

**Borders NHS Board**



**REPLACEMENT OF LAUDER & ROXBURGH STREET, GALASHIELS, HEALTH CENTRES: BUSINESS CASE UPDATE**

**Aim**

The aim of this paper is to seek approval from the Board with regards to the business cases for capital investment to deliver replacement Health centres at Roxburgh Street, Galashiels and in Lauder.

**Background**

Modern primary care facilities which offer a wider range of services, is a central objective of NHS Borders to provide more accessible and flexible health care. Roxburgh Street, Galashiels, Jedburgh and Lauder Health centres were identified as priorities in 2006 and subsequently re-affirmed at the NHS Borders Board meeting in December 2009.

Jedburgh Health Centre improvements are now nearing completion and investment is now being sought to deliver the improvement works at Roxburgh Street, Galashiels and Lauder Health Centres.

This proposed investment is consistent with the commitment to shift the balance of care and to provide services in modern, fit for purpose facilities.

This proposal fulfils a number of strategic objectives relevant to NHS Borders and aims to:

- Improve the environment for providing health care
- Meet increasing capacity demands

In the past 20 years there has been a revolution in health care, for example, the majority of patients with long-term heart and lung disease had their care provided in a hospital setting. We are now getting better at identifying those patients who are at risk of a hospital admission and channelling health care earlier to meet their needs, increasingly at home and in a wider range of services in health centres.

The proposals are therefore consistent with the Primary and Community Services Strategy 2010- 2014, approved by Borders NHS Board in December 2009. The Primary Care Strategy sets out the commitment to shift the balance of care and to offer a wider range of services in order to support patients to lead healthier and more independent lives.

During the course of 2009, NHS Borders conducted an option appraisal review of the health centres. A common and key aspect of the Roxburgh Street and the Lauder developments has been the difficulty in the identification of viable sites.

A site for the proposed new health centre Lauder proved particularly difficult and NHS Borders has worked with SBC since 2007 to try and secure a site. Many sites were examined but the Crofts Road site was agreed most suitable.

To secure the Lauder site going forward a ballot was undertaken at the beginning of 2012 asking patients whether they supported the proposal, by NHS Borders, to build a new Health Centre in Crofts Road, Lauder.

The results of the ballot were announced on the 10<sup>th</sup> February 2012 and there was support in favour of NHS Borders proposal.

Viable sites have now been identified for both health centres and are included in the business cases.

## Summary

The Business Cases outline the capital investment requirements to deliver replacement Health centres at Roxburgh Street, Galashiels and Lauder which are consistent with the commitment to shift the balance of care and to provide services for patients in modern, fit for purpose facilities offering a wider range of services in order to support patients to lead healthier and more independent lives. Option appraisals have been undertaken to identify the most suitable options.

The preferred options for Roxburgh Street, Galashiels and Lauder Health Centre are:

- **Lauder** – development a 2 storey building on the Playground/playing fields site off Crofts Road in Lauder. Scottish Borders Council (SBC) would develop a renewed Children’s playground beside the development and a new changing room for the users of the sports facilities. The new Community Health Centre, which has potential for future expansion, will provide enhanced accommodation for both GP Practices in Lauder, as well as the Community Nursing Team (Treatment Room, District Nursing, Public Health Nursing), Podiatry and other visiting services.
- **Roxburgh Street, Galashiels** – development of a new two storey build on the Scottish Ambulance Service (SAS) site in Roxburgh Street. This site allows a good floor layout and has potential for future expansion. Discussions are ongoing with SAS regarding timescale for availability of the site and short and long term options for SAS developments on NHS Borders sites.

Traditional Capital Investment is the favoured option for the replacement costs of Roxburgh Street, Galashiels and Lauder Health Centres. The costs for each preferred option is:

- Lauder Health Centre - £1.803m
- Roxburgh Street, Galashiels Health Centre - £1.778m

## Recommendation

The Board is asked to **approve** the business cases outlined above and presented in Appendices 1 & 2

The Board is asked to **agree** capital investment for the following two developments:

- **Lauder** - development of a 2 storey building, with a capital cost of £1.803m and that this project will commence in 2012/13.
- **Roxburgh Street, Galashiels** - 2 storey development on the SAS site in Roxburgh Street with a capital cost of £1.778m and that this project will commence in 2013/14.

<b>Policy/Strategy Implications</b>	Consistent with the Primary and Community Services Strategy 2010- 2014, approved by Borders NHS Board in December 2009.
<b>Consultation</b>	<p>NHS Borders Board, Borders Executive Team (BET), Strategy Group, NHS Borders Staff Partnership Group, Equality &amp; Diversity Team, stakeholders, patients and public involvement.</p> <p>A detailed option appraisal has been undertaken for each project covering non financial benefits and an economic appraisal. Representative groups of users and stakeholders were involved in this process.</p> <p>Stakeholders have been involved in the Projects and their input will continue during the next phase of the Project. Both the Project Board and Project Teams will have representation from Patient/Public Involvement and NHS Borders Staff Partnership group as and when this input is required. Input will be received from the Equality and Diversity Team.</p>
<b>Consultation with Professional Committees</b>	See above
<b>Risk Assessment</b>	Risk appraisal and risk management have been highlighted within the Business Cases and will be monitored by the project board.
<b>Compliance with Board Policy requirements on Equality and Diversity</b>	Fully Compliant, Input will be received from the Equality and Diversity Team. An Equality & Diversity Impact Assessment has been conducted, of which a copy is included within the business cases and identifies no significant issues other than those of access which will be pursued with the Design Teams and advisors as well as stakeholders and patient representatives.
<b>Resource/Staffing Implications</b>	As highlighted within the Business Cases.

**Approved by**

<b>Name</b>	<b>Designation</b>	<b>Name</b>	<b>Designation</b>
David McLuckie	Director of Estates & Facilities	Carol Gillie	Director of Finance

**Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Name</b>	<b>Designation</b>
Karen Shakespeare	Planning and Performance Officer		



**NHS Borders**  
**Lauder Health Centre Replacement**  
**Business Case**

**March 2012**

**Version 1.0 Final**



## CONTENTS

		Page Number
	<b>EXECUTIVE SUMMARY</b>	1
<b>1</b>	<b>STRATEGIC OVERVIEW</b>	3
	Introduction	
	Current Service Provision	
	Fit With Local and National Strategic Context	
<b>2</b>	<b>THE CASE FOR CHANGE</b>	6
<b>3</b>	<b>THE OPTION APPRAISAL PROCESS</b>	8
	Introduction	
	Objectives and Benefits Criteria	
<b>4</b>	<b>THE FINANCIAL AND ECONOMIC APPRAISAL</b>	15
	Introduction	
	Capital Costs	
	Revenue Costs	
	Economic Appraisal	
	Affordability	
<b>5</b>	<b>THE PREFERRED OPTION</b>	19
	Introduction	
	Description of the Preferred Option	
<b>6</b>	<b>RISK APPRAISAL AND RISK MANAGEMENT</b>	21
<b>7</b>	<b>PROJECT MANAGEMENT</b>	22
	Introduction	
	Project Management Arrangements	
	Stakeholder Involvement	
	Project Timetable	
<b>8</b>	<b>EQUALITY AND DIVERSITY</b>	27
<b>9</b>	<b>RECOMMENDATIONS</b>	28
	<b>APPENDICES</b>	29

## **Appendices**

<b>Appendix 1</b>	<b>Long Listed Options</b>
<b>Appendix 2</b>	<b>Options considered since production of the December 2009 Business Case</b>
<b>Appendix 3</b>	<b>Schedule of Accommodation</b>
<b>Appendix 4</b>	<b>Site Plan Drawings</b>
<b>Appendix 5</b>	<b>Equality and Diversity Impact Assessment</b>

<b>Tables and Figures</b>	Table 1.1: Scotland's Older Population by 5 year Age Group
	Table 1.2: Summary of Deficiencies with Existing Facilities
	Table 3.1: Common Benefits Criteria & Scoring Regime
	Table 3.2: Short-listed Options for Lauder
	Table 3.3: Summary Appraisal of Short-listed options for Lauder
	Table 3.4: Detailed Scoring of Short-listed Options for Lauder
	Table 4.1: Capital Costs for Lauder Health Centre Replacement
	Table 4.2: Revenue Costs for Lauder Health Centre Replacement
	Table 4.3: Economic Appraisal for Lauder Health Centre Replacement
	Table 4.4: Summary of Preferred Option Revenue and Capital Costs
	Table 4.5: Extract from NHS Borders Capital Plan
	Table 4.6: Funding Sources
	Table 7.1: Outline Project Plan

# Executive Summary

## Introduction

This document is to provide an up to date position on the business case for capital investment to deliver improvements to the health centre provision at Lauder, as Jedburgh Health Centre improvements are nearing completion.

The business case explains the context for this proposed investment and how this investment is consistent with the commitment to shift the balance of care and to provide services in modern, fit for purpose facilities. Modern primary care facilities which offer a wider range of services, is a central objective of NHS Borders to provide more accessible and flexible health care. Lauder Health Centre was identified as a priority in 2006 and subsequently re-affirmed at the NHS Borders Board meeting in December 2009.

## Strategic Objectives

This proposal fulfils a number of strategic objectives relevant to NHS Borders and aims to:

- Improve the environment for providing health care
- Meet increasing capacity demands

We have seen a revolution in health care over the past 20 years. In the past for example, the majority of patients with long-term heart and lung disease had their care provided in a hospital setting. We are now getting better at identifying those patients who are at risk of a hospital admission and channelling health care earlier to meet their needs, increasingly at home and in a wider range of services in health centres.

The proposals are therefore consistent with the Primary and Community Services Strategy 2010- 2014<sup>1</sup> approved by Borders NHS Board in December 2009. The Primary Care Strategy sets out the commitment to shift the balance of care and to offer a wider range of services in order to support patients to lead healthier and more independent lives.

## Developing Service Options

During the course of 2009, NHS Borders conducted an option appraisal review of the health centre. A key aspect of the Lauder development has been the difficulty in the identification of a viable site. A viable site have now been identified and included in this business case.

---

<sup>1</sup> NHS Borders Primary and Community Services Strategy Development & Delivery of Primary and Community Care Services for NHS Borders

A detailed option appraisal has been undertaken for the project covering non financial benefits and an economic appraisal. Representative groups of users and stakeholders were involved in this process.

Options considered since production of the December 2009 Business Case and for various reasons which have been discounted are detailed within appendix 2

### **Preferred Option**

The outcome of the economic and non-financial benefits option appraisal process resulted in the following option being the preferred option for Lauder health centre.

Development of Option 9 (amended): a 2 storey building on the Playground/playing fields site off Crofts Road in Lauder. Scottish Borders Council (SBC) would develop a renewed Children's playground beside the development and a new changing room for the users of the sports facilities. The new Community Health Centre will provide enhanced accommodation for the GP Practice in Lauder, as well as the Community Nursing Team (Treatment Room, District Nursing, Public Health Nursing), Podiatry and other visiting services.

### **Financial Appraisal**

The preferred option for this scheme is affordable in terms of capital and revenue implications.

### **Project Management**

A robust project management framework will be developed to ensure that the project can be taken forward within agreed timescales and with the appropriate control and management of risks.

### **Procurement Strategy**

The business case proposes a development through the South East Scotland Hub territory partnering agreement, through which an affordability cap will be achieved for the project.

Traditional capital funds will be available through Scottish Government during financial year 2012/13 to support this investment.

### **Recommendation**

It is recommended that approval be given to the preferred option at Lauder to allow the detailed design and procurement processes to be undertaken.

It is recommended that the preferred option for Lauder Health Centre is Option 9 (amended) with a capital cost of £1.803m and that this project will be undertaken in 2012/13.

# 1 Strategic Overview

## Introduction

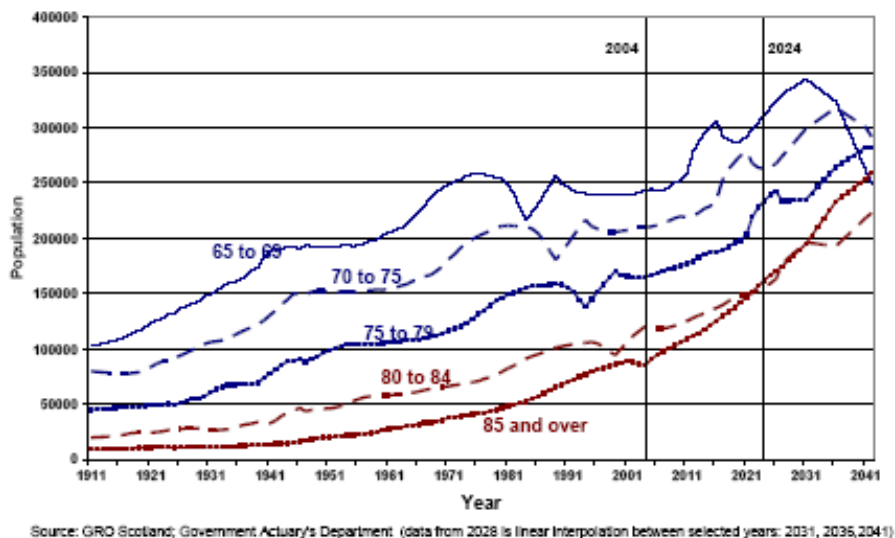
1.1 Offering more responsive health care in modern primary care facilities is central to the drive to build a service that is tailored to patients' needs, as close to home as possible. We are aware of the:

- rapid growth in the population and the impact on primary care facilities;
- wider range of services that are offered in primary care (such as screening and nurse-led clinics) and the potential to offer more;
- need to offer care in facilities that are modern which supports the delivery of care that complies with patients' rights to be treated with dignity and respect;
- needs of staff to work in an environment that is safe and which allows them to work to their potential;
- opportunities to use information technology to provide care that is faster, and enables the provision of care in the right place, at the right time;
- opportunities to co-locate a wider range of services with the NHS.

1.2 Due to increasing pressures on primary care facilities (such as with a growing population and rising standards) a review was undertaken in 2000 and a priority list produced for investment in primary health care premises. The investment that has been progressed in new health care facilities in Stow, Newcastleton, Currie Road in Galashiels, Jedburgh and Kelso has demonstrated the commitment of NHS Borders to make progress in improving primary health care facilities. These improvements have demonstrated the substantial opportunities to offer better care in improved environments for patients and staff.

1.3 It is estimated that in 2031, the over 65s will make up 26.6% of the population compared with 10% in 2001 and 5.4% in 1951. The growth of the over 80s is even more rapid with estimates suggesting that 8.2% of the population will be aged 80 and over in 2031 compared with 3.8% in 2001. A growing older population will place greater demands on primary care capacity in the future.

Figure 1.1 Scotland's Older Population by 5 year Age Group, Trends (1911-2002) and Projections (2003-2042)



- 1.4 Older people account for around 40% of all emergency admissions to hospital. People with long-term conditions account for 80% of all GP consultations and around 60% of hospital bed days. They are also twice as likely to be admitted to hospital compared to people without long-term conditions. Providing more care that is offered in fit-for-purpose facilities in modern health centres is a crucial step forward in our overall strategy of shifting the balance of care to support people outside of hospital.
- 1.5 Wherever possible, we want to anticipate where patients may be at risk of hospital admission and by targeting of resources, meet their needs earlier and prevent the requirement to admit them to hospital. Our patients tell us that they want care that is safe but also care that is tailored to their individual needs as close to home as possible. By looking ahead and providing a faster and earlier response to patients' needs we believe that fewer people will need to be admitted to hospital. Working in cramped, out-of-date premises seriously limits the opportunity to offer more care closer to home and gives impetus to progress the improvements in the health centres in this business case.
- 1.6 A very significant contribution to providing more modern, flexible care, closer to home will be achieved by the proposals in this business case.
- 1.7 We also know that we have to make swift progress with this scheme. The difficulty in identifying a site within Lauder has seriously hampered the pace of progress. As a recognised priority scheme, we now need to accelerate from concept and design through to delivery.

