

<b>NHS Greater Glasgow and Clyde</b>	<b>Paper No. 21/89</b>
<b>Meeting:</b>	<b>Board Meeting</b>
<b>Meeting Date:</b>	<b>21<sup>st</sup> December 2021</b>
<b>Title:</b>	<b>Glasgow North East Health &amp; Care Centre – Full Business Case</b>
<b>Sponsoring Director</b>	<b>Susanne Millar</b> Chief Officer, Glasgow City HSCP  <b>Tom Steele</b> Director of Estates and Facilities
<b>Report Author:</b>	<b>John Donnelly,</b> NHS GGC Head of Capital Planning,  <b>Dominique Harvey,</b> Head of Planning (Children’s Services & North East) Glasgow City HSCP

## 1. Purpose

### The purpose of the attached paper is to:

- a) Seek approval of the Full Business Case by Greater Glasgow Health Board and agree its submission to Scottish Government Capital Investment Group.

## 2. Executive Summary

### The paper can be summarised as follows:

- Outline Business Case approved by Scottish Government 28<sup>th</sup> January 2021
- The project is the development of an **integrated community health and care hub** that will deliver on the commitments of the **Moving Forward Together Strategy**. The hub will include a wide range of primary, community and acute health services, social care services, cultural and leisure services, education and learning activities and provide space for community and voluntary sector organisations. The hub will enable us to deliver services in an integrated way for the benefit of local residents, with more seamless patient pathways as a result of multi-disciplinary, colocated teams. Through the design specification of an

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open, welcoming and accessible building with community facilities in the centre of a high amenity neighbourhood, the development of the hub will help to address health inequalities experienced by the local population.

- Specifically, the services proposed for the hub include:
  - GPs, dental, pharmacy
  - Specialist Children's Services (CAMHS and Community Paediatrics)
  - Health visiting and school nursing
  - Social Work children and family teams
  - Rehabilitation and enablement services
  - District nursing
  - Older people's mental health
  - Learning disability services
  - Sandyford East sexual health services
  - Primary care mental health and psychotherapy
  - Health and social work Alcohol and Drugs Services
  - Criminal justice social work services
  - Health improvement services
  - Hospital (outpatient clinics), such as chronic pain clinics, older people services, Cardiac, COPD, diabetes and weight management, physiotherapy, phlebotomy and the paediatric diabetic service.
  - Integrated health and social care learning and development hub for Glasgow City HSCP
  - Cafe
  - Library and associated services and activities
  - Community and voluntary sector use, such as space for mental health peer support groups
  
- No major change since OBC, but key areas of development are :
  - Adjustments to service arrangements and plans to reflect HSCP learning from Covid mitigation strategies and measures.
  - Further detail around services to be delivered which are normally provided in an acute setting.
  - Planning consent granted
  - Heads of Terms agreed in respect of Pro-Indivisio ownership of the building in relation to GCC contribution.
  - Conclusions to FM strategy confirm hard FM and Lifecycle to be managed by in-house NHS resource.
  - Project is being processed through newly formed NHSScotland Assure.
  - Refinement of the benefits register following stakeholder workshops.
  - Design development, ensuring technical compliance and achievement of Net Zero and sustainability targets
  
- The detailed design and pricing has been developed against the backdrop of Covid challenges. Hub and the main contractor have faced difficulty in providing a fixed price at a time of market volatility around labour and material availability and costs. The outcome has been an increase in the costs from those predicted

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in Spring 2020 when the OBC was prepared. Additional time has been used to allow full scrutiny of the submitted prices which have been confirmed and agreed by the Board's independent costs consultants. The total costs are as follows:

	<b>OBC</b>	<b>FBC</b>	<b>Change</b>
<b>Capital Costs (inc VAT)</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capex including VAT	59,574	67,666	8,092
Optimism Bias (8%-OBC / 1.5%-FBC)	4,766	1,015	-3,751
<b>Total Capex incl Optimism Bias</b>	<b>64,340</b>	<b>68,681</b>	<b>4,341</b>
Group 2 & 3 equipment Including VAT	2,979	2,979	0
<b>Total Capital cost</b>	<b>67,319</b>	<b>71,660</b>	<b>4,341</b>
<b>Sources of Funding</b>			
SGHSCD	61,322	65,336	4,014
NHSGGC Formula Capital	2,979	2,979	0
Glasgow City Council Including VAT	3,018	3,345	327
<b>Total Sources of Funding</b>	<b>67,319</b>	<b>71,660</b>	<b>4,341</b>

- A 1.5% allowance for Optimism Bias has been retained. This is included to cover the remaining "dark ground" risk below the current operational health centre, and the final outcome of the NHS Assure process, which is well advanced, but has still to be concluded.
- GCC has ring-fenced the funding for its pro-rata share of the hard-FM and Lifecycle funding and is asking that NHSGGC do likewise to ensure the protection of the joint asset. The estimated annual revenue required for lifecycle and hard FM are noted below. Scottish Government has agreed to support the lifecycle costs. Lifecycle and hard-FM costs noted reflect both physical materials and resourcing requirements.

