedures/Surgery Room	1	20.0	0		100.0	20.0							20.0		
Westburn Prime Area	Recovery Room	1	10.0	0		100.0	10.0							10.0		
Westburn Prime Area	Treatment Room Storage space per Room	1	4.0	0		100.0	4.0							4.0		
Westburn Prime Area	Treatment Waiting Area per Treatment Room	1	3.4	0		100.0	3.4							3.4		
Westburn Prime Area	Practice Nurse Office/Single Consulting Room	1	14.0	0		100.0	14.0							14.0		

10. Appendices

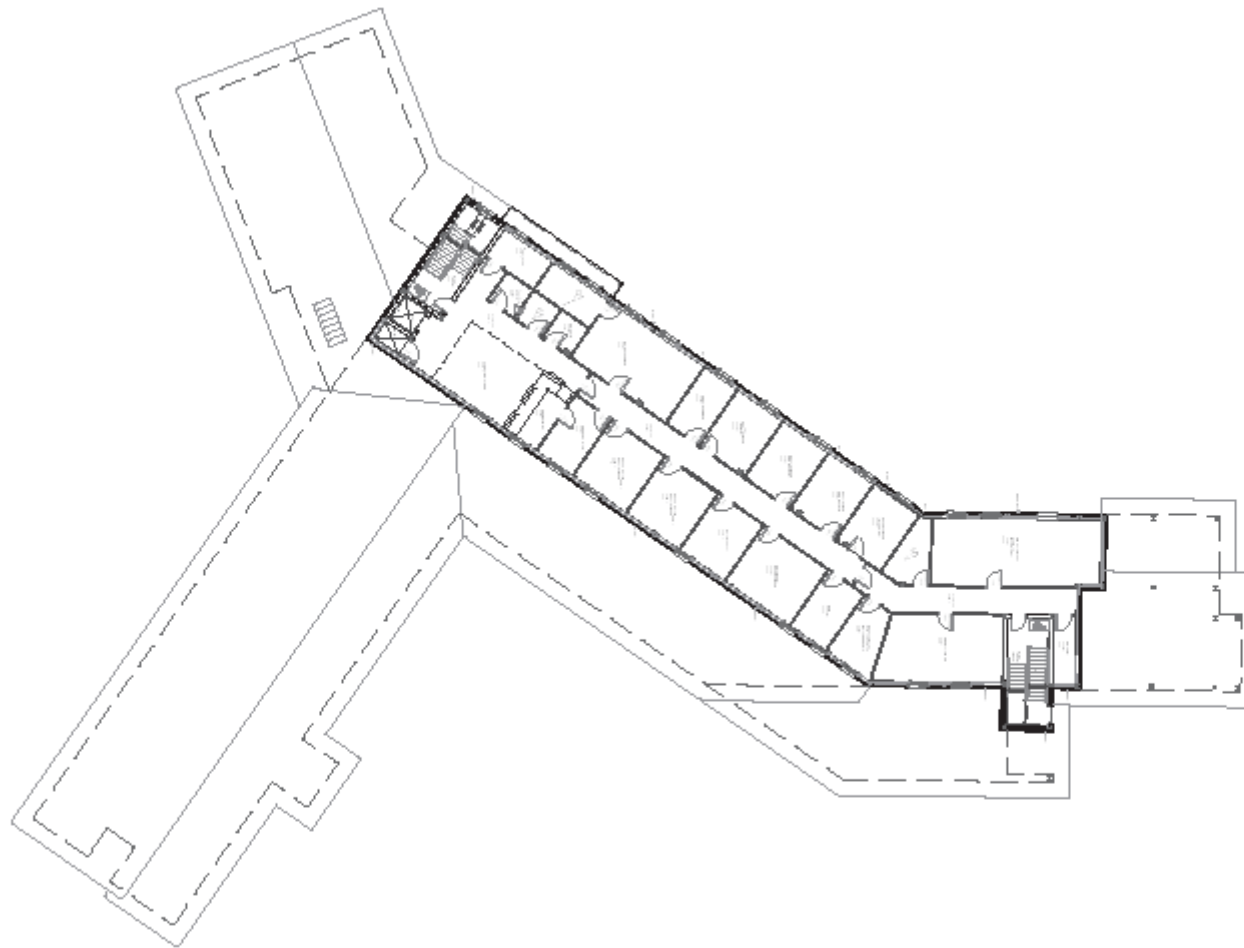
Prime User	Space	No. of Rooms / Users	Normal Allowed Area	% of space allocated to GP	Embank GP Area sq. m.	% of space allocated to GP	Westburn GP Area sq. m.	% of space allocated to CHP	CHP Area sq. m.	% of space allocated to Social Work	Social Work Area sq. m.	% of space allocated to Retail Pharmacy	Retail Pharmacy Area sq. m.	Total Area sq. m.
Westburn Prime Area	Reception + Disable counter	1	4.5	0	100.0	7.5								7.5
Westburn Prime Area	Doctors Admin / Mail Room space per GP Unit size	2	1.5	0	100.0	4.5								4.5
Westburn Prime Area	Administration / Secretary space per person	2	5.5	0	100.0	16.5								16.5
Westburn Prime Area	Reception average space 8,000 patients including receptionist/assistant	1	20.0	0	100.0	20.0								20.0
Westburn Prime Area	Westburn Managers Office	1	9.0	0	100.0	9.0								9.0
Westburn Prime Area	Meetings Room (10 Persons)	1	20.0	0	100.0	20.0								20.0
Westburn Prime Area	General / Equipment Store	1	10.0	0	100.0	10.0								10.0
Westburn Prime Area	Staff Rest Room / Beverage Day (Based on GP Unit size)	1	18.0	0	100.0	18.0								18.0
Westburn Prime Area	Male Staff Changing allowance per average No. of Staff	2	0.7	0	100.0	1.4								1.4
Westburn Prime Area	Female Staff Changing allowance per average No. of Staff	2	0.7	0	100.0	1.4								1.4
Embank/Westburn Shared Areas	Multi Purpose Room	1	30.0	65.1	19.5	24.4	10.5							30.0
Embank/Westburn Shared Areas	Multi Purpose Room Store	1	5.0	65.1	5.2	24.4	2.8							8.0
Embank/Westburn Shared Areas	Community Nursing Team Leaders Office (20) and Team Admin	2	5.5	65.1	7.2	24.4	3.8							11.0
Embank/Westburn Shared Areas	Community Nursing Team Offices per WTE Health Visitor	2	22.0	65.1	28.7	24.4	15.3							44.0
Embank/Westburn Shared Areas	Community Nursing Team Offices per WTE District Nurse	2	16.5	65.1	21.5	24.4	11.5							33.0
Embank/Westburn Shared Areas	Community Nursing Team Offices per WTE Admin	2	5.0	65.1	6.5	24.4	3.5							10.0
Embank/Westburn Shared Areas	Community Nursing Store (meals)	1	10.0	65.1	6.5	24.4	3.5							10.0
Embank/Westburn Shared Areas	Men's	2	15.0	65.1	15.0	24.4								15.0
Embank/Westburn Shared Areas	Men's+Toilet/Wash Room-GP/Person	2	30.0	65.1	30.0	24.4								30.0
Embank/Westburn Shared Areas	Men's	2	15.0	65.1	15.0	24.4								15.0
Embank/Westburn Shared Areas	Men's	2	15.0	65.1	15.0	24.4								15.0
Embank/Westburn Shared Areas	Men's+Toilet/Wash Room-Glass	2	15.0	65.1	15.0	24.4								15.0
Embank/Westburn Shared Areas	Men's+Toilet/Wash Room-Glass	2	15.0	65.1	15.0	24.4								15.0
Embank/Westburn/CHP Shared Areas	Medical Waste (large)	1	10.0	47.5	4.8	25.4	2.5	27.1	2.7					10.0
Embank/Westburn/CHP Shared Areas	Confidential Waste	1	4.0	47.5	1.9	25.4	1.0	27.1	1.1					4.0
CHP	CHP Reception	1	9.0	0				100.0	9.0					9.0
Early Supported Discharge Team	Managers Office	2	11.0	0				100.0						11.0
CHP	Administration Office (incl Receptionist)	2	5.0	0				100.0	11.0					11.0
CHP	Reception Room	1	4.0	0				100.0	4.0					4.0
Early Supported Discharge Team	Exam Office	2	5.0	0				100.0						5.0
CHP	Meeting Room	1	30.0	0				100.0	30.0					30.0
CHP	Interview Room	1	9.0	0				100.0	9.0					9.0
Early Supported Discharge Team	Management/Therapy/Review and advising clinic governance/clinical trials group work	2	30.0	0				100.0						30.0
Early Supported Discharge Team	Store (equipment)	2	10.0	0				100.0						10.0
Direct Delivery Nursing Teams	Team Leader Office	1	9.0	0				100.0	9.0					9.0
Direct Delivery Nursing Teams	Team Office (2 team)	2	5.5	0				100.0	71.5					71.5
Direct Delivery Nursing Teams	Reception Room	1	4.0	0				100.0	4.0					4.0
Direct Delivery Nursing Teams	Waiting Area	1	20.0	0				100.0	20.0					20.0
Direct Delivery Nursing Teams	Staff Room	1	4.0	0				100.0	4.0					4.0
CHP	Patient Toilet	2	2.5	0				100.0	5.0					5.0
Therapy Clinical Space	Podiatry Clinical Room/Consultation Room	2	16.5	0				100.0	33.0					33.0
Therapy Clinical Space	Storage Room (podiatry)	1	14.0	0				100.0	14.0					14.0
Therapy Clinical Space	SALT Room/Consulting Room	1	20.0	0				100.0	20.0					20.0
Therapy Clinical Space	Store (Medicine)	1	10.0	0				100.0	10.0					10.0
Therapy Clinical Space	Consulting Room (GP/ podiatry)	2	14.0	0				100.0	42.0					42.0
Therapy Clinical Space	Reception Room (Medicine)	1	14.0	0				100.0	14.0					14.0
Therapy Clinical Space	Waiting Area	1	21.5	0				100.0	21.5					21.5
CHP	Patient's Toilet Disabled	1	5.0	0				100.0	5.0					5.0
CHP Staff	Staff Changing allowance (enhancement) per average No. of Staff	2	0.7	0				100.0	14.7					14.7
CHP Staff	Staff Rest Room (enhancement) per additional staff member	2	1.2	0				100.0	30.0					30.0
Social Work Services	Social Services Office per WTE (2 CM +2 OTs +2 OTAs)	2	5.5	0						100.0	27.5			27.5
Social Work Services	Staff Rest Room (enhancement) per additional staff member	2	1.2	0						100.0	6.0			6.0
Others Prime Area	Retail Pharmacy	1	120.0	0								100.0	120.0	120.0
Common Support Areas	Entrance / Print Bay (Large - 7 + Doctor Practice)	1	10.0	+6.4	4.6	24.4	2.5	26.4	2.6	2.3	0.2			10.0
Common Support Areas	Female Patients / Visitors Toilet(s)	2	2.5	+6.4	4.6	24.4	2.5	26.4	2.6	2.3	0.2			10.0





