Title

Full Business Cases (FBCs) for hub bundle of Greenock Health & Care Centre, Clydebank Health & Care Centre and Stobhill 2 x Mental Health Wards.

Recommendations:

The Board is asked to:-

1. Approve the Full Business Cases for the Greenock, Clydebank and Stobhill schemes for submission to meeting of the Scottish Government Capital Investment Group on 13th November 2018.

2. Approve the bundling strategy as outlined in the Summary and Bundling Paper

3. Note that each of the schemes have been assessed as value for money, affordable and achievable.

4. Approve the underwriting of design fees to allow continuing progress whilst approval process is underway.

5. Approve entering into a DBFM contract in respect of the Greenock, Stobhill and Clydebank Health Bundle, following upon Scottish Government confirmation of approval to the FBCs

6. Approve the matters detailed in Appendix 1.

Purpose of Paper:

This paper seeks Board approval for submission of the Full Business Cases for each of these schemes to the Scottish Government Capital Investment Group.

This report, a bundling paper containing outlines of each of the elements of the Project, and the Full Business Cases for each element of the Project will be presented to the Board (i) setting out the current status of a new health and care centre at Greenock, a new health and care centre at Clydebank and acute mental health wards at Stobhill (the "Project"); (ii) explaining that the Project is to be entered into by the Board pursuant to the Scottish Government's hub Initiative; and (iii) seeking approval of the Full Business Cases.

The Board will be required to finalise and execute various project documents during the lifetime of the Project, and delegations relating to these are as set out in Appendix 1. The Board will be asked to confirm agreement to these delegations. Additionally, Appendix 1 sets out a number of formal matters which the Board are asked to recognise. These delegations and other matters within Appendix 1 are presented to the Board at the request of the Project funders, Nord, to ensure that matters relevant to Nord's due diligence are satisfied.
The Board are advised that due to a number of interdependencies at the Clydebank site, of which the Board has no control, the initial Design Build Finance and Maintain Agreement (“DBFM Agreement”) will comprise of Greenock and Stobhill, with a pre-agreed change mechanism to incorporate Clydebank (“the Clydebank Variation”) once the interdependencies are resolved to a level at which the Board are comfortable to proceed.

Board members are advised that the public versions of the FBCs circulated, as made publically available for the purposes of this meeting have been redacted for reasons of commercial sensitivity. Full, unredacted, versions are available for Board members upon request.

Key issues to be considered

The Board previously approved the Outline Business Case for Stobhill at its meeting of 27th June 2017 and for both Greenock and Clydebank at its 15th August 2017 meeting. The Director-General Health & Social Care and Chief Executive NHS Scotland wrote to the Board’s Chief Executive on the 18th July 2017 confirming approval of the Stobhill OBC and on the 16th October 2017 confirming approval of Clydebank and Greenock inviting the Board to submit a Full Business Case (FBC) for each scheme.

These FBCs have now been completed and approved by their respective Project Boards and agreed by the Board’s Capital Planning Group and approved at the Corporate Management Team meeting of 13th September 2018 and the Finance & Planning Committee on 2nd October 2018.

The Full Business Case for Stobhill was further approved at the meeting of Glasgow City Integration Joint Board on 19th September 2018.

These Full Business Cases constitute the next key milestones in the development of these new facilities and the integrated services that will be based within them. They have been prepared in accordance with the recently revised Scottish Capital Investment Manual (SCIM) guidance.

They reflect the need for effective integrated working between primary and community care; and across health and social care.

They also have been informed by and support the NHSGGC Transforming Delivery of Acute Services Programme (2017), which itself expressed the Board’s:

- Commitment that more support will be developed in the community to enable people to stay locally and out of acute hospitals unless necessary.
- Expectation that new approaches to the effective delivery of care and support for people with multiple health conditions will result from better integration and investment.

The Integration Joint Boards (IJBs) for each area have been kept appraised of and are supportive of the relevant scheme, recognizing the significant contribution that each would make to the delivery of integration objectives for Glasgow, Greenock and Clydebank.

Executive summaries of each FBC are included within the accompanying combined project bundling paper (Appendix 2).
Any Patient Safety/Patient Experience Issues:-

These new facilities will improve significantly the quality of environment for patients and service users and facilitate more integrated and effective working across services.

Financial Implications from this Paper:-

The Greenock and Clydebank schemes – along with the Mental Health Ward 2 scheme – have been bundled to maximise the opportunity for efficiency and the detailed rationale and costings associated with this are set out in the accompanying project bundling paper.

An adjustment to the bundling strategy has been developed since OBC to accommodate the delays to infrastructure works at Clydebank. This approach has been agreed with Alan Morrison at Scottish Government Capital Investment Group, and the resultant costs will be matched by increased funding. There are no additional costs to the Board.

In order to maintain programme it’s necessary to continue design progress in parallel with the FBC approval process. To do so the Board are requested to underwrite design fees totalling £481k across the 3 projects. These fees are only payable if the projects do not proceed.

Staffing Implications from this Paper:-

Each of the new facilities planned will accommodate staff from existing facilities and staff transferring from other locations. The new health & care facilities are being designed to accommodate agile staff working to promote effective working practices and maximize the efficient use of space. Staff partnership engagement within each HSCP will be undertaken to address any impact upon staff.

Any Equality Implications from this Paper:-

Each of these new developments will create opportunities to further improve access to services, in accordance with the equalities mainstreaming commitments of both the Board and also each IJBs for their respective areas.

Health Inequalities Implications from this Paper:

Each of these new developments will contribute to social and economic regeneration so as to increase the life opportunities and health outcomes of those most vulnerable to experiencing inequalities, integrating the wider and common Community Planning Partnership aspirations of improved outcomes for each area.

Has a Risk Assessment been carried out for this issue?

The arrangements for managing risk and the risk registers for each scheme are detailed in full within each scheme’s full FBC.

The most significant risks across the bundle are:

a. Underwriting of design team fees. This is a requirement in order to maintain progress in parallel with the approval process and thereby minimise delay and
inflation. The Board are only underwriting these costs, which will only be payable if the projects did not advance to Financial Close. This is considered to be a low risk.

b. The dependency of the progress of the Clydebank project upon the completion of infrastructure works by others. The risk to the Board has been mitigated by the adoption of the “Clydebank Variation”. With this arrangement the Clydebank project will only be instructed when the infrastructure works are sufficiently advanced. There is no obligation upon the Board to instruct the works if the infrastructure works were not completed so the risk is minimised.

c. Additional legal and management costs will be incurred to develop the Clydebank Variation. These additional costs have been agreed to be met by Scottish Government and funds have already been transferred to the Board.

Highlight the Corporate Plan priorities to which your paper relates:

The proposals for each of these new health and care facilities – and the integrated services that will work from them - are consistent with the five strategic priorities set out within the NHSGGC’s Corporate Plan; and the priorities set out within the Strategic Plans for each of their HSCP’s respective IJBs.

Louise Long    Beth Culshaw    David Williams
Chief Officer  Chief Officer  Chief Officer
Inverclyde HSCP West Dunbartonshire HSCP Glasgow City HSCP
Tel. 01475 712722  Tel. 01389 737599  Tel. 0141 287 8853

Tom Steele
Director of Estates & Facilities, NHS Greater Glasgow & Clyde
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Date: 12th October 2018

Appendix 1 - Hub Projects (Greenock, Clydebank, Stobhill) – Funder Requests
Appendix 2 – Summary Full Business Cases bundling paper
Appendix 1 - Hub Projects (Greenock, Clydebank, Stobhill) – Funder Requests

The Board has been asked by funders Nord to formally recognise a number of elements within its decision-making on the Hub projects. These requests are designed to ensure Nord can demonstrate the Board has provided formal approval for delegations to the Director of Finance and the Chief Executive, or their representatives, and formally notes its statutory and other powers to progress the projects.

