NHS
Greater Glasgow and Clyde

West Dunbartonshire

Health & Social Care Partnership

TRANSFORMING CARE IN CLYDEBANK

Outline Business Case

12th October 2017

Transforming Care in Clydebank

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Artist's Rendering of Planned Interiors of New Health and Care Centre

Clydebank's youth centre Y Sort-It is up on the hill on one of the town's finest sightlines, Kilbowie Road. This is 'tap ae the hill' territory, or Radnor Park as it's officially known. 'We have quite a lot of these sayings that only we use', 9 year old Lauren explains. She's in Y Sort-It with the other Young Hubbits, making a model of her dream health centre with paper mache. Creativity, community and active living are all encouraged here, not to mention empowerment; the young people are making the decisions about how the service is run. They were the first organisation in Scotland to be awarded government funding that was solely managed by 16-25 years olds. Limitless horizons are a theme here.

From Y Sort-It, look south and you can see the River Clyde, the Titan Crane and the evergreen Newshot Island beyond, which is a feeding and resting point for migratory birds travelling to and from regions such as North America, Siberia and West Africa. Look north and you can see the Kilpatrick hills that wrap around the town. Duncolm, Fynloch, Middle Duncolm, Darnycaip, Doughnot Hill, Auchineden, Craigarestie, Berry Bank, Brown Hill, Cochno Hill, Knockupple, Craighirst,. This is Clydebank's timeless landscape. Lauren lists the view from her bedroom window as one of her favourite things, second only to her choice of libraries in the town – six altogether, each with their own appeal. 'I do love the water and the mountains. They bring a peacefulness to Clydebank.'

By Lauren (Y Sort-It)

As quoted in the *River to Recovery – An Arts Project for the new Clydebank Health and Care Centre* (Ruth Olden, 2016)

1. Overview

1.1 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. Clydebank has high levels of poverty and an increasing elderly population, with many burdened with long term conditions. This is driving growing demand for health and social care services alongside an 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 multi-morbidities – alongside reduced public sector resources – means that the public sector has to work together to deliver services in different ways and make the most of all of the investment available.

1.2 In accordance with the Public Bodies (Joint Working) Act 2014, Greater Glasgow & Clyde Health Board (NHSGGC) and West Dunbartonshire Council established their local integration joint board – known as West Dunbartonshire Health & Social Care Partnership (WD HSCP) Board – in July 2015. The WD HSCP arrangement has been built on the successes and experience of its predecessor Community Health & Care Partnership (CHCP) that had 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 and care centre to deliver improved outcomes for the communities of Clydebank.

1.3 Community health services in Clydebank serve 50,000 people. Whilst all of these services are being developed as increasingly integrated health and care arrangements, the dispersed locations from which staff are based inhibits their ability to develop synergies in terms of new ways of joint working and support. Moreover the significant constraints of three facilities in particular – namely Clydebank Health Centre, Hardgate Clinic, and the West Dunbartonshire Council owned premises at Kilbowie Road – significantly limit their scope to realise the benefits of integration for their patients and local people more broadly. This is especially true of the main Clydebank Health Centre, where the poor state and ongoing maintenance of the building mean that from a repairs perspective it is expensive to maintain. The asbestos that is integral to the building's structure means that even relatively simple repairs are extremely costly; and that extension of that building is cost-prohibitive. Despite the commitment of staff the current facilities are unable to provide the standard of patient experience set out in the

national quality strategy or of a standard acceptable to either the NHSGGC or the WD HSCP Board.

1.4 This transformational project is being led by WD HSCP, which is responsible for the provision of all community health and social care services in West Dunbartonshire. An Initial Agreement for the project was endorsed by the WD HSCP Board Audit Committee in January 2016; and approved by the NHSGGC Health Board in February 2016, prior to then being formally submitted to the Scottish Government Health Directorate's Capital Investment Group (CIG). Following consideration at its meeting of 15th March 2016, CIG recommended approval of the Initial Agreement to the Director-General Health & Social Care and Chief Executive NHS Scotland, who subsequently wrote to the NHSGGC Chief Executive on the 7th April 2017 to confirm that they had accepted that recommendation and so invited the submission of an Outline Business Case (OBC) (Appendix 1).

1.5 The purpose of this OBC then is to identify the preferred option for implementing the strategic / service solution confirmed at Initial Agreement stage. It will demonstrate that the preferred option optimises value for money and is affordable. It will also set out the supporting commercial and management arrangements to be put in place to successfully implement that option.

1.6 As indicated within the approved Initial Agreement and is now further corroborated within this OBC, the preferred solution option is a single and new-build facility.

Output	**Option – New Build Queens Quay**
Capital Expenditure (Capex & development costs)	£19,250,246
Annual Service Payment	[redacted]

1.7 The proposed new Clydebank Health & Care Centre would accommodate six General Practices; District Nursing; Health Visiting; Physiotherapy; Podiatry; Dietetics; Diabetic Specialist Nursing; Primary Care Mental Health; Speech & Language Therapy; Community Older People Team; Hospital Discharge Team; Home Care Team; Pharmacy Team; Continence Team; Outpatients Clinics; and Community Administration.

1.8 The overall cost position has increased from £18,997,810 at the previous Initial Agreement stage to £19,250,246. There has been no increase in the building area of 5,722m^2 since the Initial Agreement though. A number of changes have increased costs, including technical matters, site issues and design development. The most significant items include a compliance requirement for cold water systems to be chilled;

requirements for additional mechanical ventilation; and an element of ground remediation to deal with specific site conditions. Some of this has been addressed by utilising risk allowances included at the Initial Agreement stage; an element of value engineering; and a reduction in inflation allowances based on published Building Cost Information Service (BCIS) indexes. The overall costs have been examined by the NHSGGC's technical advisers, who have confirmed that the costs represent value for money. Discussions took place with Scottish Government in March 2017 when these increases became apparent. Following upon this, confirmation was provided by Scottish Government that NHSGGC should proceed with the submission of an OBC on this basis.

1.9 A new integrated facility for Clydebank already has widespread stakeholder support, including from local politicians and the local Community Planning Partnership. Such a replacement health and care centre build will 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 and care centre within Clydebank has already been identified as a key contribution that NHSGGC could make to the wider regeneration plans for Clydebank.

Artist's Rendering of Planned Entrance to New Health and Care Centre

1.10 This OBC is structured in accordance with the refreshed Scottish Capital Investment Manual (SCIM), particularly the 'five case model' methodology for developing a robust and comprehensive business case and which is centred on the need to address the following issues (each of which has formed the basis for a dedicated section herein):

- Does the proposal support a compelling case for change, providing national and local strategic synergy? – the Strategic Case.
- Will the proposal optimise value for money? – the Economic Case.
- Is the proposal commercially viable? – the Commercial Case.
- Is it financially affordable? – the Financial Case.
- Is it achievable and deliverable? - the Management Case.

1.11 As well as complying with the requirements of the SCIM, the local approach to shaping the development of this key project has been informed by the positive learning and best practice established in the successful delivery of the Vale Centre for Health and Care as recommended in the latter project's Office for Government Commerce (OGC) Gateway Review.

1.12 In accordance with SCIM guidelines the development of any new infrastructure project requires a full site options appraisal. Given the background to this project, CIG agreed that Scottish Futures Trust should be invited to engage with NHSGGC to examine the available options against the project's benefits realisation and investment objectives. This process was detailed within the approved Initial Agreement.

1.13 As confirmed within the Initial Agreement, through the above process the Queen's Quay Regeneration Development site in Clydebank was confirmed as the optimal available site for delivering on the project's investment objectives.

1.14 Furthermore, the terms of the site's provision by the Council means it will be delivered at a lower cost to the project, allowing current funding to be used most effectively. In locating the new facility on this prime site, the regeneration benefits of the project will be considerably enhanced and further deliver a positive effect on the health and wellbeing of the people of Clydebank.

1.15 With that in mind, each of following sections of this OBC is prefaced by a vignette that has emerged from one of the Arts projects that was commissioned to inform the development of the transformation proposed by – specifically to explore Clydebank's return after industry. These are some of the stories of Clydebank's "makers and menders": people who have not only lived the change, but who are also enacting change in response: stitching, fixing, digging, sharing, skilling, and storytelling, to tend to health, wellbeing, community and environment in the area. These stories speak to an enduring "Bankie" spirit, and all its collective purpose.

1.16 What emerges is a fierce local activism, borne of loyalty, and a strong sense of belonging to a home turf. There is a desire for learning and betterment and reconnection with the environment. There is generosity and humour. And there is also an undeniable resilience that, while borne of necessity on one level, has on another level propelled Clydebank's greatest experiments in community, creativity and green learning that have been observed in recent years. The new Clydebank Health and Care Centre proposed here is uniquely positioned to engage with such stories of post-industrial recovery, to champion them, and to be inspired by the hopes and aspirations that they represent.

Every Friday the Clydebank walking group walk along the river's edge of John Brown's which has, up until recently, been off limits. It's a blustery day but everyone is glad to take in the fresh air. Amongst the walkers is Raymond Cross, a former employee of John Brown's who began his welder apprenticeship here aged 16. Raymond points to the large dirty shed, long gone, where he first got a handle of the welder's rod making small parts under the guidance of Tam Elder. Next he was moved to the assembly bay where he spent two years working alongside a Plater and his mate. 'In this section you found new friends, some to be lifelong friends, as a lot of men were at the same stage as you'. He still remembers the day he was finally summoned to join the welding foreman on the berth: 'now it got dangerous and exciting, having to climb and crawl into small places'. All the welders were paired up, and together assigned their own section that they took full responsibility for. 'In most cases it took a while to find someone that you would be compatible with, and once this was achieved you stayed with that person. They called it a big family and you can imagine why'. Raymond was proud of what he was, and what he was leaving behind, and he was good at it - so much so that he was the first welder to be sent out on to the berth to work on the keel of the QE2. His foreman announced to him one day: 'Go out there and make history'.

All the men worked extremely hard – six days a week, sometimes Sundays, lots of late nights, and families at home paid the price. 'They spent more time with their workmates than their wives, and they were working so hard that they didn't even have time to think about it. There was a real lack of affection in those days', Raymond recalls. 'It was a very macho, competitive environment, their jobs were hard. They drank after work to come down, and eventually they drank because they couldn't face up to what home life had become. This only got worse with the drip drip failure of industry, with the uncertainty of contracts, and the deterioration of working conditions. The workmen suffered stress and many other related problems that stayed with them, and when they were finally let go, it was like man and wife finally meeting again after a long time away, and it didn't always work out'. That's why you get so many groups like this – there was terrible loneliness and isolation, and people needed ways to new ways to build their relationships. Things are much better for families these days. 'Nowadays you see men pushing prams and trollies. That would never have happened back then. I don't think we should long for the past, but learn from it. The gates of the yard created separate universes for men and women back then - too much inequality. I hope that we can learn from that and move forwards'.

With thanks to Raymond (Clydebank Walking Group)

As quoted in the *River to Recovery – An Arts Project for the new Clydebank Health and Care Centre* (Ruth Olden, 2016)

2. Strategic Case

2.1 The main purpose of the Strategic Case at OBC stage is to confirm that the background for selecting the preferred strategic / service solution(s) at Initial Agreement stage has not changed. It will do this by revisiting the Strategic Case set out in the Initial Agreement; and responding, to the following questions:

- Have the current arrangements changed?
- Is the case for change still valid?
- Is the choice of preferred strategic / service solution(s) still valid?

2.2 Fundamentally, there have been no material changes to the strategic case since the Initial Agreement was prepared and approved. Whilst there has been a change to the current arrangements in terms of the existing sites that were originally proposed as being rationalised through this project, the answer to the the second and third questions continue to be an unequivocal "yes".

<u>Have the current arrangements changed?</u>

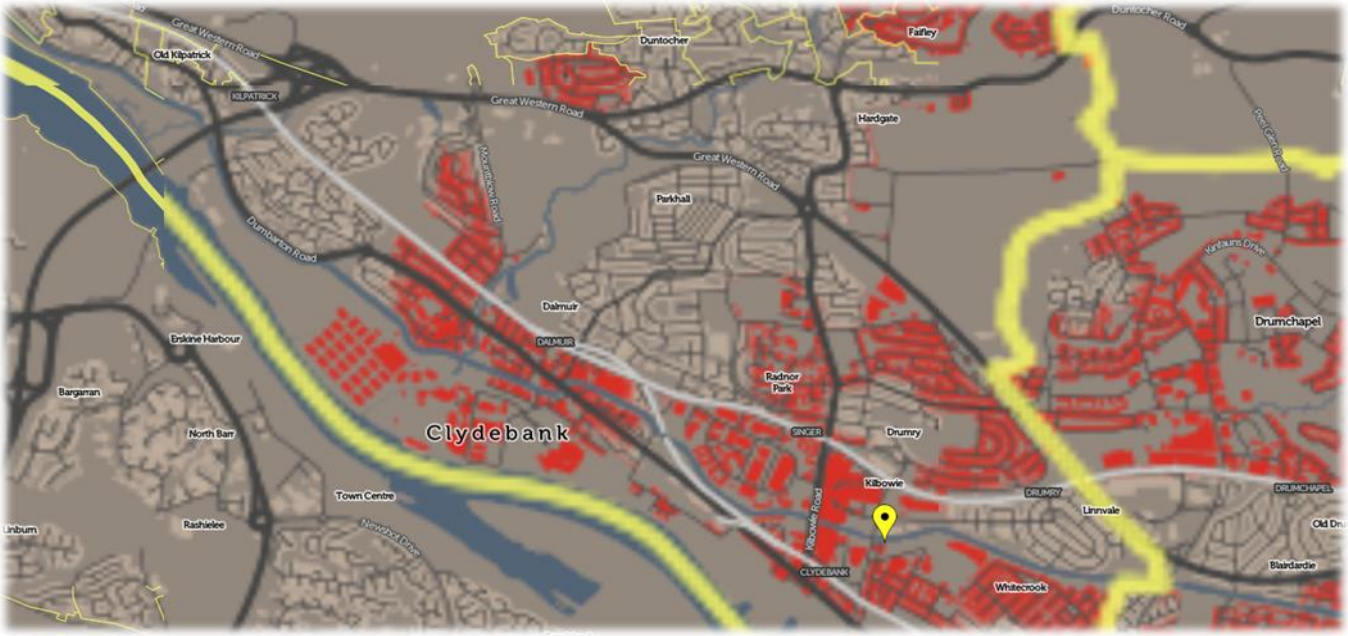
2.3 As detailed within the Initial Agreement, West Dunbartonshire as a whole faces the considerable challenges of restructuring its economy following the decline of heavy industry, dealing with the impacts of the recession and managing a declining and ageing population. According to the most recent *Scottish Public Health Observatory Health and Wellbeing Profile* for the area (published 2016):

- Life expectancies in 2011, at 74.1 years for males and 78.7 years for females, were lower than the Scottish average of 76.6 years for males and lower than the Scottish female average of 80.8 years.
- Cancer registration in 2011–2013 was, at 715, higher than Scotland's overall rate of 634.
- The rate for patients hospitalised with asthma in 2011–2013, 117, was higher than the Scottish rate of 91.
- The rate for emergency hospitalisations in 2011–2013, at 8650, was higher than the rate for Scotland (7500).
- In 2011–2013, the coronary heart disease rate was, at 554, higher than the Scottish level of 440.
- The percentage of people prescribed medication for anxiety, depression or psychosis in 2014/15 was, at 20%, higher than Scotland overall (17%).