## Current Service Provision

- 1.8 The current health centre provision for patients limits the opportunities to offer care that is tailored to individuals' needs – whether they are patients or staff. The most significant deficiencies in Lauder Health Centre based on the 2000 assessment are:

*Table 1.2: Summary of Deficiencies with Existing Facilities*

Facility	Summary of Deficiencies
Lauder	There is split site working between Factors Park and Lauder Memorial. The Factors Park site is a converted bungalow that fails to meet minimum standards for the patient and staff working environment.

- 1.9 At the Board's Strategy and Performance Committee in December 2009, the Board re-affirmed the commitment to re-provide/re-develop this health centre.

### Fit with Local and National Strategic Context

- 1.10 Across the NHS, there is a drive to deliver faster, more integrated and responsive care. *Better Health, Better Care*<sup>2</sup> sets out the policy for more proactive and anticipatory care, and a shift to more care delivered closer to home, where it is safe and possible to do so.
- 1.11 The growth in an ageing population with chronic long-term conditions here in the Borders requires a proactive approach in terms of anticipating future needs and designing services that are fit-for-purpose. This business case reflects the shift to delivering safe services as close as possible to people's homes.
- 1.12 Scottish Government's Quality Strategy for NHS Scotland<sup>3</sup> which has been issued for consultation – October/November 2009 – aims to make Scotland one of the leading countries in the world in healthcare quality by working together to ensure better health and higher quality healthcare services which are flexible and reactive to each individual circumstance. It reflects the shared ambitions of everyone in Scotland whether a patient, a carer, or whether working for NHS Scotland in a community, primary or acute care setting. This is to create high quality person-centred, clinically effective and safe healthcare services and to be recognised as being world-leading in our approach. The focus on improvement will be on 3 areas – person centeredness, safety of patients, clinical effectiveness of care and treatment.
- 1.13 The next section sets out the case for change and the rationale for making the improvements in Lauder Health Centre.

<sup>2</sup> Better Health, Better Care: Action Plan, December 2007

<sup>3</sup> Scottish Government's Quality Strategy for NHS Scotland, February 2010

## 2 The Case for Change

- 2.1 The population of Lauder was until recently is served by two separate GP practices: at Factors Park and the Memorial Medical Centre. These practices served a population of around 3,000.

Due to the Lauder Memorial Practice closure in June 2011, a total of 1451 practice patients were allocated to various other practices as below:

- Stow & Lauder - 1177
- Earlston - 54
- Duns Group - 87
- Greenlaw - 46
- Waverley - 49
- Eildon - 24
- Jedburgh - 1
- Selkirk - 4
- Innerleithen - 3
- Peebles - 5
- Kelso – 1

The Stow and Lauder Practice, based at Factors Park serves the whole population of Lauder and Lauderdale in premises which were previously considered not fit for purpose. Community based staff are currently working out of the previous Lauder Memorial Medical Practice site, through a temporary agreement with the landlord.

- 2.2 The population of Lauder has increased by 61% since 1998 with a further 11% expected in the next decade.
- 2.3 Drs Cormie, Cormie and Mason are GP Partners based in Stow CHC and Factors Park clinic in Lauder; their list size at October 2011 was 4230. The accommodation has been identified for some time as below standard and was declared as the top priority for renewal in the 2006 Board paper "*Modernising our Network of Community Health Centres*". Drs Reid and Prabhakar practice from the privately (Landlord) owned Memorial Medical Centre (which is shared with another tenant providing a health salon), their list size as at June 2011 was 1451. The history of GP partnership in the town is complex, until 1997 there was a single practice based in Memorial Medical Centre. This practice then dissolved and a 2 practice structure and accommodation emerged, which is no longer the case
- 2.4 The 1998 Wheeler and Sproson review property identified Factors Park as having an overall accommodation rating of 4, the lowest rating available (definition "cannot be brought up to standard and requires relocation or complete redevelopment"). Although at the time Memorial Health Centre was assessed with a rating of 2, changes in both population and guidance underline that whilst there is reasonable space at MMC the lack of a lift and certain layout complications on the ground floor limit its effective use. Using SHPN 36 Part 1 (introduced in July 2006) an area in the region of 360 to 450 m<sup>2</sup> (less circulation space at between 25% and

33%) is indicated for the GP Practices, plus further accommodation (110m<sup>2</sup> to 140m<sup>2</sup>) for the attached staff and predicted increase in the size of the PHCT in Lauder as the population grows over the next 20 years.

2.5 The Factors Park NHS premises were provided at short notice in 1997 as a solution was required immediately following the dissolution of the previous Memorial Medical Centre based Stow and Lauder Practice. It is a converted cottage and whilst conveniently situated was identified as totally unacceptable in the Wheeler and Sproson Survey. Since then the practice's Lauder based population has increased by over 30%.

2.6 The Memorial Medical Centre is owned by a retired GP and occupies part of a 3 storey converted house, previously used as a Hotel. There is a separate business using part of the building.

2.7 The problems with the current facilities on the two sites include:

- Facilities are inadequate for patients and carers (e.g. the waiting areas are very small);
- There is an insufficient number of consulting rooms compliant with SHPN36 Part 1;
- There are some identified H&S issues associated with the age, layout and construction of the premises;
- There are some Disability Discrimination Act (DDA) issues with the building because of layout (and lack of lift in Memorial Medical Centre). The car parks are also poorly surfaced and at Factors Park the facility is too small, shared with the Community Centre and is owned by SBC;
- Poor confidentiality due to inadequately soundproofed rooms;
- Premises constraints have been highlighted in every GMS contract review since the introduction of the new GMS contract in 2004;
- Factors Park offers a total area of only 84m<sup>2</sup>.

2.8 The following section sets out the short-listing for the project and the option appraisal of the short-listed schemes.

### 3 The Option Appraisal

#### Introduction

3.1 The scheme in Lauder was of a limited scope, the anticipated fees were not above the OJEU limit and following competitive tendering Campbell and Arnott from Edinburgh was the appointed lead consultant and architect.

Unfortunately Campbell and Arnott went into liquidation during 2010. Following a mini tender, Aitken and Turnbull Architects were commissioned as lead consultants and design team on this project for the Lauder scheme.

3.2 The Design Team was given a brief based upon the room schedules developed with users, the key directions of Scottish Health Service Planning Note 36 Part 1 (GP Premises) (SHPN36) and included in the Project Initiation Document (PID).

3.3 Despite the limits agreed by the NHS Boards in 2008 the complications of site availability and suitability has led to the development and inclusion of additional options for Lauder (consideration of School and Memorial Medical Centre).

3.4 The scheme has been developed with the involvement of the users and other stakeholders including public and patient and there has been a dynamic review of the brief as site constraints and costs have intervened. The minimum requirements of the original brief defined in the PID have been maintained but with the agreement and involvement of the users some desirable elements of the accommodation schedule have been excluded or reduced in scope.

3.5 Outline Design Drawings of all options have been reviewed by the stakeholders and Project Board and led to the selection of a short list of options for the Benefits Appraisal. It must be stressed that the progress to date forms an outline design process with illustrative and indicative design drawings. The next stage of the process will focus on detailed design. There will be ample opportunity for users and stakeholder involvement in the detailed design process.

3.6 This part of the business case contains details of the option appraisal areas covered. The option appraisal focuses on three aspects – benefit, cost and risk – and follows the recommended appraisal methodology set out in the Scottish Capital Investment Manual<sup>4</sup>. The option appraisal consists of two elements:

- The scoring of benefits – this is described below

---

<sup>4</sup> Scottish Capital Investment Manual, 2009

- The combination of the outcome of the benefits appraisal with financial information to provide an economic appraisal which assesses the value of each option in terms of cost per benefit point.

## Objectives and Benefits Criteria

- 3.7 The overall purpose is to ensure the delivery of safe, sustainable, affordable and high quality care.
- 3.8 A number of common benefits criteria and weights were agreed for the scheme which has allowed the Board to develop a methodology to make an assessment of the options. These are set out in the table below. No benefits criteria are related to the value for money objective. This is assessed later in the process by combining the benefits and economic appraisals. The benefits criteria had been assigned a relative weighting from a maximum of 100. Each of the options was then scored against criteria on a scale of 1 to 10, by facilitated groups representing all key stakeholders.

*Table 3.1: Common Benefits Criteria and Scoring Regime*

Criteria	Definition
<b>Section 1</b> Is this option Clinically Acceptable? (40%)	1 Does it provide appropriate clinical facilities, in line with the agreed SHPN 36 brief?
	2 Does it provide an appropriate environment? (e.g. patient dignity & confidentiality)
	3 Can the identified ongoing activity be met, including potential demographic impact?
	4 Will it facilitate recruitment, retention and CPD of appropriately trained and supported staff?
	5 Can the PHCT function clinically throughout the project without decant accommodation?
<b>Section 2</b> Is this option Operationally Acceptable? (35%)	1 Does it provide an opportunity to redesign care?
	2 Will services be accessible to patients and public throughout the project without decant accommodation?
	3 Will the CHC offer accessibility both of the building and its location in relation to the wider area?
	4 Does it offer improved and DDA compliant access?
	5 Does it provide improved (and sufficient) car-parking?
	6 Is the site available (Complexity of transaction, number of vendors)
	7 How quickly can the solution be implemented?
<b>Section 3</b> Is this option Sustainable? (25%)	1 Will the facilities proposed accommodate growth in activity due to forecast population expansion?
	2 Are the proposals in this option able to provide capacity for a wider

	range of services as well as simple activity increase?
3	Will the proposals in this option assist with the overall sustainability of NHS Borders? (e.g. reduce admissions, surgery & length of stay)
4	Will the solution have a lifespan in excess of 25 years?

*Scoring Guide*

<b>Scoring Range = 0 – 10</b>	<b>Criteria</b>
0-1	Non compliance with requirement/no-relevant provision
2-3	Poor provision
4-5	Only partial solution
6-7	Acceptable
8-9	Better than acceptable
10	Demonstrably far exceeds requirements

For “How quickly can the solution be implemented” the following scoring system was used:

<b>Scoring Range = 0 – 10</b>	<b>Criteria</b>
1-3	Over 24 months
4-6	18 - 24 months
7-9	12-18 months
10	Under 1 year

3.9 A written guide to the event was issued to all participants prior to the event. At the Benefits Appraisal event the Architect presented the options and printed copies of the indicative floor plans were provided. It was stressed (and questions were asked about minor changes) at the event that the plans tabled were indicative illustrations of the opportunities in each option and that final plans would be produced in consultation and partnership with the users prior to tendering. It was however emphasised that the scope would be subject to funding and resource availability as agreed in the Board approval of the Business Case and would be about layout and ensuring a working design.

3.10 The scheme in Lauder has been crucially dependent upon the identification of a viable and affordable site. At the outset a range of alternatives were considered:

1. Retain Status Quo.
2. A new CHC on a new site in Lauder.
3. A new CHC as part of the new Primary School in Lauder.
4. Re-use of the old Primary School in Lauder.
4. A new CHC at Memorial Medical Centre.

- 3.11 The Project Board was established in September 2007 and its early work was entirely focussed on identifying sites. In concert with SBC and the Community Council a site in Crofts Road was identified and this was approved at the March 2008 NHS Board as a single site approach.
- 3.12 Initial discussions and planning with SBC was on the basis of developing sports changing facilities as an integrated part of the CHC in payment for the site. Over time 13 different designs were produced but as the scale of changing accommodation increased the costs for NHS Borders escalated. Alternative designs for Crofts Road site with no changing and CHC premises on both the old School Site and Memorial Medical Centre were developed.
- 3.13 In December 2009 5 alternatives were considered by the Project Board as well as reviewing the status quo:
1. Retaining Status Quo
  2. A new build 2 storey solution on Crofts Road site.
  3. A single storey new build solution on the Crofts Road site.
  4. A development of the Memorial Medical Centre.
  5. A simple conversion of the old Primary School
  6. A more extensive conversion of the old Primary School
- 3.14 SBC indicated that it had reached an advanced stage in selling the old Primary School to another public sector user. The Memorial Medical Centre development scored lowest in the short-listing because of the compromises required to convert the existing building and the reduction in parking required by the extension. It was also outwith the capital envelope.

*Table 3.2: Short-listed Options for Lauder*

Option	Title	m <sup>2</sup>	Description/Detail
No Change	Retain Status Quo	184	Factors Park is a converted cottage and the Memorial Centre occupies part of a 3 storey converted house previously used as a hotel.
9	2 Storey Crofts Road	814	A 2 storey build on the existing Children's playground and a part of the sports pitches beyond.
10	Single Storey Crofts Road	760	A single storey build on the existing Children's playground and a part of the sports pitches beyond.

- 3.15 A total of 9 people took part in the Benefits Appraisal on 22<sup>nd</sup> January 2010. After an initial introduction Alastair Rankin of Campbell Arnott Architects described the 2 options. The group then scored each option as well as retaining the status quo.

3.16 As the 2 options offered exactly the same clinical and administrative accommodation the scores were very similar. Perhaps not fully reflected in the scoring was the opinion that a 2 storey solution was a better architectural statement. The complete scoring matrix is attached.

*Table 3.3: Summary Appraisal of Short-listed Options for Lauder*

Option	Title	Criteria			
		Clinical Acceptability	Operational Acceptability	Sustainability	Total
No Change	Status Quo	0	0	0	0
9	2 Storey Crofts Road	368	280	231	879
10	Single Storey Crofts Road	360	280	231	871

3.17 Both options were well supported by the participants and the group acknowledged that the status quo was not a viable option and scored zero. The issue of land availability was seen as a possible issue if the single storey option were to be followed. Discussions with SBC and subsequent correspondence indicated that this was an important criterion for the option appraisal which was outwith the direct control of the Board. The Board is committed to working in partnership with SBC and SBC has confirmed that the two storey option will allow the best option for redevelopment of the playground and changing rooms.

3.18 The Lauder Health Centre project is being developed in partnership with Scottish Borders Council (SBC). The options considered in the benefits appraisal are on a site in Crofts Road, Lauder. Key factors for the joint development are:

- The provision of a new health centre
- Modernisation of the children's playground.

3.19 Discussions have been held with SBC about the provision of a single storey or a two storey health centre and the impact and implications of the options for the other aspects of the development.

3.20 The footprints of the potential options have been superimposed on plans of the Crofts Road site, in conjunction with SBC, to allow consideration of the space implications for the site as a whole.

3.21 The benefits appraisal has demonstrated that the weighted non-financial indicators show that the two storey option at Crofts Road is the preferred option. The single storey option would increase the size of the footprint required and the cost of the land required. In financial terms

and cost per benefit point, the single storey option is the preferred option by a relatively small margin.

- 3.22 Given the view of SBC regarding the greater difficulties of development around the single storey option, the fact that the two storey option is the preferred option in non-financial benefits and the relatively small difference in cost per benefit point it is recommended that the two storey option be taken forward as the preferred option.
- 3.23 After the Benefits Appraisal the scores were evaluated in a Financial and Economic Appraisal process to conclude the overall Option Appraisal. The process for this is detailed in the following section and leads to the identification of the preferred options.
- 3.24 As well as identifying a “cost per point” the financial elements include revenue and capital affordability in the context of NHS Borders financial plan.