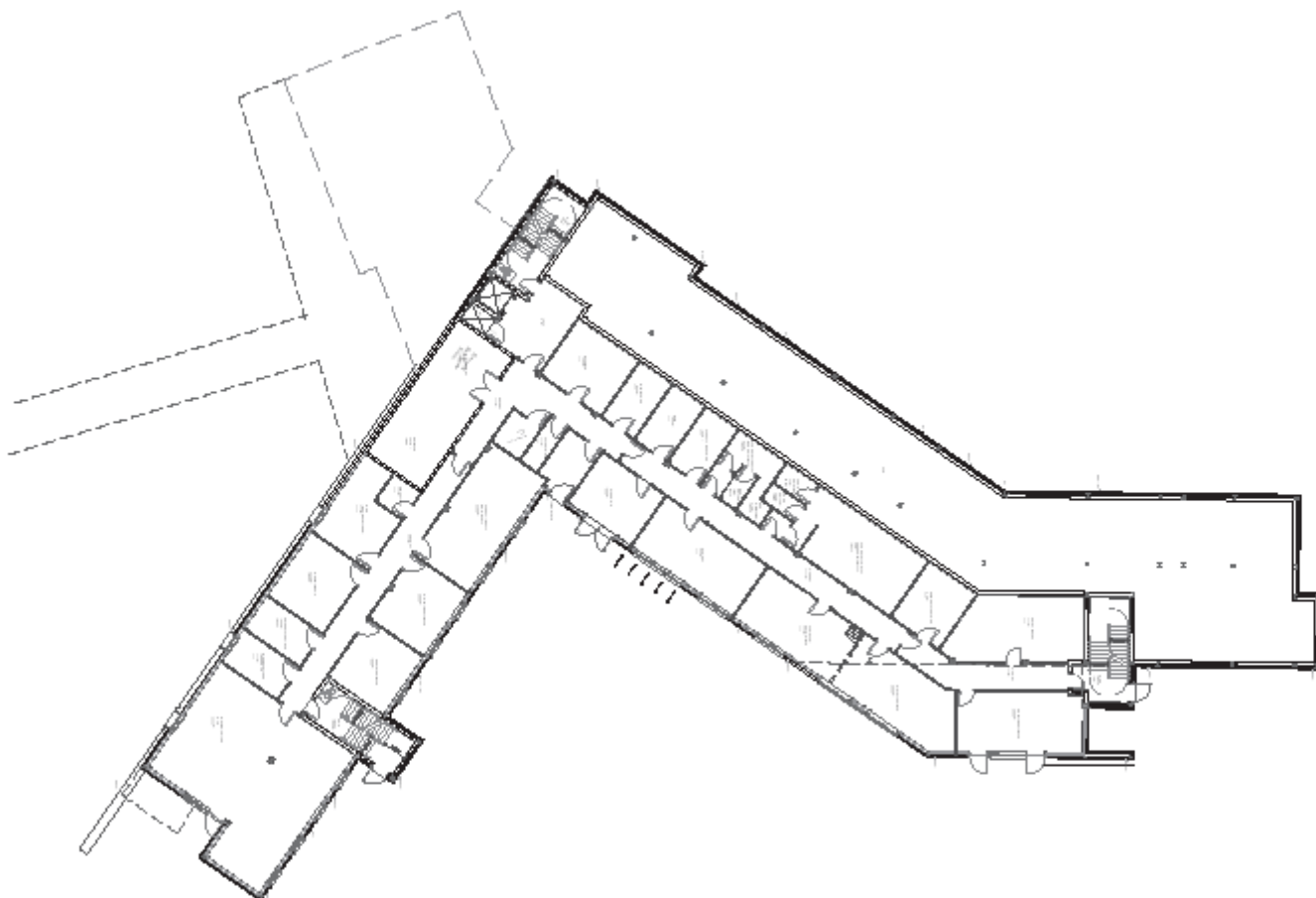
	
47 WILSON STREET, ABERDEEN, AB13 3QA T: 01224 832051 F: 01224 832050 E: info@hubsouthscotland.co.uk W: www.hubsouthscotland.co.uk	
PROPOSED HEALTH CENTRE	
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GROUND FLOOR PLAN	
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PROPOSED HEALTH CENTRE			
FIRST FLOOR PLAN			
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PRELIM			
DATE: 14.15	SCALE: 1:250		
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PROPOSED HEALTH CENTRE	
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PROPOSED HEALTH CENTRE	
LOWER GROUND FLOOR PLAN	
1:125 (1:250 @ A3)	
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Appendix 12: Design Statement (IHCH)

From: Grant Susan (NATIONAL SERVICES SCOTLAND)
Sent: 03 August 2015 16:30
To: Mathieson Stan (NHS GRAMPIAN)
Cc: Heather Chapple (heather@ads.org.uk); stephen.mcphail@ads.org.uk
Subject: 20150803 Inverurie Health & Care Hub Planning Update - Conference Call

Good Afternoon Stan

Further to our call on Thursday, I attach the following DRAFT on NDAP....

"The Scottish Government Health Directorates' purpose in developing and implementing [NDAP] is to ensure that the outcomes of development projects meet the Government's, [and Boards,] objectives and expectations for public investment. The aim of mapping design into the Business Case process is to support the implementation of the 2010 revision of the Policy on Design Quality for NHSScotland by improving the level of design quality achieved across NHSScotland and, ultimately, the outcomes achieved by doing so."

<http://www.scim.scot.nhs.uk/index.htm>

We (HFS and A+DS) confirm dialogue under NHSScotland Design Assessment Process (NDAP) is progressing for both the development of the Inverurie and Foresterhill Health Care projects.

NDAP provides an independent assessment of design quality and functionality, including technical and sustainability standards, to provide comfort to the Board and CIG that the procurement is anticipated to deliver on their expectations. It is not expected that detailed information is available at OBC stage but this information should be sufficient to robustly provide the quality and budget certainty required for this stage.

The OBC stage design information is not yet fully available/ assessed, to allow formal NDAP reporting to the Board. We would anticipate additional dialogue over the next few weeks to allow NDAP to be satisfactorily progressed, and any Board risks assessed, prior to formal NDAP reporting on both projects and consideration by the SGHSC Capital Investment Group (CIG) for approval. NDAP is a mandatory process as part of The Scottish Capital Investment Manual (SCIM) business case guidance for all NHSScotland infrastructure projects over £2m, as CEL 19 (2010) Scottish Government's Policy on Design Quality for NHSScotland.

We attach A+DS email below of 1st July 2015 which summarises various design aspects that will require to be developed as the Inverurie project develops. We also note the response email of 9th July, which attached a high level M&E Strategy a high level Energy Strategy; and a Design statement that most of these aspects are ongoing and will be progressed as part of the FBC submission. The level of submitted information, e.g. Landscape, M&E, Energy, Sustainability, Fire are not currently well developed for OBC stage, and though formal technical compliance is reasonably assured under HUB, this design's optimisation and long-term best value, particularly for operational issues, e.g. sustainable energy /pass-through costs, are not yet evidenced.

Foresterhill Health care project was developed under Framework Scotland pre 2009, and its resurrection via HUB will therefore be covered by NDAP as a 'transitional' project. A short-list of Board objectives/recommendations for design development should be formalised, following our 7th July workshop on Achieving Excellence in Design Evaluation Toolkit (AEDET) for the 'baseline' 2009 design. This will aid the future design review of this project without losing the considerable investment to date. We currently have no information other than initial floor plans to formalise our NDAP review for this stage.

We look forward to seeing both projects progress, and will work with the Board during next few weeks to ensure NDAP assists them to understand / assess and quantify their potential risks going forward to the next procurement stage. We would recommend the Board reassure themselves that sufficient time and costs are allowed to minimise these risks and enable successful outcomes for both Inverurie and Foresterhill health care projects.