The Board is requested to approve the following delegations, authorisations and request:

1. That delegated authority be granted to Mark White, Director of Finance and Jane Grant, Chief Executive, or their representatives to negotiate, agree (including changes to the parties to the Project Documents) and enter into (having considered the advice of the Board’s external advisors) the various Project Documents and any additional documentation required in connection with the Project. “Project Documents” for the purposes of these minutes shall be:
   - The DBFM Agreement to be entered into between (1) the Board and (2) Hub West Scotland Project Company (No.7) Limited (“DBFM Co”);
   - Funders’ Direct Agreement to be entered into among (1) the Board (2) Nord and (3) DBFM Co;
   - Contractor’s Collateral Agreement to be entered into in respect of Greenock and Stobhill among (1) the Board (2) BAM Construction Limited (the “Contractor”); (3) DBFM Co; and (4) Nord;
   - Designers Collateral Agreements to be entered into in respect of Greenock and Stobhill among (1) the Board and (2) each of (one) Gareth Hoskins Architects Limited; (two) TUV SUD Limited (trading as Wallace Whittle); (three) Baker Hicks Limited; (four) Craven Images Limited; (five) Keppie Design Limited; and (six) RSP Consulting Engineers LLP;
   - Service Provider’s Collateral Agreement to be entered into in respect of Greenock and Stobhill among (1) the Board (2) DBFM Co (3) FES FM Limited and (4) Nord;
   - Independent Tester Contract to be entered into in respect of Greenock and Stobhill among (1) the Board (2) DBFM Co (3) the Contractor (4) Nord and (5) AA Projects Limited;
   - Insurance Proceeds Account Agreement to be entered into among (1) the Board, (2) Lloyds Bank Plc (3) Nord and (4) DBFM Co;
   - A Security Trust and Intercreditor Deed among (1) DBFM Co (2) DBFM Holdco (3) Scottish Futures Trust Investments Limited (4) the Board (5) HCF Investments Limited (6) Wellspring Partnership Limited (7) Wellspring SubDebt Limited (8) Community Solutions Management Services (Hub) Limited and (9) Nord (among others);
   - A Noteholder Support Agreement among (1) DBFM Co (2) DBFM Holdco (3) Scottish Futures Trust Investments Limited (4) the Board (5) (5) HCF Investments Limited (6) Wellspring Partnership Limited (7) Wellspring SubDebt Limited and (8) Nord (among others);
   - A Sub-contractor Consent Letter to be entered into among the Board and DBFM Co; and
   - any additional or ancillary documents in relation to the Project to which the Board is required to be a party.

2. That the Director of Finance and the Chief Executive, or their representatives, be authorised to sign on behalf of the Board the Project Documents and any additional documentation required in...
connection with the Project as negotiated and agreed in accordance with 1, above. Specimen signatures of the Director of Finance and the Chief Executive shall be set out in a certificate in the form annexed at Appendix 2 hereto.

3. That the Director of Finance be authorised as the named individual on behalf of the Board for the purpose of the insurance proceeds account to be opened in terms of the Design Build Finance and Maintain Agreement and the Insurance Proceeds Account Agreement.

4. The Board is entitled to invest equity, as well as sub-debt into hub West Scotland Holdco (No. 7) Limited ("DBFM Holdco"). The Board intends to invest both sub-debt and equity into DBFM Holdco. The Board intends to invest 10% sub-debt. The final figure will be confirmed prior to financial close but investment for sub-debt and equity is not anticipated to exceed £480,000.

5. That the Chairman be requested to produce a certified copy of the minute of the proceedings of the meeting as verification that approval has been granted.

The Board is requested to confirm the following:

6. It has statutory powers to enter into the Project Documents. The Project Documents are calculated to facilitate and to procure facilities as incidental to the discharge of the Board’s function as Health Board for the promotion of the improvement of the physical and mental health of the people of Scotland, and the statutory provision conferring this function is Section 2A of the National Health Service (Scotland) Act 1978 as modified by the National Health Service Reform (Scotland) Act 2004, as amended.

7. The Project meets with the Board’s internal approvals, policies, procedures, constraints and requirements, including its current draft Scheme of Delegation and Standing Financial Instructions (not withstanding that the Scheme of Delegation anticipates that such approvals shall be exercised by the Finance and Planning Committee on behalf of the Board);

8. All consents, authorisations and approvals necessary for authorisation of the Project to be effective and for the Project Documents to be enforceable against the Board are in accordance with the Board’s current Scheme of Delegation and Standing Financial Instructions (not withstanding that the Scheme of Delegation anticipates that such authorisation shall be exercised by the Finance and Planning Committee on behalf of the Board);
Improving Health & Social Care
In
Greenock and Clydebank
And
Mental Health 2 Ward DBFM Scheme

FBC Summary & Bundling Paper

September 2018
1.0 Introduction

This paper is presented to set out a summary of the proposals to deliver improvements to health and social care services in Greenock and Clydebank and Mental Health in North East Glasgow. A Full Business Case (FBC) has been prepared for the investment proposals in each of the three areas and a short Executive Summary of each is appended to this document.

The Full Business Cases (FBCs) describe the background, the status quo, the proposals for improvement, the service changes required to deliver these and the benefits that will be realised in doing so.

The proposals for the health & care centres focus on service provision in towns and areas which are recovering from significant post-industrial change. Both seek to find ways to improve services to meet current and future demands. Both seek to support regeneration of the physical and economic environment to help bring about significant health improvements. Whilst each has its own specific circumstances and objectives, which are outlined in the appended Executive Summaries, there is significant overlap on the investment objectives of each. These can be summarised as:

- Making services more accessible to the patient population
- Increase capacity to meet future projections
- Improving service integration
- Delivering services from accommodation that is safe, welcoming, efficient and fit for purpose
- Contribute to physical and economic regeneration

The proposals for improving mental health services in North East Glasgow is a component part of the Board’s approved mental health strategy. This part will improve services for patients, carers and staff in the following ways:

- Reduce isolation of services and staff
- Address the issues arising from increasing co-morbidity
- Improve flexibility for long-term operational use of facilities
- Deliver services from accommodation that is safe, welcoming, efficient and fit for purpose
- Reduce reliance on private sector provision of services

Each individual FBC examines how the benefits can be delivered and each concludes that the delivery of new facility offers the best opportunity to do so. The health & care centres require circa £19.3m and £20.8m of investment to deliver and £10.9m is required for the inpatient mental health facility. This document highlights the benefits of procuring these three proposals as a single project, and provides a summary of the financial benefits of doing so.