- The rate for adults aged 65 years and over with multiple hospital admissions in 2011–2013, at 6140, was higher than that in Scotland (5160).

2.4 Overall, West Dunbartonshire has a worse general level of health and socio-economic deprivation than the Scottish average – this is also the picture within Clydebank (as illustrated in the map overleaf). Clydebank has high levels of poverty and an increasing elderly population, with many burdened with long term conditions. This is driving growing demand for health and social care services alongside an increasing imperative to co-locate teams, integrate services and deliver seamless care.

Clydebank – lowest 20% Scottish Index of Multiple Deprivation datazones in red (ISD)



2.5 Community health services in Clydebank serve 50,000 people and currently operate from five sites: Clydebank Health Centre; Hardgate Clinic; West Dunbartonshire Council owned premises at Kilbowie Road; Beardmore Resource Centre; and Goldenhill Clinic. Whilst all of these services are being developed as increasingly integrated health and care arrangements, the dispersed locations from which staff are based inhibits their ability to develop synergies in terms of new ways of joint working and support. Moreover the significant constraints of three facilities in particular – namely Clydebank Health Centre, Hardgate Clinic, and the West Dunbartonshire Council owned premises at Kilbowie Road – significantly limit their scope to realise the benefits of integration for their patients and local people more broadly.

2.6 The Initial Agreement proposed rationalising all five of the above sites as part of this project. However, after carefully reviewing the current arrangements as part of the preparation of this OBC, the Project Board have come to the considered conclusion that the Goldenhill Clinic and the leased premises at Beardmore Resource Centre should no longer be considered as part of this project; and that the focus be sharpened to addressing the inadequacies of Clydebank Health Centre, Hardgate Clinic, and the West Dunbartonshire Council owned premises at Kilbowie .

2.7 There have been no negative changes to the strategic background since the Initial Agreement was prepared and approved – as summarised in the table below.

Response to strategic background	**Status Confirmation**
Who is affected?	*The range of stakeholders affected by this proposal remains the same as detailed within the approved Initial Agreement.*
Links to NHSScotland's strategic priorities	*The proposal's links with NHSScotland's strategic priorities remain the same as detailed within the approved Initial Agreement.*
Links to other policies and strategies	*The proposal's links with other policies and strategies have been further strengthened since the Initial Agreement was approved.*
Influence of external factors	*External factors influencing this proposal remain the same as detailed within the approved Initial Agreement.*
Service Activity Changes	*Service activity remains the same as detailed within the approved Initial Agreement.*
Changes to service model	*The service model remains the same as detailed within the approved Initial Agreement.*

2.8 As acknowledged within the above table, there have been a number of new policies and strategies that have reinforced the strategic case for the project as follows.

2.9 The *National Clinical Services Strategy* (2016) sets out a framework for the development of health services across Scotland for the next 10 to 15 years. It gives an evidence-based high level perspective of why change is needed and what direction that change should take. It emphasises the importance of:

- Taking a person centred approach
- Ensuring services are safe, sustainable, efficient and adaptable over time
- Ensuring care is provided closer to home wherever possible

- Ensuring services are integrated between primary and secondary care
- Providing affordable solutions to utilise available funding as effectively as possible.

2.10 That Strategy highlights the need for effective integrated working between primary and community care; and across health and social care. It promotes an objective to increasingly arrange for co-location of primary and community care services, in a way that enables them to work as manageably sized, close-knit teams with excellent inter-professional communication, and "one-stop" access for people.

2.11 The *National Health & Social Care Delivery Plan* (2016) emphasises that community and hospital-based care needs to be integrated and rebalanced to ensure that local health services are more responsive and supportive to the needs of individuals, not least those with chronic conditions who would be better supported in primary and community care. That requires reforming the latter to deliver a stronger, better resourced and more flexible service for people.

2.12 *Realising Realistic Medicine: The Chief Medical Officer for Scotland Annual Report 2015/16* asserts that people receiving health and care should be at the centre of clinical decision-making. In doing so, the Chief Medical Officer emphasises the necessity to and the imperatives for reducing harm and waste; tackling unwarranted variation in care; managing clinical risk; and innovating to improve.

2.13 In November 2016, the Scottish Government and British Medical Association published *General Practice: Contract and Context - Principles of the Scottish Approach*, setting out a shared vision for how general practice can be improved so that GPs can become clinical leaders of expanded teams of health professionals working in the community. The Vision is for General Practice to be at the heart of the healthcare system; for those who need care to be more informed and empowered than ever, with access to the right person at the right time, while remaining at or near home wherever possible; and for multi-disciplinary teams in every locality, both in and out of hours, involved in the strategic planning and delivery of services.

2.14 Building on the above and its own *Clinical Services Strategy* (2015), NHSGGC's Acute Services Committee agreed an approach to planning the changes required to transform Acute Services in line with the direction set by these initiatives - *Transforming Delivery of Acute Services Programme* (2017). This approach explicitly reflects:

- An appreciation that while there continue to be increasing amounts of money spent on the NHS, that the growing demands from patients and the changing health needs of the population will only be met by shifting resources from acute hospitals to the community.

- A commitment that more support will be developed in the community to enable people to stay locally and out of acute hospitals unless necessary.
- An 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.

2.15 In the *Nursing 2030 Vision* (2017), the Chief Nursing Officer similarly emphasises the drive towards high-quality, compassionate, efficient and effective health and social care systems that provide accessible and responsive services.

2.16 The recently published *National Health & Social Care Standards* (2017) seek to provide better outcomes for everyone; to ensure that individuals are treated with respect and dignity; and that the basic human rights that everyone is entitled to are upheld. The Standards are based on five headline outcomes, the last of which is particularly pertinent to this OBC:

- I experience high quality care and support that is right for me.
- I am fully involved in all decisions about my care and support.
- I have confidence in the people who support and care for me.
- I have confidence in the organisation providing my care and support.
- I experience a high quality environment if the organisation provides the premises.

2.17 All of the above are reflected within and reinforce the strategic commissioning outcomes detailed within the *West Dunbartonshire Health & Social Care Partnership Board's Strategic Plan 2016-19* – namely:

- Supporting Children and Families.
- Supporting Older People.
- Supporting Safe, Strong and Involved Communities.

2.18 As detailed within the approved Initial Agreement, in September 2015 an AEDET assessment of the existing Clydebank Health Centre building was carried, facilitated by Health Facilities Scotland (HFS).

Existing Clydebank Health Centre – Exterior

2.19 That AEDET assessment highlighted only one area where the existing building worked well, namely that internal space has been well utilised. It also highlighted a variety of areas where the existing building was seen as being inadequate, notably lack of space; poor quality environment internally, both for staff and patients/service users; poor internal layout; poor access to the building; and poor sustainability. Importantly, this assessment has provided a benchmark against which these new proposals for change can and have been compared and tested.

Existing Clydebank Health Centre – Interior (Waiting Room)

2.20 A follow-on workshop was undertaken later in September 2015 to develop a Design Statement for any new facility, facilitated by Architecture and Design Scotland (A&DS). The design quality objectives and Design Statement developed through that process and then articulated within the Initial Agreement have remain unchanged through the development of this OBC – with the design for the new facility:

- To be clearly accessible for the communities that it is designed to serve.
- To be straightfoward to navigate for all, with clear wayfinding and lines of sight.
- To foster a safe and calming environment, including through good use of natural light and ventilation.
- To promote a sense of community amongst staff within and across disciplines/services, encouraging dialogue, collaborative working and joint learning.
- To convey a welcoming and considerate impression, internally and externally, reflective of the community.

Is the case for change still valid?

2.21 The case for change has not changed materially since the Initial Agreement was developed and approved – if anything, it has only been strengthened given the more recent policies and strategies summarised in 2.9 to 2.17 above. The table below summarises that case for change that was described and evidence in detail within the Initial Agreement.

Cause of the need for change	Effect of that cause on the Organisation	Need for action now
Future service demand	Existing capacity is unable to cope with current or future projections of demand. There is no natural flow between clinical areas to maximise a multidisciplinary approach.	Multidisciplinary working is has been impeded by the constraints of the layout. Patient demand cannot be met due to constraints of accommodation.
Dispersed service locations	Existing service arrangements affect service access and travel arrangements. Currently managing the upkeep and backlog maintenance of old buildings, most of which are no longer fit for purpose.	Service access is currently fragmented for this locality when compared with other catchment areas.

Cause of the need for change	Effect of that cause on the Organisation	Need for action now
Ineffective service arrangements	The current Clydebank Health Centre was built at a time when the NHS was more focused on less complex episodes of illness and treatment; and less recognition of the need for privacy, respect and dignity as integral to the delivery of health services. It is no longer acceptable to have key services on upper floors if the lifts are unreliable, for example and while we have this situation, some sections of our communities have poorer access to services.	More integrated approaches are not supported by dispersed teams, particularly when the patient has to navigate across a number of sites and locations to access the range of supports needed.
Service arrangements not person centred	The existing Health Centre facility does not have interior flexibility to re-shape clinical areas and accommodate related teams or services. This means that patients need to navigate an often complex array of locations to receive multi-disciplinary support. As more and more people are living with multiple long term conditions and wishing to be more active in the management of their own health, our existing service arrangements present more barriers than solutions.	People will be discouraged from engaging with our services as it can be complicated and expensive. This increases the risks of individuals coming to services late in their disease progression; treatment options being more limited, and outcomes being less good than they could have been.
Accommodation with high levels of backlog maintenance and poor functionality	Increased safety risk from outstanding maintenance. Clydebank Health Centre is now nearing the end of its useful life in terms of suitability for service provision. There has been a programme of works to address the need to remove asbestos, and	There is currently no room to expand the facility due to footprint of the building and site constraints. As a result the existing facility has failed to keep pace with the requirements of modern

Cause of the need for change	Effect of that cause on the Organisation	Need for action now
	therefore more routine works have had to be de-prioritised, further adding to the backlog (backlog maintenance is currently costed at £557,090).	primary care health provision.

2.22 The investment objectives have also not changed materially since the Initial Agreement was developed and approved – and again, if anything, their appropriateness has only been heightened given the more recent policies and strategies summarised in 2.9 to 2.17 above. The table below summarises those investment objectives, which were described in detail within the Initial Agreement.

Effect of that cause on the organisation	What needs to be achieved to overcome this need? (Investment Objectives)
Stifling effect of inequalities on population of Clydebank	The primary determinants of health are well recognised as being economic, social and environmental. Within West Dunbartonshire we are formally committed to a determinants-based approach to health inequalities, with our local-term goal being to have tackled population-level health inequalities as a result of our having collectively addressed its root causes through the local Community Planning Partnership – by stimulating sustainable economic growth and employment; promoting educational attainment and aspiration; and supporting community cohesion and self-confidence. *INVESTMENT OBJECTIVE 1:* *Contribute to economic regeneration of Clydebank as a whole.*
Existing service arrangements affect service access and travel arrangements	Our current arrangements have developed based on the location of buildings rather than the natural flow of services and how they should be used. Patients frequently have to travel between locations to access the full range of support they need, and staff use up valuable clinical time travelling between these locations too. The location of the current health centre means that travelling by car is the most convenient mode for most, and for those without access to a car, the alternatives are costly and inconvenient - and this disproportionately affect those most

Effect of that cause on the organisation	What needs to be achieved to overcome this need? (Investment Objectives)
	vulnerable to poor health outcomes. To overcome this, we require improved access to primary care and associated services that are patient centred, safe and clinically effective. *INVESTMENT OBJECTIVE 2:* *Improve local access to a greater range of modernised services.*
Inefficient service performance	Since our new integrated arrangements commenced in place in 2015 there has been a much greater emphasis on joint working. This has not just been with the Council, but also the wider community planning partnership and local voluntary sector organisations. To help us build on this approach, key services (including but not restricted to health services) need to be located together, and their relationships with good overall health and wellbeing made explicit. *INVESTMENT OBJECTIVE 3:* *Increase integration of multi-disciplinary teams and services.*
Service is not meeting current or future user requirements	Current arrangements dispersed over a number of locations do not meet modern requirements or expectations for good, supportive care that promotes independent living. To meet user requirements for equitable and clear service pathways and connections, we need facilities that can provide a natural flow of services, and reinforce the services' relationships with each other. To achieve this, we need a modern fit for purpose accessible facility that will facilitate and promote interagency and interdisciplinary working, and address health inequalities by having better integrated teams. Community and primary care staff – including those working within general practice - need access to professional development and training, and facilities to support this would be built into new arrangements. *INVESTMENT OBJECTIVE 4:* *Increase capacity and adaptability of facilities in which services delivered and based.*
Increased safety risk from outstanding maintenance and	Improve safety and effectiveness of accommodation by providing accommodation that will deliver improved energy efficiency, reducing CO2 emissions in line with the Government's 2020 target and contributing to a reduction in whole life costs. Meet statutory

Effect of that cause on the organisation	What needs to be achieved to overcome this need? (Investment Objectives)
inefficient service performance	requirements and obligations for public buildings. The current backlog maintenance is compounded due to the asbestos in the existing Clydebank Health Centre, making repairs so costly that there is insufficient capital funding to undertake most repairs. The roof leaks in many places and parts of the interior drop off from time to time, occasionally causing injury to patients or staff. *INVESTMENT OBJECTIVE 5:* *Improve safety and quality of facilities in which services delivered and based.*

Is the choice of preferred strategic solution still valid?

2.23 The preferred strategic solution described and confirmed within the Initial Agreement is still valid - and again, if anything, its appropriateness has only been heightened given the more recent policies and strategies summarised in 2.9 to 2.17 above.

2.24 The Clydebank Health Centre, Hardgate Clinic, and the West Dunbartonshire Council owned premises at Kilbowie Road facilities have been assessed as not meeting the basic needs nor being able to address the above investment objectives - so a Do Nothing option is not viable. The poor state and ongoing maintenance of the main Clydebank Health Centre in particular mean that from a repairs perspective it is expensive to maintain. The asbestos that is integral to the building's structure means that even relatively simple repairs are extremely costly; and that extension of that building is cost-prohibitive. The preferred solution then continues to be a fully integrated health & care service model for Clydebank based within a single and new-build facility.

2.25 A replacement health and 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.

2.26 The proposed new leading edge facility would then meet a number of significant needs that the existing community service arrangements within Clydebank - and specifically those within the current Clydebank Health Centre - are fundamentally unable to, i.e. the new Centre will:

- Improve access to and range of services.
- Improve patient, carer and visitor experience.
- Enable integration of service provision.
- Enable integrated team working.
- Improve quality of clinical care, including meeting decontamination requirements.
- Enable better use of information and communication technology.
- Improve physical work environment for staff.
- Provide high quality learning facilities for staff and students.
- Improve environmental management and sustainable development contribution.
- Provide improved modern parking and drop off facilities, plus enhanced access for pedestrians, cyclists and those using public transport.
- Improve space utilisation and enhance adaptability for future change.

2.27 The NHSGGC, the HSCP and West Dunbartonshire Council are all committed to implementing new agile working arrangements that enable more flexible work styles supported by new technology, new office layouts and different approaches to people management. Experience has shown that many benefits can be gained, including:

- Increased productivity.
- Reduced travel time and costs.
- Better use of office space.
- Property rationalisation.
- Property disposal.
- Reduced pollution.
- Greater employee satisfaction.