Best regards
Susan

Susan Grant
Principal Architect

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NHS National Services Scotland
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From: Heather Chapple [<mailto:Heather.Chapple@ads.org.uk>]
Sent: 01 July 2015 09:56
To: Mathieson Stan (NHS GRAMPIAN)
Cc: Grant Susan (NATIONAL SERVICES SCOTLAND); Langler Janine (NHS GRAMPIAN); Stephen McPhail
Subject: RE: Inverurie Health & Care Hub Planning Update - Conference Call

Stan

Further to the phone meeting last week, below are brief notes from Susan and myself on the aspects discussed to inform the current design development stage in the lead up to planning and an OBC appraisal. We trust they're of assistance, and look forward to talking further this afternoon.

Kind Regards

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Heather

Inverurie – Aspects for Design Development

Site strategy: We recommend the team develop the hard and soft landscape design to address the substantive concerns noted on the over marked drawing returned in November 2014, notably:

- impact of parking on approach setting, and visibility to entrances.
- primacy and quality of pedestrian routes
- Formation of a heart of site as a space of meaning (not a finger of parking)
- Maintaining the privacy and setting of the existing buildings, particularly the single storey wards.
- Maintenance of impression of site as pavilions in parkland, rather than pavilions in a car park.
- Provision of private garden spaces for use by existing facilities and CMU.
- connectivity of landscape areas for both use and biodiversity.

To support the above, we recommend a landscape architect be employed to help assess and develop these key aspects at a formative level, not simply to select species to fit into spaces left by architect.

The total walking distance to GP rooms (which are placed distant from local roads) remain a concern, but one that the scheme is beyond resolving in terms of placement of departments on the site. More should be done to improve the nature of routes and the distribution of seating to reduce distances walked in each stage and particularly the distance from waiting to consulting (See [Quality and Efficiency](#) publication).

Architectural response: The elevational drawings presented were described by the team as largely a result of internal space planning decisions, preferences for materials/forms voiced by the planning department and an idea of coloured panels to test the response from planning. Whilst recognising the 3d sketches and elevations are in early development, they do not currently describe an attractive, considered and cohesive design proposition that sits comfortably in this sensitive setting. We recommend that the team significantly develop this aspect of the proposal, that they analyse the existing built context and develop a building proposition that learns and responds to that, potentially (but not necessarily) through aspects such as proportion, horizontality of some elements, celebration of key events/spaces. We refer the team to the Historic Scotland & A+DS publication '[New Design in Historic Settings](#)' to inform the design development.

New proposals should be drawn in context with existing buildings and landscape features, as important elements of the composition. Key aspects of the proposition, such as materiality, fenestration, doors and canopies require to be accurately drawn (frame thickness, shadow depth to recess etc), to demonstrate the qualities anticipated.

Courts: The open court at the entrance and the two enclosed courts within the development should be designed to encourage use, and manage the proximity with adjacent occupied spaces. We encourage the team to reconsider the spaces placed around the northern court to better exploit this investment, reduce conflicts of privacy, and provide the GP waiting area with a south facing space with secure external area to view and use. (For safety/security, we assume all key waiting areas are discretely supervised by occupied staff areas?).

As above, the addition of a skilled landscape architect will support the design development of these spaces into a useable place rather than a visual amenity and maintenance burden. As discussed the potential for community garden partnerships could greatly enhance the potential for these courtyards amenity, as part of green-exercise 'prescription'.

CMU : the location of the out of hours access appears unclear from arrival routes (un-intuitive/ reliant on signage). The daycare room is located so that it's potentially visible from public routes,

limiting privacy of women. These issues should be developed to resolve this, in plan, elevation and landscaping. Acoustic breakout from LDRP, again the design detail and landscape should be developed to reduce this issue.

Staff areas: the provision of many separate offices in different areas around the building is contrary to the integration agenda and national expectations. We encourage the team to reconsider the position of the plant room away from the front elevation to allow staff rest areas to be placed where it would be more readily accessed by staff from a range of disciplines and access to external areas.

These aspects need to be fully addressed through substantive developments of the building and landscape design in order to secure a supportive response to planning and in relation to the human experience element of the OBC assessment. Further, the additional information below is needed at OBC appraisal stage to provide a rounded response to outline case:

- M&E Strategies
- Energy Strategy
- Fire Strategy
- Key routes, e.g. patient to GP, visitor to CMU, FM to stores, waste, emergency transfer (note: recent issue in Glasgow HC required spec change for a 'stretcher' lift)

In addition, contact details for the planning officer would be appreciated.

Heather Chapple | Head of Design Forum | Architecture and Design Scotland
T: +44 (0)131 556 6699 | www.adis.org.uk
P: Bakehouse Close | 146 Canongate | Edinburgh | EH8 8DD

Glasgow Office | T: +44 (0) 141 204 3635 | E: info@adis.org.uk
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Appendix 13a: Revenue Consequences for Preferred Option (IHCH)

Inverurie Development - Outline Business Case 2015 for Reprovision of AccommodationOption 2 - Preferred Option - New Build Inverurie Hospital Site

Appendix 6a

Apportionment of Unitary Charge - First Full Year of Operations - 2018/19

Cost per m2	GP's	GMS	CHP Share	Dental	Maternity	Total
Gross Internal Floor Area for Rent & Rates		1,768.9	1,176.4	327.2	689.7	3,960.2
Gross Internal Floor Area for Other Running Costs	1,560.6		1,382.7	327.2	689.7	3,960.2
RUNNING COSTS						
	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)
(Baker Tilly Model - First Full Year of Operations - 2018/19)	6.0	1.3	65.2	17.3	36.4	126.2
Rates	38.00	67.1	44.7	12.4	26.2	150.5
Water Rates	5.00	8.8	5.9	1.6	3.4	19.8
Refuse Collection	2.00	3.5	2.4	0.7	1.4	7.9
Insurance (Buildings)	4.00	7.1	4.7	1.3	2.8	15.8
Heating (Gas)	18.00	25.0	22.1	5.2	11.0	63.4
Electricity	15.00	23.4	20.7	4.9	10.3	59.4
Domestic Services	24.29	65.85	28.0	8.5	42.7	115.1
Window Cleaning	0.40	0.6	0.6	0.1	0.3	1.6
Maintenance (Authorities Obligations)	2.00	3.1	2.8	0.7	1.4	7.9
Soft FM	2.00	3.1	2.8	0.7	1.4	7.9
Grounds	0.74	1.2	1.0	0.2	0.5	2.9
TOTAL ANNUAL RUNNING COSTS	109.43	98.3	200.8	53.6	137.9	578.5

<u>Sources of Funding</u>						
Inverurie Hosp, Aboyne Maty & Fraserburgh Maty Savings			86.4	16.3	30.5	133.1
Inverurie HC Saving		45.2	33.1			78.3
Existing Funding (Practice)						
Heat & Power	(	21.0				21.0
Domestic Services	(	22.3				22.3
Window Cleaning	(	0.0				0.0
Maintenance N/A - Reimbursed	(	0.0				0.0
Grounds	(	0.0				0.0
Assume Practice Funds its Shortfall		43.3	45.2	119.5	16.3	254.7
Practice additional revenue requirement (Running Costs)		55.0				55.0
Gross Available Resource		98.3	45.2	119.5	16.3	309.7
Net Funding Shortfall		0.0	42.7	81.3	37.4	268.8

Shortfall Relating to Unitary Charge	N/A	1.3	65.2	17.3	36.4	120.2
Shortfall Relating to Running Costs	N/A	41.4	16.1	20.1	71.0	148.6
Shortfall Relating to Running Costs before 3rd party contributions	55.0	41.4	16.1	20.1	71.0	203.6

NOTES

General -
 Inflation -
 Practice -
 Unitary Charge -

Figures in this table reflect the estimated revenue consequences of the preferred option assuming a hubCo procurement.
 Costs reflect price levels as at 2015/16, inclusive of VAT where applicable.
 It is assumed the Practice will meet any additional costs incurred by them that are not reimbursable through GMS.
 First Full Year of Operations (2018/19) figure from Financial Model.

Appendix 13b: Revenue Consequences for Preferred Option (FHC)

Foresterhill Health Centre Development - Outline Business Case 2015 for Reopvision of Accommodation

