

Borders NHS Board



BORDERS MACMILLAN CENTRE EXTENSION

Aim

To update the Board on progress regarding the Borders MacMillan Centre (BMC) extension and approve the attached business case to progress the project with an estimated capital cost of £804k to be funded from charitable resources.

Background

The Borders Macmillan Centre (BMC) opened in 2003 and provides a focus for specialist cancer services in the Scottish Borders. Only minor modifications have been made to the Centre since that time and given the continued expected increase in demand in Systemic Anti Cancer Treatments (SACT) and on cancer services it would benefit from a reconfiguration and refurbishment to ensure it continues as safe, fit for purpose, quality accommodation in the coming years.

Summary

Attached is a detailed business case to extend and refurbish the BMC in the BGH. The project will meet strategic aims at local and national level for the delivery of cancer services, as well as ensuring fit for purpose facilities for BMC patients. The project has been developed to detailed design, through work with the BMC Clinical Team, Macmillan Cancer Support representatives, the Capital Planning Project Team and professional advisors to assist with surveys and accommodation plans. The project will be wholly funded through Charitable Funds, including the ongoing revenue costs and is anticipated to be completed in November 2018. The project has been recommended for approval by the Clinical Executive Strategy Group.

Recommendation

The Board is asked to:

- **Note** the work progressed in developing this business case and the planned works to extend, redesign and refurbish the existing Macmillan Cancer Centre.
- **Approve** the project within the estimated capital costs as per the recently completed feasibility work of £804k.
- **Note** the recurring costs resulting from the extension (estimated at £13k per annum) will be covered by the existing Cancer Services Endowment Fund (Fund 30).
- **Request** to the Borders Health Board Endowment Fund Board of Trustees that the project is wholly supported through charitable funding from Macmillan Cancer Support, existing Endowment Funds and a Fundraising Campaign including a Public Fundraising Appeal.

| | |
|--|---|
| Policy/Strategy Implications | This project is in line with current board strategy. It also meets national, regional and local cancer service strategies. |
| Consultation | Cancer services have been consulted on this paper. |
| Consultation with Professional Committees | Clinical Executive Strategy Group have approved this project. |
| Risk Assessment | No risk assessment has been carried out at this stage; however a full risk register will be completed if approval for the project is given. |
| Compliance with Board Policy requirements on Equality and Diversity | The programme is being delivered in line with Board Policy requirements on Equality and Diversity. |
| Resource/Staffing Implications | As detailed in the paper. |

Approved by

| Name | Designation | Name | Designation |
|--------------|--|-------------|--------------------|
| Carol Gillie | Director of Finance, Procurement, Estates and Facilities | | |

Author(s)

| Name | Designation | Name | Designation |
|-------------|----------------------------|-----------------|--------------------|
| Susan Swan | Deputy Director of Finance | Hannah Fairburn | Project Manager |



**Borders Macmillan
Centre
Extension**

BUSINESS CASE

Version 0.9

July 2017

Document History

| Version Number | Revision Date | Previous Revision Date | Summary of Changes | Changes Marked |
|-----------------------|----------------------|-------------------------------|--|-----------------------|
| 0.1 | 09/06/17 | N/A | N/A | N/A |
| 0.2 | 16/06/17 | 09/06/17 | Format of finance information changed | No |
| 0.3 | 21/06/17 | 16/06/17 | Addition of some project support information | |
| 0.4 | 05/07/17 | 21/06/17 | Change of template and update of information based on presentation | No |
| 0.5 | 17/07/17 | 05/07/17 | Update following the working group discussions on 14/07/17 (Judith Smith, Karen Wilson, Susan Swan, Hannah Fairburn) | No |
| 0.6 & 0.7 | 17/07/17 | 17/07/17 | Changes relating to clinical terminology and service delivery. Some changes by KW to ensure consistency as well as grammar changes. Some additions by HF to benefits and program sections. | No |
| 0.8 | 18/08/17 | 18/08/17 | Correction made to the construction program date | No |
| 0.9 | 19/08/17 | 18/08/17 | Addition of summary paragraph, further correction to construction program and update of contents page | No |

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1. Executive Summary

The Borders Macmillan Centre (BMC) opened in 2003 and provides a focus for specialist cancer services in the Scottish Borders. Only minor modifications have been made to the Centre since that time and given the continued expected increase in demand in Systemic Anti Cancer Treatments (SACT) and on cancer services it would benefit from a reconfiguration and refurbishment to ensure it continues as safe, fit for purpose, quality accommodation in the coming years.