It is proposed that these projects are bundled into one contract to be provided by hub West Scotland as part of Scottish Governments approach to the delivery of new community infrastructure.
2.0 Proposals

Transforming Care in Greenock

Greenock is the largest town within Inverclyde, and like much of the West of Scotland, is characterised by persistent socio-economic deprivation and poor health outcomes. The development of the Inverclyde Health and Social Care Partnership (HSCP) builds on established joint working that was fostered under the previous CHCP arrangements, but the new HSCP also affords an opportunity for us to take stock of progress to date and our priorities for the future. The FBC details our thinking in terms of the most important issues that shape our strategic priorities. Health inequalities are central, and some of the most notable negative consequences of these are highlighted. We know that many of the people who need health or social care support are often disinclined to approach or engage with our services, and only accept support when their condition(s) are quite advanced. This means that opportunities for supported self-management or health improvement at an earlier stage of disease progression can often be missed. Greenock Health and Care Centre and Clydebank Health and Care Centre Summary Paper

There has already been significant rationalisation of public sector buildings in Inverclyde to modernise delivery options and streamline the citizen’s journey. The next logical step is to modernise health and social care premises and create opportunities to further improve access to services, integrating the wider Community Planning Partnership aspirations of improved outcomes, won through social and economic regeneration that increases the life opportunities and health outcomes of those most vulnerable to experiencing inequalities.

The FBC sets out a proposal and outline costs for the development of a health and social care facility for Greenock and the wider community of Inverclyde. The development will be led by Health and Social Care Partnership, which is responsible for the provision of all health and social care services in Inverclyde.

Greenock Health & Social Care Centre Executive Summary is provided in Appendix 1

Transforming Care in Clydebank

West Dunbartonshire as a whole faces the considerable challenges of restructuring its economy following the decline of heavy industry, dealing with the impacts of the recession and managing a declining and ageing population. Overall, West Dunbartonshire has a worse general level of health than the Scottish average – this is also the picture within Clydebank. The indicator that shows this most explicitly is average life expectancy which is 3 years below the national average for men and 1.8 for women. Much of this is due to the significantly higher levels of death from Cancer, Coronary Heart Disease and Cerebrovascular Disease. There are statistically significant higher level of deaths attributable to smoking and alcohol and a greater prevalence of smoking and women smoking while pregnant. Clydebank has high levels of poverty and an increasing elderly population with high numbers with long term conditions. This results in a growing demand for health and social care services alongside an increasing imperative to co-locate teams, integrate services and deliver seamless care.

In accordance with the Public Bodies (Joint Working) Act 2014, Greater Glasgow & Clyde Health Board and West Dunbartonshire Council established the local integration joint board – known as West Dunbartonshire Health & Social Care Partnership (WD HSCP) Board – in July 2015. The new WD HSCP arrangement has been built on the successes and experience of the predecessor community health & care partnership (CHCP) that has been operating effectively since October 2010. The approved HSCP Strategic Plan sets out the key priorities and commitments for health and social care for the area – and includes support for a replacement health & care centre to deliver improved outcomes for the communities of Clydebank.

Greenock & Clydebank Health and Care Centre’s and Mental Health 2 Ward DBFM Scheme Summary Paper
In keeping with the priorities expressed within NHSGGC’s Clinical Services Strategy (2015), Moving Forward Together (2018) and the aforementioned WD HSCP Strategic Plan, a replacement health & care centre build would enable the co-location of multi-disciplinary services - including integrated health and social care teams - within a new facility giving one stop access and improved accessibility for patients to an increased range and improved quality of services (including additional acute outreach clinics); a considerably improved working environment for staff; space for community and third sector partners and carer’s organisations involved in the co-production of supported self care; meeting and training space for all our staff (supported by a commitment to shared and agile technology for staff) and local community groups. Moreover, the development of a new and enhanced Health & Care Centre within Clydebank has already been identified as a key contribution that NHSGGC could make to the wider regeneration plans for Clydebank.

The FBC sets out an initial proposal and outline costs for the development of a new integrated health and care centre for Clydebank and the wider community of West Dunbartonshire. The development will be led by West Dunbartonshire Health and Social Care Partnership, which is responsible for the provision of all community health and social care services in West Dunbartonshire.

Clydebank Health & Social Care Centre Executive Summary is provided in Appendix 2

**Mental Health 2 Ward DBFM Scheme**

The NHSGGC Clinical Services Review confirmed a continuation of the community based model of care of comprehensive community services and 24/7 access to community crisis supports, underpinned by access to in-patient supports. The Glasgow City HSCP Strategic Plan 2016 – 2019 included as a priority the development of new adult mental health wards on the Stobhill Hospital site and contributing to the re-design of Older People’s Mental Health Services. The Mental Health 2 Ward DBFM proposals are to address and resolve issues around the provision of Adult Acute Mental Health services provided from Stobhill Hospital and Elderly Mental Health services at Birdston.

Stobhill Hospital ward provides acute adult mental health services. Hospital based complex care for older people with mental health problems are provided from the ward housed at Birdston Care Home. Although patients using these services have different needs the synergies between the services and economies of scale indicate a single preferred solution for both. The inpatient services are committed to:

- Offering care and treatment that respects individual rights and allows treatment to occur in the least restrictive manner possible
- Providing a service which is flexible and responsive and does not discriminate between individuals
- Providing a high standard of treatment and care, respecting rights for privacy and dignity, in a safe and therapeutic environment for service users in the most acute and vulnerable stage of their illness
- Ensuring all individuals needs are assessed and that an appropriate care plan is agreed, which includes the views of the service user and relevant carers and discharge planning arrangements

**Adult Acute Mental Health services at Stobhill Hospital**

As part of recent Health Board Modernising Mental Health Services Strategy there has been a drive to reduce both the dispersed nature of mental health in-patient ward sites and inpatient beds. This has led to moderated inpatient accommodation options on the Stobhill Hospital site where there are clinical concerns around the ability to deliver modern clinical models of care, the quality of accommodation of the adult acute patient inpatient ward and to a lesser extent its comparative
separation. Critically the accommodation concerned at Stobhill Hospital is of an old design, does not deliver sufficient single room accommodation to everyone, has required expenditure work (over a number of years) to keep it up to an acceptable standard, and is not fit for purpose as a future modern inpatient ward.

Birdston Care Home – Complex Elderly Mental Health Services
Elderly Mental Health services are provided from the Birdston Care Home. This is a privately owned facility with single bedrooms which is contracted by Greater Glasgow and Clyde Health Board. The facility is isolated from other mental health and acute diagnostic services therefore providing challenges in management of co-morbidities. An additional challenge has been the ongoing sustained need for older people with longer term functional mental ill health in addition to co-morbidity and incidence of dementia amongst the client group. This has been staff intensive, particularly on an isolated site such as the Birdston Care Home, requiring self-sufficiency in staffing levels to deal with any medical emergencies. Finally the service is also reliant on a high cost private contract which expires June 2018. Informal discussions with the landlord have indicated that a significant rise in contract costs should be anticipated.

The Mental Health 2 Ward DBFM Scheme Executive Summary is provided in Appendix 1.

3.0 The Project Bundle

There are clear financial benefits to bringing all three projects together in a single procurement bundle.

These include initial capital savings and project-life revenue savings. These are currently estimated to be circa £1.319m and £1.385m respectively. There is therefore a total saving to public finances of circa £2.704m by delivering the projects as a bundle.

3.1 Capital Savings

Savings have been delivered from design teams being appointed over the three projects. The same design consultants have been appointed for both health centres for structural, mechanical, electrical, landscaping, BREEAM, principle designer and cost adviser. This has also allowed more efficiency in developing the proposals and achieving consistency of specification.

Bundling the three projects allows contractors to improve efficiency in contract management. The key areas for efficiencies are:

- Reduced resource requirement for a single procurement process for three projects.
- A single senior manager responsible for three projects, with a Project Manager responsible for each site.
- Single design team meetings allowing for greater time efficiency for all project partners.