Option 2 - Preferred Option - New Build Foresterhill Health Centre

Appendix 6 b

Apportionment of Unitary Charge - First Full Year of Operations - 2018/19

Cost per m2	Elmbank GP Area sq. m.	Westburn GP Area sq. m.	CHP Area sq. m.	Social Work Area sq. m.	Retail Pharmacy Area sq. m.	GMS	Total	
Gross Internal Floor Area for Rent & Rates			631.9	54.8	123.3	1,704.0	2,514.0	
Gross Internal Floor Area for Other Running Costs	963.5	515.9	856.5	54.8	123.3		2,514.0	
RUNNING COSTS								
	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)	
(Per Model - First Full Year of Operations - 2018/19)	2.8	1.5	55.8	3.8	8.0	1.1	72.9	
Rates	50.00	0.0	0.0	0.0	0.0	0.0	0.0	
Water Rates	1.43	0.0	0.0	31.6	2.7	6.2	125.7	
Refuse Collection	1.12	0.0	0.0	0.9	0.1	0.2	3.6	
Insurance (Buildings)	0.00	0.0	0.0	0.7	0.1	0.1	2.8	
Heating (Gas)	4.20	4.0	2.2	3.6	0.2	0.5	10.6	
Electricity	5.27	5.1	2.7	4.5	0.3	0.7	13.3	
Domestic Services	15.97	15.4	8.2	13.7	0.9	2.0	40.1	
Window Cleaning	0.40	0.4	0.2	0.3	0.0	0.0	1.0	
Maintenance (Authorities Obligations)	2.00	1.9	1.0	1.7	0.1	0.2	5.0	
Soft FM	0.80	0.8	0.4	0.7	0.0	0.1	2.0	
Grounds	1.10	1.1	0.6	0.9	0.1	0.1	2.8	
TOTAL ANNUAL RUNNING COSTS	82.29	0.00	31.5	16.9	114.5	8.1	18.2	
							90.7	
279.8								
Sources of Funding								
Foresterhill HC Saving		0.0	0.0	27.6	0.0	2.4	27.7	57.8
Existing Funding (Practice)								
Electricity	(4.3	2.2	4.0	0.0	0.5	0.0	11.0
Gas	(3.4	1.7	3.2	0.0	0.5	0.0	8.7
Cleaning	(12.9	6.6	13.3	0.0	0.5	0.0	33.3
Window Cleaning	(
Maintenance N/A - Reimbursed	(
Grounds	(
Assume Practice Funds its Shortfall		20.5	10.5	48.1	0.0	3.9	27.7	110.8
Practice additional revenue requirement (Running Costs)		11.0	6.3	0.0	0.0	14.3	0.0	31.6
Gross Available Resource		31.5	16.9	48.1	0.0	18.2	27.7	142.4
Net Funding Shortfall		0.0	0.0	66.4	8.1	0.0	62.9	137.4
Shortfall Relating to Unitary Charge		N/A	N/A	55.8	3.6	N/A	1.1	60.5
Shortfall Relating to Running Costs		N/A	N/A	10.6	4.5	N/A	61.8	76.9
Shortfall Relating to Running Costs before 3rd party contributions		11.0	6.3	10.6	4.5	14.3	61.8	108.5

NOTES

General -
Inflation -
Practice -
Unitary Charge -

Figures in this table reflect the estimated revenue consequences of the preferred option assuming a hubCo procurement.
Costs reflect price levels as at 2015/16, inclusive of VAT where applicable.
It is assumed the Practice will meet any additional costs incurred by them that are not reimbursable through GMS.
First Full Year of Operations (2018/19) figure from Financial Model.

Appendix 14: IFRIC 12- Risk Assessment

Caledonian Economics

NHS Grampian

**Inverurie Health and Care Hub & Foresterhill Health
Centre DBFM**

IFRIC 12

August 2015

Company Registered in Scotland. Company Registration No: 167049



Certificates 08377, 08377/A/0001/UK/En and 08377/B/0001/UK/En

1.1 Introduction

This note has been prepared by Caledonian Economics Ltd in our role as financial advisers to NHS Grampian during the procurement of Inverurie Health and Care Hub and Foresterhill Health Centre DBFM scheme under the hub programme. hub North Scotland Ltd is the private sector partner delivering the scheme. The purpose of this report is to assess the Board's assessment of the project's status under IFRIC 12 as part of the project's Outline Business Case.

1.2 Summary of the project

The Inverurie and Foresterhill health facilities are to be procured through a Design Build Finance and Maintain contract with hub North Scotland Ltd. The contract will take the form of the Scottish Futures Trust Standard Form Contract for hub DBFM projects. The health facilities will be designed, built and maintained by the private sector partner in exchange for an annual service payment over the 25 year life of the project. At the end of the 25 year period, the health facilities will revert to the Board's ownership and control.

IFRIC 12 is an accounting standard interpretation which gives guidance to operators on the accounting for PPP type service arrangements. A PPP service arrangement will be within the scope of IFRIC 12 if the relevant conditions are met¹. The Board's assessment of this position is set out in Appendix 1 to this note.

1.3 Conclusion

The Board's assessment of the project against the scope of IFRIC 12 is shown in Appendix 1 to this note. We are supportive of the Board's conclusion that the project is within the scope of IFRIC 12 based on the expected form the project will take under the standard form DBFM contract. This does not form a comment as to the balance sheet status of the project for national accounts purposes.

This assessment will be need to be revisited at the full business case stage as the project's commercial development will inevitably mean that derogations are made to the standard form contract (either to address project specific issues, or to address ESA2010 compliance issues). Although this is not expected to change the IFRIC assessment, firm conclusions should not be drawn at this stage given we cannot anticipate what form these contractual changes are likely totake.

¹ IFRIC Interpretation 12 Service Concession Arrangements – paragraphs AG1 to AG8.

Appendix 1 – IFRIC 12 assessment

Criteria	Yes/No	Evidence	Conclusion
1. Does the grantor control or regulate what services the operator must provide with the infrastructure, to whom it must provide them, and at what price?	Yes	The Operator is required to make the Project facilities available to the Authority for use as Health Care and Medical Centres under the terms of the draft Project Agreement ² .	Within The Scope Of The Interpretation
2. Does the grantor control through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the service arrangement or Is the infrastructure used in the arrangement for its entire useful life?	Yes	The draft Project Agreement provides that the Operator's rights and responsibilities shall cease on expiry of the Term ³ .	Within The Scope Of The Interpretation

² Standard Form Project Agreement (hub DBFM Projects) – Part 6 Services; Schedule Part 12 (Service Requirements), Section 1 Service Level Specification and Section 2 Method Statements; Schedule Part 6 (Construction Matters), Section 3 Authority's Construction Requirements.

³ Ibid. – clause 43

Criteria	Yes/No	Evidence	Conclusion
3. Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement?	Yes	New build facilities for the purpose of the service agreement ⁴ .	Within The Scope Of The Interpretation
4. Is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?	n/a	n/a	n/a
5. Does the operator have a contractual right to receive cash or other financial asset from or at the direction of the grantor as described?	Yes	There will be a contractual requirements to pay a unitary charge as the result of the arrangement ⁵ .	Operator recognises a financial asset to the extent that it has a contractual right to receive cash or another financial asset as described in paragraph 16 of the IFRIC

⁴ Ibid. - Schedule Part 6 (Construction Matters), Section 3 Authority's Construction Requirements.

⁵ Ibid. - Clause 34.1 and Schedule Part 14 (Payment Mechanism)

Criteria	Yes/No	Evidence	Conclusion
6. Does the operator have a contractual right to charge users of the public services as described?	n/a	n/a	n/a
Conclusion: IFRIC 12 Service Concession Arrangements			

Appendix 15a: Benefits Realisation Plan (IHCH)

Benefits Realisation Plan – Inverurie Health and Care Hub							
IDENTIFICATION		REALISATION					
Ref No.	Benefit	Who Benefits	Who is responsible	Investment Objective	Dependencies	Support Needed	Date of Realisation
1.	Enhanced provision of antenatal and post-natal outpatient and screening services for pregnant women reducing dependency on AMH	Women, staff, AMH	Service Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	Patients attending the new service. Building a positive reputation with local community prior to availability of The Baird Family hospital	Engagement of staff and local community	2018
2.	Improved access to maternity services locally to promote engagement in vulnerable groups. Women choose to come to the Inverurie CMU to give birth	Women, staff, AMH	Service Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	Patients attending the new service. Building a positive reputation with local community prior to availability of The Baird Family hospital	Engagement of staff and local community	2018
3.	Ability to provide full Orthopantomogram (OPG) assessment locally in Garioch area	Patients and staff	Service Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	Availability of equipment	Availability of equipment	2020
4.	Improved range of specialist services available locally (x-ray, consultancy, AHP services) decreasing the need for local people to travel to Aberdeen	Patients and staff	Service Lead(s)	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 4. Solution will support the move towards health and social care integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning 6. Good access to services in terms of public transport, car parking, timely appointments but also easy way finding through the facility	Patients attending the new service Stakeholder buy-in	Promotion of services to the patients Stakeholder engagement	2019
5.	Provide increased number of group treatments (AHPs, Midwives, Health Visitors)	Patients and staff	Service Leads	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by	Service support to provide group treatments Patients attending the	Service redesign support Promotion of services	2020

	etc.) to reduce waiting times			improving access to services, health information and patient education 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 4. Solution will support the move towards health and social care integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	services		
6.	GP Practice ability to cope with the increasing population of the Inverurie Community	Patients, staff and wider community	GP Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 6. Good access to services in terms of public transport, car parking, timely appointments but also easy way finding through the facility 8. Provides flexible, modern, high quality accommodation with expansion capability built in to allow future growth if the population need requires it	Enough GP staff available to cope with demand	Promoting GP Practice as a good place to work	2019
7.	Improved formal and informal communication between health and social care services due to the co-location of services	Patients and staff	Service Leads	4. Solution will support the move towards Health and Social care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy 9. Ability to move forward with Health and Social Care Integration working with Community Planning partners e.g. Local Authority and Third Sector	Dependent on continued joint working of staff	Support and buy-in from all services to continue good communication	2019
8.	Increased GP clinical time available due to the co-location of hospital and GMS services	Patients and staff	GP Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need. 5. Supports improvements in health and social care through timely access to diagnosis, treatment or improved learning for people	GP Practice being able to manage potential increase in demand due to new location	Support for Practice in ensuring they maintain their optimum list size	2019
9.	Overall improvement in patient experience for all services	Patients and staff	Service Leads Public Involvement Officer	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need. 5. Supports improvement in health and social care through timely access to	Services identifying appropriate patient staff groups to provide satisfaction rating	Support from Public Involvement team to design meaningful and measurable methodology to capture this information	2019