Table 3.4: Detailed Scoring of Short-listed Options for Lauder

Option		Section 1 - Clinical 40% of total					Section Total	Section 2 - Operational 35% of total							Section Total	Section 3 - Sustainable 25% of total				Section Total	TOTALS		
		1	2	3	4	5		1	2	3	4	5	6	7		1	2	3	4				
<b>No Change</b>	Raw	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>No change</b>	weighted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>9</b>	Raw	<b>8</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>10</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>10</b>		<b>10</b>	<b>8</b>	<b>9</b>	<b>10</b>				<b>879</b>
<b>9</b>	weighted	64	72	80	72	80	368	40	40	40	40	35	35	50	280	63	50	56	63	231			
<b>10</b>	Raw	<b>8</b>	<b>8</b>	<b>10</b>	<b>9</b>	<b>10</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>10</b>		<b>10</b>	<b>8</b>	<b>9</b>	<b>10</b>				<b>871</b>
<b>10</b>	weighted	64	64	80	72	80	360	40	40	40	40	35	35	50	280	63	50	56	63	231			

## 4 The Financial and Economic Appraisal

### Introduction

- 4.1 The financial appraisal is the ultimate determinate of affordability whilst the economic appraisal determines the value for money provided. Value for money is demonstrated by measuring the ratio of overall costs to non-financial benefits for each option. It does not always follow that the option offering the best value for money will be affordable; hence the need to consider affordability as a parallel assessment criteria.

Due to the protracted and complex process to develop a business case for Roxburgh Street only the preferred option has been costed and progressed. This is in line with the contractual procurement process which has been recently introduced within NHS Scotland through the South East Scotland Hub Territory Partnering Agreement of which NHS Borders together with all South East Region Public Sector Organisations are members. The contractual framework has a number of stages with stage 1 being the production of the Affordability cap assessment which details the capped resource level required for the project. The figures included in the financial appraisal are based on the issued Stage 1 Affordability Cap Assessment. Therefore comparators figures are not available.

- 4.2 The financial appraisal included in this document is based on the use of traditional capital resource. The proposed funding route is as a result of extensive discussions between NHS Borders and the Scottish Futures Trust (SFT) and the South East Scotland Hub territory development team who explored the option to deliver the projects through a revenue financing solution. In conclusion to those discussions, the partners, NHS Borders, SFT, Hubco and SGHD agreed that the financing solution be discounted from the options being considered as it could not be proven as a viable option.
- 4.3 Considerable dialogue has taken place with development representatives of Hub South East Scotland with a view to taking this project through the Hub South East Scotland Territory Partnering Agreement. The partnering agreement has been utilised to produce a competitive final affordability cap assessment which is detailed in the presented financial analysis, The process to utilise the Partnering Agreement has meant the full Affordability Cap Assessment being produced for the preferred option only and as such comparator figures from Hubco for other options considered within the business case were not produced.
- 4.4 The Lauder Replacement project has been in development for a number of years and as such within this business case financial appraisal only details of the costs which will be incurred to conclude the project have been presented. NHS Borders has incurred feasibility and a level of design costs prior to the discussions with Hubco. These costs were charged in previous years

against NHS Borders capital resources and as such are not presented as part of this financial appraisal. These previous year costs total £202k bringing the total capital resource committed to the project to £2.005m.

#### Capital and Revenue Costs

4.5 The main elements covered within the financial appraisal for the preferred option were:

- Capital and one-off revenue refurbishment costs associated with the new building including the site acquisition fees payable to Scottish Borders Council.
- Staffing costs;
- Other non-pay revenue costs, including any additional capital charge implications; and charges for health centre rental and accommodation made to the General Practitioners. Accommodation schedules have been agreed by the General Practitioners and on completion of the business case the financial impact will be quantified and agreed with the GP practice. .
- Overhead costs.

*Table 4.1: Capital Costs for Lauder Replacement*

<b>Capital</b>	<b>Option 9</b>
Hubco Affordability Cap Assessment	£1,061,655
Design Fees	£150,081
Detailed Building, Planning & Surveys	£24,200
Hubco Fee	£19,500
Non-Recoverable VAT	£212,331
Site Acquisition	£265,000
Equipment	£70,000
<b>Total</b>	<b>£1,802,767</b>

*Table 4.2: Revenue Costs for Lauder Replacement*

<b>Revenue</b>	<b>Option 9</b>
Total Pay	£9,174
Total Non-Pay	£96,069
Total Income	-£61,901
<b>Sub-Total</b>	<b>£43,342</b>
Revenue Costs over base	£27,186
Additional Capital Charges	£34,041
<b>Total Additional Revenue</b>	<b>£61,227</b>

*Table 4.3: Economic Appraisal for Lauder Replacement*

<b>Economic Appraisal</b>	<b>Option 9</b>
Non-Recurring Revenue	£265,000
Property Upgrade & Adaptations	£0
Construction - New Build	£1,255,436
Equipment	£70,000
<b>Total Capital Cost</b>	<b>£1,590,436</b>
EAC Factor	0.03982
Equivalent Annual Cost	£63,330
Gross Revenue Costs (ex capital charges)	£105,243
Annual Cost	£168,573
Weighted Non-Financial Indicators	879
Cost per Benefit Point	£192

The preferred option for Lauder Health Centre is Option 9 with a capital cost of £1.803m and additional revenue costs of £61,227.

Table 4.4: Summary of Preferred Option Revenue and Capital Costs

Scheme	Preferred Option	Additional Revenue Costs (including Capital Charges)	Capital Costs
Lauder	Option 9	£61,227	£1.803m

### Affordability

#### Capital

4.6 The preferred options will cost £1.803m in capital across financial years 2012/13 and 2013/14. The affordability of these schemes is within the capital envelope. This level of resource has been identified as part of the 2012/13 SGHD capital allocation to NHS Borders. The Board is required to formally approve the capital costs of the preferred option.

Table 4.5: Extract from NHS Borders Capital Plan

<b>NHS Borders Capital Plan</b>			
<b>Jan-12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Expected Commitments</b>			
Lauder CHC	1,515	285	1,800

#### Revenue

4.7 The total additional revenue consequences of the preferred options are £61,227. This includes £34,041 for capital charges that are already included within the revenue plan as priority schemes agreed by the Board.

4.8 The preferred option is affordable in terms of capital and revenue.

Table 4.6: Funding Sources

<b>Element of Cost</b>	<b>Cost</b>	<b>Funding</b>
Capital	£1.803m	NHS Borders Capital Plan Allocation phased over financial years 2012/13 and 2013/14
Additional Capital Charges	£34,041	The cost of capital charges is already included in the revenue financial plan as priority schemes agreed by the Board
Additional Revenue Costs	£27,186	There is an allowance of £30,000 in the revenue financial plan for the Lauder Replacement Project phase in 2013/14.

## **5 The Preferred Options**

- 5.1 The preferred option is development of Option 9 (amended), a 2 storey building on the playground/playing fields site off Crofts Road in Lauder. Scottish Borders Council (SBC) would develop a new children's playground. The new Community Health Centre will provide enhanced accommodation for the GP Practice, in Lauder, as well as the Community Nursing Team (Treatment Room, District Nursing, Public Health Nursing), Podiatry and other visiting services.

### **Key Issues**

- 5.2 The need to ensure that the land on which the Lauder development will take place has a marketable title for NHS Borders has been a central issue and the subject of much discussion with SBC and advice from the Central Legal Office. James Barr (Property Advisor) has been instructed to prepare Heads of Terms, with missives prepared by CLO on the sale/transfer of land. This is suspensive on SBC developing and completing plans for a new childrens play area within the adjacent recreation ground.
- 5.3 A design assessment, undertaken by Health Facilities Scotland in conjunction with Architecture and Design Scotland, is required as part of this project development. This an independent review of the design concept and quality. Although this review has been undertaken, the recommendation is to carry out some minor adjustments to the internal floor layout, such change has been instructed through the design team and on completion the sign up to this alteration will be sought through the Project Board/user group. This issue will be completed in advance of taking the Business case to the Board and onto the Scottish Government Capital Investment Group, during March and April respectively.

## 6 Risk and Risk Management

### Risk Appraisal and Risk Management Strategy

- 6.1 The health centre project has been subject to on-going risk review and risk management through the production of formal Risk Logs and Issue logs. These have been considered at the Project Board meetings for the project and documented in the Highlight Reports to each meeting. The issue of the need to further refine drawings before tendering and the constraints of allocated budget and site have been explained to the Project Board which has agreed the production of indicative plans at this stage.
- 6.2 The Project Board meetings have agreed actions and strategies to mitigate risk, wherever possible.
- 6.3 The project, subject to approval of the business case, is now entering the implementation phase with a shift in emphasis in risk management from the early development stages to detailed design, procurement and constructions stages. It is envisaged that the approach adopted to date will form the basis of the risk management process and will form a key aspect of the project management and project reporting processes.
- 6.4 The project will have risks and a risk profile.
- 6.5 In general terms there will be a need to manage risks covering:
- Costs – capital and revenue – affordability and availability of funding
  - Procurement process – efficient and effective process needed to minimise risk
  - Planning – avoiding delay and protracted processes
  - Technical – design processes need to be well controlled to ensure that user needs are met in line with demand and capacity requirements and technical guidance. E.g. BREEAM
  - Agreements with external bodies. E.g. Scottish Borders Council
  - Services – ensuring continuity during construction
  - Resources required to deliver the projects
  - Stakeholder expectations
  - Communications
  - Project slippage
  - Site conditions.
- 6.6 It is recommended that robust arrangements for risk appraisal and management are implemented as part of the overall project management arrangements for the next phase of the project.

## 7. Project Management

7.1 It will be essential to ensure that the project can progress effectively to ensure successful delivery and outcomes within agreed timescales. This will require the implementation of an agreed project management framework which can:

- Produce detailed project plan for agreement by the Board
- Identify tasks, timescales, roles, responsibilities and accountabilities in the delivery of the project
- Monitor and report on progress to the Board
- Highlight risks, slippage and problems to the Board
- Take day to day operational action to manage processes and ensure that tasks are achieved on time and within budget.

7.2 Whilst the project is not huge, in financial terms, it is strategically and operationally important to NHS Borders and in political terms there is a need to be seen to be delivering a successful outcome. There will need to be effective liaison with Scottish Borders Council over the development of the Crofts Road site.

7.3 Given these factors, it is envisaged that the project framework will require a combination of:

- Key decision making by the Board / Board Executive Team
- Overall project direction in the form of a Project Director
- An overarching Project Board to deal with issues for the project and ensure a consistent approach, whilst ensuring progress against the project plan
- Nominated Project Manager for the project who will have day to day responsibility for the management of the project
- Effective representation of users and stakeholders in the development of the project designs and procurement processes
- Key inputs from strategic planning, technical, financial, legal and human resources professionals as required
- Good communication throughout the organisation and with partner organisations.

7.4 NHS Borders has successfully implemented this type of approach in the past for projects such as Hawick Community Hospital, the Community Hospitals at Kelso, Duns and Peebles, Jedburgh Health Centre and the general improvement of the estate through the Fit for Purpose initiative. Subject to the approval of this business case a detailed paper on the Project Management arrangements will be developed for consideration by the Board Executive Team.

## **NHS Board and Board Executive Team (BET)**

7.5 Throughout the lifespan of the project, the NHS Board and the Board Executive Team will take ultimate responsibility for delivery of the project and retain overall decision-making authority. Its role will include:

- Approval of project framework and project plan;
- Review of progress and decisions on resources;
- Confirmation of approaches and processes;
- Confirmation / acceptance of hub stage 1 and stage 2 project
- Confirmation of preferred bidder(s);
- Approval of FBC;
- Award of contract/financial close.

## **Project Director**

7.6 The Project Director's role will be to:

- Advise on the project framework and project arrangements
- Ensure adequate resources are made available to the project;
- Identify problems and resolve difficult issues;
- Provide overall internal and external leadership for the project, liaising with other agencies and bodies;
- Oversee the project as a whole, including all relevant public financed procurements;
- Ensure that benefits are identified and that benefit realisation plans are produced;
- Manage stakeholders' interests in the project, providing decisions and direction on their behalf, embracing direction from the Project Board;
- Liaise with South East Scotland hub representatives to undertake the work within the project budget; act as a direct link to NHS Borders Board, the Board Executive Team, Project Board and all external organisations;
- To lead, with support, the procurement process and the evaluation of stage 1 and stage 2 project submissions.

## **Project Board**

7.7 The Project Board will take responsibility for all delegated decision-making throughout the process and for the referral of key decisions to the Board / BET.

7.8 The Project Board will meet on a regular basis to monitor progress of the projects and role of the **Project Board** will be to:

- Take responsibility for decision making and leadership within agreed delegated limits;
- Approve the project plan;

- Monitor and approve any changes to the project;
- Provide a framework for service redesign;
- Ensure the project establishes linkages with clinical, management and organisational practices;
- Direct the work of the project teams;
- Monitor service standards and quality;
- Maintain public involvement and the continuation of partnership working;
- Manage internal and external communications;
- Ensure the exercise of overall financial control;
- Exercise delegated authority, on behalf of the NHS Board to ensure that the project delivers:
  - The clinical benefits detailed in the OBC;
  - Contract agreement that offers the best way for the scheme objectives to proceed to a project conclusion;
  - A legal framework, which ensures the protection of the Boards' positions and future.

7.9 In addition, the Project Board will be supported by:

- A link and regular updates to the Board Executive Team which will ensure that the necessary senior managers and clinicians maintain regular involvement in the project, ensuring the necessary ownership at the most senior levels in the organisation;
- A Project Team which will provide dedicated project support including finance, estates and project administration and support.

## **Project Team**

7.10 A project team will be created who will guide the work on a day to day basis and will take responsibility for management of the process and all relevant documentation. This team will meet more frequently than the Project Board. This team will ensure the Project Board is aware of any risks which will impact on the project including:

- Monitoring progress against the agreed project plan;
- Approval of actions at key stages of the project. e.g. cost plans, work content, work arrangements;
- Monitoring costs against cost plans;
- Allocation of resources to ensure that tasks can be achieved;
- Review and revision of tasks as appropriate;
- Providing reports on progress, costs and other key issues to the Project Director, Project Board and NHS Borders.

## **Project Manager**

7.11 A Project Manager will be appointed to co-ordinate the day to day work of the Project Team. This will include the planning, financial, technical and other advice necessary to deliver the project and this role will encompass:

- Setting up the project in a controlled environment, implement a regime of sound project management and advise the Project Director as to progress on time, cost and quality;
- Prepare a Project Initiation document (PID);
- Manage the Project Team;
- Monitor against project execution plan and ensure corrective action is taken if needed;
- Agree project monitoring procedures and documentation;
- Review and monitor spend against the project budget;
- Report progress to Project Director and to the Project Board.

## **Stakeholder Involvement**

7.12 Stakeholders have already been involved in the Project and their input will continue during the next phase of the Project. Both the Project Board and Project Team will have representation from Patient/Public Involvement and NHS Borders Staff Partnership group as and when this input is required. Input will be received from the Equality and Diversity Team.

## **Project Timetable**

7.13 A detailed project plan will be produced following approval of the Full Business Case and agreement of the procurement strategy. At this stage it is considered that the following indicative milestones can be achieved, this assumes a South East Scotland Hub Procurement route.

## Table 7.1 Outline Project Plan

Draft Programme for Lauder Health Centre, Scottish Ambulance Service Depot and Roxburgh Street Health Centre, Galashiels

		2011											2012											2013			2014												
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar										
Lauder Health Centre																																							
	Pre-contract	7 months																																					
	Post-contract								9 months (inc. commissioning)																														
SAS Depot																																							
	Pre-contract		8 months																																				
	Post-contract		Potential for extended planning process due to sensitive nature of proposed site										6 months																										
Roxburgh Street HC																																							
	Pre-contract								9 months																														
	Post-contract																	12 months																					

## **8. Equality and Diversity**

- 8.1 An Equality Impact Assessment has been conducted and identifies no significant issues other than those of access which will be pursued with the Design Team and advisors as well as stakeholders and patient representatives. The Board's lead officer is content and a copy of the summary is at Appendix 5.