Prelims costs have been achieved that are below the caps set by hWS. Whilst the saving is less than hoped, the advantages of bundling have been apparent in the improved management of resource and common, systematic approach across the projects.

Savings have been achieved through increased-volume ordering and parallel purchasing/procurement across the three projects. Whilst the individual sites require specific responses to context and local planning requirements, the bulk of the construction lies beneath the external skin. A common set of Authority Construction requirements has been developed and these will ensure that a set of common components and materials are utilised to derive greatest commercial benefit across the bundle. Common specification elements such as doors, ironmongery, cabinetry, floor finishes, ceiling systems,
M&E plant and controls, lifts, steelwork, etc will provide savings through volume purchase. The total saving is difficult to accurately define without tendering the projects both individually and as a bundle, but discussions with hub West Scotland and BAM, who are delivering the projects, have indicated bundling savings from development are circa £1,319m.

3.2 Revenue Efficiencies through Bundling
A series of savings were identified in the previous Glasgow bundles of Maryhill/Eastwood and Gorbals/Woodside. Based on the delivered savings achieved in the former, it is expected that savings can be achieved through reduction in agency fees, due diligence costs, financial modelling and DBFMco management fees. These are shown below as estimates for one-off costs and project lifetime totals. The total saving is anticipated as £1.385m (excluding Input Costs).

<table>
<thead>
<tr>
<th>Financial Efficiencies</th>
<th>2020/21</th>
<th>Project Lifetime</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Agency Fees</td>
<td>10</td>
<td>265</td>
</tr>
<tr>
<td>Due Diligence Costs</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Financial Modelling</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>DBFMco Management Fees</td>
<td>41</td>
<td>1,025</td>
</tr>
<tr>
<td>Input Costs</td>
<td>0</td>
<td>1,319</td>
</tr>
<tr>
<td><strong>TOTAL SAVINGS</strong></td>
<td><strong>146</strong></td>
<td><strong>2,704</strong></td>
</tr>
</tbody>
</table>

The savings are analysed in more detail below:

- Agency fees – savings of £10,000 per annum (£250,000 project lifetime) and £15,000 of fees saved during construction

- Due Diligence costs – legal, technical, financial, insurances

- Financial modelling – savings in operational model fees of £30,000 will be achieved as a result of the bundling of the projects.

- DBFMco management fees – the bundling of project will lead to financial efficiencies as costs, especially labour costs, can be spread across the projects. At this stage the estimated annual saving would be £41,000 equating to £1,025,000 over the project lifetime.

- Input Costs - hubco has identified that there will be efficiencies and cost benefits on construction costs as a result of bundling.

The Due Diligence and DBFMco fees will be reviewed with Hub during Stage 2 to produce further efficiency savings.
4 Joint Financial Case – Greenock, Clydebank and Mental Health 2 Ward DBFM Scheme

The following sections summarises the bundled financial case for Greenock, Clydebank Health and Care Centre projects and Mental Health 2 Ward DBFM Scheme.

4.1 Capital Costs and Associated Funding for the Project.

In addition to the revenue funding required for the Greenock, Clydebank Health and Care Centre projects and Mental Health 2 Ward DBFM Scheme, capital investment will also be required for equipment £3,038k and sub debt investment £423k. Estimated details of the capital elements of the project are presented in the table below;

Capital Funding Table

<table>
<thead>
<tr>
<th>Capital Costs</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Purchase &amp; Fees</td>
<td>0.0</td>
</tr>
<tr>
<td>Group 2-5 equipment Including VAT</td>
<td>3,038.1</td>
</tr>
<tr>
<td>Sub debt Investment</td>
<td>423.1</td>
</tr>
<tr>
<td><strong>Total Capital cost</strong></td>
<td><strong>3,461.2</strong></td>
</tr>
<tr>
<td><strong>Sources of Funding</strong></td>
<td></td>
</tr>
<tr>
<td>NHSGG&amp;C Formula Capital</td>
<td>3,461.2</td>
</tr>
</tbody>
</table>

Land purchase for Greenock HC and for Clydebank HC will be given to NHSGG&C by Inverclyde District Council and West Dunbartonshire Council at no cost. Stobhill is owned by the Board.

4.2 Costs with regard to Services provided

Staffing and non-pay costs associated with the running of the health centre and inpatient unit are not expected to increase with regard to the transfer of services to the new facility.

4.3 Sources of NHSGG&C recurring revenue funding

The table below details the various streams of income and reinvestment of existing resource assumed for the project.

<table>
<thead>
<tr>
<th>NHSGG&amp;C Income &amp; Reinvestment</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Revenue Funding – HL&amp;P, Rates, Depreciation &amp; Soft FM</td>
<td>2,904.8</td>
</tr>
<tr>
<td>Additional Revenue Funding HSCP</td>
<td>0</td>
</tr>
<tr>
<td>IFRS – Depreciation</td>
<td>1,605.6</td>
</tr>
<tr>
<td>Additional Revenue Funding via GPs, Dentists and Pharmacists</td>
<td>105.6</td>
</tr>
<tr>
<td>Council Revenue Funding</td>
<td>50.0</td>
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<tr>
<td><strong>Total Recurring Revenue Funding</strong></td>
<td><strong>4,666.0</strong></td>
</tr>
</tbody>
</table>
4.4 Summary of Revenue position:

<table>
<thead>
<tr>
<th>Summary of Revenue position</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGHSCD Unitary Charge support</td>
<td></td>
</tr>
<tr>
<td>NHSGG&amp;C recurring funding per above</td>
<td>4,666.0</td>
</tr>
<tr>
<td>Total Recurring Revenue Funding</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recurring Revenue Costs</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Unitary charge(service payments)</td>
<td></td>
</tr>
<tr>
<td>Depreciation on Equipment</td>
<td>303.8</td>
</tr>
<tr>
<td>Facility running costs</td>
<td>1,548.3</td>
</tr>
<tr>
<td>IFRS - Depreciation</td>
<td>1,605.6</td>
</tr>
<tr>
<td>Total Recurring Revenue Costs</td>
<td></td>
</tr>
</tbody>
</table>

The above table note cost neutral over the three projects.

4.5 Financial Risks

The general risks for Greenock, Clydebank Health and Care Centre projects and Mental Health 2 Ward DBFM Scheme are set out in Risk Registers in the FBCs.

A key financial risk is that the unitary charge payment will not be confirmed until financial close. This is mitigated by the funding mechanism for the Scottish Government revenue funding whereby Scottish Government's funding will vary depending on the funding package achieved at financial close and Glasgow HSCP’s commitment to fund any shortfall in the Mental Health 2 Ward DBFM Scheme.

The affordability analysis incorporates that funding will be sought from GP practices who are relocating to the centres. This funding will not be committed over the full 25 year period and as such is not guaranteed over the project’s life. The financial risk will remain with the HSCPs over the contract’s life for those elements which the HSCPs have responsibility (100% hard FM, 50% lifecycle). The HSCPs will address this risk through their committed funds allocated to the project.

The project team will continue to monitor these risks and assess their potential impact throughout the period through to Financial Close and completion.
5.0 Bundled Programme and the Clydebank variation

During the course of Stage 2 and developing the Final Business Case it became apparent that the infrastructure works being developed at Queens Quay, Clydebank by Clydeside Regeneration Limited (CRL) were falling behind programme. Because the Clydebank H&CC project is dependent on these works in order to complete, a review was undertaken of the risk that the Board would be taking if it progressed to Financial Close in advance of there being certainty on the completion dates of these works. Following a review of the potential options it was agreed that Greenock and Stobhill should progress on the basis of their original programmes, and Clydebank will be instructed into the bundle as a variation when the infrastructure works have a higher degree of certainty. The variation process required to achieve this creates some additional costs, because of the separate FC for Clydebank, but retains many of the benefits of bundling, including the efficiencies of the 25 year concession period management costs.