				diagnosis, treatment or improved learning for people 6. Good access to services in terms of public transport, car parking, timely appointments but also easy way finding throughout the facility 7. Patient and staff safety to be improved through creating of a fit for purpose building with good access and health and safety standards			
10.	Improves the physical condition of the healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises that are too small and require significant investment in terms of backlog maintenance. 3. Better facilities to ensure continued and further improved teaching medical training for future healthcare professionals. 7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards 8. Provides flexible, modern, high quality accommodation with expansion capability built-in to allow future growth	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018
11.	Reduces the age of the healthcare estate	NHS Grampian	Property and Asset Development Team	1. Need to vacate premises that require significant investment in terms of backlog maintenance 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 7. Patient and staff safety to be improved through creation for a fit for purpose building with good access and health and safety standards. 8. Provides flexible modern, high quality accommodation with expansion capability built-in to allow future growth	Successful completion of enabling and demolition works	Work with NHS Project team to ensure completion of enabling and demolition works	2019
12.	Reduces backlog maintenance	NHS Grampian	Property and Asset Development Team	1. Need to vacate premises that require significant investment in terms of backlog maintenance	Successful completion of enabling and demolition works	Work with NHS Project team to ensure completion of enabling and demolition works	2019
13.	Reduces carbon emissions and energy consumption	NHS Grampian	Property and Asset Development Team/Project Team	7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards	Dependent on sustainable design and design specification	The technical specification has been developed with technical advisors and HFS	2020
14.	Improve functional suitability of healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises that require significant investment in terms of backlog maintenance 7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018
15.	Improves the quality of the	Patient	Property and Asset	1. Need to vacate premises that require	Dependent on clear	Work with health	2018

	healthcare estate	Staff NHS Grampian	Development Team and Project Team	significant investment in terms of backlog maintenance 7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards	Authority Requirements (Technical Brief)	planners, HFS and technical advisors to ensure clear technical specification	
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Appendix 15b: Benefits Register (IHCH)

Benefits Register – Inverurie Health and Care Hub						
IDENTIFICATION						PRIORITISATION
Ref No.	Benefit	Assessment	As measured by:	Baseline Value	Target Value	Relative Importance
1.	Enhanced provision of antenatal and post-natal outpatient and scanning services for pregnant women reducing dependency on AMH	Quantative and Qualitative	Number of scans at inverurie and %age number of total scans in Grampian Number of appointments for consultant and specialist clinics and %age number of total appointments in Grampian Patient survey – what was the place of choice for scan in was it available	0 0 Need to ensure if this data is available – do we ask patients for their place of choice?	To be agreed with service To be agreed with service To be agreed with service	5
2.	Improved access to maternity services locally to promote engagement in vulnerable groups. Women choose to come to the Inverurie CMU to give birth	Quantative	%age of amber/red (vulnerable groups) from Garioch community accessing consultant specialist clinics	Need to ensure this data is available – is this from public health profiles?	To be agreed with service	5
3.	Ability to provide full Orthopantomogram (OPG) assessment locally in Garioch area	Quantative	The number of patients receiving an OPG in year 1	0 – machine not available	To be agreed with service	4
4.	Improved range of specialist services available locally (x-ray, consultancy, AHP services) decreasing the need for local people to travel to Aberdeen	Quantative	Number of specialist services available in year 1 and Year 3 Total number of x-rays performed in Year 1 and Year 3 Total number of Inverurie Hospital in-patients that receive an x-ray locally in Year 1 and Year 3	0 0 0	Service(s) to advise Year 1 and Year 3	4
5.	Provide increased number of group treatments (AHPs, Midwives, Health Visitors etc.) to reduce waiting times	Quantative	Number of group treatment sessions available now, Year 1 and Year 3 Potential number of patients that could attend each group treatment session, available now, Year 1 and Year 3	Services to advise numbers for now Service to advise numbers for now	Services to advise for Year 1 and Year 3	4
6.	GP Practice ability to cope with the increasing population of the Inverurie Community	Quantative	Number of patients seen per week, now, year 1 and Year 3	Service to advise numbers for now	Services to advise for Year 1 and Year 3	5
7.	Improved formal and informal communication between health care services due to the co-location of services	Qualitative	Staff satisfaction rate now, Year 1 and Year 3	Services to provide satisfaction rating as of now	Services to provide target for Year 1 and Year 3	4
8.	Increased GP clinical time available due to the co-location of hospital and GMS services (less wasted	Quantative	Number of hospital visit slots per week, now, Year 1 and Year 3	Service to confirm numbers for now	Service to confirm number for Year 1	4

	time due to travel)				and Year 3	
9.	Overall improvement in patient experience for all services	Qualitative	Patient satisfaction rating improves across all services Number of complaints per service is reduced	Services to confirm current patient satisfaction rating Services to confirm current number of complaints per year	Services to confirm target level based on baseline data collected	5
7.	Improves the physical condition of the healthcare estate	Quantative	Proportion of current Health Centre as either A or B for physical condition	GL to advise	100%	5
8.	Reduces the age of healthcare estate	Quantative	Proportion of NHSG estate less than 30 years old Proportion of Health Centre buildings less than 30 years old	From EAMS	100%	4
9.	Reduces backlog maintenance	Quantative	Reduce backlog maintenance burden	GL to confirm 2015/16 figure	£0	4
10.	Reduces carbon emissions and energy consumption	Quantative	Percentage reduction on CO2 emissions and energy consumption for Health Centre	2015/16 Energy consumption rate and energy costs	2018/19 emission rate and energy costs	4
11.	Improves functional suitability of Health Care estate	Quantative	Proportion of current health centre categorised as either A or B for functional suitability	%age A-B %age C-D	Excellent 100% A-B	5
12.	Improves the quality of the Healthcare Estate	Qualitative	Proportion of current health centre categorised as either A or B for Quality	%age A-B %age C-D	Excellent 100% A-B	5

Appendix 16a: Benefits Realisation Plan (FHC)

Benefits Realisation Plan – Foresterhill Health Centre							
IDENTIFICATION		REALISATION					
Ref No.	Benefit	Who Benefits	Who is responsible	Investment Objective (as per business case)	Dependencies	Support Needed	Date of Realisation
1.	Increase range of services for patients: General Practice Allied Health Professionals Pharmacy	Patients, staff and wider community	Lead GP Lead AHP Lead Pharmacist	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 10. Ability to move forward with Health and Social Care Integration working with community planning partners	Appropriately trained staff to deliver the service	Agreed contractual arrangements to support funding of additional posts	2020
2.	Delivery of new ABPI service (Doppler Clinic)	Patients Acute Service Staff	Lead AHP	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 5. Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people	Accommodation being available; training and equipment for staff Communication between professions	Management of demand; service planning and communication	2020
3.	Redesign of GP input to substance misuse LES in a primary care setting	Patients Staff Substance Misuse service	GPs Pharmacy Lead Substance Misuse Service Manager	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 5. Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of	Stakeholder buy in and commitment	Stakeholder engagement	2020

				room occupancy 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people 10. Ability to move forward with Health and Social Care Integration working with community planning partners			
4.	Access to increased range of pharmacy services both NHS employed and retail pharmacists	Patients, attached services, wider community	Public Health Retail Pharmacy General Practice	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 5. Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people	Stakeholder and community buy –in and offer and use of services	Stakeholder and community engagement	2020
5.	Access to third sector community support: Self care Welfare Rights Social Isolation	Patients, third sector agencies, wider community	Public Health Co-ordinator Patient and Public Information Officer	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people 10. Ability to move forward with Health and Social Care Integration working with community planning partners	Availability of services via third sector and ability to cope with demand	Third sector engagement	2019
6.	Improved recruitment and retention for all services located within new development	Services NHS Grampian Wider community	Each service lead	4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 5. Move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources	Availability of suitable qualified people applying for vacancies	Promotion of the Health Centre as a good place to work	2019
7.	Improves the physical condition of the healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises to allow for the Baird Family Hospital 2. Need to vacate premises that require significant investment in terms of backlog maintenance	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018
8.	Reduces the age of the healthcare estate	NHS Grampian	Property and Asset Development Team	1. Need to vacate premises to allow for the Baird Family Hospital	Vacated space is used for The Baird Family	Work with NPD Project Team to ensure that	2020

				2. Need to vacate premises that require significant investment in terms of backlog maintenance 8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Hospital	the vacated space is used for The Baird Family Hospital	
9.	Reduces backlog maintenance	NHS Grampian	Property and Asset Development Team	2. Need to vacate premises that require significant investment in terms of backlog maintenance 8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Vacated space is used for The Baird Family Hospital	Work with NPD Project Team to ensure that the vacated space is used for The Baird Family Hospital	2020
10.	Reduces carbon emissions and energy consumption	NHS Grampian	Property and Asset Development Team/Project Team	8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Dependent on sustainable design and design specification	The technical specification has been developed with technical advisors and HFS	2020
11.	Improve functional suitability of healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018
12.	Improves the quality of the healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises to allow for the Baird Family Hospital 2. Need to vacate premises that require significant investment in terms of backlog maintenance 8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018

Appendix 16b: Benefits Register (FHC)