	<b>£000s</b>
Hard FM	309
Lifecycle	284
<b>Total</b>	<b>593</b>

- Scottish Government has been alerted to the increase and confirmed that the position is within the range of increases experienced on other recent contracts and that, subject to appropriate due diligence of the cost increases, the project should be brought forward through FBC submission to CIG.
- High level timescale as follows:

<b>FBC Consideration\Approval</b>	December 2021 / January 2022
<b>Financial Close</b>	February 2022
<b>Site Start</b>	March 2022
<b>Completion date</b>	Q2 2024 (Phase 2 main building) Q3 2025 (Phase 3 demo and car park)

### 3. Recommendations

**The Board is asked to consider the following recommendations:**

- Note that the Full Business Case and Appendix was approved by Finance Planning and Performance Committee on 7<sup>th</sup> December 2021.
- Note the updates to the document since v15 which was approved at FP&P are noted in the document control table, and are included to satisfy additional levels of assurance sought by Scottish Government. None of the alterations make any material change to the proposals.
- Approve the Full Business Case for submission to Scottish Government Capital Investment Group

### 4. Response Required

This paper is presented for **approval**.

### 5. Impact Assessment

**The impact of this paper on NHSGGC's corporate aims, approach to equality and diversity and environmental impact are assessed as follows:**

- |                                   |          |
|-----------------------------------|----------|
| • <b>Better Health</b>            | Positive |
| • <b>Better Care</b>              | Positive |
| • <b>Better Value</b>             | Positive |
| • <b>Better Workplace</b>         | Positive |
| • <b>Equality &amp; Diversity</b> | Positive |
| • <b>Environment</b>              | Positive |

### 6. Engagement & Communications

**The issues addressed in this paper were subject to the following engagement and communications activity:**

There has been on-going engagement with all stakeholders throughout the life of the project and at particular stages including at Initial Agreement, site option's analysis, OBC stage, pre-planning application, planning application and FBC preparation. Responses to the proposals have been very positive.

Key stakeholders include local people, our staff, IJB members, local elected members, community councils, community planning partner agencies in the north east and local voluntary and community organisations and networks.

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A variety of mechanisms have been used to engage, including:

- Face to face meetings with local people and local organisations
- Community councils and other local groups
- Community planning, housing groups and other local network meetings
- Sought views of local college students and school children
- Held stalls in local supermarkets
- Held stalls in health centre and our other offices to speak to patients, service users and our staff
- Issued newsletters and leaflets
- On line and paper based survey questionnaire
- Asked local organisations to send out the questionnaire to their members
- Held workshops and public meetings
- Regularly provided updates to our Locality Engagement Forum
- Local people and staff are members of the NE Hub Project Board
- Used Twitter to promote events.
- Local newspapers published articles
- On-line meetings and drop-in sessions during the pandemic; the online engagement sessions carried out in 2020 have been showcased as an example of good practice by Health Improvement Scotland  
<https://www.hisengage.scot/equipping-professionals/engaging-differently/examples/parkhead-hub-consultation/>

## 7. Governance Route

**This paper has been previously considered by the following groups as part of its development:** The Full Business Case has been reviewed and agreed by the North East hub Executive Project Board, NHSGGC Capital Planning Group, NHSGGC Property & Asset Strategy Group, NHSGGC Corporate Management Team and NHS GGC Finance Planning and Performance Committee. Each group has endorsed the content and agreed for onward submission to Greater Glasgow Health Board. The Business Case was also reviewed and supported by Glasgow City Integration Joint Board on 1<sup>st</sup> December 2021. The further governance planned is:

Scottish Government Capital Investment Group
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19 <sup>th</sup> January 2022
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## 8. Date Prepared & Issued

The Full Business Case was completed 19<sup>th</sup> October 2021 and an update finalised on 7<sup>th</sup> December 2021. The cover paper and Business Case were submitted to Greater Glasgow Health Board on 10<sup>th</sup> December 2021.