The delays to infrastructure works at Clydebank mean it will be instructed into the DBFM bundle, consisting of Greenock and Stobhill, when the Clydebank infrastructure works are sufficiently completed. We currently expect this to be Q1/Q2 2019. At that time, Clydebank pricing will be updated to reflect any change in market pricing conditions and an update to its business case produced. Pricing updates which are within the margins indicated by the national BCIS inflation indexes the uplift will be covered by Scottish Government. In the meantime, each project will have a single FBC for approval.

Hub’s Stage 2 submissions are based upon the assumption that all 3 projects will close at a single DBFM Financial Close. The additional costs associated with Clydebank variation have been estimated as circa £430k but will be confirmed separately in an addendum when progress of the infrastructure works is sufficient to allow a Clydebank FC to be confirmed. In order to prepare documentation to simplify Clydebank’s inclusion at a later date some of the additional costs are included in the first Financial Close. The balance will be included in the later Clydebank FC.

Scottish Government has confirmed it’s support to the Clydebank variation, as representing the best value solution to the circumstance and have undertaken to provide the additional funding support required to deliver it. Therefore the Clydebank variation does not require any additional funding from the Board.

The procurement programme for the projects is currently anticipated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Stobhill &amp; Greenock</th>
<th>Clydebank</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIG Meeting for FBC</td>
<td>November 2018</td>
<td>November 2018</td>
</tr>
<tr>
<td>Financial Close (FC)</td>
<td>November 2018</td>
<td>Q1/Q2 2019 (subject to infrastructure progress)</td>
</tr>
<tr>
<td>Start on site</td>
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<td>Q2/Q3 2019 (subject to FC date)</td>
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<tr>
<td>Completion date</td>
<td>Greenock – July 2020 Mental Health – April 2020</td>
<td>Q3/Q4 2020 (subject to FC date)</td>
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<td>Services Commencement</td>
<td>Greenock – August 2020 Mental Health – May 2020</td>
<td>Q4 2020 /Q1 2021 (subject to FC date)</td>
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6.0 Conclusion

NHS GGC, Inverclyde HSCP, West Dunbartonshire HSCP and Glasgow City HSCP are committed to improving health and care services in Greenock and Clydebank and Mental Health services in Glasgow. Detailed Full Business Case documents and the appended Executive Summaries highlight the benefits that will be delivered when the projects are delivered:

- Services which are more accessible to the patient population
- Capacity increased to meet future projections
- Improved and integrated services
- Services delivered from accommodation that is safe, welcoming, efficient and fit for purpose
- Assistance to physical and economic local regeneration

Together these represent a significant return for the proposed investment.

The appended Executive Summaries and related FBC’s outline the proposals in more detail and demonstrate the case for change across both proposals.

By bundling the three projects together these benefits can be delivered whilst making savings of circa £2.7m.

The Clydebank delay will be managed by using the Clydebank variation. This allows the benefits of the bundle to be retained, maintaining programme for Greenock and Stobhill, whilst allowing Clydebank to process when the infrastructure works are sufficiently advanced. The additional costs associated with the variation will be supported with additional funding from Scottish Government.
APPENDIX 1

Inverclyde Health and Social Care Partnership

Transforming Care in Greenock

Executive Summary

Aug 2018
Transforming Care in Greenock

Executive Summary of the FBC

This document is presented on behalf of NHS Greater Glasgow and Clyde (NHS GGC) who seek approval for funding to provide a new Greenock Health and Care Centre. The new centre will support the further development of primary care services and continue the integration of health and social care along with GGC and third sector partners, in line with the national policy.

1.1 Full Business Case for Greenock Health and Care Centre

NHS Greater Glasgow & Clyde presented an Outline Business Case document to the Scottish Government Capital Investment Group (CIG). It received approval 16th October 2017. A copy of the approval letter is enclosed at Appendix A. The final stage of the process is presenting a Full Business Case (FBC) outlining the preferred option in detail for approval by CIG.

The planning application was submitted to Inverclyde Council planning department on 16th February 2018 and received approval on 6th June 2018 (Appendix B).

The purpose of this report is to present the Full Business Case for the project. This will justify and demonstrate the proposals for the development of the new Greenock Health and Care Centre.

Specifically the purpose of this FBC is to:

- Review work undertaken within the OBC, detailing any changes in scope and updating information as required.
- Describe the value for money option including providing evidence to support this.
- Set out the negotiated commercial and contractual arrangements for the project.
- Demonstrate that the project is affordable
- Establish detailed management arrangements for the successful delivery of the project.

This FBC has been prepared in accordance with the requirements of the current Scottish Capital Investment Manual (SCIM) Business Case Guide, February 2017.

1.2 The Purpose

Greenock is the largest town within Inverclyde, and like much of the West of Scotland, is characterised by persistent socio-economic deprivation and poor health outcomes. The development of the Inverclyde Health and Social Care Partnership (HSCP) builds on established joint working that was fostered under the previous CHCP arrangements, but the new HSCP also affords an opportunity for us to take stock of progress to date and our priorities for the future.

Over the past four years work has been ongoing to develop health and social care services with a view to improving outcomes and mitigating the health inequalities that stubbornly exist, through service reconfiguration.

The purpose of the project is much more than the simple replacement of the existing facilities. This is an opportunity to enable and facilitate fundamental change in the way in which health is delivered to the people of Greenock and those surrounding areas that will access the health and care centre. The underlying aim is to reshape services from a patient’s point of view.
The current Greenock Health Centre is the base for four GP practices serving a population of 29,000 as well as providing a range of other services, and was designed almost 40 years ago. The population and expectations have changed significantly since it was built, and the centre is no longer fit for purpose. It is of poor fabric, is functionally unsuitable and does not have the space to deliver services that can and should be expected from a modernised National Health Service.

A Full Business Case has been developed, and this document details our thinking in terms of the most important issues that shape our strategic priorities. Health inequalities are central, and some of the most notable negative consequences of these are highlighted. We know that many of the people who need health or social care support are often disinclined to approach or engage with our services, and only accept support when their condition(s) are quite advanced. This means that opportunities for supported self-management or health improvement at an earlier stage of disease progression can often be missed.

1.3 Changes since OBC

The changes since the Outline Business Case to the project are limited and can be summarised as follows:

- Total Gross Internal Floor Area confirmed 5828m² based on agreed schedule of accommodation (5846m² OBC Stage)
- Staff from The Centre for Independent Living are no longer coming to the new facility and the space will be utilised with the wider multi-disciplinary Primary Care Team.

1.4 Current Facilities

The current facilities at Greenock Health and Care Centre are of poor quality and are seen as unwelcoming. Staff inform us that the current building is not able to accommodate the new ways of working afforded by multidisciplinary team approaches, in terms of layout, spatial relationships and general fabric. We also know that patients attending Greenock Health and Care Centre will often be expected to attend other locations to access services that are part of their overall care package or approach. If patients choose not to attend another location, then their treatment plan is at risk of being compromised. If we are to make a real difference to improving lives in Greenock and Inverclyde, we need to radically re-think our approach to how we organise and deliver health and social care services in a way that maximises our impact, nurtures and supports self-management, makes the patient journey as straightforward as possible, and recognises carers and third sector contributors as equal partners. We also need to ensure that we refine our relationship with Acute Sector services in ways that optimise effectiveness and efficiency, and support care and treatment being delivered from primary care settings whenever appropriate. This is in the best interests of patients and staff alike.