Benefits Register – Foresterhill Health Centre						
IDENTIFICATION						PRIORITISATION
Ref No.	Benefit	Assessment	As measured by:	Baseline Value	Target Value	Relative Importance
1.	Increased range of services: a) General Practice b) Allied Health Professionals c) Pharmacy	Quantatively via service appointments Qualatively via patient experience	No. Of patients attending appointments with a) General Practice b) Allied Health Professionals c) Pharmacy	Weekly appointment rate to be confirmed	Will be agreed when data is available	5
2.	Introduction of ABPI service (Doppler Clinic)	Quantatively via referral rates Qualatively via patient experience	Reduction in number of appointments to acute service	No of referrals to acute sector to be confirmed by Podiatry	Will be agreed when baseline value is confirmed	4
3.	Redesign of GP response to Local Enhanced Service for substance misuse in a primary care setting	Quantatively via referral rates Qualatively via patient experience	Reduction in referral rates to acute service	Current number of patients on substance misuse enhanced service list to be confirmed by GP Practice	Will be agreed when baseline value is confirmed	5
4.	Increased range of pharmacy services both NHS employed pharmacists and retail pharmacist	Quantatively via patients accessing services Qualitatively via patient experience	Nos of patients attending pharmacy services	0 for both NHS employed pharmacist and retail pharmacist	Will be advised when discussion around services to be offered is agreed	5
5.	Access to third sector community support: Self care Welfare Rights Social Isolation	Quantatively via referral rates to these services Qualatively via patient experience	Number of patients attending services	0	To be advised by Third Sector partners regarding their capacity	4
6.	Improved recruitment and retention for all services located within new development	Quantatively via numbers of new starts and %age turnover	Less time to wait for successful applicants and reduction in staff turnover percentage	Services to confirm current waiting time to fill vacant posts Services to confirm current %age of staff turnover	Will be agreed when data is confirmed	5
7.	Improves the physical condition of the healthcare estate	Quantative	Proportion of current Health Centre as either A or B for physical condition	GL to advise	100%	5
8.	Reduces the age of healthcare estate	Quantative	Proportion of NHSG estate less than 30 years old Proportion of Health Centre buildings less than 30 years old	From EAMS	100%	4
9.	Reduces backlog maintenance	Quantative	Reduce backlog maintenance burden	GL to confirm 2015/16 figure	£0	4
10.	Reduces carbon emissions and energy consumption	Quantative	Percentage reduction on CO2 emissions and energy consumption for Health Centre	2015/16 Energy consumption rate and energy costs	2018/19 emission rate and energy costs	4

11.	Improves functional suitability of Health Care estate	Quantative	Proportion of current health centre catergorised as either A or B for functional suitability	%age A-B %age C-D	Excellent 100% A-B	5
12.	Improves the quality of the Healthcare Estate	Qualitative	Proportion of current health centre categorised as either A or B for Quality	%age A-B %age C-D	Excellent 100% A-B	5

Appendix 17: Public Stakeholder Involvement

**Inverurie Project – summary of work to date
March 2015**

1. Background

- 2006 Formal Consultation
Formal Consultation held in 2006 – Older People's Services, Diagnostic & Treatment Services and Maternity Services in Aberdeenshire proposed a redesign of services for older people, including services for people with dementia, as well as the implementation of the Older People's Strategy, with more shift from long stay hospital care to community based support and rehabilitation at home and in the community . The consultation report recommended 'an increase in rehabilitation beds and the withdrawal from long stay hospital based services across Aberdeenshire for older people' and 'the development of locally based diagnostic and treatment services'. In the approval letter (Andy Kerr MSP, December 2006), the Minister of Health and Community Care, accepted the proposals for Older People's Services and Diagnostic & Treatment Services.
- Garioch Life Centre
In 2006, planning was submitted for the Garioch Life Centre – intended to be a focus for healthy living in the Garioch area. A detailed planning and engagement exercise took place, however the proposals were halted at the final stage.
- NHS Grampian Pathfinder
Inverurie was chosen as one of the community pathfinder projects as part of the development of the NHS Grampian Health and Care Framework (now referred to as 'Healthfit 2020'), to look at the health and care needs of the Garioch population. The aim of the pathfinder was to develop a model for health and care services that will help inform future service provision in Grampian.
- Pathfinder events
A number of planning and engagement exercises were held in the first two years of Pathfinder, from early 2011. Throughout this process, the current health and care needs of the Inverurie population were identified, as well as what the needs will be in the future. A survey was also carried out to collect the views of local people about local health and care services.

Members of the public, representatives from NHS Grampian management, clinicians, local GPs and GP Practice staff, Local Authority and representatives of local groups and organisations (e.g. Community Council, GP Practice Doctor Patient Group) have all been involved in meetings, events and workshops to date.

2. Initial Agreement

The Initial Agreement focuses on the development of new GP practice facilities, new dental facilities, a Community Maternity Unit (CMU) and Diagnostic and Treatment services including X-ray = phase 1.

- Some of the facilities at Inverurie Hospital, like those in many other community hospitals, need investment in order to meet current healthcare standards and modern safety regulations. However, the recent additions to the site, including renal dialysis and dentistry, along with the inpatient facilities, are in very good condition.

- The hospital is on a large site (approximately 8.5 acres) that offers excellent potential for expansion. With the current use and potential expansion in the future, it is expected that the whole site will be retained for NHS purposes.
 - (From IA) The purpose of the IA is to set out the case for change and the need for investment which will enable the development of a new Health Centre and CMU and establish a model of care which brings together and integrates a range of health and social care services to create the potential for a 'care hub' for the Inverurie community at a future date. Further details to be developed through OBC / FBC processes, including OA, in line with CEL 4.
- Case for change
This Initial Agreement clearly demonstrates that there is a strong Strategic Case for the investment in the proposed service transformation and supporting facilities in the Inverurie area. The proposed new integrated model of service delivery is fully in line with national and local policies and the strategic direction of NHS Grampian and Aberdeenshire Council in the delivery of health and social care
 - Stakeholder workshops
Two sessions were held around the development of the Initial Agreement. These sessions were attended by a number of key stakeholders – local GP and hospital staff, management, patients, representatives of local groups (e.g. Community Council, GP Practice Doctor Patient Group), local Councillors and representatives from the third sector.
All involved were given opportunities to contribute to, and comment on the Initial Agreement document throughout its development.
 - Benefits
A number of benefits that the proposed investment would bring to a wide range of stakeholders are detailed in the Initial Agreement (pages 25-26, section 2.4), these were discussed and agreed with members of the public and the project team.
 - Approval letter
Approval to proceed with the Inverurie Project, on the bases that the project is delivered as a hub DBFM project, bundled with NHS Highland's Argyll and Bute Mental Health Redesign Project, was received in October 2013. The Scottish Government Health Directorate recommended approval of the Initial Agreement, which was accepted and NHS Grampian was invited to submit an Outline Business Case.
It is noted in the letter that the approval is only for phase one of the project, and that the second phase as described in the Initial Agreement 'would involve a significant element of service change'. In taking forward any preparation for the second phase NHS Grampian will, of course, be expected to comply with the requirements of CEL (4) 2010 and the relevant Scottish Health Council guidance on service change.
- 3. GP Practice**
- Requirement for new facility
The current Health Centre facilities are no longer fit for purpose, and will not cope with the growing population in Inverurie. Although the Inverurie Pathfinder looked at the wider health and care needs of the 'Garioch' population, a key issue for the local people is the need for improved GP facilities. This has been a long standing issue and in recognising this, NHS Grampian has made a commitment to prioritise this piece

of work. Local GPs are supportive of the proposed developments and have been involved in the process throughout.

4. Community Maternity Unit

- Following a major service change process, including significant public engagement, carried out as part of the Maternity Services Review, Inverurie was recommended as the location for a new Community Maternity Unit (CMU) in Aberdeenshire. This was approved by the NHS Grampian Board in June 2012 and by the Cabinet Secretary for Health and Wellbeing in August 2012.

5. Masterplan

In order to ensure that we make best use of the hospital site and consider all the opportunities and constraints, a Masterplanning exercise was carried out in summer 2013.

Stakeholder engagement

- This piece of work was carried out by an external property consultancy company, Ryden, who held two open public consultation events to consult on the draft plans.
- In the time between these two events, changes were made to the Masterplan based on the comments received – this was acknowledged by those who attended the events.
- The finalised Masterplan for the Inverurie Hospital site was ratified by Aberdeenshire Council on 28 August 2013. This means that when any future applications for planning permission on the hospital site are made, the Masterplan will be referred to and used as a material consideration having already been approved by the Local Authority.

6. Dementia Assessment Unit

- Positive discussions with Aberdeenshire Council about the relocation of the Dementia Assessment Unit in Inverurie (currently located in Ashcroft Ward at Inverurie Hospital) have taken place. The Council is building a new care home facility to replace its current facility (Blythewood House). The site is located heading north via North Street and is a Greenfield site on the edge of town.
- This is an opportunity to co-locate services in Inverurie with the potential to improve co-ordination of care for dementia patients, as well as improving the physical environment.

7. Communication & Engagement

- Continuous support
From the outset of the Pathfinder, one of the Public Involvement Officers from the NHS Grampian Public Involvement Team has been working with the CHP to ensure appropriate and consistent communication and engagement. One of the key roles has been to establish a Communication and Involvement subgroup for the project – now an informed group of public representatives involved in many aspects of the project, three of whom sit on the Project Team. This group meet every 4 - 6 weeks.

- Informing

A number of newsletters have been issued since the start of the Pathfinder (total of 8 from June 2011, to the most recent issued in October 2014) and these have been widely circulated.

Information is also available on the 'current projects' page of the NHS Grampian Involving You website.

There has also been ongoing communication with local staff – Global e-mails, update sessions etc.