NHS Borders Cancer Services Clinical Team with the support of the Borders General Hospital Clinical Board developed this project by assessing the challenges faced by the service. In addition the service ensured the planned development was in line with the national, regional and local clinical strategies for the delivery of cancer services. Among the challenges experienced by the service are the increasing incidence and prevalence of cancer, more complex treatments requiring increased monitoring, different routes of administration, Healthcare Environment Inspection (HEI) requirements and the lack of a designated drugs preparation area. This outline proposal was submitted to Macmillan Cancer Support for review and the project requested financial support as part of the Macmillan Capital Investment Programme. The project was accepted and Macmillan has been working with key stakeholders from NHS Borders as well as professional consultants to undertake a feasibility exercise for the project.

The outcome of the feasibility exercise was a proposed extension, redesign and refurbishment of the existing Macmillan cancer centre, resulting in an increase in the amount and flexibility of treatment space, a better from a safety perspective designated drugs preparation area, improved patient flow and overall upgrade of all areas of the centre. The costs of these proposed works are estimated to be £804k with a proposed contribution of funding from Macmillan Cancer Support (MCS) totalling £400k.

It is proposed that the balance of funding be provided from charitable sources due to the enhanced environment meeting the NHS Borders Endowment Fund Charitable purpose. The fundraising feasibility for the project was explored by the fundraising team who identified a potential contribution of £154k from existing cancer centre endowment funds. It is intended that the remainder of funding required by the project (£250k) would be raised by way of a fundraising campaign led by The Difference fundraising team.

The extension and resultant enlarged floor area will increase the Board's recurring revenue costs specifically for domestic services and property costs (rates, utilities and maintenance). These costs, estimated at £13k per annum, will be met on a recurring basis by the cancer services endowment fund.

This project will provide increased space, which could be utilised to increase overall capacity into the future. The project will deliver an extended and refurbished cancer centre which is safe and fit for purpose to continue delivering high quality cancer care for NHS Borders patients. The project will be delivered through the use of charitable funds.

2. Strategic Context

The Borders Macmillan Centre (BMC) opened in 2003 and provides a focus for specialist cancer services in the Scottish Borders. It hosts the Cancer Information and Support Service (CISS), Macmillan Welfare Benefits Team, Cancer Clinical Nurse Specialists and the ambulatory care day case area for delivery of Systemic Anti Cancer Therapy (SACT) and associated treatments. Space within the centre is also used by a variety of visiting clinicians and teams involved in cancer care on a regular and adhoc basis.

Based on a local Cancer Needs Assessment (2014) the overall number of new cancer cases in the Borders, is expected to increase by 18% by 2018-22. The number of available SACT treatments have increased, as has their complexity, furthermore the method of administration has changed with a proportion being required to be delivered subcutaneously. Local activity for SACT and supportive treatments saw a 60% increase between 2011-2014, followed by a 35% increase between 2014-2016, with a further 8% annual increase predicted in SACT.

This increase in the incidence of cancer as well as the increased survival rates is recognised as a regional and national issue, placing significant demand on local cancer services.

With these challenges facing the cancer service it became evident that there was a need to review the existing physical accommodation in the centre.

There is currently a lack of private space/consulting rooms required to deliver some of the newer treatments given subcutaneously. In addition the increased volume of patients and longer treatment times inhibits the use of space in a more creative way to improve patient flow and prevent patient delays and support the nursing and pharmacy teams to work as efficiently and effectively within the centre.

There is also an issue with the absence of a safe designated space for the checking and preparation of drugs. This currently takes place in an open plan reception area of the treatment room increasing the possibility of staff being distracted or interrupted during this critical task. As treatments increase in complexity this may become a significant patient safety issue.