We have considered the negative points of the current building alongside the positive joint working that has steadily grown over the years within the Greenock Health and Care Centre. There is much to celebrate and any future change should aim to preserve the positives as well as address the negatives. Recognising this, we have considered various options including refurbishing, upgrading or expanding the existing facilities. For various reasons that are noted, once all of our options had been reviewed, we concluded that the best option for Greenock is a new-build Health Centre that enables bringing together the key supports from a range of professions to tackle health inequalities, improve health and contribute to social regeneration.
1.5 Financial Case

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The overall cost position has reduced from £21,196,240 at OBC stage to £20,790,475. There has been a minimal decrease in the building area of 18m² since OBC. The main reason for the decrease in cost is the introduction of savings associated with the project being as part of the bundle with Stobhill and Clydebank. There has also been a decrease in the unitary charge since OBC due to improved funding terms being provided.

The overall costs have been examined by the Board’s technical advisers who have confirmed that the costs represent value for money.

There has already been significant rationalisation of public sector buildings in Inverclyde to modernise delivery options and streamline the citizen’s journey. The next logical step is to modernise health and social care premises and create opportunities to further improve access to services, integrating the wider Community Planning Partnership aspirations of improved outcomes, won through social and economic regeneration that increases the life opportunities and outcomes of those most vulnerable to experiencing inequalities of all kinds.

This paper sets out a proposal and outline costs for the development of a health and social care facility for Greenock and the wider community of Inverclyde. The development will be led by the Health and Social Care Partnership, which is responsible for the provision of all community health and social care services in Inverclyde.
West Dunbartonshire Health and Social Care Partnership

Transforming Care in Clydebank

Executive Summary

Aug 2018
Transforming Care in Clydebank

Executive Summary of the FBC

This document is presented on behalf of NHS Greater Glasgow and Clyde (NHSGGC) who seek approval for funding to provide a new Clydebank Health and Care Centre, replacing the current outmoded and unsuitable accommodation. The new centre is being planned, in partnership, to provide high quality accommodation to support the development of transformed primary care services and the further integration of health and social care, in line with national policy.

NHS Greater Glasgow & Clyde presented an Outline Business Case document relating to this development to the Scottish Government Capital Investment Group (CIG). It received approval on 16th October 2017. A copy of the approval letter is enclosed at Appendix 1.

The final stage of the process is presenting a Full Business Case (FBC) outlining the preferred option in detail for approval by CIG.

The planning application was submitted to West Dunbartonshire Council planning department on 12th March 2018 and received approval on 30th May 2018 (Appendix 2).

The purpose of this report is to present the Full Business Case for the new Clydebank Health and Care Centre.

Specifically, the purpose of this FBC is to:

- Review work undertaken within the Outline Business Case (OBC), detailing any material changes in scope and updating information as required
- Describe the value for money option including providing evidence to support this
- Set out the negotiated commercial and contractual arrangements for the project
- Demonstrate that the project is affordable
- Establish detailed management arrangements for the successful delivery of the project

This FBC has been prepared in accordance with the requirements of the current Scottish Capital Investment Manual (SCIM) Business Case Guide, published on 1st February 2017.

1.1 Financial Case

| Capital Expenditure (capex & development costs) | £19,349,875 |
| Annual Service Payment | [redacted] |

1.2 Changes since OBC:

There have been a number of changes from Stage 1/OBC. These include the following:

- Movement of site boundary to north to align with masterplan - £11.4k

- Inclusion of provisions to accommodate district heating system - £120k. This sum will be reduced once a final agreement has been put in place with regard the provision of district heating. At time
of writing there is no network operator appointed.

The total costs have increased by £99,629 since Stage 1/OBC to Stage 2/FBC, but the unitary charge has reduced. Increases have arisen due to the items above, however these have been mitigated by:
- Improvement in management fees level by confirmation of bundling arrangements
- Inflation allowances at OBC stage not fully required
- Risk provisions at OBC stage not fully utilised
- Improved funding terms

The current Stage 2 is being reviewed by the Board’s external advisers including Technical Advisers. Initial reviews have indicated the Stage 2 submission is compliant and represents value for money.

Hub’s Stage 2 submission is based upon the assumption that all three projects will close at a single DBFM Financial Close. Delays to infrastructure works at Clydebank have led to a position where it will be instructed into the DBFM bundle, consisting of Greenock and Stobhill, during Q1/Q2 2019 when the Clydebank infrastructure works are sufficiently completed.

At that time, Clydebank pricing will be updated to reflect any change in market pricing conditions and an update to its business case produced. Pricing updates are within the margins indicated by the national BCIS inflation indexes the uplift will be covered by Scottish Government.

During the course of Stage 2 and developing the Final Business Case it became apparent that the infrastructure works being developed at Queens Quay, Clydebank by Clydebank Regeneration Limited (CRL) were being adversely effected by outside factors. Because the Clydebank H&CC project is dependent on these works in order to complete, a review was undertaken of the risk that the Board would be taking if it progressed to Financial Close in advance of there being certainty on the completion dates of these works. A solution has been developed which allows the project to take advantage of the benefits of bundling but allows flexibility to delay Financial Close until Infrastructure works are sufficiently completed.

1.3 Our Challenge and our Opportunity

West Dunbartonshire faces considerable challenges relating to its economy, population profile and deprivation. With a declining and ageing population, the residents of West Dunbartonshire have a general level of health that is lower than the Scottish average. This is also the picture in Clydebank, with high levels of poverty, an increasingly elderly population, and high levels of complex co-morbidity. This is driving growing demand for health and social care services. One response to this is the increasing imperative to co-locate teams, integrate services and deliver seamless care.

With changing demographics and increasing levels of need, over the next ten years the health and social care landscape will change significantly. Those changing demographics, an increase in demand for services and the likelihood of more people with complex co-morbidities alongside reduced public sector resources, means that the public sector has to work together with communities to deliver services in different ways and ensure full advantage is taken of the investment available.

The restructuring of the economy of West Dunbartonshire following the decline of heavy industry is well underway and the new Health and Care Centre, sitting on the location of the first foundry works in Clydebank, and framing a view of the Titan Crane, invites visitors to remember the past but to look
forward, with improved health and wellbeing, to the future.

West Dunbartonshire has a history of successful joint working, and the development of the Health and Social Care Partnership (HSCP) in July 2015 built on these previous shared aims and successes. The HSCP’s Strategic Plan sets out the key priorities and commitments for health and social care for the area, and states commitment and support for a replacement health and care centre to deliver improved outcomes for the people of Clydebank.

The national policies of Shifting the Balance of Care and the transformation of primary care, mean that this project is not about a simple replacement of an existing facility. It is about taking the opportunity to create a centre, where people can expect to be supported by a wide range of professionals, closer to their home, and be enabled to live healthier, more independent lives. The purpose-built centre, focused on wellbeing and recovery in its architecture, its art work and its green spaces, will form the ideal backdrop from which transformed primary and community care can be experienced to its full potential.