## **9 Recommendations**

- 9.1 It is recommended that approval be given to the preferred option for Lauder to allow the detailed design and procurement processes to be undertaken.

It is recommended that the preferred option for Lauder Health Centre is Option 9 (amended) with a capital cost of £1.803m and that this project commence in 2012/13.

# APPENDIX 1

## LONG LISTED OPTIONS

### Lauder Health Centre – Long List of Options

No Change	Retain Status Quo
1	A new build 2 storey solution on Crofts Road site.
2	A single storey new build solution on the Crofts Road site.
3	A development of the Memorial Medical Centre.
4	A simple conversion of the old Primary School
5	A more extensive conversion of the old Primary School

## APPENDIX 2

### OPTIONS CONSIDERED SINCE PRODUCTION OF DECEMBER 2009 BUSINESS CASE – LAUDER HEALTH CENTRE JANUARY 2012

#### Lauder Health Centre - Site Options Considered

Interest in establishing improved facilities in Lauder commenced during the Summer 2005 with a review of the former Primary School, this on the invitation from Education Department. As this investment was not high in order of priorities, alteration to the School was considered but such a development was far from ideal, and certainly would not have met Scottish Health Planning Note 36 requirements. Demolition and new build not considered at that time.

Present project work commenced during 2007, Project Board and Stakeholder Group established.

**Project Board** - comprised NHS Borders, Chair Heather Maughan, Director of Nursing; P&CS Reps; Practice Reps; Community Council; SBC; NHS Planning and Estates; Patient Public Forum rep – Margaret Lawson, (Also involved Karen Kerner).

#### Options Considered:

**Consideration given to joint development with the proposed PFI Primary School** - SBC advised that this was not possible

**Consideration given to use of former Primary School site** - at the outset of the present project development during 2007, and before the world recession, the Project Board discussed briefly the option of utilising the Primary School site. At that time it was understood that it was not possible to link with the New School PFI project and due to SBC financial constraints it was prerequisite that maximum sale value be achieved on the open market for the sale of the former Primary School site. As such, an option to purchase for NHSB purposes was seen as non viable, as in addition to the site purchase, building demolition and site clearance, incorporating the likely decontamination costs within such an old property, this option was unaffordable. All work on the Primary school site was therefore discounted from the project.

During the summer of 2009, both the former Primary School and the Memorial Medical Centre were examined as possible options to be considered within the developing Business Case. Work was undertaken on the redesign of the school, incorporating varying degrees of demolition, floor plans considered were a compromise and far from that which could be achieved within a new build option. A further option of demolition of the entire school building would have been considered, but the cost of site clearance and likely decontamination costs, in addition to the site purchase, even at a reduced market value, would have brought into question the affordability of this option. However SBC advised that advanced stage of negotiation on the sale of the site to another public sector body had been reached. With this knowledge NHSB decided not to challenge such alternative plans.

**Consideration given to the site at Wyndhead** - this site is far from the town centre by car, holds Planning Section 75 restriction, reserved for use as site for Primary School, not taken forward by SBC as public opposition to site for school development, and site to the north of Crofts Road preferred, closer to town centre and Playing fields. If not suited for School, highly unlikely to be favoured option for a Health Centre.

Site owned by Thirlsetane Estates, on lifting of planning restriction will wish to sell on open market for housing. Site too big for use as Health Centre, site not serviced.

**Consideration given to Crofts Road Site** - this option was proposed to Project Board by Lauderdale Community Council. With no other obvious site available, the commissioned NHSB Design Team commenced early feasibility studies

During Summer of 2008, NHS was represented at an information day in Lauder at which time the proposed plan for a health Centre, very much in line with the current proposal was displayed for all to see and comment.

Various options considered for joint development with SBC for a 'semi detached' health Centre/Sports Changing facility. But due to cost pressures such proposals were dropped.

**Consideration given to the purchase and redevelopment of the Memorial Practice Building** – this building a three storey Victorian villa would require extensive refurbishment to meet requirements of Planning Notes and Disability Discrimination Compliance, but even with major reconfiguration internally there would be a requirement to extend the Ground Floor, creating sufficient space for patient care within fully accessible accommodation. Early feasibility studies were undertaken by the Design Team with the intention of considering this option within the Project Evaluation Exercise in support of the Business Case.

#### **Options considered in the development of Business case**

- During 2009 the option of utilising the former Primary School was explored once more, use of the current building adapted to suit healthcare purposes, concluded that an ideal arrangement could not be established. Before consideration given to new build on this site, SBC advised on their plans to sell the property to a Housing Association, option taken no further. Option not costed;
- Lauder Memorial Practice building considered, but owner not willing to sell;
- Two options considered for Crofts Road, single and two storey;
- Benefits and financial appraisal limited therefore to options on Crofts Road.

**Further Options considered during 2010 following the Board review of the Business Case** – with the emergence an Action Group within Lauder which is opposed to the development within Crofts Road further investigation was undertaken on the previously assessed Wyndhead site and on a new option within Allanbank. The details of the further investigation are noted below:

#### **Allanbank**

**Site Ownership** - the Allanbank site is owned by Richard Baillie of Allanbank House. David McLuckie contacted Mr Baillie by telephone on Wednesday 25<sup>th</sup> August. Mr Baillie advised that this was the first contact he had received regarding the proposal to consider the sale of a parcel of land within the Allanbank estate, for the purpose of constructing a Health Centre. Mr Baillie has not been approached by the Action Group and he did not know what POGS stood for. He advised to obtain planning consent for the 27 houses on the estate that this had been problematic, resulting in the need to appeal the initial consideration which had declined permission. The final planning consent incorporated the requirement for a bank of wooded land separating the new development from the older sector of the town. Mr Baillie stated that he would not be inclined to sell and noted that the Health Centre proposal would without doubt result in objections being lodged by the house owners. Potentially a stronger lobby group than POGS.

**Planning Issues** - the site suggested is immediately adjacent to the School entrance and public car park and is part of a larger site designated for housing in the adopted Local Plan (ELA11B). More specifically, it is a woodland strip associated with the housing development consented by Planning Consent 07/00763/FUL (Land North East of Allanbank House, Lauder).

The southern portion includes the SUDS pond facility which serves the development, taking the rain water from all the new build houses and roads. Scottish Environmental Protection Agency would determine if there is capacity within the SUDS system which would support a Health Centre and associated car parking. No approach has been made to SEPA as yet.

Planning concerns would be liable to include the loss of the woodland strip and its contribution to the landscaping of the new development, while there would be potential roads/access issues associated with siting a health centre in this location. It should perhaps be added that residents of the new Cala properties would be likely to oppose any proposal to develop this land. If an alternative use for the allocated housing land is proposed, then policy H3 of the local plan includes criteria which states that:

"Any other use on allocated sites will be refused unless the developer can demonstrate that:

- i. it is ancillary to the proposed use and in the case of proposed housing development, it still enables the site to be developed in accordance with the indicative capacity shown in the Land Use Proposals table and/or associated planning briefs, or
- ii. there is a constraint on the site and no reasonable prospect of its becoming available for the development of the proposed use within the Local Plan period, or
- iii. the alternative use offers significant community benefits that are considered to outweigh the need to maintain the original proposed use, and
- iv. the proposal is otherwise acceptable under the criteria for infill development".

**Tree Preservation Orders** - further information is awaited as to any tree preservation orders within the area.

**Roads Department, SBC, Comments** - the junction onto the Stow Road and the new residential access road to the site are both to a standard adequate to serve a new health centre and the site is also well connected by pedestrian routes. However, a new access would have to be constructed over the main pedestrian / cycle way which serves the school, creating safety concerns which do not currently exist. Manse Road and The Orchard would see a significant increase in traffic due to the readily available short lengths of pedestrian routes to the site. This is due to the main access route being a considerable drive for the majority of Lauder's residents. Manse Road in particular is likely to be extremely popular for parking with many drivers who do not want to drive all around the town using this street to access a health centre.

## **Wyndhead**

**Ownership** - the site was gifted by Thirlestane Estates to SBC for educational purposes and under a legal agreement has to remain designated for educational use for 20 years unless SBC release this. SBC and Thirlestane Estates would share any proceeds of sale on 50:50 basis.

**Planning Issues** - the site is currently agricultural land but is allocated for housing in the adopted Local Plan (ELA12B). At one time there was outline planning consent, (Planning Consent 01/00805/OUT), for a new primary school on the site, but this has now expired. However, given that the site has been identified for community use in the recent past, there may be less opposition from within the local community to a proposed health centre on the site. There would also seem to be potential for better access than the Allanbank site, and fewer obvious technical or environmental problems. However, the main difficulty would appear to be the complex legal arrangements that would need to be resolved in order for this site to become available.

Similar to the Allanbank proposal, the aforesaid policy H3 should be applied, with the seemingly best fit criterion – "the alternative use offers significant community benefits that are considered to outweigh the need to maintain the original proposed use".

In both cases, and in the event of the Planning Committee approving an application, it is advised that Members' decision would still need to be referred to the Scottish Government.

**Legal Issues and Sale of Land** - SBC may seek to terminate the agreement for use of the site as a school and in doing so it would be obliged to sell in conjunction with the major owner, Thirlestane Estates. If SBC decided to sell, it would seek to maximise its capital receipt, meaning that it would seek housing value. With SBC having the lesser interest, any sale would require the agreement of the major owner, Thirlestane Estates. Thirlestane Estates, being a commercial organisation would very likely wish to maximise the capital receipt as well. If the Council did decide to sell, the capital receipt would be unlikely to be allocated for a project in Lauder and would instead be put into the Council's general fund. In particular, the receipt would almost certainly not be available for the improvement of recreational facilities in the town.

**Site and Services Cost** - a significant factor for NHS Borders to consider is that it would probably need to acquire a substantially larger site at Wyndhead compared to the recreation ground site in order to provide adequate parking facilities. This in turn would substantially increase the cost of the Wyndhead site compared to the recreation ground site. The land acquisition costs of the recreation ground site would be significantly less for NHS Borders because parking provision for their new health centre can be provided in part from under-used overflow car parking for the new primary school, significantly reducing the amount of car parking that NHS Borders would need to provide.

On assumption that a parcel of land could be released for NHSB use, SBC is likely to insist that any part development of the site should make provision for the remainder of the site to be developed through the installation of gas, electricity, water, drainage, sewerage and roads connections with the capacity to service the undeveloped parts of the site as well. A sale now would probably not be the best time to sell as it may be more prudent to allow the property market to recover first.

**Roads Department, (SBC), Comments** - the only possible substantial vehicular access into the site is through the new Persimmon development on the Galashiels Road at the extremities of the town, which is very poor in sustainability terms. The Roads Department would be strongly opposed to such a proposal on this particular point alone. Furthermore, due to very good pedestrian links from Millburn Park and Factors Park the strong likelihood of local traffic parking on these streets, rather than driving the long way round, would be a serious concern. The increase in traffic on Mill Wynd, a secondary route to the site, would also be a concern. In summary, this is a very poor site for a Health Centre and would not receive Roads Department support.

## **Conclusion**

### **Allanbank Site**

- Owner not inclined to sell
- Owner not consulted by POGS
- Planning consent for development was granted on requirement to form and maintain a wooded area screening the new development from the town
- Planning Department would have to be convinced that this alternative site would best serve the town
- SEPA to be consulted over capacity of SUDS
- SBC Roads Department concerns
- Procurement most likely to be problematic and may take considerable time to reach a satisfactory conclusion

## Wyndhead Site

- SBC preference to retain the site for the present
- If sold in future years, maximum value to be obtained, the condition of gifted land arrangement with Thirlestane Estates
- Any partial development of the site for HC would incorporate a requirement to make provision for full site servicing, utilities and road access
- Income received would not be dedicated to future improvement works within the town
- SBC Roads Department hold concern over access to the site
- Procurement most likely to be problematic and may take considerable time to reach a satisfactory conclusion

## Further options considered during 2011

**Former Piggery site** – SBC suggested the site which is located at the southern end of the town as an option should it have proven impossible to secure clear title to the Crofts Road site. Early feasibility studies on this site determined that it was outwith the Local Plan Development Area; the site has common good status; the site through its former use is contaminated and as such extensive removal of top soil, etc., to specialist disposal site would be required; initial evaluation of potential flood risk demonstrated that within the south-west corner of the site there was a real flood risk issue, full flood risk assessment has not been undertaken at this time. With issues surrounding land title/common good at Crofts Road, resolved this option has not been fully evaluated.

**Market Place** – the owner of 5 – 11 Market Place approached SBC with a view to offering land to the rear of such properties as a Brown Field site for Health Centre Development. With limited access to this site via Castle Wynd and with knowledge that the Planning Authority had declined earlier planning applications for housing development, further discussion with same confirmed that such a development was not viable. As a further option the properties as noted above were considered for major redevelopment with the conclusion that the costs associated with carrying out such works would be prohibitive.

In conclusion, although several sites have been considered, all with the exception of Crofts Road proposed development have been discounted as being non-viable for a variety of reasons within which the over riding concern is the ability of NHS Borders to secure clear title and planning consents on a town centre site allowing works to proceed through to completion by the end of Financial Year 2012/13.