There was a Public Open Day on 12th November 2014 which shared some of the initial Health and Care Hub plans for the building massing. The open day was well attended and positive support from the public was received. A further Public Open Day is planned for spring 2015 around the same time as the planning application is submitted.

- Engaging

In order to keep members of the local community informed and to give regular opportunities for feedback and views to be expressed, there has been ongoing engagement with a number of groups in the community including: regular attendance at Community Council meetings; dialogue with the Friends of Inverurie Hospital, meetings with the Inverurie Doctor Patient Group. All of these groups are also represented on the Communication and Involvement subgroup which meet every 4 - 6 weeks.

An Option Appraisal workshop was held on 22nd August 2014 to consider different locations in Inverurie for the new facility. The workshop was attended by clinical staff, managers and public representatives. The group worked through a recognised process called an Option Appraisal to agree a preferred location from a service improvement (non-financial) perspective, taking into account benefits such as access e.g. parking and public transport; physical environment and proximity to other services. The option appraisal identified development on the existing Inverurie hospital site as the preferred option from a service and user perspective.

The short list of options identified were then subject to an economic assessment to determine the preferred option from both a financial and non-financial perspective. As a result of this economic assessment the preferred location in terms of service improvement, value for money and affordability is the existing Inverurie hospital site.

Building the new facility on the hospital site is still subject to approval by:

- The Board of NHS Grampian
- The Capital Investment Group, Scottish Government Health and Social Care Directorate
- Planning consent from Aberdeenshire Council.

There is also a Project Team consisting of service management, service users and members of the public. This team meet every month to discuss project updates and emerging plans.

In addition, the public maternity representative attended a day trip along with other Project Team members to visit two maternity units (Dundee Maternity Unit and Lothian Birthing Centre) on 10th November 2014 to get ideas and feedback on existing maternity units.

Through liaison with Architecture and Design Scotland, there were discussions around where on the Inverurie Hospital site the new Health and Care Hub should be located. There was a meeting with the Project Team on 3rd December 2014 to discuss the pros and cons of the two proposed locations and a clear decision was reached to be the location detailed in the Masterplan (east side of the site).

Since October 2014 public representatives on the Project Team have influenced the Architect's emerging 1:200 drawings. The Architect took on board all of the feedback provided by the Project Team and through many meetings, agreement has been reached on iteration K of the 1:200 drawings in February 2015.

- Scottish Health Council
A Scottish Health Council Local Officer is a member of the Communication and Involvement group and is invited to attend all of the group meetings as well as engagement events. Joint evaluation with SHC has also been conducted. There continues to be regular communication between the Grampian Office, Service Change Advisor and NHS Grampian's Public Involvement team.

8. Design Statement

- There has also been extensive engagement on the Design Statement including submissions from the Maternity Services Liaison Committee and from the Project Team. In addition, members of staff at Inverurie Hospital were involved with the preparation of the design statement and over 60 post it notes with feedback were posted on the project noticeboard in the canteen at the hospital. Feedback and engagement took place during October and November 2014.

9. Next steps

- Development of Outline Business Case
The Initial Agreement for 'phase 1' of the Inverurie Project has been approved by NHS Grampian and by the Scottish Government (letter 3rd October 2013) and covers what will be in the new facility. This gives approval to proceed to the next stage of the planning process – Outline Business Case (OBC). The OBC is being prepared at present in line with CEL (4) 2010, for submission to the Capital Investment Group in April/ May 2015. The OBC discusses the site location options as determined from the Option Appraisal workshop. The design team are now developing a plan which will be subject to planning permission. After OBC approval (locally and nationally), the more detailed Full Business Case (FBC) will be developed in mid to late 2015.

Appendix 18: Foresterhill Health Campus Proposal of Application Notice

PROPOSAL OF APPLICATION NOTICE

Town and Country Planning (Scotland) Act 1997 (Section 35B)
 The Town and Country Planning (Development Management Procedure) (Scotland)
 Regulations 2013 (Regulations 4 -7)

**To be completed for all developments within the
 national or major categories of development**

Name of Council	Aberdeen City Council
Address	Marischal College, Broad Street
	Aberdeen AB10 1AB

Proposed development at [Note 1]	Foresterhill Health Campus
	AB25 2AY

Description of proposal [Note 2]	Overarching public notice giving details of forthcoming
	projects on the campus over the next 5 years as an
	appendix to the current Development Framework

Notice is hereby given that an application is being made to

[Note 3] Council by [Note 4]

Of [Note 5]

In respect of [Note 6]

To take place on [Note 7]

[Note 8] The following parties have received a copy of this Proposal of Application Notice

see appendix for PAN supplementary information

[Note 9] For further details contact

on telephone number

And/or at the following address

[Note 10] I certify that I have attached a plan outlining the site

Signed

On behalf of

Date



Appendix 19a: Foresterhill Health Campus Development Plan

1. Foresterhill Health Campus Development Plan

- 1.1. Arrangements exist for the management and governance of the development of Foresterhill Health Campus.
- 1.2. A Health Campus Projects Overview Group, chaired by the Director of Modernisation has been established to coordinate all of the developments and works on the Foresterhill Campus to ensure all activities are delivered on programme and within budget. The Overview Group monitors the following projects as reflected in **appendix 19b**:
- 1.3. **Baird Family Hospital**- It is anticipated this will start on site first quarter of 2018. The site coloured light blue and numbered 1 on **appendix 19b** is expected to accommodate The Baird Family Hospital, which will be in the region on 20,000m² in size. Given the scale of this building, it is expected that it will be complete and ready for occupation during the course of 2020.
- 1.4. **ANCHOR Centre**- Due to the advances that the ANCHOR Centre required with existing LINACS and cancer services, the site that best provides for this is the one coloured mint and numbered 2 on **appendix 19b**. The ANCHOR Centre will be in the region of 6000m² and, like The Baird Family Hospital, will be required to be open for patients during the course of 2020.
- 1.5. **Foresterhill Health Centre**- As a consequence of the new Baird Family Hospital being required to be adjacent to the Royal Aberdeen Children's Hospital, imaging and ITU (located in Phase 2, shown on **appendix 19b**), the site chosen for the Baird Family Hospital requires the existing Foresterhill Health Centre to relocate to a new site. The site identified for the new Health Centre (2500m²) is shown on **appendix 19b**, coloured orange and numbered 3. The new Health Centre will be required to be open by the third quarter of 2017.
- 1.6. **Multi-Storey Car Park**- NHS Grampian have been offered and wish to accept the offer of a donation from the Wood Foundation to provide a multi-storey car park on the Foresterhill Health Campus site, which will provide an additional 1000 car parking spaces. The multi-storey car park is expected to be ready to open to visitors and patients before the completion of any other projects. The submission of the planning application will include a Traffic Assessment for the Campus as a whole and will build on the Paramics model submitted with the Development Framework approved by the Council in 2008 and updated to reflect new planning policy guidance in 2013. The multi-story car park location is shown on **appendix 19b**, coloured green and numbered 4. Timescale for completion, 2nd quarter 2016.
- 1.7. **Patient Hotel**- The combined population of hospital staff, visitors, patients, students and teaching staff numbers approximately 12,000-15,000 persons daily on site. It is expected that this would be a budget type hotel with no conference, banqueting or leisure facilities. Whilst no funding has been currently identified to deliver this presently, the location of the site is coloured cream and numbered 6 on **appendix 19b**.

- 1.8. **Energy Sub-Station-** NHS Grampian are likely to enter into a contract with Vital Energi for the provision of a new energy supply for the Foresterhill Campus site. This has already resulted in a planning consent for a new sub-station coloured pink and numbered 7 on **appendix 19b**. The new sub-station and wayleaves over the site are expected to be concluded by the fourth quarter of 2016.
- 1.9. **Existing Maternity Hospital-** The existing Maternity Hospital, coloured red and numbered 8 on **appendix 19b**, will be demolished upon completion of The Baird Family Hospital. The future of that site for health and teaching purposes at this stage is yet to be defined.
- 1.10. **Life Sciences Centre-** As with the Patient Hotel Project outlined in *section 3.4.7* no funding is currently available for this project. It is the desire of the University of Aberdeen to see the area coloured blue and numbered 11 on **appendix 19b**, developed for the next stage of research and development by creating a new Life Sciences Centre, adjacent to the existing Life Sciences Centre.
- 1.11. In 2008 NHS Grampian and the Scottish Government approved the Foresterhill Health Campus Initial Agreement which set the direction for a wide range of clinical service and infrastructure improvements in the context of the wider NHS Grampian change programme. Also in 2008 the Board, in partnership with University of Aberdeen, developed a Framework for the Foresterhill Campus which set out a template for managing change on the Campus over the next 20-30 years. The Framework was based on NHS Grampian and University of Aberdeen's approved preference for a staged approach to re-development over this period.
- 1.12. In 2015 a summary of Overarching Proposal of Application Notice (PAN) was prepared and submitted to Aberdeen City Council Planning Authority for Consideration. This document gives an overview of all projects planned for the Foresterhill Health Campus site over the next 5 years and contains relevant approval documentation.
- 1.13. In 2014 initial approval was provided by the Scottish Government for the development of a new Women's Hospital and Cancer Centre at the Foresterhill Campus in Aberdeen with the aim of completion in 2020.
- 1.14. The Baird Family Hospital preferred site will be developed towards the west of the campus on the site of the existing Foresterhill Health Centre, allowing good access via a bridge link into ARI for imaging and ITU. In addition a bridge link will be developed to RACH to allow neonates to be easily transferred for paediatric surgery and to ARI for complex imaging.
- 1.15. The relocation of Foresterhill Health Centre by 2017 is an enabling work which is on the critical path
- 1.16. An appendix setting out these projects is included as **appendix 19b**.