2.28 All of these elements of the Centre will be further refined through the FBC, construction and commissioning phases of the project.

2.29 The internal layout and infrastructure for the proposed Centre is being developed with those best practice principles in mind, notably with respect to the optimal use of up-to-date information technology (IT).

2.30 The national Health and Social Care Delivery Plan identified digital technology as key to transforming health and social care services (and which will be further elaborated within the forthcoming Digital Health and Social Care Strategy for Scotland). Work on IT infrastructure has developed with representation from West Dunbartonshire Council and NHSGGC IT team members. The intent is to develop a system similar to that at the Eastwood Health and Care Centre, where NHS and Council systems are aligned, so that staff can make use of any workstations or terminals around the building, allowing flexibility of use and easy access to networks. In addition, funding has been provided to support back-scanning of records to minimise space requirements and simplify archive storage.

2.31 The new centre will also include wi-fi coverage for all staff and service users. Facilities for self-check-in terminals will be provided at each reception point. Telemedicine tools will be in place, in line with their current pilots with Scottish Government through the Technology Enabled Care (TEC) pilots for frailty, COPD and diabetes. Tele-conferencing and interactive white boards will be installed in large meeting rooms.

2.32 An IT sub Group of the Project Delivery Group has been formed and feeds into the Project Board. The costs for IT - including wi-fi installation - are included in the present cost plan; and Group 2 and 3 IT equipment are included within the capital equipment allowance within the overall project budget.

2.33 As described within the Initial Agreement, the development of a new and enhanced health and care centre within has already been identified as a key contribution that NHSGGC can make to the wider regeneration plans for Clydebank. As confirmed within the Initial Agreement, the Queens Quay Regeneration Area is the preferred location for this new facility, as per the project's Site Options Appraisal process that was facilitated by SFT and detailed within the Initial Agreement.

2.34 Queens Quay is West Dunbartonshire Council's key regeneration project. Its aim is to provide a better environment for the people of Clydebank and importantly to attract new residents and families to a regenerated riverside location. The wider Queens Quay site is subject to a planning permission in principle which was granted in September 2016 for mixed use development comprising a predominantly residential development to the west with a mix of retail, commercial and leisure uses around the basin and a health quarter to the north of the basin.

2.35 The proposed health quarter incorporates land for a new HSCP operated residential care-home and day facility (which secured planning permission in May and for the health and care centre proposed here. As such, the proposed new health and care centre is not just about the construction of a new asset, but more importantly how such a new facility will contribute to a transformation in the type of care provided with and for local people; and the economic and social transformation of the Clydebank area more broadly.

In Clydebank's Men's Shed there is a blackboard with two chalked headings: 'Skills we have to offer', and, 'Skills we'd like to learn'. Under the first is listed welding, fly fishing, carpentry, French polishing, baking, gardening; under the second is furniture making, guitar making. Founding member George says that it's important they define themselves by their capacities; it's part of the kinds of legacies that they're dealing with. 'Many of these men have worked in industry all their lives, and they've lost their jobs or retired. Loneliness creeps in, confidence falls away, and they feel devalued. What you can do has always been so tied up in a Clydebank mentality – it's still important. Knowing what you can do, and that you can share that with others makes you feel good.' The Men' Shed is still new but they have big renovation ambitions for the old scout hall that they've moved into. They will have a workshop filled with their own handmade workbenches and donated tools. Here they will begin a big up-cycling program, building furniture, instruments, and anything else that needs making for the wider community. George has brought in an electric guitar he has recently made using an old floorboard. 'See the things yeh can dae!? Necessity is the mother of invention, as Frank Zapper used to say!'

George came to volunteering after his own personal struggle. 'I was going through a bad patch, and finding it hard to leave the house. Women pick up the phone and meet for a coffee to talk things through, but it's not so easy for men.' Having met others in a similar situation he decided to set up a learner's group in Clydebank, for companionship and continuing education. Today, the Linnvale Lifelong Learners have many strings to their bow: there is the Sewing Group, the Cinema Group, the TLC group (who are learning about mindfulness and meditation), the Blether Group, and the Jewellery Group. The Men's Shed is a much anticipated addition. 'We're all trying to better ourselves – 'How am I gonnae manage to do that for myself?' 'How am I gonnae manage to get that for myself?' If you could take that, and do that for the community; if you could figure out the rights for your brother, and your sister, your neighbour, your street, suddenly you find yourself thinking differently, acting differently. I'm hopeful about Clydebank. There is always someone who sees a need, and does something about it. And these men have a huge amount to offer. They might well have retired but they're no deid yet'.

With thanks to George (Clydebank Men's Shed)

As quoted in the *River to Recovery – An Arts Project for the new Clydebank Health and Care Centre* (Ruth Olden, 2016)

3. Economic Case

3.1 The main purpose of the Economic Case at OBC stage is to undertake a detailed analysis of the costs, benefits and risks of a short list of options, including a do nothing and/or do minimum option, for implementing the preferred strategic / service solution(s) identified within the Initial Agreement.

3.2 The objective is to demonstrate the relative value for money of the chosen option in delivering the required outcomes and services. This analysis includes the following steps:

- Identify a short-list of implementation options.
- Identify and quantify monetary costs and benefits of options.
- Estimate non-monetary costs and benefits.
- Calculate Net Present Value of options.
- Present appraisal results.

3.3 The approach taken to developing the economic appraisal for this project was informed by best practice recommendations from Audit Scotland[1] and the National Audit Office[2]. A fundamental principle has been that options be appraised on their costs and benefits, not on personal preferences of key stakeholders or individuals.

3.4 The process built on the highly participative approach to stakeholder engagement that has been a hallmark of the project and that was detailed within the Initial Agreement; and informed by all of the engagement and deliberations undertaken since the inception of the project. All of that intelligence has been considered and reflected upon by the multi-stakeholder Project Board. The formal option appraisal was undertaken by the Project Board on the 3rd May 2017, with the

[1] Audit Scotland (2014) *Options appraisal: are you getting it right?*
[2] National Audit Officer (2011) *Option Appraisal: Making informed decisions in government*

outcomes then further tested with a variety of service user/patient representatives throughout May 2017 prior to this OBC being finalised.

Short-List of Implementation Options

3.5 As detailed within the Initial Agreement, in scoping the options for re-provision of services, it has been confirmed that the future model of service provision needs to be delivered from premises that are fit-for-purpose; and through a development that delivers on the following business objectives:

- Improve local access to a greater range of modernised services.
- Increase integration of multi-disciplinary teams and services.
- Improve safety and quality of facilities in which services delivered and based.
- Increase capacity and adaptability of facilities in which services delivered and based.
- Contribute to economic regeneration of Clydebank as a whole.

3.6 As detailed within the Initial Agreement, four options have been investigated:

- Option 1 - Do nothing.
- Option 2 - Extend existing facilities within constraints of existing site.
- Option 3 - New Health Centre on existing site.
- Option 4 - Develop new build integrated facility on new site.

3.7 As confirmed within the Initial Agreement, in considering how the new way of working can be achieved, it has already been identified that the current Clydebank Health Centre has limitations that will significantly compromise delivery. The specific limitations have been considered and detailed at AEDET workshops, and a range of solutions have since been discussed at the Project Board, based on the investment objectives and the parameters defined SCIM. Consequently it has been agreed that to do nothing is not a feasible option due to the poor repair of the existing building; its considerable and growing backlog maintenance; and the growing needs of the local population. However, as per the SCIM guidance, Option 1 (Do Nothing) has been included in the economic appraisal detailed here.

3.8 As detailed within the Initial Agreement, with respect to Options 3 and 4 above a review of potential sites was undertaken by key stakeholders from NHSGGC Capital Planning, HSCP leaders and leads from West Dunbartonshire Council's planning and technical team. The requirement was for a site capable of accommodating circa

2500m^2 footprint and 200 car parking spaces in Clydebank. This requires a site of circa 3 acres. Five potential sites were identified: the existing Health Centre site (expanded); the Queens Quay Regeneration site and three sites of former schools.

3.9 All of the five were examined by Anderson Bell Christie (ABC) architects, who have been selected to deliver the project. They tested each site for capacity to accommodate the necessary physical requirements. Upon reviewing the available sites it became clear that due to the dispersed nature of the population served by the centre (circa 50,000 people) a location on primary public transport routes would be essential. It became clear that whilst two of the school sites could easily accommodate the physical requirements, their location within residential areas was not sufficiently visible to the wider community, nor easily accessible by public transport. It was also clear that the existing health centre location, whilst on a main route, was divorced from the centre of Clydebank. Not only would this site require significant compromise in design development options due to the long narrow nature of the site, it crucially lacked the potential for the collaboration that is essential to meet the service redesign objectives. Only two sites had the potential to meet the benefits realisation requirements: these were Queens Quay and the former St Andrews School at North Douglas Street.

3.10 The following site selection criteria were then utilized (which aligned with the benefit criteria):

- Public and Staff Access – 30%.
- Co-location with other public services – 20%.
- Contribution to regeneration – 20%.
- Environmental Quality – 20%.
- Future Expansion – 10%.

3.11 By comparing both remaining locations against these key criteria a round of consensus scores were awarded by the group against each site. The weighted total of these scored 97% versus 67%, producing a preferred option by a wide margin. Whilst it was agreed that the St Andrews site could be developed satisfactorily, albeit at a cost, on every criteria Queens Quay offered a significantly stronger response. It was apparent that, due to the long-term planning exercise undertaken by the Council, the key requirements had effectively been designed into the masterplan, leading to very high scores in each category.

3.12 Queens Quay is West Dunbartonshire Council's key regeneration project. Its aim is to provide a better environment for the people of Clydebank and importantly to attract new residents and families to a regenerated riverside location. At the heart of the plan is public investment which to date has seen the relocation of West Of Scotland College to a riverside location; the redevelopment of Clydebank Town Hall and Gallery; and the development of a new and state-of-the-art leisure centre. The Council has further committed to locating its new residential care-home and day facility on the site too. Securing the town's principle health facility in this location is seen as a crucial investment to consolidate what has been committed to- date.

3.13 The Queens Quay the site will be remediated and levelled by the developer, which would reduce hub development costs. The development agreement also requires the developer to provide the key infrastructure elements of a spine/access road and utilities as part of an enabling works element. In addition – and importantly – the Council has undertaken to provide the Queens Quay site to the NHS free of charge.

Monetary Costs and Benefits of Options

3.14 Tables overleaf set out the initial capital and revenue cost inputs to the GEM model related to each option.

Initial Cost Implications:	Option 1: Do Nothing £'000	Option 2: Extend existing facilities within constraints of existing site £'000	Option 3: New Health Centre on existing site £'000	Option 4: Develop new build integrated facility on new (Queens Quay) site £'000
Opportunity Costs	375	375	375	0
Initial Capital Costs	0	16,200	20,521	19,821
Transitional Period Costs	0	0	0	0
Costs of Embedded Accommodation	0	0	0	0
Total of initial cost implications	375	16,575	20,896	19,821

3.15 Opportunity costs have been added for Options 1, 2 and 3 as NHSGGC would not be selling the land that the current Health Centre sits on. Initial capital costs have been derived from benchmarking of previous projects for Options 2 and 3; and Option 4 has been taken from Stage 1 Addendum cost at quarter 3 of 2018. In addition, transitional costs are considered to be nil; and cost of embedded accommodation is considered to be nil.

Revenue Cost Implications over 25 years:	Option 1: Do Nothing £'000	Option 2: Extend existing facilities within constraints of existing site £'000	Option 3: New Health Centre on existing site £'000	Option 4: Develop new build integrated facility on new (Queens Quay) site £'000
Life Cycle Costs	14,547	15,247	2,453	2,453
Clinical Service Costs	N/A	N/A	N/A	N/A

Revenue Cost Implications over 25 years:	Option 1: Do Nothing £'000	Option 2: Extend existing facilities within constraints of existing site £'000	Option 3: New Health Centre on existing site £'000	Option 4: Develop new build integrated facility on new (Queens Quay) site £'000
Non-clinical Support Service Costs	2,654	3,354	4,005	4,005
Building Related Running Costs	27,001	31,119	22,013	22,013
Net Income Contribution	N/A	N/A	N/A	N/A
Revenue Costs of Embedded Accommodation	N/A	N/A	N/A	N/A
Displacement Costs	N/A	N/A	N/A	N/A
Total recurring revenue cost implications	**44,202**	**49,720**	**28,471**	**28,471**

3.16 Lifecycle Costs have been calculated for Options 1, 2 and 3 from using the information from NHSGGC's capital planning and management system (VFA), which details replacements over that period. For Option 4 the figure is from Stage 1. Clinical service costs are not affected. Non-clinical service costs are costs for domestic services; and building related running costs include heat, light and power and rates.

Non-Monetary Costs and Benefits of Options

3.17 The approach to weighting and scoring options here followed the approach recommended by Audit Scotland[3], i.e.:

- Identified the various criteria against which the options were going to be scored.

As further recommended, the investment objectives for the project have been used

[3] Audit Scotland (2014) *Options appraisal: are you getting it right?*

here.

- Gave each criterion a weighting to reflect relative importance.

  For logical consistency, the weighting applied for each investment objective correlated with the weighting used for the equivalent criteria within the site selection process (which themselves had been agreed upon by the stakeholders amongst the Project Board).

- Each option was then allocated a score to reflect how closely it meets the specified objectives.

  This was undertaken collectively by the stakeholders amongst the Project Board on the 7th May 2017, with everyone debating and agreeing a consensus score for each objective in relation to each option. Each objective for each option was scored on a scale of 1 to 10 –based on the categories below.

Category	Score	Definition
Excellent	10	The option performs **exceptionally well** in relation to the benefit criterion.
Very Good	8 or 9	The option performs **very well** in relation to the benefit criterion.
Good	6 or 7	The option performs **well** in relation to the benefit criterion.
Satisfactory	5	The option performs **satisfactorily** in relation to the benefit criterion.
Poor	3 or 4	The option performs **poorly** in relation to the benefit criterion.
Very Poor	1 or 2	The option performs **very poorly** in relation to the benefit criterion.

These were then tested – and corroborated by – a variety of additional stakeholder representatives during May 2017.

- Multiplied the weight of each criterion by the relevant score and sum to find the total weighted score for each option.

The above are set out within the table, with the option with the highest weighted

score ranked as the first and most desirable one to purse – namely Option 4.

Benefit Criteria	**Weighting (%)**	**Weighted Score**			
		Option 1: Do Nothing	**Option 2: Extend existing facilities within constraints of existing site.**	**Option 3: New Health Centre on existing site.**	**Option 4: Develop new build integrated facility on new (Queens Quay) site.**
Contribute to economic regeneration of Clydebank as a whole.	*20*	*20*	*40*	*80*	*200*
Improve local access to a greater range of modernised services.	*30*	*30*	*60*	*90*	*240*
Increase integration of multi-disciplinary teams and services.	*20*	*20*	*40*	*80*	*160*
Increase capacity and adaptability of facilities in which services delivered and based.	*10*	*10*	*20*	*50*	*90*
Improve safety and quality of facilities in which services delivered and based.	*20*	*20*	*40*	*100*	*180*
Total Weighted Score:		*100*	*200*	*400*	*870*
Rank:		*4*	*3*	*2*	***1***

Non-Financial Risk Appraisal

3.18 The approach to non-financial risk appraisal options here mirrored the approach above, i.e.:

- Identified the various risks against which the options were going to be scored.