The environmental developments being delivered by this project enable the NHS Borders Cancer Services Clinical Team to provide care in line with the national, regional and local cancer service strategies.

3. Project Development

In 2015 a request for review of the current accommodation with a view to extending and refurbishing, using endowment funds and charitable support, was supported by the Capital Governance Group.

In August 2016 an application was made to Macmillan Cancer Support (MCS) for funding to support the environmental changes required. MCS accepted the application and commissioned and funded a feasibility study in order to progress the project.

An update on this review of accommodation was taken to the BGH Clinical Board in November 2016 which supported the proposed refurbishment.

The feasibility study, commissioned by MCS was undertaken by Aitken Turnbull Architects who worked with the clinical team on site in the BMC as well as NHS Borders estates and finance representatives.

The feasibility study worked to provide an environmental solution which would address the following list of identified requirements:

- Separate space to allow drugs to be checked safely.
- Further space to deliver subcutaneous treatments.
- Compliance with infection control standards by improving storage facilities and relocation of sluice and toilet facilities.
- Improved space for pharmacy colleagues to operate from BMC.

As part of the feasibility work a space utilisation study of the existing accommodation was carried out. The study took place over a two week period and assessed both planned and actual usage. From the findings additional capacity was identified within the existing office and quiet room accommodation which can be realised through improved scheduling and a more robust booking system for the centre accommodation. The project therefore focuses on extension to the building in relation to the treatment spaces.

Aitken and Turnbull (AT) focused on the possibility of an extension to provide the requirements of the clinical team, with surveys being also carried out by JCP (Mechanical and electrical contractors) during December 2016. The schedule of proposed works for the project was drafted and are detailed on page 7 Section 3 of this report.

The long term benefits resulting from delivering this project are noted as:

- Ability to treat more patients.
- Reduction in delays.
- Continued patient satisfaction with the environment.
- No increase in clinical incidents.
- Increased pharmacy time on the unit.

Building on the work undertaken in the feasibility exercise Aitken Turnbull Architects, with JCP Consulting Engineers (Mechanical & Engineering) and Wardell Armstrong (Civil & Structural and Landscape Architects) working with Capita (Quantity Surveyors), have developed the detailed design proposals through a series of meetings with NHS Borders and MCS.

4. Proposed Works

The proposal is the formation of two small extensions, both focused on treatment spaces, to provide additional chemotherapy chair space and a new single bed treatment space.

This will allow the reconfiguration of the current treatment space, to provide secure and discrete drugs checking and preparation area, improved patient flow and the workflow of clinical staff. Further reconfiguration is proposed within the unit to streamline day to day patient and staff flow and improve the environment. The original accommodation will also be totally refurbished to provide an enhanced environment for all aspects of the services provided by the centre.

Capita's assessment utilising the information gathered during the feasibility exercise is that an overall capital cost for the project is estimated at £804k.

If the proposed works are carried out BMC and MCS have agreed that this would achieve all of the original objectives set out in the requirements gathering exercise and would provide the stated benefits.