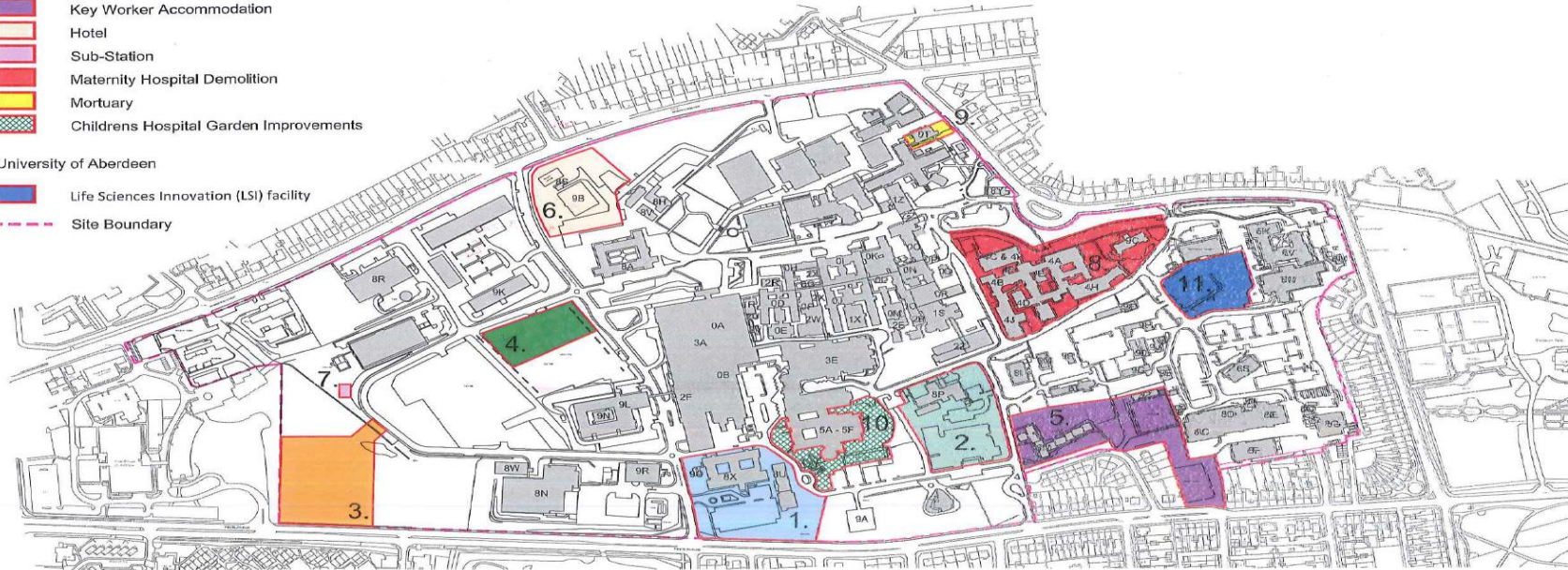
Appendix 19b: Foresterhill Health Campus Development Plan (Drawing)

NHS Grampian

- 1. The Baird Family Hospital
- 2. The ANCHOR Centre
- 3. Health Centre
- 4. Multi-Storey Car Park
- 5. Key Worker Accommodation
- 6. Hotel
- 7. Sub-Station
- 8. Maternity Hospital Demolition
- 9. Mortuary
- 10. Childrens Hospital Garden Improvements

University of Aberdeen

- 11. Life Sciences Innovation (LSI) facility
- Site Boundary



0A Phase 1	10 Nuclear Medicine	3A New Art Gallery/Theatre Plant	8A Ashgrove House	AS Reservoir	9A Helicopter Pad
0B Phase 2	1R Communications Centre	3E Emergency Care Centre	8B Emergency Generator	8T Foresterhill Inn	9B Tennis Courts
0C Accident & Emergency	1S Linear Accelerator	4A Ante Natal	8C CSSD & Sewing Room	8U Breast Screening	9C Rowbotham House
0D Medical Block	1X Modular Theatre	4B Post Natal	8D Offices Canteen & Changing Accommodation	8V Foresterhill House Avenue	9D Estates Department
0E Coronary Care	1Z Link Building	4C Ante Natal Clinic	8E Laundry	8W Waste Compound	9E Gardens
0F Cardiac Department	2B PET scanner	4D Operating theatres, Intensive Care	8F Workshops	8X Foresterhill Health Centre	9F Tenney Telfer Yarning
0G Sub Station (unconfirmed)	2E Clinic C Extension	4E Staff Changing, Reception	8G East Boilerhouse	8Y Gate Lodge	9G New Estates Building
0H Patient Hotel	2F Theatres, ITU Complex	4F Teaching	8H Foresterhill House	8Z Bowling Club	9H Woodburn Cottage
0I Administration Block	2I MRI Building	4G Sub-Station 0 (B)	8I IM&T Computer Centre		9I Estates Storage
0J Surgical Block	2J Generators (Outside Kitchens)	4H Neo-Natal Suite	8M Foresterhill Court		9J Estates
0K Kitchen & AutoValet	2R Dressings Clinic	4I Ultrasound Suite	8N Central Stores		9K Liberty Staffings
0L Consultant Offices	2U Generator Room (West)	4J 56 Bed Maternity Unit	8P Eye Out Patients		9L Blood Transfusion Service
0M Clinic C - Orthopaedics out-patients	2V Generator Rooms (Phase 1&2)	5A-F Royal Aberdeen Children's Hospital	8Q Gardner's Changing		9M Generator Room (maternity)
0N Special Block	2W Cath Lab	6K Argyll House	8R Hyperbaric Unit		9N STS Portacabin
0O Dental Block	2X Cath Lab Link Corridor	6S Dermatology			9O Health Centre Portacabin
0P Clinical Oncology & East Entrance	2Y MRSA Screening	6U Generator House			9P Mosque
0Q Radiopharmacy	2Z New Linear Accelerators	6V Dental Institute			9R Energy Centre
0R Radiotherapy		6W Dental School			
0T Mortuary					



Notes / Revisions / Keys / Legends

NHS Grampian
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Location/Site:
Foresterhill Hospital

Drawing Title:
5 Year Development Plan
Foresterhill Site

Drawing No: L-001
Drawn By: A.R. Scale: 1:5000
Checked By: n/a Date: June 2015

Appendix 20: Glossary of Terms

A+DS	Architecture and Design Scotland
AEDET	Achieving Excellence Design Evaluation Toolkit
AHP	Allied Health Professional
AMG	Asset Management Group
AR's/ACR's	Authority (Construction) Requirements
BREEAM	Building Research Establishments Environmental Assessment Method for Healthcare
CAPEX	Capital Expenditure
CDM	Construction Design Manager
CHP	Community Health Partnership
CIG	Capital Investment Group
CLO	Central Legal Office
CMU	Community Maternity Unit
CRL	Capital Resource Limit
CSF	Critical Success Factors
Datix	Patient Safety Incidents Healthcare Software
DBFM	Design, Build, Finance and Maintain Contract
DCF	Discounted Cash Flow
EAC	Equivalent Annual Costs
eHealth	Healthcare practice supported by electronic processes and communication
FBC	Full Business Case
FHC	Foresterhill Health Centre
FM	Facilities Management
GEM	Generic Economic Model
GIFA	Gross Internal Floor Area
GMS	General Medical Services
GP	General Practitioner
HAI SCRIBE	Healthcare Associated Infection System for Controlling Risk in the Built Environment

HFS	Health Facilities Scotland
hubCo	hub North Scotland Limited
IA	Initial Agreement
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IHCH	Inverurie Health and Care Hub
ITU	Intensive Treatment Unit
KSR	Key Stage Review
L&I	Lochgilphead and Inverurie
LA	Local Authorities
LDP	Local Delivery Plan
LINACS	Radiotherapy treatment machine
MDT	Multi-Disciplinary Team
MSC	Major Service Change
MSP	Member of Scottish Parliament
NHSG	National Health Service Grampian
NHSS	NHSScotland
NPC	Net Present Cost
NPD	Non-Profit Distributing (Delivery Vehicle)
NPR	New Project Request
OBC	Outline Business Case
OMT	Operational Management Team
PAMS	Property and Asset Management Strategy
Paramics	Transport modelling and traffic simulation
Pay Mech	Payment Mechanism
PD	Project Director
PEP	Project Evaluation Plan
PMCUC	Predicted Maximum Cost Unitary Charge

PPE	Post Project Evaluation
PSDP	Private Sector Development Partner
RPI	Retail Price Index
SALT	Speech and Language Therapy
SCIM	Scottish Capital Investment Manual
SFT	Scottish Futures Trust
SGHSCD	Scottish Government Health and Social Care Directorate
SIMD	Scottish Index of Multiple Deprivation
SOA	Schedule of Accommodation
SOCNE	Statement of Comprehensive Net Expenditure
SPV	Special Purpose Vehicle
Sub-hubCo	Special purpose vehicle established for the project
The Authority	NHS Grampian and NHS Highland
TPA	Territory Partnering Agreement
TUPE	The Transfer of Undertakings (Protection of Employment)
UC	Unitary Charge
VAT	Value Added Tax
VfM	Value for Money

ii Briefing for hub territories: Revised Structure for Design Build Finance & Maintain Projects – June 2015 – Issued by SFT

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