  As above, these the causes of the need for change detailed within the Initial Agreement have been used here.

- Gave each risk an impact score.

  This was undertaken collectively by the stakeholders amongst the Project Board on the 7th May 2017, with everyone debating and agreeing an impact score for each risk. Each risk was scored on a scale of 0 to 10 – with a minimum score of 0 indicating no negative impact; and a maximum score of 10 indicating worst impact possible. These were then tested – and corroborated by – a variety of service users/patient representatives during May 2017.

- Each option was then allocated a probability score for each risk.

  This was undertaken collectively by the stakeholders amongst the Project Board on the 7th May 2017, with everyone debating and agreeing a consensus probability score for each risk in relation to each option. The scoring was on a scale of 0 to 10 – with a minimum score of 0 indicating no likelihood of occurrence; and a maximum score of 10 indicating certainty of occurrence. These were then tested – and corroborated by – a variety of service users/patient representatives during May 2017.

- Multiplied the weight of each criterion by the relevant score and sum to find the total weighted score for each option.

  The above are set out within the table below, with the option with the lowest weighted score ranked as the first and least risky option to purse.

Risk	**Impact Score**	**Risk Score (Impact x Probability)**							
		Option 1: Do Nothing		**Option 2: Extend existing facilities within constraints of existing site.**		**Option 3: New Health Centre on existing site.**		**Option 4: Develop new build integrated facility on new (Queens Quay) site.**	
		Prob	**Score**	**Prob**	**Score**	**Prob**	**Score**	**Prob**	**Score**
Stifling effect of inequalities on population of Clydebank	*7*	*7*	*49*	*6*	*42*	*5*	*35*	*3*	*21*
Existing service arrangements affect service access and travel arrangements	*6*	*7*	*42*	*7*	*42*	*6*	*36*	*3*	*18*
Inefficient service performance	*8*	*8*	*64*	*7*	*56*	*6*	*48*	*3*	*18*
Service is not meeting current or future user requirements	*8*	*8*	*64*	*7*	*56*	*4*	*32*	*2*	*16*
Increased safety risk from outstanding maintenance and inefficient service performance	*9*	*9*	*81*	*8*	*72*	*4*	*36*	*2*	*18*
Total Risk Score:		*300*		*268*		*187*		*91*	
Rank:		*4 (highest risk)*		*3*		*2*		*1 (lowest risk)*	

3.19 Net Present Value of Options

	Option 1: Do Nothing	Option 2: Extend existing facilities within constraints of existing site.	Option 3: New Health Centre on existing site.	Option 4: Develop new build integrated facility on new (Queens Quay) site.
Net Present Value / Cost (£)	14,645	26,260	30,456	29,007

Assessing Uncertainties

3.20 Sensitivity analysis of the Net Present Value (NPV)/ Cost of each option has been carried out to understand how reactive these results are to changes in underlying assumptions, with the results presented in the table below.

Sensitivity Scenario	Option 1: Do Nothing		Option 2: Extend existing facilities within constraints of existing site.		Option 3: New Health Centre on existing site.		Option 4: Develop new build integrated facility on new (Queens Quay) site.	
	NPV (£m)	Rank	NPV (£m)	Rank	NPV (£m)	Rank	NPV (£m)	Rank
Scenario 1: No Changes	14,645	-	26,260	1	30,456	3	29,007	2
Scenario 2:	14,645	-	26,260	1	30,456	3	29,054	2
Scenario 3:	14,645	-	27,224	1	32,434	3	30,915	2
Scenario 4:	14,645	-	26,260	1	30,456	3	29,961	2
Scenario 5:	14,645	-	27,885	1	31,486	3	30,037	2

3.21 Scenario 2 assessed the impact of a delay in the land receipt for the existing site in the Option 4. This scenario does not change the ranking of the NPVs.

3.22 Scenario 3 assessed the impact of a 10% increase in construction costs across the options. This scenario does not change the ranking of NPVs.

3.23 Scenario 4 assessed a 5% increase in capital costs in the preferred option only (i.e. Option 4). This sensitivity does not change the NPV ranking of the options. The construction costs at the Queen's Quay site would need to increase by over 190% to reverse the combined economic ranking of Queen's Quay site first and new build on the existing site second.

3.24 Scenario 5 assessed a 10% increase in running costs across the options. This option does not change the ranking of the NPVs.

3.25 Although Option 1 (Do Nothing) has been assigned an NPV for the purposes of this economic appraisal it has not been included in the above sensitivity analysis as it is not an option that would be taken forward.

3.26 Option 2 (extend existing facilities within constraints of existing site) unsurprisingly produced the lowest NPV - but does not deliver the required operational capacity or flexibility (due to a lower gross internal floor area [GIFA]) that two the new build options do. It therefore scores significantly lower on the qualitative ranking and third in the overall combined economic ranking.

3.27 Sensitivity analysis was then also undertaken to examine how reactive the ranking of options in the non-financial benefits appraisal were to changes in weights and scores used -the table below summarise the results of this.

Non-financial benefits Sensitivity Scenario	Option 1: Do Nothing		Option 2: Extend existing facilities within constraints of existing site.		Option 3: New Health Centre on existing site.		Option 4: Develop new build integrated facility on new (Queens Quay) site.	
	Weighted Score	Rank	Weighted Score	Rank	Weighted Score	Rank	Weighted Score	Rank
Scenario 1: no changes	100	4	200	3	400	2	870	1
Scenario 2: Equal weight	100	4	160	3	420	2	880	1
Scenario 3: Exclude top rank score	70	4	140	3	310	2	630	1
Scenario 4: Mid-range	220	4	290	3	460	2	780	1

3.28 As is evident in the table, the sensitivity analysis undertaken yielded the same rankings across the four options, with Option 4 as the ranked consistently first.

The Preferred Option

3.29 Options 1, 2 and 3 were ruled out or rejected at Initial Agreement stage. As is evident from the table below, the NPCs when combined with the quality scores above show Option 4 is significantly better than the previously rejected options.

	Option 1: Do Nothing	**Option 2: Extend existing facilities within constraints of existing site.**	**Option 3: New Health Centre on existing site.**	**Option 4: Develop new build integrated facility on new (Queens Quay) site.**
Net Present Cost (£'000's) per weighted benefit score	£1,465	£1,313	£761	£333

3.30 The combined NPC per weighted benefit score figures clearly identify Option 4 as the preferred option. Although Option 1 has the lowest NPC, it scores poorly in the quality factors and is not an option for the Project Board. Options 2 and 3 also score relatively poorly on the quality criteria compared to Option 4.

3.31 The table below shows the rankings of both the economic appraisal and of the risk appraisal exercise which has been undertaken for each of the options.

Evaluation Results (out of 100)	**Option 1: Do Nothing**	**Option 2: Extend existing facilities within constraints of existing site.**	**Option 3: New Health Centre on existing site.**	**Option 4: Develop new build integrated facility on new (Queens Quay) site.**
	Rank	**Rank**	**Rank**	**Rank**
Economic Appraisal	4	3	2	1
Risk Appraisal	4	3	2	1

3.32 Although the NPCs of Options 2, 3 and 4 were similar, Option 2 and 3 were rejected at the Initial Agreement stage; and the monetary calculations with respect to Option 4 did not factor in a financial value for the identified plot of land on the Queens Quay site nor recognise that said land would be given to the NHS at no cost. As such Option 4 – i.e. develop a new build integrated facility on a new (Queens Quay) site - clearly delivers greater qualitative benefits when assessed.

3.33 Option 4 scored more highly across each of the project's investment objectives, namely:

- Contribute to economic regeneration of Clydebank as a whole.
- Improve local access to a greater range of modernised services.
- Increase integration of multi-disciplinary teams and services.
- Increase capacity and adaptability of facilities in which services delivered and based.
- Improve safety and quality of facilities in which services delivered and based.

3.34 It is clear from the appraisal work undertaken that Option 4 is the preferred option that should be taken forward from the Economic Case, and assessed under the Commercial and Financial Cases.

Artist's Rendering of Planned Interior of New Health and Care Centre

The garden coordinator for Centre 81's Community Garden, Carolanne, has a big red bound book where she does all her carbon calculations. This morning, there are freshly picked courgettes, potatoes and a squash to weigh. The squash comes in at 3.9kg. The vegetables are fighting Whitecrook's carbon footprint: the more vegetables they can grow, the less people need to travel to the supermarket to buy veg that has been flown in, and trucked in from all over the world. This morning Carolanne is going to bag up berries, carrots and beetroot and give them out to the Whitecrook bingo ladies. 'People really do appreciate that they can get all this fresh at the end of their street'.

The garden itself was borne in unlikely circumstances. Carolanne had just moved to Whitecrook from Duntocher with a young family and was struggling to put her own roots down when she noticed the spare ground around Centre 81. The soil was full of weeds and waterlogged by the canal above, nevertheless, Carolanne got to work planting potatoes and carrots. 'I had no idea what I was doing – I'd never done anything like it in my life. I was the manager of Clydebank bowling alley for 9 years for goodness sake! Potatoes were not my thing! My monthly Kitchen Garden magazine was a lifesaver'. Things took off: the council donated raised beds and a polytunnel, and soon Clydebank Housing Association made a permanent job for her. In the early years, Carolanne entered her vibrant community garden into garden beauty awards with great success, but this year the priorities have changed: they've taken up the 'Keep Scotland Beautiful' Climate Challenge. To become a climate fighting garden they need 1000sq metres of productive land, but the garden is only 25sq metres so they have had to think beyond their fence line. 'I went knocking on the doors and managed to get 10 gardens involved. So we've gone in and taken up their turf and turned it into something useful. Other people are looking after pots of potatoes on their patios – it's all helping us make up our numbers.' The garden has also taken on 6 climate fighting chickens in recent years: Betty, Marley, Snowdrop, Rosie, Camelia, and Joan. Tradesmen living on the street helped to build the henhouse and they're sustained on produce from the garden. The community centre café uses their eggs to make their infamous omelettes peppered with courgettes and onions. 'They taste much nicer than the ones you get at the supermarket'. On the subject of climate change, Carolanne says that you don't need to be a scientist to be thinking and acting on the matter. 'It's the air we're all breathing after all. Only 40 years ago this place was black with smoke. This is the beginning of something different'.

With thanks to Carolanne (Centre 81 Community Garden)
As quoted in the *River to Recovery – An Arts Project for the new Clydebank Health and Care Centre* (Ruth Olden, 2016)

4. Commercial Case

4.1 The main purpose of the Commercial Case at OBC stage is to outline the proposed commercial arrangements and implications for the project. It will do this by revisiting the Commercial Case set out in the Initial Agreement; and responding, to the following questions:

- What is the appropriate procurement route for the project?
- What is the scope and content of the proposed commercial arrangement?
- How will the risks be apportioned between public and private sector?
- How is payment to be made over the life span of the contract?
- What are the main contractual arrangements?

What is the appropriate procurement route for the project?

4.2 The hub initiative has been established in Scotland to provide a strategic long-term programme approach in Scotland to the procurement of community-focused buildings that derive enhanced community benefit. As confirmed within the approved Initial Agreement, given that this is a community project it will follow the hub procurement initiative. It will be is revenue funded, and the contract arrangement will Design, Build, Finance and Maintain (DBFM).

4.3 As per the SCIM guidance, under the hub initiative there was and is no need to advertise in the Official Journal of the European Union (OJEU). The project has followed an agreed procurement process as per the hub initiative. Under the hub initiative there are five designated hub territories in Scotland: North, South East, West, East Central and South West. Clydebank is located within the hub initiative's 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 NHSGGC), Scottish Futures Trust (SFT) and a Private Sector Development Partner (PSDP). The TPA prescribes the stages of the procurement process including:

- New Project Request.
- Stage 1 (submission and approval process).
- Stage 2 (submission and approval process).
- Conclude DBFM Agreement (financial close).

4.4 Since this project includes design, construction and certain elements of hard Facilities Management services (i.e. the actual fabric and building systems), the TPA requires that DBFMco (a special purpose company) enters into SFT's standard form DBFM Agreement for hub projects.

4.5 The OJEU process was followed for the appointment of the Technical Advisers, as the appointment was for three NHSGGC capital projects the combined fees for which were estimated as exceeding the OJEU threshold of £164,176. Currie & Brown were consequently appointed to this role.

4.6 The appointment of the Financial and Legal Advisers were not subject to the OJEU process as their fees were not anticipated as meeting or exceeding the OJEU threshold . However, as they were estimated as exceeding £10,000, NHSGGC's Standing Financial Instructions required those appointments to go through the Public Contract Scotland process. Caledonian Economic were consequently appointed as Financial Advisers; and CMS appointed as Legal Advisers to the project.

4.7 The procurement timeline is built into the overall project programme as detailed in Appendix 6.

<u>What is the scope and content of the proposed commercial arrangement?</u>

4.8 This project seeks to transform a range of services operating out of three existing sites: Clydebank Health Centre (3808m^2); Hardgate Clinic (560m^2); and West Dunbartonshire Council owned premises at Kilbowie Road (100 m^2). Principle amongst these is the current Clydebank Health Centre, which is a Consortium of Local Authorities Special Programme (CLASP) Building constructed in the 1970's. It is located on Kilbowie Road, approximately 1.5 miles from the Queen's Quay site. The services delivered across these three sites include six general practices; Allied Health Professional services; outreach clinics; Mental Health services; District Nursing; Health Visiting; the Community Older People's Team; and the Community Hospital Discharge Team..

4.9 All of the existing services will transfer to the proposed new Clydebank Health and Care Centre. A Schedule of Accommodation (SOA) for the proposed new Health and Care Centre has been arrived at following a number of meetings with the users and project team – this details all of the services that will be located within the new facility (Appendix 4). The gross internal floor area (GIFA) for the proposed new Centre is 5,722m^2. The Health Planner for the project has attended the Design and Delivery Group meetings and met with various stakeholders to look at the operational policy documents provided by NHSGGC; and to review the accommodation required. A full report was produced by the Health Care Planner in March 2016 for the Project Board.

4.10 The number of staff (including HSCP social care staff) to be accommodated in the new facility is summarised in the table below.

Service Type	Number of Staff
General Practices (combined) Blue	113
Community Administration	15
Continence Team	3
District Nursing	30
Dietetics	4
DSN	1
Health Visiting	46
Physiotherapy	7
Podiatry	5
Primary Care Mental Health	4
SLT	4
Outpatients Clinics (everyday in bookable consulting rooms)	10
Community Older People Team	37
Hospital Discharge Team	22
Home Care	31
Pharmacy team (agile)	4
Total	**336**

4.11 NHSGGC has been liaising with SFT's Asset Management Team on possible future uses for the NHS-owned buildings – i.e. Clydebank Health Centre and Hardgate Clinic - being vacated once the new facility becomes available. The use of the Kilbowie Road premises will be returned to West Dunbartonshire Council. Any capital receipts that result from disposal of surplus NHS estate will be accounted for in line with recommendations contained in Chief Executive Letter (CEL) 32 (2010).