## APPENDIX 3

### SCHEDULE OF ACCOMMODATION

#### Accommodation Specification for Proposed Lauder Health Centre

July 2011

##### 1. Nurses (NHS)

- a. DN Office to accommodate 3 nurses, desks and workstations
- b. Public Health Nurse office to accommodate 2 PHNs, desks and workstations
- c. DN store
- d. PHN store

##### 2. GP Practice

- a. Consulting Rooms (minimum spec) -- 4 (GP, Practice Nurse, Phlebotomy)
- b. Reception
- c. Administration Area
- d. Practice Manager Office
- e. Store Room

**NB. Reception, staffroom and administration area MUST all be adjacent to each other as in Stow e.g. reception could be in the middle and staffroom on one side and administration area on the other. At times there will only be one receptionist on duty so it is essential that the staffroom is adjacent to reception otherwise it will be of no use to us.**

##### 3. Shared

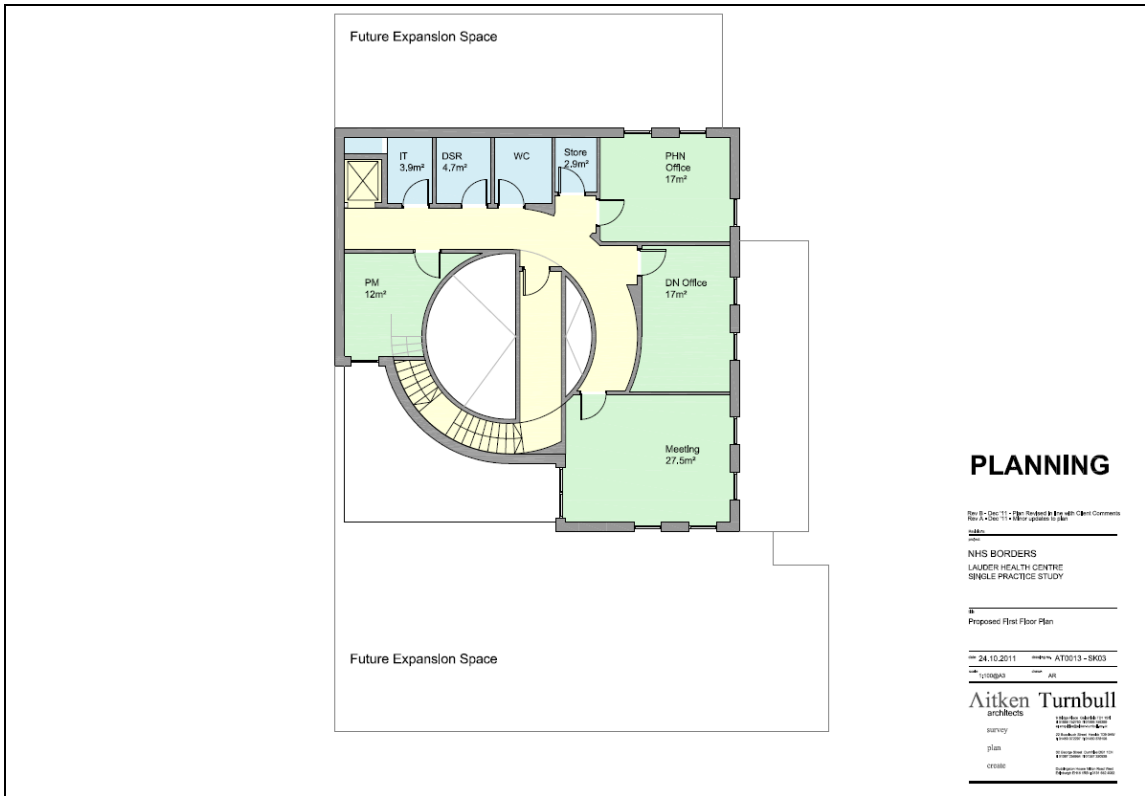
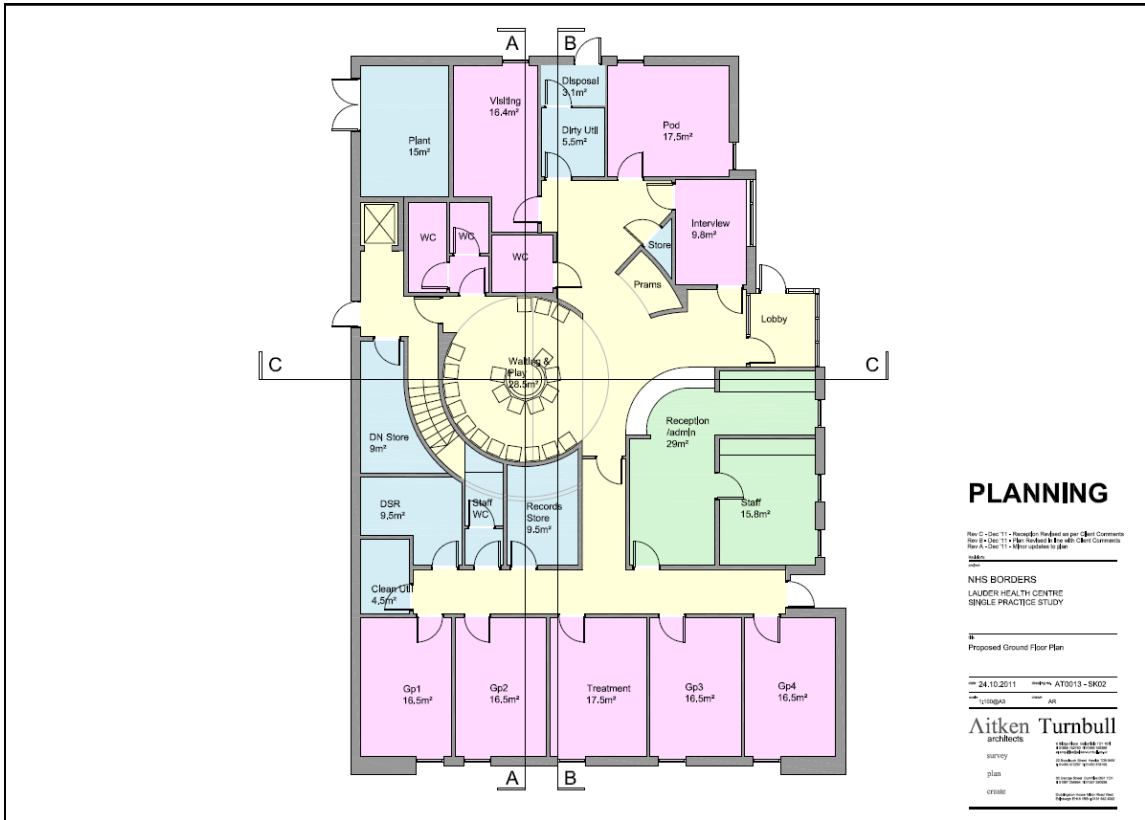
- a. Waiting Room
- b. Treatment Room
- c. Podiatry Room
- d. Staffroom
- e. Meeting Room
- f. Visiting Services Room (Doing Well Advisor, Alcohol Counsellor, Psychology, Couple Counselling, Dietitian)
- g. Interview Room
- h. Plant Room
- i. Ventilated room for IT servers and networking equipment
- j. Clean Utility Room
- k. Dirty Utility Room
- l. Decontamination Room
- m. Store
- n. Domestic Services Room
- o. Toilets

All rooms for public access to be on ground floor unless lift installed.

# APPENDIX 4

## SITE PLAN DRAWINGS







View of Entrance 01



View from Park 01



View of Entrance 02



View from Park 02



View of Entrance 03



View from Car Park

Proposed Lauder Health Centre **Aitken Turnbull**  
architects





## APPENDIX 5

### EQUALITY & DIVERSITY IMPACT ASSESSMENT

<p>For further information, a copy of the full assessment or if you require this information in an alternative format or language please contact:</p> <p style="text-align: center;">Equality &amp; Diversity Department Newstead, Melrose Roxburghshire. TD6 9DB</p>					
<p><b>Equality Impact Assessment (EIA) Template SUMMARY (Publishing Form)</b></p>					
<b>Title of Policy/Function/Service:</b>	<b>NHS Borders Capital Planning</b>				
<b>Owning Directorate/Department: Lead Officer:</b>	Planning and Performance Warwick Shaw				
<b>Telephone No: Email Address:</b>	01896 825575 warwick.shaw@borders.scot.nhs.uk				
<b>Names/ Job titles of Assessors</b>	George Higgs - Chair of Borders Equality Forum Warwick Shaw – GM Capital Premises Lorna Paterson – Project Manager Capital Premises				
<b>Summary of Policy / Service /Function aims:</b>	<p>Provision of 3 new Health Centres (HC):</p> <ul style="list-style-type: none"> <li>▪ Galashiels, Roxburgh Street</li> <li>▪ Jedburgh</li> <li>▪ Lauder</li> </ul>				
<b>Strands Impacted:</b>	All of the following strands are impacted, but all are positive impacts: Age, Disability, Gender, Race, Religion or Belief, Sexual Orientation, Socio Economic, Homeless, Background, Language, Criminal Justice,, Mental Health, Social Origin, System, Rural Barriers, Staff, Carers/Families.				
<b>Key Issues &amp; Judgments</b>	<p>The key issues arising out of this Impact Assessment are:</p> <ol style="list-style-type: none"> <li>1. Ongoing training and awareness of equality issues and solutions (hearing equipment, translation services etc) for staff working in the new facilities.</li> <li>2. Emerging technologies regarding signage and communications that could be employed in the future.</li> </ol>				
<b>Key Recommendations</b>	<ol style="list-style-type: none"> <li>1. P&amp;CS should roll out training and awareness in partnership with NHS Borders Equality and Diversity staff.</li> <li>2. Design for future schemes should include a technology survey of communications aids.</li> </ol>				
<b>Comments by Board Lead Officer</b>	<ol style="list-style-type: none"> <li>1. The EIA will be revisited when sites and final designs are conformed and assessed.</li> <li>2. Communication tool to advise the public on the update and sites of new premises.</li> </ol>				
<b>Agreed by Head of Directorate/ Department</b>	<table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 70%;">Name:</td> <td style="border: none; width: 30%;">Date:</td> </tr> <tr> <td style="border: none; height: 30px;"></td> <td style="border: none;"></td> </tr> </table>	Name:	Date:		
Name:	Date:				



**NHS Borders**  
**Roxburgh Street, Galashiels**  
**Health Centre Replacement**  
**Business Case**

**March 2012**



## CONTENTS

		<b>Page Number</b>
	<b>EXECUTIVE SUMMARY</b>	1
<b>1</b>	<b>STRATEGIC OVERVIEW</b> Introduction Current Service Provision Fit With Local and National Strategic Context	3
<b>2</b>	<b>THE CASE FOR CHANGE</b>	6
<b>3</b>	<b>THE OPTION APPRAISAL PROCESS</b> Introduction Objectives and Benefits Criteria	8
<b>4</b>	<b>THE FINANCIAL AND ECONOMIC APPRAISAL</b> Introduction Capital Costs Revenue Costs Economic Appraisal Affordability	16
<b>5</b>	<b>THE PREFERRED OPTION</b> Introduction Description of the Preferred Option	21
<b>6</b>	<b>RISK APPRAISAL AND RISK MANAGEMENT</b>	23
<b>7</b>	<b>PROJECT MANAGEMENT</b> Introduction Project Management Arrangements Stakeholder Involvement Project Timetable	25
<b>8</b>	<b>EQUALITY AND DIVERSITY</b>	30
<b>9</b>	<b>RECOMMENDATIONS</b>	31
	<b>APPENDICES</b>	32

## **Appendices**

<b>Appendix 1</b>	<b>Long Listed Options</b>
<b>Appendix 2</b>	<b>Schedule of Accommodation</b>
<b>Appendix 3</b>	<b>Site Plan Drawings</b>
<b>Appendix 4</b>	<b>Equality and Diversity Impact Assessment</b>

<b>Tables and Figures</b>	Table 1.1: Scotland's Older Population by 5 year Age Group
	Table 1.2: Summary of Deficiencies with Existing Facilities
	Table 3.1: Common Benefits Criteria & Scoring Regime
	Table 3.2: Short-listed Options for Roxburgh Street, Galashiels
	Table 3.3: Ranking of options in Roxburgh Street Benefits Appraisal without weighted scores
	Table 3.4: Summary Appraisal of Short-listed Options for Roxburgh Street, Galashiels
	Table 3.5: Ranking of options in Roxburgh Street Benefits Appraisal with weighted scores
	Table 3.6: Detailed Scoring of Short-listed Options for Roxburgh Street, Galashiels
	Table 4.1: Capital Costs for Roxburgh Street Replacement
	Table 4.2: Revenue Costs for Roxburgh Street Replacement
	Table 4.3: Economic Appraisal Roxburgh Street Replacement
	Table 4.4: Summary of Preferred Option Revenue and Capital Costs
	Table 4.5: Extract from NHS Borders Capital Plan
	Table 4.6: Funding Sources
	Table 7.1: Outline Project Plan

# **Executive Summary**

## **Introduction**

This document is to provide an up to date position on the business case for capital investment to deliver improvements in the health centre at Roxburgh Street, Galashiels, as Jedburgh Health Centre improvements are nearing completion.

The business case explains the context for this proposed investment and how this investment is consistent with the commitment to shift the balance of care and to provide services in modern, fit for purpose facilities. Modern primary care facilities which offer a wider range of services, is a central objective of NHS Borders to provide more accessible and flexible health care. Roxburgh Street Health Centre was identified as priority in 2006 and subsequently re-affirmed at the NHS Borders Board meeting in December 2009.

## **Strategic Objectives**

This proposal fulfils a number of strategic objectives relevant to NHS Borders and aims to:

- Improve the environment for providing health care
- Meet increasing capacity demands

We have seen a revolution in health care over the past 20 years. In the past for example, the majority of patients with long-term heart and lung disease had their care provided in a hospital setting. We are now getting better at identifying those patients who are at risk of a hospital admission and channelling health care earlier to meet their needs, increasingly at home and in a wider range of services in health centres.

The proposals are therefore consistent with the Primary and Community Services Strategy 2010- 2014<sup>1</sup> approved by Borders NHS Board in December 2009. The Primary Care Strategy sets out the commitment to shift the balance of care and to offer a wider range of services in order to support patients to lead healthier and more independent lives.

## **Developing Service Options**

During the course of 2009, NHS Borders conducted an option appraisal review of the health centre. A key aspect of the Roxburgh Street development has been the difficulty in the identification of a viable site. A viable site have now been identified and included in this business case.

---

<sup>1</sup> NHS Borders Primary and Community Services Strategy Development & Delivery of Primary and Community Care Services for NHS Borders

A detailed option appraisal has been undertaken for the project covering non financial benefits and an economic appraisal. Representative groups of users and stakeholders were involved in this process.

### **Preferred Option**

The outcome of the economic and non-financial benefits option appraisal process resulted in the following option being the preferred option for the health centre.

Development of Option 6, a new two storey build on the Scottish Ambulance Service (SAS) site in Roxburgh Street. This site allows a good floor layout and has potential for future expansion. Discussions are on going with Scottish Government with regards to a simple land transfer between our respective organisations. This will result in no financial consequence for NHSB, other than demolition costs of the existing SAS building.

Further discussions are ongoing with SAS regarding timescale for development of new ambulance station on the BGH site which is hoped will be complete by March 2013.

### **Financial Appraisal**

The preferred options for these schemes are affordable in terms of capital and revenue implications.

### **Project Management**

A robust project management framework will be developed to ensure that the project can be taken forward within agreed timescales and with the appropriate control and management of risks.

### **Procurement Strategy**

The business case proposes a development through the South East Scotland Hub territory partnering agreement, through which an affordability cap will be achieved for the project.

Traditional capital funds will be available through Scottish Government during 2013/14 and 2014/15 to support this investment.

### **Recommendation**

It is recommended that approval be given to the preferred option for Roxburgh Street to allow the detailed design and procurement processes to be undertaken.

It is recommended that the preferred option for Roxburgh Street is Option 6, a 2 storey development on the SAS site in Roxburgh Street with a capital cost of £1.778m and that this project will be undertaken during 2013/14 and 2014/15.

# 1 Strategic Overview

## Introduction

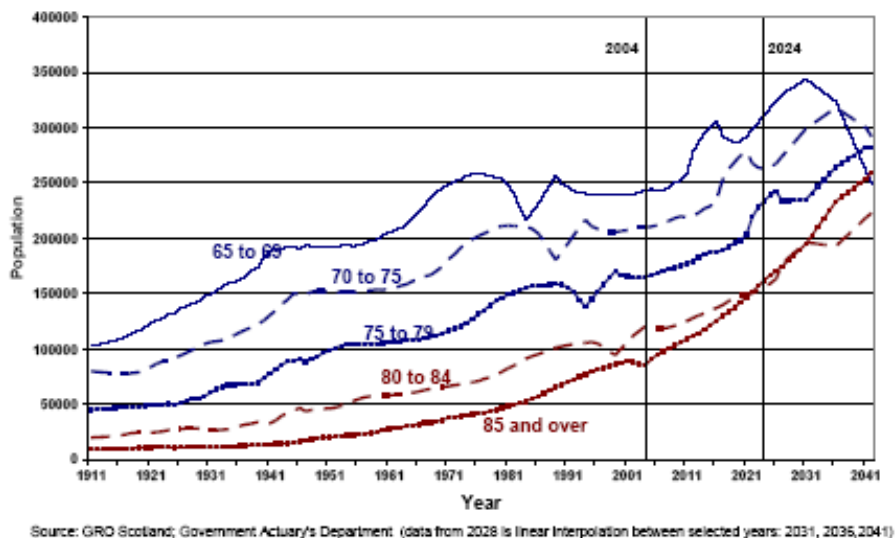
1.1 Offering more responsive health care in modern primary care facilities is central to the drive to build a service that is tailored to patients' needs, as close to home as possible. We are aware of the:

- rapid growth in the population and the impact on primary care facilities;
- wider range of services that are offered in primary care (such as screening and nurse-led clinics) and the potential to offer more;
- need to offer care in facilities that are modern which supports the delivery of care that complies with patients' rights to be treated with dignity and respect;
- needs of staff to work in an environment that is safe and which allows them to work to their potential;
- opportunities to use information technology to provide care that is faster, and enables the provision of care in the right place, at the right time;
- opportunities to co-locate a wider range of services with the NHS.