Alongside this, WDHSCP, in partnership with West Dunbartonshire Council, are building a purpose-built publicly funded residential home for older people with day care facilities, on the land adjacent to the new Health and Care Centre. The combination of these 2 developments has been termed ‘the Health Quarter’ and together, they form a crucial backbone to the Masterplan development of Queen’s Quay. This combination allows for a degree of integration of service planning which previously, has rarely been possible and is rarely seen. This development is enabling housing, health care, leisure services and social care to work together to plan to meet the evolving needs of a community, within that community. This is a unique opportunity.

The current facilities at Clydebank Health Centre are out-dated, uninviting and of poor quality. The current building is not able to accommodate the new ways of working afforded by multidisciplinary team approaches in terms of layout, limitations of space to allow co-location and the general fabric of the building.

Because of limited space, patients under the care of Clydebank Health Centre will often be expected to attend other locations to access services that are part of their overall care package or approach. If patients have difficulties or choose not to attend another location, then their treatment plan cannot be delivered to support individuals in reaching their full potential.

To realise the full benefits of integrated health and care for the people of Clydebank, we need to ensure that services are delivered as seamlessly as possible, focusing on the hopes and assets of the individual, with professionals working together and recognising carers and third sector contributors as equal partners. We also need to ensure that our relationship with Acute Sector services is optimised to ensure care and treatment is being delivered from primary care settings whenever appropriate. This is in line with national policy, best practice and in the best interests of patients and staff alike.

We have considered the limiting factors of the current building alongside the positive joint working that has steadily grown over the years within the Clydebank Health Centre. There is much to celebrate, and any future change should aim to preserve the positives as well as address the negatives. Recognising this, we have considered various options including refurbishing, upgrading or expanding the existing facilities.

For various reasons that are noted, once all of our options had been reviewed, we concluded that the best option for Clydebank is a new purpose-built Health and Care Centre that brings together the key supports from a range of professions to tackle health inequalities, improve health and contribute to social regeneration. This is in line with the Community Planning aspirations of West Dunbartonshire.

Greenock & Clydebank Health and Care Centre’s and Mental Health 2 Ward DBFM Scheme

Summary Paper
This paper sets out a proposal and detailed costs for the development of a health and social care facility for Clydebank. The development will be led by the Health and Social Care Partnership, which is responsible for the provision of all community health and social care services in West Dunbartonshire.

The current Clydebank Health Centre is the base for six GP practices serving a population of 41,000 as well as providing a range of other services, and was designed almost 40 years ago. The population and expectations have changed significantly since it was built, and the centre is no longer fit for purpose. The current facilities at Clydebank Health Centre are out-dated, uninviting and poor quality and have significant asbestos issues.
APPENDIX 3

Glasgow City Health and Social Care Partnership

Mental Health 2 Ward DBFM Scheme

Executive Summary

August 2018
Mental Health 2 Ward DBFM Scheme

Executive Summary of the FBC

Glasgow City HSCP formally became operational in February 2016. The HSCP covers the geographical area of Glasgow City Council, a population of 593,245 and services within the HSCP are delivered in 3 geographical localities:

- North West Glasgow with a population of 206,483
- North East Glasgow with a population of 167,518
- South Glasgow with a population of 219,244

Glasgow City HSCP has an annual revenue budget of approximately £1.13 billion, with a staffing complement of approximately 9000 staff.

The integration of health and social care services within the new facility will represent a visible demonstration of the commitment to integrated working consistent with the ambitions and priorities set out by Glasgow City HSCP’s Integration Joint Board within its Strategic Plan for 2016-19 including:

- Improving outcomes and reducing inequalities
- Person-centred care, providing greater self-determination and choice
- Early intervention, prevention and harm reduction
- Shifting the balance of care to better support people in the community
- Enabling independent living for longer and promoting recovery
- Public Protection to ensure people are kept safe and risks are managed appropriately

NHS GGC is the largest NHS Board in Scotland and covers a population of 1.2 million people. The Board’s annual budget is £3.1 billion and employs over 40,000 staff. Services are planned and provided through the Acute Division and six Health and Social Care Partnerships (HSCPs), working with six partner Local Authorities.

1.1. Strategic Case

The Full Business Case Strategic Case for Change has not changed materially from the Outline Business Case. The case presented in the OBC summarised a review of the historic and projected pressures on the current local capacity of mental health beds. In the time that has passed since the submission of the OBC for this proposal, revisiting the principles of the strategic/service solution identified has confirmed that no change is required at FBC. It remains true that the provision of capacity for mental health estates both essential and is urgently required. This will protect services locally.

The proposed works will not fundamentally affect service change but will further enhance the capacity for flexible working across the mental health services within patient appropriate modern facilities and as such will also enhance patient and staff environment, experience, and outcome. This is in keeping with achieving the same level of access to services and the same efforts to improve standards, infrastructure and staffing in mental health as physical healthcare:

- National 2017 – 2027 Mental Health Strategy;
- Local Greater Glasgow and Clyde wide “Moving Forward Together” vision and the
- Glasgow City HSCP Mental Health Strategy and Primary Care Improvement Plan development proposals.
1.2. Economic Case

The FBC’s preferred option of providing an additional two wards at Stobhill remains valid and as set out in the OBC submission. In achieving service delivery across the North of GG&C area and retaining the economic approach to construction through the detailed design stage the preferred option described in the OBC has been amended to take account of the needs of older people with functional mental health issues from the previously designated ward use for older people with mental health dementia.

Since completion of the OBC, work has progressed on developing the design and costs associated with the preferred option of:

- two inpatient wards on the Stobhill site on the area formally occupied by Wards 22 & 25, (now vacated and demolished). One ward is for *adult acute inpatient care and one for **older adults with functional mental health issues.

*transferring within the site mental health campus which is managed and owned by NHS GG&C. **transferring from Birdston Nursing home site. The facility accommodation and facilities management is contracted/leased from a Nursing Home provider.

As detailed further within the Financial Case, the FBC has identified no overall increase in capital equivalent costs associated with the scheme.

The changes since Outline Business Case to the FBC are marginal in terms of square metres, and can be summarised are main within the identified footprint at OBC.

Total area of the building confirmed at 2543 m2 based upon an agreed schedule of accommodation.(2543 m2 at OBC design stage)

Final area and configuration of the site has been agreed and reflected on the stage E proposals. Design is improved for people’s personal bedrooms and en suite facilities.

Cost position – Capital build costs have not changed materially from OBC cost ceiling of £10.6m capital equivalent. There is a revenue reduction due to more favourable funding terms being provided by Nord.

The Affordability Cap of £10.6m was set taking account of inflationary uplift, technical changes to the project, further design development and site issues. The figures remain supported by SFT and the Boards technical advisors, reflecting the true cost of the proposed works. The overall unitary charge cost position remains within the ceiling for the project. The capital cost remains within the HSCP’s affordability cap of £10.6m, with consequential reduction of the unitary charge.

There is a remediation strategy being put in place. Scottish Government has offered to provide additional funding support (£287,418) to address the remediation matter to ensure that the bundle can be delivered to the programme.

Benefits Criteria:
The benefits criteria articulated in this document are all desirable outcomes for the project that can be achieved by the preferred solution. Further details on the benefits for the project is included in the section Strategic Case

Critical Success Factors:
The critical success factors were subject to workshop discussion at the early stages of the project and set out within the OBC. These have been revalidated as part of the preparation of this FBC and are outlined in the Section – Economic Case.

Sustainability Case:
The stage 2 reports highlights that the Stage 2 design is on track to achieve a target BREEAM score of Excellent. The ‘current’ (fully validated) score is 73.85%. The requirement is to achieve BREEAM ‘Very Good’ which requires a score of up to 70% which is below the achieved score.