4.12 As set out within the approved Initial Agreement (and confirmed within the Economic Case of this OBC), the identified and preferred site for the new Health and Care Centre is located within the Queen's Quay area of Clydebank, within the Health Quarter Site of the new Regeneration Development (adjacent to Wallace Street).

4.13 As previously stated within the Strategic Case, the Queens Quay development is West Dunbartonshire Council's key regeneration project. The site was formerly the location of the John Brown Shipyard which was demolished in 2007. The aim of this ambitious regeneration project is to provide a better environment for the people of Clydebank and importantly to attract new residents and families to a regenerated riverside location.

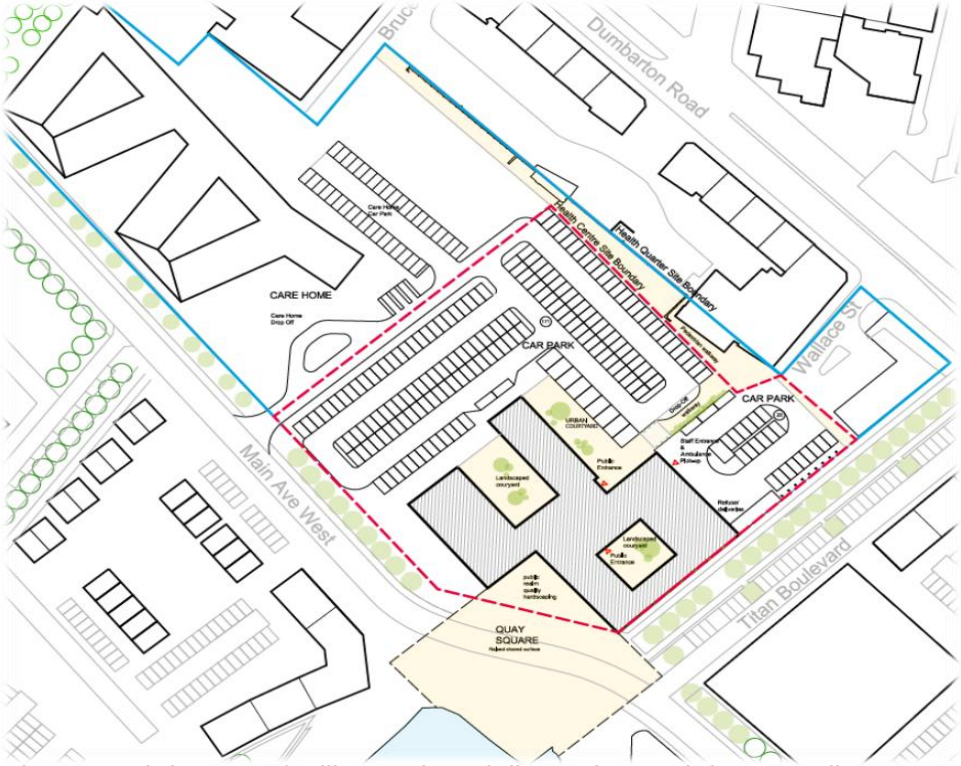
4.14 The wider Queens Quay site is subject to a planning permission in principle which was granted in September 2016 for mixed use development comprising a predominantly residential development to the west with a mix of retail, commercial and leisure uses around the basin and a health quarter to the north of the basin. The health quarter is currently under the ownership of Dawn\Clydebank Regeneration Limited (CRL). This area of land is in the process of being transferred to West Dunbartonshire Council; and thereafter, the area designated for the proposed Health and Care Centre will be transferred to the NHS under the same terms agreed between West Dunbartonshire Council and Dawn/CRL in respect of the wider Queens Quay Development Agreement, as part of the Council's contribution to facilitating greater integrated and improved care in Clydebank. This land has been negotiated by the Council to being provided to the project for nil charge.

4.15 A substantial amount of resource has been allocated to taking this project forward; and SFT have played a key part, through the KSR process, in helping progress some of the more complex issues regarding interfaces with adjacent developments and access.

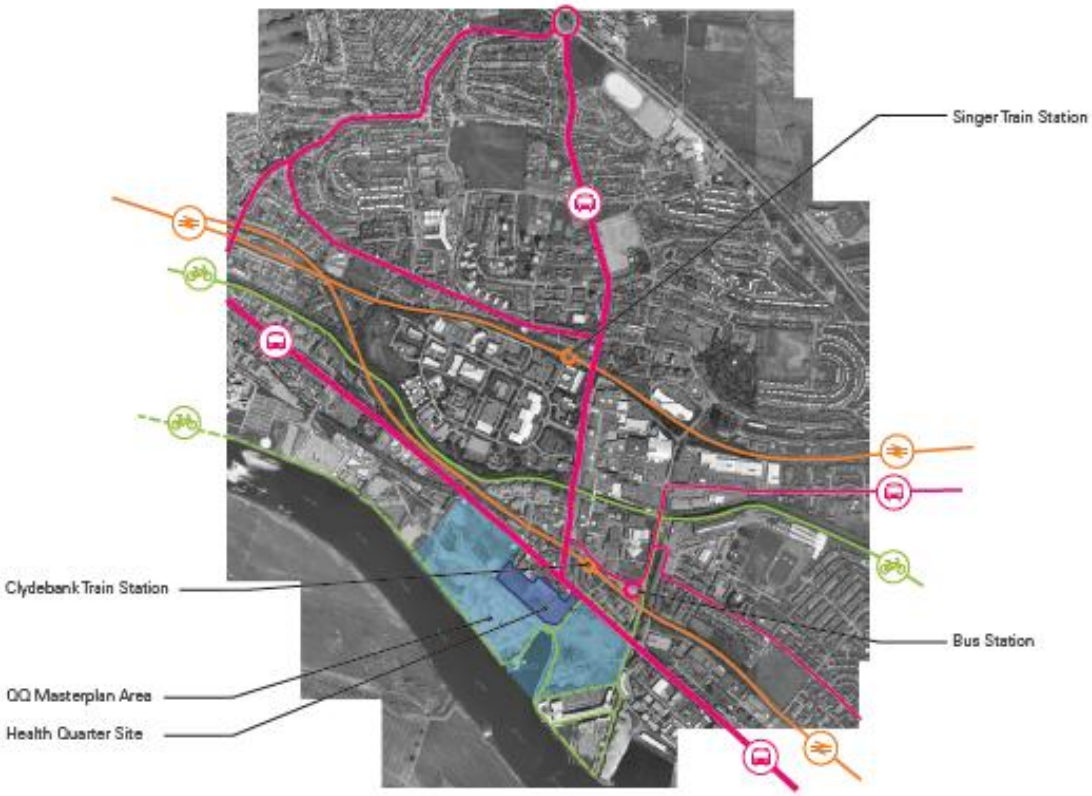
4.16 At time of writing the Development Agreement is in place and a Deed of Conditions developed. The site boundary is defined and NHSGGC has produced a Heads of Terms document with support from the Central Legal Office (CLO), who are actively engaged in the process. A projected site acquisition date is set for September 2018 with missives targeted to be agreed late 2017.

4.17 To support the proposed design, site investigations and topographical surveys have been undertaken by hub West to determine the full extent of the ground conditions and any possible contaminants on the site. As contaminants have been identified on the Queens Quay site, a Remediation Plan has been developed and was approved by the West Dunbartonshire Council Pollution Control Officer in August 2017. Dawn/CRL issued a formal letter to NHSGGC and the Council on 23rd August 2017 confirming a series of technical agreements and obligations that have been negotiated over the preceding six months. Both Dawn\CRL and West Dunbartonshire Council have agreed the site will be appropriately remediated as part of the land transfer and prior to construction commencing in Summer 2018 .The transfer of the relevant appropriated remediated land between these organisations is on–going, with the reassurance from all parties that all necessary negotiations and agreements will be completed during Stage 2 in time to allow an unqualified Stage 2 submission; and for transfers to take place in advance of Financial Close.

4.18 The site is bound on two sides by what will be new adopted roads. It will also be bound on the west by the new HSCP-operated older people's residential care home and day care facility; and partially on the north by a small development still to be established.



4.19 Public access is by way of the rear car park, or off what will be the main public realm space of the Queens Quay basin. Vehicular access is off a new private road shared between the Health and Care Centre and the adjacent older people's residential care home and day care facility. This is taken directly off the main distributor spine road provided as part of the Queens Quay master plan. There is a secondary restricted vehicle access to the north off Wallace Street. The site will also have good bus and rail linkages.



4.20 As part of the embedding of the design process in the various business case stages, the Scottish Government has, in addition to BREEAM assessments, advocated a formalised design process facilitated by Architecture and Design Scotland (A&DS) and Health Facilities Scotland (HFS) – namely the NHS Scotland Design Assessment Process (NDAP). NHSGGC has taken steps to comply with this process and consult with A&DS in the development of the design of the proposed new Health and Care Centre. A&DS facilitated the development of the Design Statement for the proposed new Centre on behalf of NHSGGC. The design statement for the proposed new Centre was included in the Initial Agreement: this has been reviewed and confirmed as still reflecting the needs and expectations of stakeholders, and so is included here for completeness (Appendix 3). This has been used as the key control document to measure the developing design against the project's design objectives**.** HFS confirmed the project having NDAP "supported" status in July 2017.

4.21 The design has then been further developed with stakeholders with respect to the Queens Quay site by using the Eastwood Health and Care Centre as the reference point. A key objective of that reference project was to develop and test different creative responses to the integrated services agenda and so demonstrate that "Excellent design is achievable within good value Affordability Caps." The outputs from the Reference Designs delivered high quality design solutions that are sustainable, competitively priced and meet current healthcare design guidance. The Reference Designs are also consistent with the Policy on Design Quality for NHS Scotland and hubco's commitments to design quality. hubco have arranged for the Architectural Practices involved with the Eastwood and Clydebank projects to meet on a regular basis, to enable sharing of best practice, lessons learnt, commonality and consistency of approach.

4.22 In addition, a Healthcare Acquired Infection (HAI)-Scribe Stage 1 infection control assessment of the preferred option site was carried out on 29th March 2017 with NHS GGC Infection Control. The Stage 1 Strategy and Risk Assessment completed is included here as Appendix 7.

How will the risks be apportioned between public and private sector?

4.23 Inherent construction and operational risks are to be transferred to the DBFMco at Financial Close. These are summarised in the table below.

	Risk Category	**Proposed Allocation**		
		Public	**Private**	**Shared**
1	Design risk		Yes	
2	Construction and development risk		Yes	
3	Transitional and implementation risk		Yes	
4	Availability and performance risk		Yes	
5	Operating risk			Yes
6	Variability of revenue risks		Yes	
7	Termination risks			Yes
8	Technology and obsolescence risks			Yes
9	Control risks	Yes		
10	Residual value risks	Yes		

	Risk Category	Proposed Allocation		
		Public	Private	Shared
11	Financing risks		Yes	
12	Legislative risks			Yes

4.24 As is clear from the table above, *operating risk* is a shared risk subject to NHSGGC and Sub-hubco responsibilities under the Project Agreement and joint working arrangements within operational functionality. *Termination risk* is also a shared risk within the Project Agreement with both parties being subject to events of default that can trigger termination. While Sub-hubco is responsible to comply with all laws and consents, the occurrence of relevant changes in law as defined in the Project Agreement can give rise to compensate Sub-hubco.

How is payment to be made over the life span of the contract?

4.25 SGGC will pay for the services in the form of an Annual Service Payment.

4.26 A standard contract form of Payment Mechanism will be adopted within the Project Agreement with specific amendments to reflect the relative size of the project, availability standards, core times, gross service units and a range of services specified in the Service Requirements.

4.27 NHSGGC will pay the Annual Service Payment to Sub-hubco on a monthly basis, calculated subject to adjustments for previous over/under payments, deductions for availability and performance failures and other amounts due to Sub-hubco.

4.28 The Annual Service Payment is subject to indexation as set out on the Project Agreement by reference to the Retail Price Index published by the Government's National Statistics Office. Indexation will be applied to the Annual Service Payment on an annual basis. The base date will be the date on which the project achieves Financial Close.

4.29 Costs such as utilities and operational insurance payments are to be treated as pass through costs and met by NHSGGC. In addition NHSGGC 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 NHSGGC.

What are the main contractual arrangements?

4.30 The hub initiative was established to provide a strategic long term programmed approach to the procurement of community based developments. The hub initiative in the West Territory is provided through a joint venture company bringing together local public sector participants, Scottish Futures Trust (SFT) and a Private Sector Development Partner

(PSDP). The agreement for the new Clydebank Health and Care Centre will be based in the SFT's hub standard form Design Build Finance Maintain (DBFM) contract (the Project Agreement). The Project Agreement is signed at Financial Close. Any derogation to the standard form position must be agreed with SFT.

4.31 To increase the value for money for this project it is intended that the Clydebank Health and Care Centre will be bundled with the similarly timed new Greenock Health and Care Centre, and the Stobhill Mental Health Project. This will be achieved under a single Project Agreement utilising SFT's standard DBFM Agreement. This bundled project will be developed by a DBFMco. DBFMco will be funded from a combination of senior and subordinated debt and supported by a 25 year contract to provide the bundled project facilities. The senior debt is provided by a project funder that will be appointed following a funding competition and the subordinated debt by a combination of Private Sector, SFT and Participant Investment.

4.32 NHSGGC will set out its construction requirements in a series of documents. DBFMCo is contractually obliged to design and construct the facilities in accordance with the Authority's Construction Requirements.

4.33 DBFMco will be responsible for providing all aspects of design, construction, ongoing facilities management and finance through the course of the project term, with the only service exceptions being wall decoration, floor and ceiling finishes. Soft facilities management services (such as domestic, catering, portering and external grounds maintenance) are excluded from the Project Agreement.

4.34 NHSGGC will work closely with DBFMco to ensure that the detailed design is completed prior to financial close. Any areas that do remain outstanding will, where relevant, be dealt with under the Reviewable Design Data and procedures as set out in the Review Procedure.

4.35 DBFMco will delegate the design and construction delivery obligations of the Project Agreement to its building contractor under a building contractor. A collateral warranty will be provided in terms of other sub-contractors having a design liability. DBFMCo will also enter into a separate agreement with a FM service provider to provide hard FM service provision. Service level specifications will detail the standard of output services required and the associated performance indicators. DBFMco will provide the services in accordance with its method statements and quality plans which indicate the manner in which the services will be provided.

4.36 NHSGGC 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. Sub-hubco will be entitled to an extension of time and additional money if NHSGGC requests a change.

4.37 NHSGGC and DBFMCo 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 and reporting on completion status, identifying non-compliant work and reviewing snagging.

4.38 DBFMCo 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.

4.39 NHSGGC will not be responsible for the costs to DBFMCo of any additional maintenance and/or corrective measures if the design and/or construction of the facilities and/or components within the facilities do not meet the Authority Construction Requirements.

4.40 Group 1 items of equipment - which are generally large items of permanent plant or equipment - will be supplied, installed and maintained by DBFMco throughout the project term. Group 2 items of equipment - which are items of equipment having implications in respect of space, construction and engineering services - will be supplied by NHSGGC, installed by DBFMco and maintained by NHSGGC. Group 3 items of equipment are supplied, installed, maintained and replaced by NHSGGC.

4.41 As the NHS will own the site, the building will remain in ownership of the NHS but be contracted to DBFMco for a term of 25 years. On expiry of the contract the facility will remain with NHSGGC.