Floor Plans

Drawing 1: Existing Macmillan Centre Floor Plan



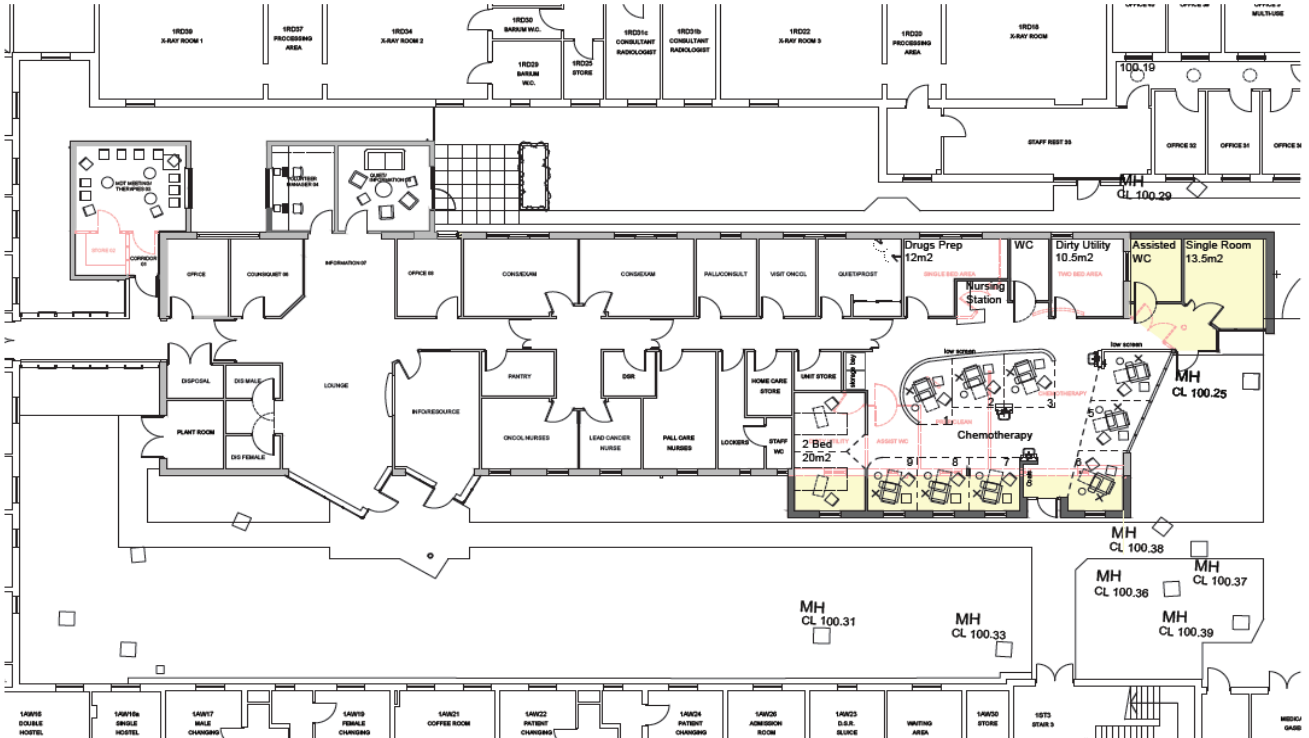
Borders General Hospital
Existing Plan
1:200



Drawing 2: Macmillan Centre Floor Plans Following Extension Works



Borders General Hospital
Proposed Plan
1:200



5. Financial Appraisal

Introduction

NHS Borders capital resources are finite and the Board's 5 year capital plan is significantly oversubscribed. It is therefore proposed that all of the capital requirements for the project are secured from charitable sources. In addition to funding the capital costs of the project it is proposed that a small amount of resource is required to cover fundraising overhead costs. The financial appraisal takes into consideration all elements of capital and recurring revenue costs.

Procurement

The preferred method of Procurement will be a traditional tender appointment utilising a standard Joint Contracts Tribunal (JCT) process, as per the Board's Code of Corporate Governance. A Professional Consultancy Design Team will also be appointed to support the remaining stages of design development and delivery on the construction phases of the works. NHS Borders will lead the procurement process for the project supported by Macmillan. This process will include a professionally supported evaluation process from an independent sector Cost Advisor to enable selection of a preferred Contractor. Adherence to the Board's Code of Corporate Governance and Procurement Strategy ensures the method of procurement used achieves value for money for this project.

Capital Cost

From the feasibility work Capita, the Project Cost Advisor have assessed the capital costs as follows:

Table 1: Capital Costs of the Project

| Statement of costs | Net Costs £ | VAT £ | Total £ |
|---------------------------|----------------|----------------|----------------|
| Construction costs | 504,000 | 100,800 | 604,800 |
| Professional Fees | 72,775 | 14,555 | 87,330 |
| Furniture and Equipment | 50,000 | 10,000 | 60,000 |
| Ancillary Costs | 43,000 | 8,600 | 51,600 |
| Total Project Cost | 669,775 | 133,955 | 803,730 |

The total costs as detailed above are based on the following assumptions:

- Drawings and information as listed in the Capita Business Case Cost Plan.
- Cost data current at 2nd quarter 2017.
- An allowance of 5% has been included for risk.
- The construction cost noted above is based upon a fixed price competitive tender received no later than the third quarter of 2017.
- The construction cost (and the associated professional fees) is predicated upon the works being procured 'traditionally' via a full design with schedule of Works/Specification using a standard form of contract, with NHS Borders being the employer under the Building Contract.
- Capita have assumed that the building cost of the project is positively rated at 20% VAT. It may be that some VAT recovery below 20% may be achieved by NHS Borders, but this is not a straightforward calculation. As such, Capita have not taken any recovery into account in the costs.