1.2 Due to increasing pressures on primary care facilities (such as with a growing population and rising standards) a review was undertaken in 2000 and a priority list produced for investment in primary health care premises. The investment that has been progressed in new health care facilities in Stow, Newcastleton, Currie Road in Galashiels, Jedburgh and Kelso has demonstrated the commitment of NHS Borders to make progress in improving primary health care facilities. These improvements have demonstrated the substantial opportunities to offer better care in improved environments for patients and staff.

1.3 It is estimated that in 2031, the over 65s will make up 26.6% of the population compared with 10% in 2001 and 5.4% in 1951. The growth of the over 80s is even more rapid with estimates suggesting that 8.2% of the population will be aged 80 and over in 2031 compared with 3.8% in 2001. A growing older population will place greater demands on primary care capacity in the future.

Figure 1.1 Scotland's Older Population by 5 year Age Group, Trends (1911-2002) and Projections (2003-2042)



- 1.4 Older people account for around 40% of all emergency admissions to hospital. People with long-term conditions account for 80% of all GP consultations and around 60% of hospital bed days. They are also twice as likely to be admitted to hospital compared to people without long-term conditions. Providing more care that is offered in fit-for-purpose facilities in modern health centres is a crucial step forward in our overall strategy of shifting the balance of care to support people outside of hospital.
- 1.5 Wherever possible, we want to anticipate where patients may be at risk of hospital admission and by targeting of resources, meet their needs earlier and prevent the requirement to admit them to hospital. Our patients tell us that they want care that is safe but also care that is tailored to their individual needs as close to home as possible. By looking ahead and providing a faster and earlier response to patients' needs we believe that fewer people will need to be admitted to hospital. Working in cramped, out-of-date premises seriously limits the opportunity to offer more care closer to home and gives impetus to progress the improvements in the health centres in this business case.
- 1.6 A very significant contribution to providing more modern, flexible care, closer to home will be achieved by the proposals in this business case.
- 1.7 We also know that we have to make swift progress on these schemes. The difficulty in identifying a site in Galashiels has seriously hampered the pace of progress. As a recognised priority scheme, we now need to accelerate from concept and design through to delivery.

## Current Service Provision

- 1.8 The current health centre provision for patients limits the opportunities to offer care that is tailored to individuals' needs – whether they are patients or staff. The most significant deficiencies in the Roxburgh Street Surgery in Galashiels based on the 2000 assessment are:

*Table 1.2: Summary of Deficiencies with Existing Facilities*

Facility	Summary of Deficiencies
Roxburgh Street Practice, Galashiels	The accommodation contravenes health & safety and clinical standards. It fails to offer the environment in which to provide modern 21 <sup>st</sup> century health care

- 1.9 At the Board's Strategy and Performance Committee in December 2009, the Board re-affirmed the commitment to re-provide/re-develop this health centre.

### Fit with Local and National Strategic Context

- 1.10 Across the NHS, there is a drive to deliver faster, more integrated and responsive care. *Better Health, Better Care*<sup>2</sup> sets out the policy for more proactive and anticipatory care, and a shift to more care delivered closer to home, where it is safe and possible to do so.
- 1.11 The growth in an ageing population with chronic long-term conditions here in the Borders requires a proactive approach in terms of anticipating future needs and designing services that are fit-for-purpose. This business case reflects the shift to delivering safe services as close as possible to people's homes.
- 1.12 Scottish Government's Quality Strategy for NHS Scotland<sup>3</sup> which has been issued for consultation – October/November 2009 – aims to make Scotland one of the leading countries in the world in healthcare quality by working together to ensure better health and higher quality healthcare services which are flexible and reactive to each individual circumstance. It reflects the shared ambitions of everyone in Scotland whether a patient, a carer, or whether working for NHS Scotland in a community, primary or acute care setting. This is to create high quality person-centred, clinically effective and safe healthcare services and to be recognised as being world-leading in our approach. The focus on improvement will be on 3 areas – person centeredness, safety of patients, clinical effectiveness of care and treatment.
- 1.13 The next section sets out the case for change and the rationale for making the improvements in Roxburgh Street, Galashiels health centre.

<sup>2</sup> Better Health, Better Care: Action Plan, December 2007

<sup>3</sup> Scottish Government's Quality Strategy for NHS Scotland, February 2010

## 2 The Case for Change

- 2.1 Drs Ainslie, Wright, Leaver and Frost are the GP Partners based in Roxburgh Street Surgery, the list size of patients at October 2011 was 3286. The Surgery owned by the Practice is in a converted semi detached house over 2 floors with a single storey extension to the rear and a small car park. The accommodation has been identified for some time as below standard including the 1998 Wheeler and Sproson Survey<sup>4</sup>. It was declared as the top priority for renewal in the 2006 Board paper "*Modernising our Network of Community Health Centres*"<sup>5</sup>. The practice clinical team has expanded over the years since they moved into their current accommodation and 6 clinicians now have to share 3 consulting rooms, which are below the current guidelines for space. Practice attached staff are accommodated upstairs and there is no lift, causing Disability Discrimination Act (DDA) complications and Health & Safety risks.
- 2.2 The 2000 Wheeler and Sproson<sup>6</sup> review of property identified Roxburgh Street Surgery as having an overall accommodation rating of 4, the lowest rating available (definition "cannot be brought up to standard and requires relocation or complete redevelopment") and showing that it is now among NHS Borders' poorest estate. At the time of the audit 165m<sup>2</sup> was dedicated to GP use and compared very poorly with the extant guidance for 1999 of 340m<sup>2</sup> as a basic area allowance for 3 GPs. Using SHPN 36 Part 1 (introduced in July 2006) an area in the region of 340 to 430 m<sup>2</sup> (less circulation space at between 25% and 33%) is indicated for the GP Practice, plus further accommodation for the attached staff and predicted increase in the size of the PHCT in Galashiels as the population grows over the next 20 years.
- 2.3 The population registered with GPs in Galashiels was 17,841 during 2008. It is anticipated that this will increase to around 21,000 by 2031. Information from the Scottish Index of Multiple Deprivation 2006, published by the Scottish Executive, indicates only 2 areas in Borders as being in the 15% most deprived areas in Scotland, and these are in Hawick (Central Burnfoot) and Galashiels (Kenilworth Avenue area). Roxburgh Street has approximately 25-30% of the residents of the Kenilworth Avenue data output area on their list. The existing surgery is owned and the property managed by the partners. Staffing and the management of the practice are the responsibility of the partners.
- 2.4 The case for a replacement of the surgery in Roxburgh Street is based on a number of key issues, including the need to:
- Provide fit for purpose facilities that are Disability Discrimination Act (DDA) compliant, for use by patients and staff.

---

<sup>4</sup> Audit of Borders Health Board Primary Care Premises, Wheeler and Sproson, 1998

<sup>5</sup> Modernising our Network of Community Health Centres, NHS Borders, March 2006 (Including information from Wheeler and Sproson survey)

<sup>6</sup> Review of Audit of Borders Health Board Primary Care Premises, Wheeler and Sproson, 2000

- Provide consulting rooms, waiting area and office space of a suitable size.
  - Be able to attract and retain high quality staff.
  - Provide sufficient accommodation for the identified expansion of Galashiels population.
- 2.5 The existing surgery was converted in 1987 and is in need of upgrading but the building and configuration of rooms are not fit for purpose. Although there is a potential opportunity to extend the premises this approach can only be considered as a poor solution due to the constraints of the premises and surrounding buildings.
- 2.6 Some of the problems with the current facility include:
- Facilities are inadequate for patients and carers (e.g. the waiting area is very small).
  - An insufficient number of consulting rooms and none compliant with SHPN36 Part 1.
  - There are some identified Health and Safety (H&S) issues associated with the age, layout and construction of the premises.
  - There are some DDA issues with the building because of layout and lack of lift. The car park is also poorly surfaced.
  - Poor confidentiality due to inadequately soundproofed rooms.
- 2.7 The accommodation has been identified for some time as below standard including the 1998 Wheeler and Sproson Survey. Premises problems have been highlighted in every GMS contract review since the introduction of the new GMS contract in 2004.
- 2.8 The following section sets out the short-listing for the project and the option appraisal of the short-listed schemes.

### 3 The Option Appraisal

#### Introduction

- 3.1 Following Official Journal of the European Union (OJEU) processes for Roxburgh Street and competitive tendering a design team were appointed during 2008. The architect and lead consultant for Roxburgh Street is Aitken Turnbull of Galashiels.
- 3.2 The Design Team was given briefs based upon the room schedules developed with users, the key directions of Scottish Health Service Planning Note 36 Part 1 (GP Premises) (SHPN36) and included in the Project Initiation Document (PID).
- 3.3 Despite the limits agreed by the NHS Boards in 2008 the complications of site availability and suitability has led to the development and inclusion of additional options for Roxburgh Street (e.g. Huddersfield Street).
- 3.4 The scheme has been developed with the involvement of the users and other stakeholders including public and patient and there has been a dynamic review of the brief as site constraints and costs have intervened. The minimum requirements of the original brief defined in the PID have been maintained but with the agreement and involvement of the users some desirable elements of the accommodation schedule have been excluded or reduced in scope.
- 3.5 Outline Design Drawings of all options have been reviewed by the stakeholders and Project Board and led to the selection of a short list of options for the Benefits Appraisal. It must be stressed that the progress to date forms an outline design process with illustrative and indicative design drawings. The next stage of the process will focus on detailed design. There will be ample opportunity for users and stakeholder involvement in the detailed design process.
- 3.6 This part of the business case contains details of the option appraisal areas covered. The option appraisal focuses on three aspects – benefit, cost and risk – and follows the recommended appraisal methodology set out in the Scottish Capital Investment Manual<sup>7</sup>. The option appraisal consists of two elements:
- The scoring of benefits – this is described below
  - The combination of the outcome of the benefits appraisal with financial information to provide an economic appraisal which assesses the value of each option in terms of cost per benefit point.

---

<sup>7</sup> Scottish Capital Investment Manual, 2009

## Objectives and Benefits Criteria

- 3.7 The overall purpose is to ensure the delivery of safe, sustainable, affordable and high quality care.
- 3.8 A number of common benefits criteria and weights were agreed for the health centre scheme which has allowed the Board to develop a methodology to make an assessment of the options. These are set out in the table below. No benefits criteria are related to the value for money objective. This is assessed later in the process by combining the benefits and economic appraisals. The benefits criteria had been assigned a relative weighting from a maximum of 100. Each of the options was then scored against criteria on a scale of 1 to 10, by facilitated groups representing all key stakeholders. In the case of Roxburgh Street the numbers required 2 groups to be formed. Consensus was reached within each group of the scoring for each question against each design.

*Table 3.1: Common Benefits Criteria and Scoring Regime*

<b>Criteria</b>	<b>Definition</b>
<b>Section 1</b> Is this option Clinically Acceptable? (40%)	1 Does it provide appropriate clinical facilities, in line with the agreed SHPN 36 brief?
	2 Does it provide an appropriate environment? (e.g. patient dignity & confidentiality)
	3 Can the identified ongoing activity be met, including potential demographic impact?
	4 Will it facilitate recruitment, retention and CPD of appropriately trained and supported staff?
	5 Can the PHCT function clinically throughout the project without decant accommodation?
<b>Section 2</b> Is this option Operationally Acceptable? (35%)	1 Does it provide an opportunity to redesign care?
	2 Will services be accessible to patients and public throughout the project without decant accommodation?
	3 Will the CHC offer accessibility both of the building and its location in relation to the wider area?
	4 Does it offer improved and DDA compliant access?
	5 Does it provide improved (and sufficient) car-parking?
	6 Is the site available (Complexity of transaction, number of vendors)
	7 How quickly can the solution be implemented?
<b>Section 3</b> Is this option Sustainable? (25%)	1 Will the facilities proposed accommodate growth in activity due to forecast population expansion?
	2 Are the proposals in this option able to provide capacity for a wider range of services as well as simple activity increase?

	3	Will the proposals in this option assist with the overall sustainability of NHS Borders? (e.g. reduce admissions, surgery & length of stay)
	4	Will the solution have a lifespan in excess of 25 years?

*Scoring Guide*

<b>Scoring Range = 0 – 10</b>	<b>Criteria</b>
0-1	Non compliance with requirement/no-relevant provision
2-3	Poor provision
4-5	Only partial solution
6-7	Acceptable
8-9	Better than acceptable
10	Demonstrably far exceeds requirements

For “How quickly can the solution be implemented” the following scoring system was used:

<b>Scoring Range = 0 – 10</b>	<b>Criteria</b>
1-3	Over 24 months
4-6	18 - 24 months
7-9	12-18 months
10	Under 1 year

- 3.9 A written guide to the event was issued to all participants prior to the event. At the Benefits Appraisal events the Architect presented the options and printed copies of the indicative floor plans were provided. It was stressed (and questions were asked about minor changes) at each event that the plans tabled were indicative illustrations of the opportunities in each option and that final plans would be produced in consultation and partnership with the users prior to tendering. It was however emphasised that the scope would be subject to funding and resource availability as agreed in the Board approval of the Business Case and would be about layout and ensuring a working design rather than fundamental re-design.
- 3.10 Investigations over the past years have identified a total of 19 alternatives. Many of these were revenue based and as such were unaffordable; others have required inter-agency co-operation which for different reasons has not been possible within a timescale that was acceptable. The Board agreed last year – to a more focused approach, investigating several options in and around Roxburgh Street. The schemes have been short listed to 3, plus a minimal change and no change option. The full long-list is in Appendix 1.1. The 3 storey options for Option 1a, 6a and 8a were more expensive and deemed likely to be unaffordable given the current climate for capital expenditure. Whilst these options provided some capacity for further development they exceeded the current brief as agreed in the PID.

Table 3.2: Short-listed Options for Roxburgh Street, Galashiels

Option	Title	m <sup>2</sup>	Description/Detail
No Change	Retain Status Quo	165	A converted semi detached house over 2 floors with a single storey extension to the rear and a small car park.
1	New Build on site of United Reformed Congregational Church (URCC)	536 (13 car park)	This option would see the acquisition of the URCC and part of the garden of No 8 Roxburgh Street and the provision of a new 2 storey Community Health Centre.
1a	New Build on site of United Reformed Congregational Church (URCC)	768 (13 car park)	This option would see the acquisition of the URCC and part of the garden of No 8 Roxburgh Street and the provision of a new 3 storey Community Health Centre.
2	Extend existing surgery ( <i>minimum change</i> )	557 (13 car park)	2 storey extension in rear of No8 Roxburgh Street
6	New two storey build on SAS site	563 (21 car park)	Similar to URCC Option but a more open site allowing better ground floor layout and larger plant room. Offers potential for future expansion but timescale for availability of site dependent on SAS identifying alternative location
6a	New three storey build on SAS site	795	As above but including third floor allowing expansion for PHCT from around Galashiels. Timescale again dependent on SAS release.
8	New 2 storey build in Huddersfield Street	598 (22 car park)	There is an opportunity to provide premises in Huddersfield Street. This would be at first floor level to avoid flooding risk.
8a	New 3 storey build in Huddersfield Street	830 (22 car park)	As above with 3 storeys, with opportunity to co-locate with other members of PHCT from around Galashiels.