4.42 The Project Agreement details the respective responsibilities towards malicious damage or vandalism to the facilities during the operational terms. NHSGGC has an option to carry out a repair itself or instruct Sub-hubco to carry out rectification.

4.43 Not less than two 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 Project Agreement.

4.44 Compensation on termination and refinancing provisions will follow the standard contract positions.

4.45 Historically, NHSGGC does not hold formal leases with GPs in it's Health Centres. However the new programme of development has allowed all of the new centres to be occupied by GPs under the same terms and conditions and proportionate sharing of costs for all common and shared areas, West Dunbartonshire HSCP - using the methodology agreed by NHSGGC with the Local Medical Committee (LMC) for GP Premises Charges - has provided each of the Practices with an estimate of their rent and other charges for their new accommodation within the new facility based on the Schedule of Accommodation (SOA – Appendix 4). These costs have been accepted, subject to any minor revision on the agreed areas during Stage 2, and will be finalised in advance of FBC submission.

The Titans are the home team on Clydebank's BMX track. Young people from the local area are training hard here every Thursday evening: the sport offers them something that can be found nowhere else. 'The excitement!' 'The adrenaline!' 'The racing!' They all line up at the starting gate in their Titan team shirts and protective gear. 'Back wheels square, heads forward' coach Fred shouts. They're balanced on their pedals, poised against the start gate. 'Riders ready. Watch the gate'. Beep. Beep. Beep. CRASH. The gate slams into the ground and the riders sprint off, pelting around the tight bends, over extreme jumps and rollers, and on the finish line. 'Whaooo did you see that!? I did a manual on that one!' Fred explains to a new Titan: 'A manual is when you lift the front wheel off the ground, shift your body weight backwards and ride on the back wheel'. The new rider looks awed and terrified in equal measure. 'It's a sprinter's sport. A very powerful sport. They're fearless, and determined - you can see it in the way they pick themselves back up after a fall.

It's a sport made for Clydebank', club founder Kenny says. 'It would be great if everyone got behind the team'. The club has riders that are competing nationally and internationally and they have had great successes. 9 year old Harrison is 4th in Britain; he has been racing the worlds since he was 6, and he has dreams of winning an Olympic medal one day. Kenny and his friends started the club in 1979 when they were still at primary school, and it was his mum's appeals to the local council that brought Clydebank a proper track. Kenny remembers how important the space was for young people back then too. 'It was a difficult time. There was a lot of gang violence, and this one patch brought all the kids from the different schemes together. You couldn't imagine – back then it would have seemed impossible. They shared the track and eventually they started sharing their skills.'

The Titans have a big container next to the track full of BMX bikes and equipment, so training sessions are open to everyone, and they pride themselves in the kinds of development pathways that they forging our for young people in the area. Some go on to compete, and others go on to coach. 17 year old Mia has been riding here since she was 10, and she is training to become a BMX cycling coach. When she completes the course she will be the first female coach in Scotland. Kenny says, 'It's amazing to watch them develop. Just get them on a bike and they're flying'.

With thanks to the Titans

As quoted in the *River to Recovery – An Arts Project for the new Clydebank Health and Care Centre* (Ruth Olden, 2016)

5. Financial Case

5.1 The main purpose of the Financial Case at OBC stage is to demonstrate the affordability of the preferred option, both in the context of the Health Board's overall financial plans and in comparison with the other short-listed options. In practice, this involves determining:

- The financial profile and funding consequences (both capital and revenue) of the preferred option, as well as sufficient information on the consequences of other short-listed options to set the preferred option in context.
- The impact of the proposed project on the Health Board's accounts, primarily the Statement of Comprehensive Net Expenditure (SOCNE), cash flow and Balance Sheet.

5.2 It is proposed that the Clydebank Health and Care Centre project will be one of three schemes contained within the Clydebank, Greenock and Stobhill DBFM bundle being procured through hub West Scotland by NHSGGC.

5.3 The financial case for the preferred option - Option 4: New Build Clydebank Health and Care Centre on Queens Quay Site - sets out the following key features:

- Revenue Costs and associated funding.
- Capital Costs and associated funding.
- Statement on overall affordability position.
- Financing and subordinated debt.
- The financial model.
- Risks.
- The agreed accounting treatment.

<u>Revenue Costs and Funding</u>

5.4 The table overleaf summarises the recurring revenue cost with regard to the Clydebank Health and Care Centre scheme. In addition to the revenue funding required for the project, capital investment will also be required for demolition of the existing Health Centre (£740k); equipment (£1,155k); and subordinated debt investment (£161.4k). Details of all the revenue and capital elements of the project together with sources of funding are presented in the table.

First full year of operation	2020/21
Additional Recurring Costs	**£'000**
Unitary Charge	[redacted]
Depreciation on Equipment	115.5
International Financial Reporting Standards (IFRS) – Depreciation	770.0
Heat, Light &Power, Rates and Domestics services	473.7
Client Facilities Management (FM) Costs	30.3
Total Additional Recurring Costs	[redacted]

5.5 The Unitary Charge (UC) is derived from both the hub West Scotland Stage 1 submission dated 28th April 2017 and the Financial Model Health Bundle 20170511; and represents the risk adjusted Predicted Maximum Unitary Charge of [redacted] pa based on a price base date of April 2016.

5.6 The UC will be subject to variation annually in line with the actual Retail Price Index (RPI) which is estimated at 2.5% pa in the financial model. The current financial model includes a level of partial indexation [redacted] and this will be optimised prior to Financial Close.

5.7 A letter from the Acting Director – General Health & Social Care and Chief Executive NHS Scotland issued on 22nd March 2011 stated that the Scottish Government had agreed to fund certain components of the Unitary Charge as follows:

- 100% of construction costs.
- 100% of private sector development costs.
- 100% of Special Purpose Vehicle (SPV) running costs during the construction phase.
- 100% of SPV running costs during operational phase.
- 50% of lifecycle maintenance costs.

Based on the above percentages, the element of the UC to be funded by the Scottish Government Health Directorate (SGHD) is [redacted]. This represents 91.5% of the total UC, leaving NHSGGC to fund the remaining [redacted] (8.4%) as per the UC split table overleaf.

Unitary Charge	Unitary Charge £'000	SGHD Support %	SGHD Support £'000	NHSGGC Cost £'000
Capex inc. Group1 Equipment (Net)	1,578.5	100%	1,578.5	0
Life Cycle Costs	[redacted]	50%	[redacted]	[redacted]
Hard Facilities Management	[redacted]	0	[redacted]	[redacted]
Total Unitary Charge including Risk	[redacted]		[redacted]	[redacted]
			91.6%	**8.4%**

5.8 Depreciation of £115.5k relates to a 6% allowance assumed for capital equipment equating to £1,155k including VAT, and is depreciated on a straight line basis over an assumed useful life of 10 years.

5.9 Heat, Light and Power (HL&P) costs are derived from existing Health Centre costs - a rate of £27.00/m^2 has been used. Rates figures have been provided by external advisors and an allowance for water rates of £19.00/m^2 has also been included. Domestic costs are derived from existing Health Centre costs and a rate of £28.00/m^2 has been used.

5.10 In relation to Client Facilities Management (FM) costs, a rate of £5.29/m^2 has been provided by NHSGGC's technical advisors based on their knowledge of other existing Public Private Partnership (PPP) contracts.

5.11 NHS staffing and non-pay costs associated with the running of the new Health and Care Centre are not expected to increase with regard to the transfer of services to the new facility.

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

NHSGGC Income & Reinvestment	£'000
Existing Revenue Funding	656.0
IFRS - Depreciation	777.0
Additional Revenue Funding – GPs & Pharmacy	32.5
Council Revenue Contribution	50.0
Total Recurring Revenue Funding	**1509.4**

5.13 Annual costs for depreciation outlined above relate to current building and capital equipment. The budget provision will transfer to the new facility.

5.14 All HL&P, rates and domestic budget provision for current buildings will transfer to the new facility. This is reflected above in the NHSGGC contribution.

5.15 Current budget provision for rent / rates of existing GP premises will also transfer to the new facility as reflected above. Within the table, Additional Revenue Funding relates to indicative contributions from GPs within the new facility.

5.16 The table below summarises the total revenue funding and costs.

Recurring Revenue Funding	**£'000**
SGHD Unitary Charge Support	[redacted]
NHSGGC Recurring Funding (as per above)	1,509.4
Total Recurring Revenue Funding	[redacted]
Recurring Revenue Costs	**£'000**
Total Unitary charge(service payments)	[redacted]
Depreciation on Equipment	115.5
Facility Running Costs	473.7
IFRS - Depreciation	777.0
Total Recurring Revenue Costs	[redacted]
Net Surplus at OBC stage	**0**

5.17 The above table highlights that at OBC and Stage 1 Submission stage, the project revenue funding is cost neutral. This will be reviewed during the Full Business Case (FBC) stage.

Capital Costs & Funding

5.18 Although this project is intended to be funded as a DBFM project - i.e. revenue funded - there are still requirements for the project to incur capital expenditure. This is detailed in the table below.

Capital Costs	**£'000**
Land Purchase & Fees	0
Group 2 & 3 Equipment Including VAT	1,155.0
Subordinated Debt Investment	161.4
Total Capital cost	**1,316.4**
Sources of Funding	
NHSGGC Formula Capital	1,316.4
Total Sources of Funding	**1,316.4**

5.19 The land is currently under the ownership of Dawn/Clydebank Regeneration Limited and is in the process of being transferred to West Dunbartonshire Council, who will transfer to the NHS at no cost.

5.20 In relation to Group 2 & 3 Equipment, an allowance of £1,155.0k (including IT equipment and VAT) has been assumed for the project. An equipment list is currently being developed which will also incorporate any assumed equipment transfers. It is therefore anticipated the current equipment allowance of £1,155.0k will reduce at FBC stage.

5.21 Subordinated Debt was reviewed after ESA10, and at this stage of the project it is assumed that NHSGGC will be required to provide the full 10% investment. Confirmation will be requested from the other participants during the Stage 2 process (the PSDP, SFTi and HCF). The value of investment assumed at OBC stage is £161.4k, for which NHSGGC has made provision in its capital programme.

5.22 The table below summarises the estimated non-recurring revenue costs.

Non Recurring Revenue Costs	**£'000**
Advisors Fees	95.5
Demolition (if required)	740.0
Decommissioning inc. IT & Telecoms	101.9
Commissioning	30.0
Security (6 months)	90.0
Total Non-Recurring Revenue Costs	**1,057.4**

These non-recurring revenue expenses will be recognised in NHSGGC's financial plans.

5.23 As stated earlier (4.11), NHSGGC has been liaising with SFT's Asset Management Team on possible future uses for the NHS-owned buildings – i.e. Clydebank Health Centre and Hardgate Clinic - being vacated once the new facility becomes available. The use of the Kilbowie Road premises will be returned to West Dunbartonshire Council. The OBC is predicated on the basis that the existing Clydebank Health Centre and Hardgate Clinic, which are not fit for purpose, will be disposed of once the new facility becomes available. There will be a non-recurring impairment cost to reflect the rundown of the facilities. The net book value's as at May 2017 are, for Clydebank Health Centre £863.9k; and for Hardgate Clinic £326.5k. Any capital receipts that result from disposal of surplus NHS estate will be accounted for in line with recommendations contained in Chief Executive Letter (CEL) 32 (2010).

Statement on Overall Affordability

5.24 The overall cost position has increased from £18,997,810 at the previous Initial Agreement stage to £19,250,246. There has been no increase in the building area of 5722m^2 since the Initial Agreement though a number of changes have increased costs, including technical matters, site issues and design development. Since the IA the design has been developed to fall within the overall schedule of accommodation allowances at 5725m2.

5.25 The principle change has arisen through the detailed discussions with landowner Dawn/CRL and West Dunbartonshire Council around the scope of the provision of a clean site. The site is being provided to NHSGGC, free of charge and remediated to the standards required of the Council's Pollution Control Officer. At Initial Agreement stage the surveys were not completed to determine the exact requirements to define an acceptable remediation strategy. The remediation by Dawn /CRL will remove some material and provide a clean cap to the site. Through the development of the Stage 1 design, the structural piling/foundation solution and drainage/utilities requirements have been developed and this requires the hub contract to deal with locations where they will penetrate the clean capping. This has been included within Stage 1 and accounts for the majority of the cost increase (£[redacted]). A proposal has also been developed to manage the extent of contaminated arisings required to go off-site. This requires NHSGGC obtaining ancillary right to adjacent land for temporary stockpiling of material before utilising this for backfill. This measure will prevent a further £[redacted] additional costs.

5.26 Other areas of detail change are principally around the development of the Authority Construction Requirements (ACRs) in response to lessons learnt from previous NHSGGC health centre projects. The significant items include the provision of chilling for cold water to achieve Scottish Health Technical Memorandum (SHTM) compliance (£[redacted]); amendment to Lift Care sizes to achieve SHTM compliance (£[redacted]); and inclusion of vehicle charging points (£[redacted]). Some of this has been addressed by utilising risk allowances included at the Initial Agreement stage; an element of value engineering; and a reduction in inflation allowances based on published Building Cost Information Service (BCIS) indexes. The overall costs have been examined by the NHSGGC's technical advisers, who have confirmed that the costs represent value for money.

5.27 Discussions took place with Scottish Government in March 2017 when these increases became apparent. Following upon this, confirmation was provided by Scottish Government that the Health Board should proceed with the submission of an OBC on this basis.

5.28 The current financial implications of the project then in both revenue and capital terms as presented in the above tables confirm the projects affordability. The position will

continually be monitored and updated as progress is made towards FBC completion and submission.

5.29 Below is a summary of the cost plan:

Clydebank Health Centre **£19,250,246**	
NPR GIFA	5,725m2
STAGE 1 GIFA	5,722m2
Stage 1 Predicted Maximum Cost	£19,250,246
FM Costs £/m2 (NPR £17/m2/annum)	[redacted]
Lifecycle Costs £/m2 (NPR £19/m2/annum)	[redacted]
Construction Costs	[redacted]
Design Team Fees	[redacted]
Hub Management Fee (PF11)	[redacted]
Hub Management Fee (PF12)	[redacted]
Hub-co Portion	[redacted]
Surveys and Statutory Fees	[redacted]
Other DBFM Fees	[redacted]
Inflation	[redacted]

5.30 The degree of cost certainty is in line with a hub Stage 1 submission. An agreed design has been developed in discussion with stakeholders and planners and the costs are based upon this. The site lies within a regeneration area and there are dependencies on completion of infrastructure works, district heating and completion of adjacent developments. The SFT Key Stage Review (KSR) placed a significant focus on this and concluded that enough had been put in place to minimise risk. The KSR was signed off by SFT reviewer and 2nd Reviewer. A fully costed risk register is provided as part of this OBC (Appendix 6), and includes development, construction and operational risks.

Financing & Subordinated Debt

5.31 As stated earlier (4.31), to increase the value for money for this project it is intended that the Clydebank Health and Care Centre will be bundled with the similarly timed new Greenock Health and Care Centre, and the Stobhill Mental Health Project. hub West Scotland (hWS) will finance the project through a combination of senior debt, subordinated debt and equity. The finance will be drawn down through a DBFMCo special purpose vehicle that will be set-up for the three bundled projects.