- The structural costs have been based on the information provided by Wardell Armstrong at feasibility stage.
- The figures allow for estimates for Mechanical and Electrical services. Capita have based their estimate on the information provided by JCP consulting engineers.
- The level of specification allowed by Capita in their estimate is as discussed with Aitken Turnbull Architects and detailed within the Business Case Cost Plan.

Recurring Costs

The revenue implications for this project are detailed below. These costs have been estimated based on the proposed increase to floor area of 57 sq meters, a 10% increase to the overall centre accommodation.

Table 2: Revenue Costs of the Project

| Revenue cost element | Increase in annual costs £000s |
|---|--------------------------------|
| Domestic Services (0.33wte) | 8 |
| HLP, Water and Rates | 3 |
| Maintenance Costs | 2 |
| Total increase in annual Revenue running costs | 13 |
| Non Cash Capital Charges – Donated Assets | 26 |

The additional recurring revenue costs of the project (as noted above estimated at £13k) will be covered by the Cancer Centre Endowment Fund, Fund 30. As the funding for this asset is based on charitable funds capital charges are not a cash transaction and therefore are not considered a revenue cost.

Charitable Fundraising & Ownership

NHS Borders Endowment Fund Board of Trustees approved a charitable fundraising appeal to support the extension, re-design and refurbishment of the Borders Macmillan Centre in January 2017. The refurbished centre will remain an asset of NHS Borders.

Anticipated costs for the project are in the region of £804k with Macmillan Cancer Support having committed to a contribution of £400k. The balance of funding required will be sourced from existing endowment funds supported by a fundraising campaign managed by The Difference. A contribution of £154k has been identified from the Cancer Centre Endowment Fund (Fund 30).

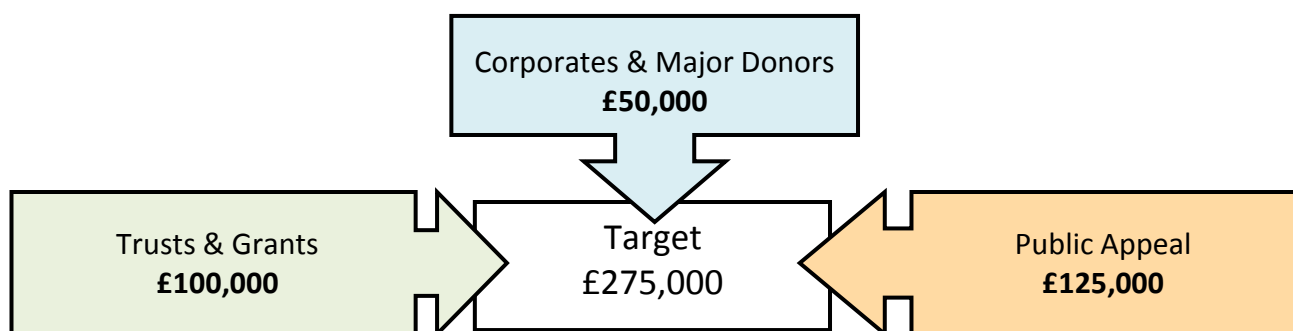
The breakdown of the costs and contributions for this project is set out in the table below:

Table 3: Funding breakdown for the Project

| | Costs | Contributions |
|------------------------------------|-----------------|-----------------|
| Anticipated Project Costs | £804,000 | |
| Macmillan Cancer Support | | £400,000 |
| Existing Endowment Funds (Fund 30) | | £154,000 |
| Fundraising Campaign Costs (10%) | £ 25,000 | £275,000 |
| Total | £829,000 | £829,000 |

To raise this funding The Difference shall undertake a fundraising campaign that will include applications to trusts and grant giving organisations, approaches to corporates and major donors as well as a public appeal.