A total of 21 people took part in the Benefits Appraisal on 18<sup>th</sup> November 2009. After an initial introduction Andrew Lester of Aitken Turnbull Architects described the 7 options. Two groups were then formed and separately discussed the merits of the options. Both groups scored the schemes in the same order as well as retaining the status quo:

Table 3.3: Ranking of options in Roxburgh Street Benefits Appraisal without weighted scores

Ranking	Option	Name
1	8a	Huddersfield Street 3 storey
2	8	Huddersfield Street 2 storey
3	6a	SAS site 3 storey
4	6	SAS site 2 storey
5	1a	URCC site 3 storey
6	1	URCC site 2 storey
7	2	Minimum change
8	No Change	Retain Status Quo

3.12 There was however a different emphasis in the scores of the 2 syndicates, one syndicate tending to score slightly more generously than the other. The most significant differences were:

- A much lower score from one group for Option 2 (Minimum Change). At the consensus stage it was agreed by the 2 groups that the scores should be biased towards the lower scores to reflect the definitions represented by the scores. This was reflected across Clinical, Operational and Sustainability sections.
- A greater emphasis on the simpler nature of the site acquisition for Huddersfield Street.
- A greater emphasis on the speed of delivery of the Huddersfield Street option.

3.13 Table 3.4 below sets out the summary appraisal of the short-listed options. The more detailed scoring table is on the next page.

*Table 3.4: Summary Appraisal of Short-listed Options for Roxburgh Street, Galashiels*

Option	Title	Criteria		
		Clinical Acceptability	Operational Acceptability	Sustainability
No Change	Status Quo	48	95	148
1	New Build on site of United Reformed Congregational Church (URCC)	232	190	150
1a	New Build on site of United Reformed Congregational Church (URCC)	256	190	181
2	Extend existing surgery ( <i>minimum change</i> )	120	185	94
6	New two storey build on SAS site	296	260	206
6a	New three storey build on SAS site	320	260	219
8	New 2 storey build in Huddersfield Street	304	300	206
8a	New 3 storey build in Huddersfield Street	328	305	225

3.14 In general discussion there was agreement that whilst a development on the URCC was possible and would significantly improve accommodation, there were significant compromises:

- A very tight site.
- A complicated build right next to the existing Surgery.
- Insufficient parking space.
- No opportunity of subsequent expansion.

3.15 In contrast a similar scale of accommodation offered on both the SAS and Huddersfield Street sites was felt to be a very much better solution and this was reflected in the scores. The scores from both syndicates were entirely consistent for options 6 to 8a differing by no more than 3 un-weighted points per question. Other than speed of delivery, Huddersfield Street scored slightly better than SAS site for:

- More attractive to staff, due to more central location.
- Less impact on existing Surgery during build of new CHC.
- Better accessibility in the more central Huddersfield Street setting.
- Much more car parking around Huddersfield Street (though SBC would perhaps be looking for a contribution to cost of infrastructure).

3.16 In the evening, a practice nominated patient who had been unable to attend the day was separately consulted. He had scored the options in a similar fashion and wished to be associated with the result. The scores agreed at the consensus meeting are shown in the table below. As well as showing the weighted scores the table below also takes the score attributed to the Huddersfield Street 3 storey option as 100%:

*Table 3.5: Ranking of options in Roxburgh Street Benefits Appraisal with weighted scores*

Ranking	Option	Name	Weighted Score
1	8a	Huddersfield Street 3 storey	832
2	8	Huddersfield Street 2 storey	792
3	6a	SAS site 3 storey	771
4	6	SAS site 2 storey	728
5	1a	URCC site 3 storey	627
6	1	URCC site 2 storey	571
7	2	Minimum change	324
8	No change	Retain Status Quo	148

3.17 The output of the Benefits Appraisal is clear, with Huddersfield Street and SAS sites being significantly better than the remaining 3 approaches. The margin in favour of Huddersfield Street is relatively slim at 7%, much accounted for by the perceived simplicity of acquisition and speed of completion.

Subsequent discussions with SAS indicate that this site might be available much sooner than stated at the time of the Benefits Appraisal.

The SAS site would benefit both NHSB and SAS as there is no financial consequence for NHSB, other than demolition costs of the existing SAS building as a simple land transfer between our respective organisations can take place. SAS also benefit from this arrangement as a new ambulance station could be developed on the BGH site.

Development of the SAS site would enable co-location and opportunities to build on relationships with our SAS colleagues and encourage opportunities for integrated working between the respective organisations. Familiarisation of roles and clinical input from different perspectives may also present opportunities to mentor each others roles after the transitional period, which can be further developed as the Business Case is signed off.

Table 3.6: Detailed Scoring of Short-listed Options for Roxburgh Street, Galashiels

Option		Section 1 - Clinical 40% of total					Section Total	Section 2 - Operational 35% of total							Section Total	Section 3 - Sustainable 25% of total				Section Total	TOTALS	
		1	2	3	4	5		1	2	3	4	5	6	7		1	2	3	4			
No Change	Raw	2	2	0	2	0		0	0	6	4	3	2	4		0	0	0	0			
No Change	weighted	16	16	0	16		48	0	0	30	20	15	10	20	95	0	0	0	0	0	143	8th
1	Raw	6	5	7	6	5		6	5	6	7	6	3	5		5	6	7	6		572	6th
1	weighted	48	40	56	48	40	232	30	25	30	35	30	15	25	190	31	38	44	38	150		
1a	Raw	7	5	8	7	5		8	5	6	7	5	3	4		6	8	8	7		627	5th
1a	weighted	56	40	64	56	40	256	40	25	30	35	25	15	20	190	38	50	50	44	181		
2	Raw	4	5	2	4	0		5	0	6	6	6	7	7		4	4	4	3		399	7th
2	weighted	32	40	16	32	0	120	25	0	30	30	30	35	35	185	25	25	25	19	94		
6	raw	7	7	7	7	9		8	7	6	8	9	8	6		8	8	8	9		762	4th
6	weighted	56	56	56	56	72	296	40	35	30	40	45	40	30	260	50	50	50	56	206		
6a	raw	8	7	8	8	9		9	7	6	8	8	8	6		8	9	9	9		799	3rd
6a	weighted	64	56	64	64	72	320	45	35	30	40	40	40	30	260	50	56	56	56	219		
8	raw	7	7	7	8	9		8	9	8	9	10	10	6		8	8	8	9		810	2nd
8	weighted	56	56	56	64	72	304	40	45	40	45	50	50	30	300	50	50	50	56	206		
8a	raw	8	7	8	9	9		9	9	8	9	10	10	6		9	9	9	9		858	1st
8a	weighted	64	56	64	72	72	328	45	45	40	45	50	50	30	305	56	56	56	56	225		

## 4 The Financial and Economic Appraisal

### Introduction

- 4.1. The financial appraisal is the ultimate determinate of affordability whilst the economic appraisal determines the value for money provided. Value for money is demonstrated by measuring the ratio of overall costs to non-financial benefits for each option. It does not always follow that the option offering the best value for money will be affordable; hence the need to consider affordability as a parallel assessment criteria.

Due to the protracted and complex process to develop a business case for Roxburgh Street only the preferred option has been costed and progressed. This is in line with the contractual procurement process which has been recently introduced within NHS Scotland through the South East Scotland Hub Territory Partnering Agreement of which NHS Borders together with all South East Region Public Sector Organisations are members. The contractual framework has a number of stages with stage 1 being the production of the Affordability cap assessment which details the capped resource level required for the project. The figures included in the financial appraisal are based on the issued Stage 1 Affordability Cap Assessment. Therefore comparators figures are not available.

- 4.2 The financial appraisal included in this document is based on the use of traditional capital resource. The proposed funding route is as a result of extensive discussions between NHS Borders and the Scottish Futures Trust (SFT) and the South East Scotland Hub territory development team who explored the option to deliver the projects through a revenue financing solution. In conclusion to those discussions, the partners, NHS Borders, SFT, Hubco and SGHD agreed that the financing solution be discounted from the options being considered as it could not be proven as a viable option.
- 4.3 Considerable dialogue has taken place with development representatives of Hub South East Scotland with a view to taking this project through the Hub South East Scotland Territory Partnering Agreement. The partnering agreement has been utilised to produce a competitive final affordability cap assessment which is detailed in the presented financial analysis, The process to utilise the Partnering Agreement has meant the full Affordability Cap Assessment being produced for the preferred option only and as such comparator figures from Hubco for other options considered within the business case were not produced.
- 4.4 The Roxburgh Street replacement project has been in development for a number of years and as such within this business case financial appraisal only details of the costs which will be incurred to conclude the project have been presented. NHS Borders has incurred feasibility and a level of design costs prior to the discussions with Hubco. These costs were charged in

previous years against NHS Borders Capital resources and as such are not presented as part of this financial appraisal. These previous year costs total £148k bringing the total capital resource committed to the project to £1.926m.

### **Capital and Revenue Costs**

4.5 The main elements covered within the financial appraisal for the preferred option were:

- Capital and one-off revenue refurbishment costs associated with the new building including the cost of demolition of the current property occupying the land site.
- Staffing costs;
- Other non-pay revenue costs, including any additional capital charge implications; and charges for health centre rental and accommodation made to the General Practitioners. Accommodation schedules have been agreed by the General Practitioners and on completion of the business case the financial impact will be quantified and agreed with the GP
- Overhead costs.

## Roxburgh Street, Galashiels

Table 4.1: Capital Costs for Roxburgh Street Replacement

<b>Capital</b>	<b>Option 6 (x2)</b>
Hubco Affordability Cap Assessment	£1,196,688
Design Fees	£194,704
Detailed Building& Planning, Surveys	£24,200
Hubco Fee	£19,500
Non-Recoverable VAT	£238,338
Site Acquisition – demolition & site clearance costs	£35,000
Equipment	£70,000
<b>Total</b>	<b>£1,778,430</b>

Table 4.2: Revenue Costs for Roxburgh Street Replacement

<b>Revenue</b>	<b>Option 6 (x2)</b>
Total Pay	£15,139
Total Non-Pay	£78,352
Total Income	-£53,628
<b>Sub-Total</b>	<b>£39,863</b>
Revenue Costs over base	£20,086
Additional Capital Charges	£38,062
<b>Total Additional Revenue</b>	<b>£58,149</b>

Table 4.3: Economic Appraisal Roxburgh Street Replacement

<b>Economic Appraisal</b>	<b>Option 6 (x2)</b>
Non-Recurring Revenue	£40,000
Property Upgrade & Adaptations	£0
Construction - New Build	£1,430,092
Equipment	£70,000
<b>Total Capital Cost</b>	<b>£1,540,092</b>
EAC Factor	0.03982
Equivalent Annual Cost	£61,326
Gross Revenue Costs (ex capital charges)	£93,491
<b>Annual Cost</b>	<b>£154,817</b>
Weighted Non-Financial Indicators	728
<b>Cost per Benefit Point</b>	<b>£213</b>

The preferred option for Roxburgh Street is Option 6 (2 storey) with a capital cost of £1.778m and additional revenue costs of £58,149.

Table 4.4: Summary of Preferred Option Revenue and Capital Costs

Scheme	Preferred Option	Additional Revenue Costs (including Capital Charges)	Capital Costs
Roxburgh	Option 6	£58,149	£1.778m

### Affordability

#### Capital

- 4.6 The preferred option will cost £1.778m in capital resources across financial years 2013/14 and 2014/15. The affordability of these schemes is within the capital envelope. This level of resource has been identified as part of the 2013/14 SGHD capital allocation to NHS Borders. The Board is required to formally approve the capital costs of the preferred option.

Table 4.5: Extract from NHS Borders Capital Plan

<b>NHS Borders Capital Plan</b>				
	<b>Jan-12</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Expected Commitments</b>				
Roxburgh St Replacement		1,067	711	1,778

#### Revenue

- 4.7 The total additional revenue consequence of the preferred option is £58,149. This includes £38,062 for capital charges that are already included within the revenue plan as priority schemes agreed by the Board.
- 4.8 The preferred option is affordable in terms of capital and revenue.

Table 4.6: Funding Sources

<b>Element of Cost</b>	<b>Cost</b>	<b>Funding</b>
Capital	£1.778m	NHS Borders Capital Plan Allocation
Additional Capital Charges	£38,062	The cost of capital charges is already included in the revenue financial plan as priority schemes agreed by the Board
Additional Revenue Costs	£20,086	There is an allowance of £30,000 in the revenue financial plan for the Roxburgh Street Replacement scheme.

## 5 The Preferred Option

- 5.1 The preferred option is development of Option 6, a new two storey build on the Scottish Ambulance Service (SAS) site in Roxburgh Street. This site allows a good floor layout and has potential for future expansion. Discussions are on going with Scottish Government with regards to simple land transfer between our respective organisations.

Further discussions are ongoing with SAS regarding timescale for development of new ambulance station on the BGH site which is hoped will be complete by March 2013.

### Key Issues

- 5.2 The key issue for Roxburgh Street is the need to ensure that the SAS site in Roxburgh Street becomes available as soon as possible. A series of discussions has been held with senior staff at SAS and these are on-going. SAS is committed to the project and the Board is working with SAS to develop a new ambulance station on the BGH site. The Board is also actively working with SAS to determine how early access to the SAS site in Roxburgh St might be achieved.
- 5.3 An alternative approach that we are now following up is inclusion of space for one ambulance Crew within the CHC design for Roxburgh Street:
- 2/4 people,
  - charging point for 1 ambulance
  - car parking for 2 cars
  - Toilets
  - Kitchen
  - locker space
  - storage sluice.
- 5.4 These facilities would have to be 24/7. Then in turn the crews in their down time (which is significant) could work with the health centre staff to see patients (bloods, BPs anticipatory care). This is a model SAS are promoting in rural areas NHS Borders will be at the forefront of this development.
- 5.5 SAS would then have patient transport plus district training and 1 A&E vehicle to cover the east part of Galashiels.

- 5.6 The Practice has indicated agreement in principle and P&CS has been informed of this recent development. It is anticipated that these changes would be broadly cost neutral, either by reduced site costs or rental payment from SAS.
- 5.7 A design assessment, undertaken by Health Facilities Scotland in conjunction with Architecture and Design Scotland is required as part of this project development. This is an independent review of the design concept and quality. Although this review has been undertaken, the formal report from the assessment has yet to be received. When the report is received any design recommendations raised within it will be addressed in advance of taking the Business case to the Board and onto the Scottish Government Capital Investment Group, during March and April respectively.

## 6 Risk and Risk Management

### Risk Appraisal and Risk Management Strategy

- 6.1 The health centre project has been subject to on-going risk review and risk management through the production of formal Risk Logs and Issue logs. These have been considered at the Project Board meeting for the project and documented in the Highlight Reports to each meeting. The issue of the need to further refine drawings before tendering and the constraints of allocated budget and site have been explained to the Project Board which has agreed the production of indicative plans at this stage.
- 6.2 The Project Board meetings have agreed actions and strategies to mitigate risk, wherever possible.
- 6.3 The project, subject to approval of the business case, is now entering the implementation phase with a shift in emphasis in risk management from the early development stages to detailed design, procurement and constructions stages. It is envisaged that the approach adopted to date will form the basis of the risk management process and will form a key aspect of the project management and project reporting processes.
- 6.4 The project will have risks and a risk profile.
- 6.5 In general terms there will be a need to manage risks covering:
- Costs – capital and revenue – affordability and availability of funding
  - Procurement process – efficient and effective process needed to minimise risk
  - Planning – avoiding delay and protracted processes
  - Technical – design processes need to be well controlled to ensure that user needs are met in line with demand and capacity requirements and technical guidance. E.g. BREEAM
  - Agreements with external bodies. E.g. Scottish Borders Council
  - Services – ensuring continuity during construction
  - Resources required to deliver the projects
  - Stakeholder expectations
  - Communications
  - Project slippage
  - Site conditions.