5.32 The senior debt facility will be provided by either a bank or insurance company. It is likely they will provide up to 90% of the total costs of the projects. The remaining balance will be provided by hWS' shareholders in the form of subordinated debt (i.e. loan notes whose repayment terms are subordinate to that of the senior facility) and pin-point equity. It is currently intended that the subordinated debt will be provided to the sub-hubco directly by the relevant Member.

5.33 The table below details the current assumed finance requirements from the different sources, as detailed in the Financial Model Health Bundle 20170511 that was submitted with hubco's Stage 1 submission.

	£000
Senior Debt	18,559
Subordinated debt (inc rolled up interest)	161.4
Equity	0.01
Total Funding	18,720.4

5.34 The financing requirement will be settled at Financial Close as part of the financial model optimisation process.

5.35 The expectation is that subordinated debt will be provided in the following proportions:

- Private Sector Partners (hubco) – [redacted].
- Hub Community Foundation (HCF) Investments– [redacted].
- NHSGGC – [redacted].
- SFT Investments – [redacted].

5.36 The value of the required subordinated debt investment is summarised in the table below.

	NHSGGC	SFT Investments	HCF Investments	hubco	Total
Proportion of subordinated debt	10%	[redacted]	[redacted]	[redacted]	100%
£ subordinated debt	161,414	[redacted]	[redacted]	[redacted]	1,614,141

5.37 NHSGGC confirms that it has made provision for this investment within its capital programme.

5.38 It is assumed the subordinated debt will be invested at Financial Close; and therefore there would be no senior debt bridging facility.

5.39 hubco has proposed that the senior debt will be provided by NORD. hubco's review of the funding market has advised that NORD currently offers the best value long term debt for the projects. This is principally because of:

- NORD's knowledge and experience in the health sector.
- NORD's appetite for long term lending to match the project term.
- NORD's lower overall finance cost in terms of margins and fees.
- NORD's reduced complexity of their lending documentation and due diligence requirements.

5.40 As part of the hub process, no funding competition is required at this stage of the process. As such at the current time hubco has not run a formal funding competition, as NORD offers the best value finance solution within the senior debt market. However, hubco are constantly reviewing the funding market; and so if long term debt options appear in the market that are competitive with NORD's offer, then a more formal review will take place.

5.41 The principal terms of the senior debt, which are included within the financial model, are set out in the table below.

Metric	Terms
Margin during construction	[redacted]
Margin during operations	[redacted]
Arrangement fee	[redacted]
Commitment fee	[redacted]
Maximum gearing	[redacted]

5.42 Although a NORD term sheet or confirmation of NORD's terms at the time of writing this OBC not been received from hubco, NHSGGC's financial advisors have confirmed that these terms modelled are in line with NORD's approach in the market currently.

5.43 The key inputs and outputs of the financial model are detailed in the table below.

Output	Clydebank
Total Annual Service Payment (NPV)	[redacted]
Nominal project return (Post Tax)	[redacted]
Nominal blended equity return	[redacted]
Gearing	[redacted]
All-in cost of debt (including 0.5% buffer)	[redacted]
Minimum ADSCR[4]	[redacted]
Minimum LLCR[5]	[redacted]

5.44 The all-in cost of senior debt includes an estimated swap rate of 2.0% and an interest rate buffer of 0.50%. The buffer protects against interest rate rises in the period to Financial Close. Recent swap rates for an average loan life of around 15 years were trading at around 1.45% - hence the interest rate buffer 1.0% of adverse movements, given the current model's average loan life of 16.14 years.

5.45 The financial model will be audited prior to Financial Close, as part of the funder's due diligence process. A separate paper has been provided that outlines the financial efficiencies through bundling this project with the bundled with the similarly timed new Greenock Health and Care Centre, and the Stobhill Mental Health Project (as per 4.31).

Risks

5.46 The key scheme specific risks are set out in the Clydebank Health and Care Centre Risk Register, which is included as Appendix 6 to this OBC. This encompasses construction and operational risks; has been developed by joint risk workshops with hub West Scotland; and totals £494,900. The register scores risks according to their likely impact (red, amber, green). It is anticipated that the majority of these risks will be fully mitigated, or mitigated to manageable levels in the period prior to FBC submission and Financial Close.

[4] Annual Debt Service Cover Ratio: The ratio between operating cash flow and debt service during any one-year period. This ratio is used to determine a project´s debt capacity and is a key area for the lender achieving security over the project.
[5] The Loan Life Coverage Ratio is defined as the ratio of the net present value of cash flow available for debt service for the outstanding life of the debt to the outstanding debt amount and another area for the lender achieving security over the project.

5.47 The Unitary Charge (UC) payment will not be confirmed until Financial Close. The risk that this will vary due to changes in the funding market (funding terms or interest rates) sits with NHSGGC. 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 closed.

5.48 A separate, but linked, risk is the risk that the preferred funder will withdraw its offer. This is a risk which needs to be considered when the funding market for revenue projects is difficult. This will be monitored by means of on-going review of the funding market by NHSGGC's financial advisers; and periodic updates from hubco and its funders of the deliverable funding terms (through the Funding Report). This will incorporate review of the preferred lender's commitment to the project as well. This will allow any remedial action to be taken as early in the process as possible, should this be required. hubco's financial model currently includes a small buffer in terms of the interest rate, which also helps mitigate against this price risk adversely impacting on the affordability position.

5.49 At Financial Close, the agreed UC figure will be subject to indexation, linked to the Retail Prices Index. This risk will remain with NHSGGC over the contract's life for those elements which NHSGGC has responsibility - namely 100% of hard FM costs; and 50% of lifecycle costs. NHSGGC will address this risk through its committed funds allocated to the project.

5.50 The affordability analysis incorporates that funding will be sought from GP practices who are relocating to the new Health and Care Centre. This funding will not be committed over the full 25 year period, and as such is not guaranteed over the project's life. This reflects NHSGGC's responsibility for the demand risk around the new facility.

5.51 The project team will continue to monitor these risks and assess their potential impact throughout the period to FBC and Financial Close.

<u>Accounting Treatment and ESA10</u>

5.52 This section sets out the following:

- The accounting treatment for the Clydebank scheme for the purposes of NHS GGC's accounts, under International Financial Reporting standards as applied in the NHS.
- How the scheme will be treated under the European System of Accounts 2010 (ESA10), which sets out the rules for accounting applying to national statistics.

5.53 The project will be delivered under a Design Build Finance Maintain (DBFM) service contract with a 25 year term. The assets will revert to NHSGGC at the end of the term for no additional consideration.

5.54 The Scottish Future Trust's (SFT) paper *Guide to NHS Balance Sheet Treatment*[6] states that "under IFRS [International Financial Reporting Standards], which has a control based approach to asset classification, as the asset will be controlled by the NHS it will almost inevitably be regarded as on the public sector's balance sheet".

5.55 The DBFM contract is defined as a service concession arrangement under the International Financial Reporting Interpretation Committee Interpretation 12, which is the relevant standard for assessing Public Private Partnership (PPP) contracts. This position will be confirmed by NHSGGC's auditors before the FBC is adopted. As such, the scheme will be "on balance sheet" for the purposes of NHSGGC's financial statements.

5.56 NHSGGC will recognise the cost, at fair value, of the property, plant and equipment underlying the service concession (the Health and Care Centre) as a non-current fixed asset, and will record a corresponding long term liability. The asset's carrying value will be determined in accordance with International Accounting Standard 16 (IAS16) subsequent to Financial Close, but is assumed to be the development costs for the purposes of internal planning. On expiry of the contract, the net book value of the asset will be equivalent to that as assessed under IAS16.

5.57 The lease rental on the long term liability will be derived from deducting all operating, lifecycle and Facilities Management costs from the unitary charge payable to the hubco. The lease rental will further be analysed between repayment of principal, interest payments and contingent rentals.

5.58 The overall annual charge to the Statement of Comprehensive Net Expenditure will comprise of the annual charges for operating, lifecycle and maintenance costs, contingent rentals, interest and depreciation.

5.59 The new Health and Care Centre will appear on NHSGGC's balance sheet; and as such, the building asset less service concession liability will incur annual capital charges. NHSGGC anticipate it will receive an additional ODEL IFRS (Out-with Departmental Expenditure Limit) allocation from the Scottish Government Health Directorate to cover this capital charge, thereby making the capital charge cost neutral.

5.60 As a condition of Scottish Government funding support, all DBFM projects, as revenue funded projects, need to meet the requirements of revenue funding. The key requirement is that they must be considered as a "non-government asset" under ESA10. The standard form hub DBFM legal documentation has been drafted such that construction and availability risk are transferred to hubco. On this basis, it was expected that the Clydebank scheme would be treated as a "non-government asset" for the purposes of ESA 10. Following clarification and the provision of guidance - A guide to the statistical

[6] http://www.scottishfuturestrust.org.uk/publications/guide-to-nhs-balance-sheet-treatment/

treatment of PPPs - by EUROSTAT on 29th September 2016, SFT have engaged the various parties and made amendments to the standard documentation that allow hub schemes to be considered as a "non-government asset" under ESA10.

5.61 A key area of focus has been addressing the balance-sheet issue in relation to dealing with risk-share in respect of site contamination. NHSGGC has engaged with SFT, hub West Scotland and its external advisers to progress this. Since confirmation of the funders to the project is awaited, it has been challenging to achieve meaningful dialogue. However hub West Scotland successfully engaged with Nord and their technical advisers to explore the proposed option which forms the basis of the Stage 1 Addendum. An email confirmation was provided by Nord, noting that they would be content to go to financial close on the basis of this proposal; and SFT confirming on the 12th July 2017 that "...we had worked through the classification issue and had come to the view that this approach would result in a private sector classification of the project."

5.62 In line with other hub DBFM projects, composite trade tax treatment has been applied in the financial model, where a combined trade of the development, construction, financing and maintenance of the asset is undertaken. This is accepted practice by HMRC and will not require an advanced clearance.

Value for Money

5.63 Stage 1 has been completed, and following review and challenge from NHSGGC and it's advisers, a Stage 1 Addendum submitted. This OBC is based upon the Stage 1 addendum.

5.64 The Stage 1 submission – including the Predicted Maximum Cost - provided by hubco has been reviewed by external advisers and validated as representing value for money and compliant with the TPA.

5.65 The costs have been compared against other similar comparators with adjustment to reflect specific circumstances and industry benchmarks, compliance with method statements and individual cost rates where appropriate. For Stage 2, hubco are expected to achieve further value for money through market testing.

5.66 A Value for Money scorecard has been completed using the template developed by SFT, reflecting the Stage 1 Addendum and this OBC's overall Financial Case. That scorecard is included here as Appendix 8. The Total Project Cost reflects the Prime Cost plus the additional remediation costs associated with developing on a brownfield site in a former shipyard area. As can be seen, the current proposals exceed the benchmarks by 10% and 10% for Prime Cost and Total Project Cost. However, the current SFT benchmark for Prime Cost has not been updated to reflect 2016 building regulations changes nor the 2016 enhanced BREEAM requirements. Furthermore, the current costs include

additional costs for chilled cold water to meet SHTM requirements as highlighted by HFS. NHSGGC has also updated it's ACRs to reflect lessons learnt from the delivery of its more recent health centre projects (i.e. those at Eastwood, Maryhill, Woodside and Gorbals), and these adjustments are not accounted for in SFT's benchmark rate.

Confirmation of Stakeholder Support

5.67 This project is being undertaken – and this OBC has been prepared – in accordance with NHSScotland policy on consultation and engagement.

5.68 The purpose of the project's Communication and Engagement Plan (Appendix 9) is to pro-actively support the Project Board to deliver and realise all of the specified benefits identified for this project (as articulated within the approved Vision and Design Statement for the Centre and its Benefits Realisation Plan). In accordance with NHS Chief Executive Letter (CEL) 4 (2010) *Informing, Engaging And Consulting People In Developing Health And Community Care Services*, effective communication and engagement is recognised as a core element of stakeholder management within this project.

5.69 The stakeholder support letter included as Appendix 10 confirms that consultation has been undertaken in this manner as required by SCIM.

Dalmuir allotments has 50 plots that are worked by local residents, each with a shed, a greenhouse and a wealth of crops – leeks, beetroots, carrots, potatoes, courgettes. It's been worked like this since the blitz: the land helped the community to get back on their feet again, to grow their own produce, and become self-sufficient during the scarcity of rationing. Six years ago an unexploded grenade was found by a plot holder transplanting an apple tree. The event fuelled speculation that has given the plots their poetry: "were growing vegetables on ruins". The plots also work hand in hand with the community. West Dunbartonshire's Pay Back team have taken on a plot free of charge, and in return they maintain the grounds. Their vegetables fill the shelves of local food banks. Five more plots are run by community groups in the local area. Secretary Patrick Canning has an open door policy. "We don't say no to anyone. So long as they're keen to do a bit of gardening, and get the work in." Patrick's father Alan held a plot here for 40 years, and Patrick was down here growing with him since he was a boy. Alan worked at Singers and the land and fresh air provided welcome respite after a day in the factory. Patrick has been on the committee for four years. "I do it in my father's memory".

People take on plots for all sorts of reasons, but really the common denominator is the wonder of growing. And there has been a small revolution on the plots in recent years. "It was a bit of a male dominated pastime back then, but we've got women coming in now, families, young ones, and people from different cultures." This diversity is reflected in the variety of plot schemes, the growing strategies, and the new ideas that pass between plots. A recent arrival, a mum of Jamaican origin has been laying down pistachio shells to replenish her soils and hanging CDs from her apple trees to attract the bees. Patrick is interested in the growing culture that she has come from. "If you have any patch of soil there, no matter what the size, you grow something on it. We're all learning from each other here". The plot neighbouring Patrick's will be taken over by a new plotter next weekend, and it has been planted full with potatoes in the meantime. "It's a welcome gesture we do, and it builds up the soil. Always our thoughts are on building up the soil".

With thanks to Patrick (Dalmuir Allotment Plots)

As quoted in the *River to Recovery – An Arts Project for the new Clydebank Health and Care Centre* (Ruth Olden, 2016)

6. Management Case

6.1 The main purpose of the Management Case at OBC stage is to demonstrate that the organisation is ready and capable of delivering a successful project. It will do this by revisiting the Management Case set out in the Initial Agreement; and responding, to the following questions:

- What are the project management arrangements that are in place?
- What change management arrangements are being planned?
- How will the project's benefits be realised?
- How are the project risks being managed?
- What commissioning arrangements are being planned?
- How will the success of the project be assessed?

<u>What project management arrangements are in place?</u>

6.2 As detailed within the Initial Agreement, the NHSGGC hub Project Steering Group has established governance and reporting structures which have been and will continue to be implemented to deliver this project. Project Boards report and approve through to the hub Steering Group to the NHSGGC Capital Planning Group and then the NHGGC Health Board.

<u>Reporting structure and governance arrangements</u>

6.3 The Clydebank Health and Care Centre Project Board reports to the NHSGGC Hub Steering Group which oversees the delivery of all NHSGGC Hub projects. The Project Board is chaired by the Project's Senior Responsible Office – the HSCP's Chief Officer - and comprises representatives from the senior management of the HSCP and NHSGGC (including Property & Capital Planning and Finance); the services that will be operating within the new Centre; hubco; and West Dunbartonshire Council. The Project Board represents the wider ownership interests of the project and maintains co-ordination of the development proposal.