Chart 1: Fundraising Campaign Structure



Trusts and Grant Giving Organisations

Research into Trusts and Grant Giving Organisations (T&Gs) uncovered a number that were potentially suitable. Each T&G was then classified as being hot, warm or cool prospects based on their geographical interest and their history of donating to previous *The Difference* appeals (see Chart 2). A suggested ask was then assigned to each T&G based on their criteria or previous donations (Table 4).

Chart 2: Classification of T&Gs

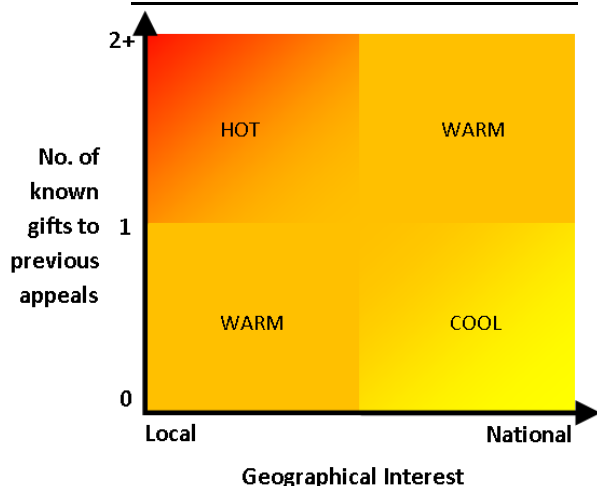


Table 4: Value of T&Gs by classification

| Classification | No. of T&Gs | Total Value* |
|----------------|-------------|--------------|
| Hot | 6 | £ 75,000.00 |
| Warm | 11 | £148,000.00 |
| Cool | 5 | £ 44,500.00 |

*based on suggested ask amount

Applications to the T&Gs will be phased using the above classifications. The phasing will take place as follows:

- Phase 1: Applications to Hot prospects + Warm prospects with longer lead times
- Phase 2: Applications to Warm prospects
- Phase 3: Applications to Cool prospects (if required)

With a target of £100,000, a success rate of 50% from hot and warm prospects would be sufficient to meet this therefore it is hoped there will not be a requirement to approach any of the Trusts and Grant Giving Organisations classified as being cool prospects.

Corporates and Major Donors

The Scottish Borders can prove to be a challenging environment in which to secure donations from corporates or major donors, therefore the target set against this income stream is reflective of this situation and reflects the shift towards staff fundraising and match funding so it is likely this stream will overlap with the public appeal.

Local corporates that have an existing relationship with the charity or previously have donated will be prioritised as well as those known to have a Corporate Social Responsibility policy or match funding policy will be prioritised.

Corporate “adoptions” of the campaign will be sought especially for companies with multiple branches and high footfall e.g. supermarkets.

Public Appeal

The Public Appeal will be targeted at raising £125,000. Rather than appointing an exclusive media partner, all media outlets will be given the opportunity to cover the appeal and its related events. A number of avenues of support will be included in this area of work including:

- Past donation records will be used to conduct a mail shot to previous donors to the cancer funds. Although we do expect this to yield some donations, the primary purpose is to inform this invested audience who potentially will have among them the appeals biggest fundraisers/donors.
- Events that appoint a charity beneficiary will be targeted.
- Local Rotary Clubs and other voluntary societies will be contacted to inform them about the appeal and requesting their support.

6. Project Governance & Management

Introduction

The project was lead through the feasibility stage by Macmillan Cancer Support with input from relevant NHS Borders clinical and support staff. The decision making responsibility of the project has now transferred to NHS Borders however to ensure consistency of approach for stakeholders project meetings and administration aspects of the project will still reflect Macmillan's format/content.

The Project Team as noted below has overseen the feasibility stage and regular meetings of the wider Project Board group have been scheduled to maintain the progress and pace of the project, this incorporating a Engagement and Communication Strategy to ensure input and awareness from all stakeholders including public representatives.