1.3. Commercial Case

Procurement Route:
The hub initiative has been established in Scotland to provide a strategic long-term programme approach to the procurement of community-focused buildings that derive enhanced community benefit.

Stobhill is located within the West Territory. A Territory Partnering Agreement (TPA) was signed in 2012 to establish a framework for delivery of this programme and these benefits within the West Territory. The TPA was signed by a joint venture company, hub West Scotland Limited (hubco), local public sector Participants (which includes NHS GGC and GCC), Scottish Futures Trust (SFT)

The mental health 2 ward DBFM scheme project will be bundled with the new Clydebank and Greenock Health Centre projects - the purpose of this approach and the benefits were outlined in the bundling paper which accompanied this and the Clydebank and Greenock Health Centre OBCs and which has been updated to accompany this FBC.

Risk Allocation:
Having identified the risks relating to the project and quantifying each, a review of the appropriate allocation of each was undertaken prior to agreement of the Guaranteed Maximum Price. In accordance with the hub process a total of 1% risk is allowed at the construction stage. This equates to £91,309 which is included within the GMP.

Agreed Contractual arrangements and charging mechanisms
The agreement for mental health 2 ward DBFM scheme is based on the SFT’s hub current standard form Design Build Finance and Maintain (DBFM) Agreement. The TPA and SFT require that SFT’s standard form agreement is entered into by NHS GGC and DBFM Co with only amendments of a project specific nature being made. Therefore, the DBFM Agreement for this project (as bundled with Clydebank and Greenock Health Centre) contains minimal changes when compared against the standard form. Glasgow City HSCP/NHS GGC will pay for the services in the form of an Annual Service Payment.

Means of testing that the works provide the required scope included an FBC National Design Assessment Process (NDAP) submission; an FBC Achieving Excellence Design Evaluation Toolkit (AEDET) review; continuous update of the BREEAM pre-assessment information and the on-going utilisation of BIM level 2 protocols.

Is the Project Financially Viable:
The funding assumption contained within the OBC was that revenue funding from Glasgow City HSCP would be available to support this project. This has not changed and remains the case at FBC.
The approach to securing the site, demonstrates the benefits from GCC HSCP NHS and NHS GG&C proactively working together to their mutual benefit, in managing their estates efficiently and in securing the optimum outcome for service delivery to the public.

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Stakeholder Support & sign-off:
The Glasgow City Health and Social Care Partnership and NHS Greater Glasgow and Clyde have been actively involved in developing and approving the Mental Health 2 Ward DBFM scheme through its various stages and this also additionally incorporates representation in West of Scotland Regional Planning and planning process. The financial costs of the scheme are contained within the agreed and available budget via the Design Build Fund and Maintain (DBFM) route. The Stakeholder sign-off letter is additionally contained in the Appendix.

1.4. Management Case

Project Management Arrangements:
The project will be managed by a Project Board chaired by Katrina Phillips, Head of Adult Services North East Glasgow, Glasgow City HSCP.

The Project Board will comprise representatives of NHSGGC Senior Management Team and key stakeholders from the Mental Health PFPI/User Group; and appropriate representation of the hub West Scotland Ltd Consortium. The Project Board will be expected to represent the wider ownership interests of the project and maintain co-ordination of the development.

The project will also be supported by a series of sub groups as required. The project management and governance arrangements are set out in greater detail in Section 5.

Change Management Arrangements:
The detail of change management arrangements can be located in Section 6 of this FBC but in broad terms there is no anticipated change to the operational, service or facilities management arrangements stated within the OBC. The key stakeholders for operating the facility will remain as stated in the OBC, GC HSCP / NHSGGC.

The project has been developed to provide replacement capacity of mental health inpatient beds to replace an old model of accommodation contract arrangement and existing accommodation that does not offer single room accommodation for people and which despite best efforts does not meet modern standards of mental health in-patient accommodation. At this FBC submission there is no anticipated change to how the service will be delivered, with the focus on ensuring that the Glasgow City HSCP deploys NHSGGC employed and retained staff with the right skills and of the appropriate number, working in a multi-disciplinary and multi-agency way to ensure the right culture is fostered and patient centred care is at the foundation of the service delivery.

Benefits Realisation Plan:
The core benefits included in the provided Benefits Realisation Plan have remained in place from inception at Strategic Assessment. The Benefits Realisation Plan has however been expanded from
that included in the OBC to provide a baseline measurement and a target outcome to ensure there is a clear ability to monitor progress and quantify success through subsequent project monitoring and evaluation.

Additionally, softer benefits have been included as a result of on-going discussion with the users through the detailed design period, and these will be included in the monitoring and evaluation process.

Evaluation of all benefits will be led by the NHSGGC Post Project Review Manager with the assistance of the Project Board; Project Delivery Group, and where necessary stakeholder representatives from staff, patients and visitors’ groups.

Project Risk Register:
A risk register was established at the project initiation stage and has been subject to workshops and review to ensure it is appropriate to the project stage. At each stage through to submission of this FBC, a risk register review has formed part of the agenda for a range of core meetings and project board meetings. **Contents are regularly reviewed and updated by appropriate stakeholders at these forums. This has included review in conjunction with the joint cost advisor, hub West Scotland Ltd and NHSGGC and been analysed and subsequently approved by all relevant parties using agreed methodology.**

General risk review will continue to form part of regular meeting agendas through the construction stage, including progress meetings and project board meetings. Review and reporting on risks will be carried out collaboratively through engagement with the hub West Scotland Ltd, appointed consultants and the client team forming the core group with escalation procedures in place as per the governance arrangements for the project.

Commissioning Master Plan:
The Commissioning arrangements for the project are provided within section 6 of this FBC submission, detailing:

- the reporting structure and governance arrangements
- the lead persons for both technical and non-technical commissioning
- the key stages and timescales within the process

A detailed Commissioning Requirements Brief (inclusive of Equipping Matrix) and Commissioning Master Plan are included within Appendix 13.

Monitoring and Evaluation Plan:
Project Monitoring and Evaluation plans and methodologies have been developing throughout the OBC and FBC process in line with SCIM guidance. This has been achieved through engagement and collaboration with NHSGGC representatives, the appointed hub West Scotland Ltd and the core user and stakeholder groups to ensure plans, methods, timescales and means of engagement forming the monitoring and evaluation process have been agreed by all parties. This has culminated in the availability of the detailed Project Monitoring and Service Evaluation Plans included in Section 14. These show what will be assessed, when it will be done and the overall approach to delivery. Monitoring and Evaluation will continue throughout the construction and commissioning stages of the project, with a Project Monitoring Report being provided to SGHSCD shortly after DBFM Completion incorporating:

- An updated DBFM Cost Monitoring Form
• A Programme Monitoring Form
• Summary of significant scope changes
• Summary of Health and Safety performance
• An overview of achievement of the project design objectives
• A review of the management of risk throughout the project development

A comprehensive service benefits evaluation will place take from 18-36 months post occupancy, the focus of the evaluation involving:

• Assessment of whether and to what extent the project has realised its expected benefits
• Gaining feedback from users and other stakeholders on the project outcomes i.e. how stakeholder expectations have been met
• Reviewing the impact of any service change on operational activities, processes and people
• Understanding of how well the project has impacted on service activity and performance.
• Reflection of what went well and what could have been improved to provide learning to be passed on to other similar projects.