Project Board Members:		
Project role & main responsibilities:	**Named person:**	**Experience of similar project roles:**
Organisation's senior business / finance representative - Representing the organisation's business & financial interests.	Soumen Sengupta, Head of Strategy, Planning & Health Improvement - HSCP	Soumen Sengupta has and has had responsibilities for a number of major primary care and capital planning projects throughout his career, including the £19m Vale Centre for Health & Care in Alexandria. He prepared the business case and secured funding for the £25m West Dunbartonshire Council/HUB transformation and replacement of older people's residential and day care provision within Clydebank and Dumbarton. He will ensure that the project produces the required products; will liaise and negotiate with all services and stakeholders and; manage the day to day managements of the project and dedicated project resources.
	Marion Speirs, Hub Accountant - NHSGGC Property & Capital Planning	Marion Spiers has acted as Financial Lead on all NHSGGC hub projects to date. These have included completed projects (Maryhill H&CC and Eastwood H&CC); projects currently on site (Inverclyde Integrated Care, Woodside

Project Board Members:		
Project role & main responsibilities:	**Named person:**	**Experience of similar project roles:**
		H&CC and Gorbals H&CC); and projects currently in development (Greenock H&CC, Clydebank H&CC and Stobhill Mental Health Wards). Julie Slavin has and has had responsibilities for estate development and capital planning in a number of her previous roles. She is the Project Board member representing Finance for the £25m West Dunbartonshire Council/HUB transformation and replacement of older people's residential and day care provision within Clydebank and Dumbarton.
Senior service representative - Representing the end user interests.	Julie Slavin, Chief Finance Officer - HSCP	Chris McNeill has and has had responsibilities for a number of major primary care and capital planning projects throughout her career, including the £19m Vale Centre for Health & Care in Alexandria. She is the Project Lead for the £25m West Dunbartonshire Council/hub transformation and replacement of older people's residential and day care provision within Clydebank and Dumbarton.
Senior Technical / Estates / Facilities representative - Representing the technical aspects of the project	Chris McNeill, Head of Community Health & Care - HSCP	John Donnelly has acted as Technical Lead on all NHSGGC hub projects to date. These have included completed projects (Shields Centre, Maryhill H&CC, Eastwood H&CC); projects currently on site (Inverclyde Integrated Care, Woodside H&CC and Gorbals H&CC);
	John Donnelly, Senior General Manager – NHSGGC Property & Capital Planning	

Project Board Members:		
Project role & main responsibilities:	**Named person:**	**Experience of similar project roles:**
		and projects currently in development (Greenock H&CC, Clydebank H&CC and Stobhill Mental Health Wards).
	Ian Docherty, Senior Project Manager – NHSGGC Property & Capital Planning	Ian Docherty has been involved across a number of recent health care projects and is currently the Technical Lead for Gorbals H&CC. He performed a similar role during the construction process for Eastwood H&CC.
Stakeholder representative(s) - Representing stakeholders' interests:	Katrina Moffat – General Practitioner	Katrina Moffat is a general practitioner and partner in one of the GP practices based within the current Clydebank Health Centre.
	Lesley Woolfries – WDC Capital Investment Team	The Capital Investment Team is delivering West Dunbartonshire Council's key strategic capital projects and are technical advisors to the HSCP for the delivery of the planned Clydebank Care Home & Day Care Centre which is the immediate neighbour of Clydebank H&CC within the Queens Quay Health Quarter. Lesley Woolfries sits on a number of Project Boards and has worked alongside the HSCP to deliver Crosslet Care Home & Day Care Centre in Dumbarton.
	Michelle McKenna - WDC Consultancy Service	Consultancy Services are appointed by HSCP as the 'Delivery Vehicle' for the proposed Clydebank Care Home & Day Care Centre and Michelle McKenna is the Project Manager. As the 'Delivery Vehicle'

Project Board Members:		
Project role & main responsibilities:	**Named person:**	**Experience of similar project roles:**
		for the Clydebank Care Home Project Consultancy Services provides the Project Manager, Cost Consultant and Architectural Team. In the role of Project Manager, Michelle performs a number of key management roles and reports to the Care Home Project Board.
	Gary Smithson - Hub West Scotland	Gary Smithson represents hub West Scotland, the development partner for NHSGGC. He is responsible for the overall project management in relation to hub West Scotland's development and delivery of the new Clydebank Health & Care Centre, reporting into NHSGGC. He has significant experience of project development and delivery and has most recently has worked alongside the HSCP to deliver Crosslet Care Home & Day Care Centre in Dumbarton; and is currently delivering the new Dumbarton Office for West Dunbartonshire Council.

Independent Client Advisors:	
Project role:	**Organisation & Named lead:**
Project Manager:	Soumen Sengupta, Head of Strategy, Planning and Health Improvement - HSCP
Business Case author:	Soumen Sengupta, Head of Strategy, Planning and Health Improvement - HSCP
Clinical / service lead:	Katrina Moffat – General Practitioner
Technical advisor:	Currie and Brown
Financial advisor	Caledonian Economics

Independent Client Advisors:	
Project role:	**Organisation & Named lead:**
Legal advisor	CMS
IM&T advisor	David Murphy, IT Manager NHSGGC
Medical equipment advisor	n/a
Commissioning advisor	Will be confirmed at Full Business Case Stage
Other advisors:	n/a

6.4 NHSGGC has extensive experience managing Hub Projects. The Clydebank Health and Care Centre Project would be NHSGGC Property & Capital Planning Department's seventh such development. NHSGGC and hWS have undertaken an iterative process of refinement of hub projects and carried over lessons learned from each. This has included:

- Early issue of Authority Construction Requirements (ACRs) with original NPR.
- Ongoing review and revision of ACRs during Stage 1, reflecting issues and derogations on previous projects (currently v12).
- Careful selection of Tier 1 contractor, taking account of past performance.
- Early engagement of Tier 1 Contractor (BAM).
- Early engagement of Facilities Management provider (FES).
- Early engagement with Central Legal Office (CLO) with regards to land matters.
- Joint Legal/Financial/Technical adviser meetings together with CLO.
- Early development of Schedule Part 5 information.
- Early identification of any Ancillary Rights issues.
- Interim engagement with HFS and A&DS on emerging design proposals
- Improved processes to provide underwrite and payment of fees in accordance with SFT guidance note.

6.5 NHSGGC has developed a scope of service for a Site Monitor role in response to the Cole Report (i.e. *The Report of the Independent Inquiry into the Construction of Edinburgh Schools* – February 2017). The scope was developed with input from NHSGGC, hub West Scotland and NHSGGC's Technical Advisers. This service is being deployed on the NHSGGC Woodside/Gorbals health centre bundle which is currently on-site. The same service and provision are planned for the Clydebank/Greenock/Stobhill bundle. Additionally NHSGGC has utilised Multi-Vista

progress photography/video recording on all of its hub projects to date. This is also planned to be implemented across the Clydebank/Greenock/Stobhill bundle.

6.6 The Project Structure is a tried and tested process as per detailed in section 6.2. Should there become resource gaps within the Project Structure these will be reported to the Project Board and immediate action will be taken to fill roles which would have an impact on the Project, Programme or both. Should any gaps be identified, the opportunity to work and share resources with other NHS Boards will be explored, in the first instance, thereafter, the normal recruitment process will be followed, with any interim requirements being covered, where appropriate by the NHSGGC Property & Capital Planning Department.

6.7 A comprehensive project plan has been prepared and included here (Appendix 5), with the table below summarizing key milestones.

OBC Consideration\Approval	July/October 2017	Presentation to NHSGGC Capital Planning Group, NHSGGC Board, and Scottish Government Health Directorate Capital Investment Group (CIG) for approval.
Stage 2 Completion	July 2018	Detailed Design, Costs, Key Stage Reviews, Preparation of FBC
FBC Consideration\Approval	August/September 2018	As for OBC above
Financial Close	September 2018	Contract Agreement\Finalisation
Completion date	April 2020	Construction
Services Commencement	June 2020	Health and Care Centre Operational

What change management arrangements are being planned?

6.8 A clear change management approval process is in place with full discussion of costed change requests being discussed and agreed at the Project Board prior to any changes being implemented.

6.9 To achieve successful change management outcomes key staff will continue to be involved in a process of developing detailed operational policies and service commissioning plans that will be incorporated into the benefits realisation plan.

6.10 A number of service meetings have taken place with all teams and GP practices moving into the new development, principally through the project's Design and Delivery Group. Initiated in 2015, the Design and Delivery Group has brought representatives of service users together on a regular basis, providing a forum within which such issues as their accommodation requirements and agile working have been discussed, clarified and refined at length. Patient / service user and carers groups have participated in meetings and workshops, with their input similarly informing the project's ambitions and shape.

6.11 The Arts Strategy Group was established in February 2016, with that group providing strategic direction to enable a co-ordinated and inclusive approach to the integration of therapeutic design, art and ongoing creative and performing arts activity influencing health and wellbeing at the new Clydebank Health and Care Centre, and local area. The outputs and insights from all of this engagement is reported to and considered by the Project Board; and reflects the co-production approach the Project Board is committed to.

6.12 The new development has presented opportunities to rationalise a number of facilities from which services are currently provided - namely Clydebank Health Centre, Hardgate Clinic, and the West Dunbartonshire Council owned premises at Kilbowie - and bring those related services together at a single location as part of an integrated model of care. This is part of a wider piece of work ongoing to complete an accommodation plan for the HSCP incorporating both local authority and NHS premises.

6.13 A key driver for the development is for it to be revenue neutral - by rationalising the

three existing sites that current services have been delivered from revenue will be released for re-investment in the new centre.

6.14 The new development will not only assist with improved working between services and staff directly managed by the HSCP but will enable full engagement for GP practices to be involved in the integration agenda (as per the expectations of the *National Health and Social Care Delivery Plan*).

6.15 The new development will be NHSGGC's principal site within Clydebank; and one of the core locations from which the HSCP delivers its new models of integrated care within West Dunbartonshire.

6.16 With the integration of health and social care services, the new centre will provide the opportunity to provide high quality integrated primary and community health and social care services to people living in Clydebank. In addition, the Centre will provide a community resource as part of the broader civic realm dimension of the overall Queens Quay Regeneration Programme.

6.17 As per 5.60, the purpose of the Communication and Engagement Plan (Appendix 9) is to pro-actively support the Project Board to deliver and realise all of the specified benefits identified for this project (as articulated within the approved Vision and Design Statement for the Centre and its Benefits Realisation Plan). This Plan reflects an appreciation that the successful delivery of this project hinges on providing credible assurance and fostering enthusiastic support amongst a wide set of

stakeholders (i.e. those individuals/groups/constituencies with varying degrees of interest and influence in the project). The strategy has four sequential components, which feed back into the benefits realisation plan separately agreed, i.e.:

- Identifying stakeholders.
- Analysing stakeholders.
- Effective communication.
- Assessing effectiveness.

6.18 In accordance with NHS Chief Executive Letter (CEL) 4 (2010) *Informing, Engaging And Consulting People In Developing Health And Community Care Services*, effective communication and engagement is recognised as a core element of stakeholder management within this project. As such, the requirement here is not solely to communicate in order just to inform or raise awareness, but to also:

- Generate confidence in and enthusiasm for the project and thereby foster a receptive and positive *authorising environment* for the project at each key decision point.
- Solicit high quality observations/suggestions/feedback on the design and site plan so as to ensure an optimal end product as per the Design Statement.
- Ensure that the varying expectations of different stakeholders are realistically tempered and fairly balanced throughout.

6.19 The approach for communication and engagement with respect to the Clydebank Health and Care Centre Project builds on the best practice utilised during the development and delivery of the award winning Vale Centre for Health and Care as

emphasised in the feedback and recommendations from the latter project's OCG Gateway Review:

"*While it is encouraging that there were so few negative events, many stakeholders identified positive learning from the delivery of the project. This included community engagement, user involvement in design, degree of senior management involvement, detailed design of built environment to promote interaction between service teams and to encourage education and training, and further opportunities for integration of health, social and community care".*

How will the project's benefits be realised?

6.20 A Benefits Realisation Plan for the project has been developed (Appendix 2).

6.21 The benefits identified within this OBC will be monitored and evaluated during the development of the project to maximise the opportunities for them to be realised and measurable indicators will be reviewed on a quarterly basis at the Project Board.

How are the project risks being managed?

6.22 The main project risks and mitigation factors have been identified at a high level at this OBC stage. These main risks at this stage are highlighted in the risk register included here as Appendix 6 (as per 5.46).

6.23 The Risk Register will be continually be reviewed and discussed at the Project Board. As the project develops through the FBC stages a more detailed and quantified risk register will be prepared.

What commissioning arrangements are being planned?

6.24 The NHSGGC Property & Capital Planning Senior Project Manager will be responsible in overseeing the final stages of the project including all training needs for the new building and final commissioning certificates. They will liaise with the Main Contractor and other specialist contractors, along with the Commissioning Group to ensure a smooth transition to the new facility.

6.25 A Transition and Commissioning Group will be established during the construction stage with membership from the various stakeholders in the project including, clinical user representation; non-clinical user representation; IT; Telecoms; Estates; Procurement; Facilities Management; Infection Control. The Group will be lead by the in-house Commissioning Team drawing on experience of previous new builds (including NHSGGC's Queen Elizabeth University Hospital) to develop an agreed commissioning programme in conjunction with users. The Group will also be

responsible for the development of a migration programme for the service move to the new facility; and co-ordination of all the service teams to achieve the migration timescale, in line with the contract programme.

6.26 As many of the new ways on working as possible will be implemented prior to the move albeit taking into account the restrictions of the current facilities. Agile working and paper "lite" will be promoted; and a backscanning exercise is already underway, which will create not only less storage requirement but provide secure data

How will the success of the project be assessed?

6.27 Post Project Evaluation will be undertaken in line with the SCIM guidelines to determine the project's success and identify lessons to be learnt.

6.28 This will reflect an evaluation during the Construction Phase in the form of monitoring the project with regards to time, cost, the procurement process, contractor performance, and any initial lessons learnt.

6.29 Six to twelve months after commissioning of the facility a more wide ranging evaluation (Stage 3) will take place. This will assess, amongst other factors: how well the project objectives were achieved; was the project completed on time, within budget and according to specification; whether the project delivered value for money; how satisfied patients, staff and other stakeholders are with the project results and the lessons learnt about the way the project was developed, organised and implemented. The Post Project Report will also provide information on key performance indicators.

6.30 Longer term outcomes (Stage 4) will be evaluated two to five years post migration to the new facility as by this stage the full effects of the project will have materialised. The evaluation will be undertaken by the in-house Post Project Evaluation team. Both quantitative and qualitative data will be collected during Stages 3 and 4 evaluation through the use of questionnaires and workshops. A key focus will be sharing the information gathered so that the lessons to be learned are made available to others.

APPENDICES

1. Initial Agreement Letter – Health & Social Care Directorate
2. Benefits Realisation Plan
3. Design Statement
4. Schedule of Accommodation
5. Project Programme
6. Risk Register
7. Healthcare Acquired Infection (HAI) Scribe Assessment Report
8. Value for Money Scorecard
9. Communication and Engagement Plan
10. Stakeholder Letter of Support

Artist's Rendering of Planned Exterior of New Health and Care Centre