Project Governance Arrangements

The project will be managed by the NHS Borders Capital Planning Project Team.

The project is being overseen by a Project Team with representation as follows:

| |
|---|
| Projects Design & Commissioning Officer, Macmillan Cancer Support |
| Partnership Manager, Macmillan Cancer Support |
| Aitken Turnbull Architects |
| Capita |
| Nurse Consultant/Lead Cancer Clinician, NHS Borders |
| Estates, NHS Borders |
| Finance, NHS Borders |
| Fundraising Manager, NHS Borders |
| CISS Manager, NHS Borders |
| Clinical Service Manager, NHS Borders |
| Project Support Officer, NHS Borders |

There is also a Project Board, with a wider NHS Borders representation that feeds from and to the Project Team. The membership of the Project Board is as follows:

| |
|---|
| Partnership Manager, Macmillan Cancer Support |
| Macmillan Cancer Support |
| Nurse Consultant/Lead Cancer Clinician, NHS Borders |
| Finance, NHS Borders |
| Estates, NHS Borders |
| Fundraising Manager, NHS Borders |
| Macmillan Cancer Support Manager, NHS Borders |
| IM&T, NHS Borders |
| Safety Advisor, NHS Borders |

| |
|--|
| Clinical Service Manager, NHS Borders |
| Charge Nurse, Oncology, NHS Borders |
| Senior Charge Nurse, Oncology, NHS Borders |
| Cancer Information and Support Manager, NHS Borders |
| Senior Infection Control Nurse, NHS Borders |
| Lead Radiographer, NHS Borders |
| Macmillan Haematology Advanced Nurse Practitioner, NHS Borders |
| Cancer Care Pharmacist, NHS Borders |
| Procurement, NHS Borders |
| Project Support Officer, NHS Borders |

Stakeholder Involvement

Patient Questionnaires completed by users of the current Macmillan Cancer Centre were submitted to the design team at the beginning of the feasibility process to help inform the design. Further informal engagement will take place by displaying the plans in the centre allowing patients, families and carer to give their thoughts and feedback.

More formal engagement will take place and is planned in August/ September 2017 when a patient focus group will be updated on the project and will be asked to give their views on the art strategy. It has also been agreed that the landscapers appointed for the project will engage with the volunteers who give up their time to tend to the existing garden.

Benefits Realisation

The benefits associated with the project are:

1. Ability to treat more patients.
2. Reduction in delays.
3. Continued patient satisfaction with the environment.
4. No increase in clinical incident.
5. Increased pharmacy time on the unit.

All of the above are currently monitored on an ad-hoc basis as required. Following project approval a formal period of baseline information collection would be initiated by the Nurse Consultant to inform the benefits monitoring report.

Evaluation would be shared with all relevant stakeholders via project team meetings, emails, project newsletters and updates.

Overarching Project Timetable

Project conception and discussions started in September 2016, with detailed design taking place throughout January and February of 2017.

Grant confirmation and Board approval to proceed to the current Business Case stage has taken place.

The procurement process has been planned with market test tenders due to be issued in August with subsequent appointment of the preferred contractor taking place in October 2017.

Construction is expected to start in January 2018 with a 30 week construction period; this would see the project delivered and the centre fully operational in November 2018.

7. Summary

In summary the key information presented by this Business Case is:

- The project will meet strategic aims at local and national level, as well as ensuring fit for purpose facilities for BMC patients.
- Space utilisation and feasibility studies have been completed to support the required specification, provide indicative costs and inform construction programme timelines.
- The project has been developed to detailed design, through work with the BMC Clinical Team, Macmillan Cancer Support representatives, the Capital Planning Project Team and professional advisors to assist with surveys and accommodation plans.
- A funding proposal has been set out to cover the estimated total costs of the project. The funding proposal details a grant from Macmillan Cancer Support (£400k), Endowment Fund applications (£154k) and a Fundraising Campaign which will include a Public Fundraising Appeal (£275k gross).
- The project will be wholly funded through Charitable Funds.
- The project is anticipated to be complete in November 2018.
- The project has been recommended for approval by the Clinical Executive Strategy Group.