6.6 It is recommended that robust arrangements for risk appraisal and management are implemented as part of the overall project management arrangements for the next phase of the project.

## 7. Project Management

7.1 It will be essential to ensure that the Health Centre Project can progress effectively to ensure successful delivery and outcomes within agreed timescales. This will require the implementation of an agreed project management framework which can:

- Produce detailed project plans for agreement by the Board
- Identify tasks, timescales, roles, responsibilities and accountabilities in the delivery of the project
- Monitor and report on progress to the Board
- Highlight risks, slippage and problems to the Board
- Take day to day operational action to manage processes and ensure that tasks are achieved on time and within budget.

7.2 Whilst the project is not huge, in financial terms, it is strategically and operationally important to NHS Borders and in political terms there is a need to be seen to be delivering successful outcomes. For Roxburgh Street Health Centre, there will be a need for on-going dialogue with the Scottish Ambulance Service to achieve a successful acquisition of the site at an early date and the possibilities surrounding shared services.

7.3 Given these factors, it is envisaged that the project framework will require a combination of:

- Key decision making by the Board / Board Executive Team
- Overall project direction in the form of a Project Director
- An overarching Project Board to deal with issues for the project and ensure a consistent approach, whilst ensuring progress against the project plan
- Nominated Project Manager for the project who will have day to day responsibility for the management of the project
- Effective representation of users and stakeholders in the development of the project designs and procurement processes
- Key inputs from strategic planning, technical, financial, legal and human resources professionals as required
- Good communication throughout the organisation and with partner organisations.

7.4 NHS Borders has successfully implemented this type of approach in the past for projects such as Hawick Community Hospital, the Community Hospitals at Kelso, Duns and Peebles, Jedburgh Health Centre and the general improvement of the estate through the Fit for Purpose initiative. Subject to the approval of this business case a detailed paper on the Project Management arrangements will be developed for consideration by the Board Executive Team.

## **NHS Board and Board Executive Team (BET)**

7.5 Throughout the lifespan of the project, the NHS Board and the Board Executive Team will take ultimate responsibility for delivery of the project and retain overall decision-making authority. Its role will include:

- Approval of project framework and project plans;
- Review of progress and decisions on resources;
- Confirmation of approaches and processes;
- Confirmation / acceptance of hub stage 1 and stage 2 project
- Confirmation of preferred bidder(s);
- Approval of FBC;
- Award of contract/financial close.

## **Project Director**

7.6 The Project Director's role will be to:

- Advise on the project framework and project arrangements
- Ensure adequate resources are made available to the project;
- Identify problems and resolve difficult issues;
- Provide overall internal and external leadership for the project, liaising with other agencies and bodies;
- Oversee the project as a whole, including all relevant public financed procurements;
- Ensure that benefits are identified and that benefit realisation plans are produced;
- Manage stakeholders' interests in the project, providing decisions and direction on their behalf, embracing direction from the Project Board;
- Liaise with South East Scotland hub representatives to undertake the work within the project budget; act as a direct link to NHS Borders Board, the Board Executive Team, Project Board and all external organisations;
- To lead, with support, the procurement process and the evaluation of stage 1 and stage 2 project submissions.

## **Project Board**

7.7 The Project Board will take responsibility for all delegated decision-making throughout the process and for the referral of key decisions to the Board / BET.

7.8 The Project Board will meet on a regular basis to monitor progress of the project and role of the **Project Board** will be to:

- Take responsibility for decision making and leadership within agreed delegated limits;
- Approve the project plan;

- Monitor and approve any changes to the project;
- Provide a framework for service redesign;
- Ensure projects establish linkages with clinical, management and organisational practices;
- Direct the work of the project team;
- Monitor service standards and quality;
- Maintain public involvement and the continuation of partnership working;
- Manage internal and external communications;
- Ensure the exercise of overall financial control;
- Exercise delegated authority, on behalf of the NHS Board to ensure that the project delivers:
  - The clinical benefits detailed in the OBC;
  - Contract agreement that offers the best way for the scheme objectives to proceed to a project conclusion;
  - A legal framework, which ensures the protection of the Boards' positions and future.

7.9 In addition, the Project Board will be supported by:

- A link and regular updates to the Board Executive Team which will ensure that the necessary senior managers and clinicians maintain regular involvement in the project, ensuring the necessary ownership at the most senior levels in the organisation;
- A Project Team will provide dedicated project support including finance, estates and project administration and support.

## **Project Team**

7.10 A project team will be created who will guide the work on a day to day basis and will take responsibility for management of the process and all relevant documentation. This team will meet more frequently than the Project Board. This team will ensure the Project Board is aware of any risks which will impact on the project including:

- Monitoring progress against the agreed project plan;
- Approval of actions at key stages of the project. e.g. cost plans, work content, work arrangements;
- Monitoring costs against cost plans;
- Allocation of resources to ensure that tasks can be achieved;
- Review and revision of tasks as appropriate;
- Providing reports on progress, costs and other key issues to the Project Director, Project Board and NHS Borders.

## **Project Manager**

7.11 A Project Manager will be appointed to co-ordinate the day to day work of the Project Team. This will include the planning, financial, technical and other advice necessary to deliver the project and this role will encompass:

- Setting up the project in a controlled environment, implement a regime of sound project management and advise the Project Director as to progress on time, cost and quality;
- Prepare a Project Initiation document (PID);
- Manage the Project Team;
- Monitor against project execution plan and ensure corrective action is taken if needed;
- Agree project monitoring procedures and documentation;
- Review and monitor spend against the project budget;
- Report progress to Project Director and to the Project Board.

## **Stakeholder Involvement**

7.12 Stakeholders have already been involved in the Project and their input will continue during the next phase of the Project. Both the Project Board and Project Team will have representation from Patient/Public Involvement and NHS Borders Staff Partnership group as and when this input is required. Input will be received from the Equality and Diversity Team.

## **Project Timetable**

7.13 A detailed project plan will be produced following approval of the Full Business Case and agreement of the procurement strategy. At this stage it is considered that the following indicative milestones can be achieved, this assumes a South East Scotland Hub Procurement route.

## Table 7.1 Outline Project Plan

Draft Programme for Lauder Health Centre, Scottish Ambulance Service Depot and Roxburgh Street Health Centre, Galashiels

		2011		2012										2012		2013						2013		2014																
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar											
Lauder Health Centre																																								
	Pre-contract	7 months																																						
	Post-contract							9 months (inc. commissioning)																																
SAS Depot																																								
	Pre-contract		8 months																																					
	Post-contract		Potential for extended planning process due to sensitive nature of proposed site										6 months																											
Roxburgh Street HC																																								
	Pre-contract							9 months																																
	Post-contract																	12 months																						
																		Includes demolition of existing depot																						

## **8. Equality and Diversity**

- 8.1 An Equality Impact Assessment has been conducted and identifies no significant issues other than those of access which will be pursued with the Design Teams and advisors as well as stakeholders and patient representatives. The Board's lead officer is content and a copy of the summary is at Appendix 4.

## **9 Recommendations**

- 9.1 It is recommended that approval be given to the preferred options for Roxburgh Street to allow the detailed design and procurement processes to be undertaken.

It is recommended that the preferred option for Roxburgh Street is Option 6, a 2 storey development on the SAS site in Roxburgh Street with a capital cost of £1.778m, and that this project commences in 2013/14.

## APPENDIX 1

### LONG LISTED OPTIONS

#### Roxburgh Street Long List of Options

No change	Retain Status Quo
1	Joint project with SBC in previous Scottish power site
2	Joint project with Eildon Housing in Ladhope Vale
3	3 <sup>rd</sup> Party rental solutions in area of Roxburgh Street
4	
5	
6	3 brown field sites in Roxburgh Street area
7	
8	URCC
9	URCC, No 8 and No10 gardens 2 storey and 3 storey
10	
11	No 8, No 10, No 8a
12	Minimum change
13	No 8, No10, No 14
14	No 8, No14
15	3 <sup>rd</sup> Party in Huddersfield Street
16	SAS 2 storey
17	SAS 2 storey
18	Huddersfield Street 2 storey
19	Huddersfield Street 3 storey

## APPENDIX 2

### SCHEDULE OF ACCOMMODATION

ROXBURGH STREET HEALTH CENTRE ACCOMMODATION SCHEDULE			
ACCOMMODATION	ROOM AREA (m <sup>2</sup> )	NUMBER OF ROOMS	TOTAL AREA (m <sup>2</sup> )
<b>Common Areas</b>			
Disabled WC Ground Floor	4.7	1	4.7
Disabled WC 1st Floor	4.4	1	4.4
Patients WC	4.3	1	4.3
Staff WC Ground Floor	3.5	1	3.5
Staff WC 1st Floor	1.4	1	1.4
Staff Room	22.8	1	22.8
Staff Lockers	7.8	1	7.8
Shower Room	1.9	1	1.9
Net Area			50.8
Circulation / Partition			29.8
Gross Area			80.2
<b>Roxburgh Street Medical Practice</b>			
Reception	8.4	1	8.4
Records	9.2	1	9.2
Waiting Area Ground Floor	40.2	1	40.2
Waiting Area 1st Floor	14.6	1	14.6
Consulting Room 1 Ground Floor	13.1	1	13.1
Consulting Room 1 1st Floor	10.5	1	10.5
Consulting Room 2	13.2	1	13.2
Consulting Room 3	13.2	1	13.2
Treatment Room	17.9	1	17.9
Nurse Consulting	10.2	1	10.2
Play Area		1	0.0
Interview Room 1	10.5	1	10.5
Interview Room 2	10.5	1	10.5
Hub Room	3.3	1	3.3
District Nurse	15.9	1	15.9
PACS Staff Consulting Room	13.3	1	13.3
General Office	23.2	1	23.2
Managers Office	10.2	1	10.2
Health Visitor	10.5	1	10.5
Net Area			247.9
Circulation / Partition			145.0
Gross Area			392.9
<b>Ancillary Support</b>			
DSR Ground Floor	4.7	1	4.7
DSR 1st Floor	1.0	1	1.0
General Store Ground Floor	5.7	1	5.7
General Store 1st Floor	1.4	1	1.4
Clinical Store Ground Floor	7.0	1	7.0
Clinical Store First Floor	2.6	1	2.6
Disposal Store	3.1	1	3.1
Small Store 1st Floor	1.1	1	1.1
Admin Store	4.4	1	4.4
Plant Room	24.5	1	24.5
Net Area			55.3
Circulation / Partition			32.5
Gross Area			88.0

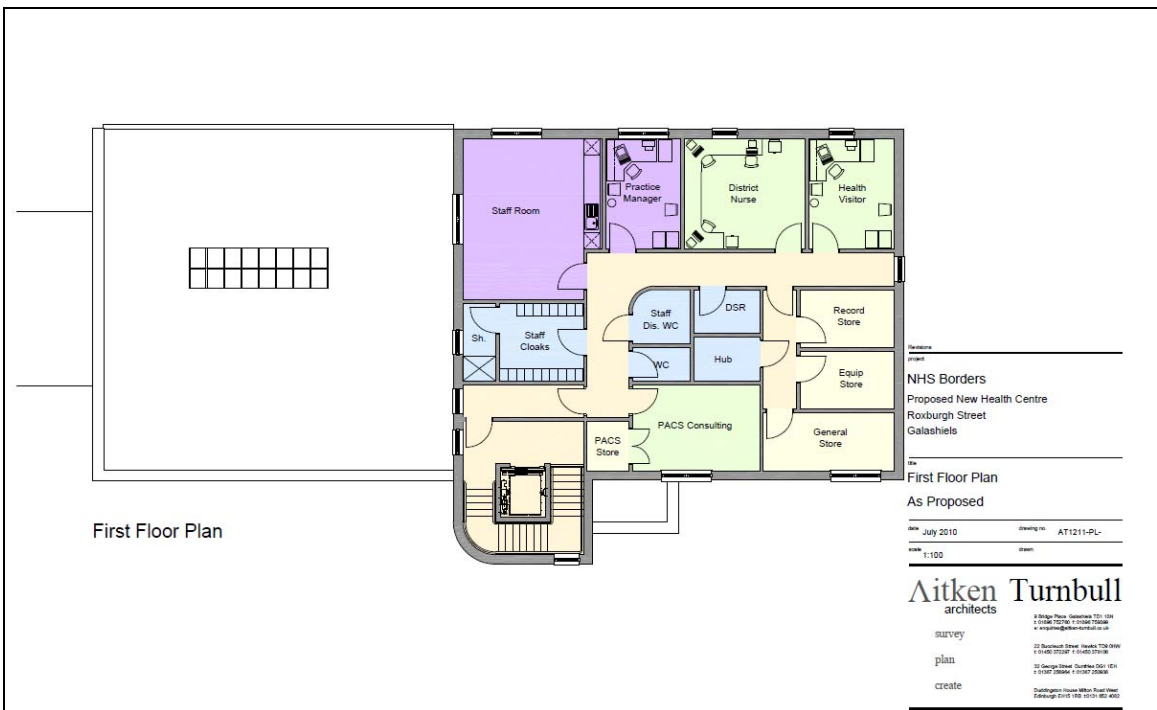
Total net internal floor area	354.0
Total gross internal floor area	561.0
Balance (Circulation, partitions etc)	207.0

Admin/ATGala/AT1211

# APPENDIX 3

## SITE PLAN DRAWINGS







## APPENDIX 4

### EQUALITY & DIVERSITY IMPACT ASSESSMENT

<b>For further information, a copy of the full assessment or if you require this information in an alternative format or language please contact:</b>					
Equality & Diversity Department Newstead, Melrose Roxburghshire. TD6 9DB					
<b>Equality Impact Assessment (EIA) Template          SUMMARY (Publishing Form)</b>					
<b>Title of Policy/Function/Service:</b>	<b>NHS Borders Capital Planning</b>				
<b>Owning Directorate/Department:</b>	Planning and Performance				
<b>Lead Officer:</b>	Warwick Shaw				
<b>Telephone No:</b>	01896 825575				
<b>Email Address:</b>	warwick.shaw@borders.scot.nhs.uk				
<b>Names/ Job titles of Assessors</b>	George Higgs - Chair of Borders Equality Forum Warwick Shaw – GM Capital Premises Lorna Paterson – Project Manager Capital Premises				
<b>Summary of Policy / Service /Function aims:</b>	Provision of 3 new Health Centres (HC): <ul style="list-style-type: none"> <li>▪ Galashiels, Roxburgh Street</li> <li>▪ Jedburgh</li> <li>▪ Lauder</li> </ul>				
<b>Strands Impacted:</b>	All of the following strands are impacted, but all are positive impacts: Age, Disability, Gender, Race, Religion or Belief, Sexual Orientation, Socio Economic, Homeless, Background, Language, Criminal Justice,, Mental Health, Social Origin, System, Rural Barriers, Staff, Carers/Families.				
<b>Key Issues &amp; Judgments</b>	The key issues arising out of this Impact Assessment are: <ol style="list-style-type: none"> <li>1. Ongoing training and awareness of equality issues and solutions (hearing equipment, translation services etc) for staff working in the new facilities.</li> <li>2. Emerging technologies regarding signage and communications that could be employed in the future.</li> </ol>				
<b>Key Recommendations</b>	<ol style="list-style-type: none"> <li>1. P&amp;CS should roll out training and awareness in partnership with NHS Borders Equality and Diversity staff.</li> <li>2. Design for future schemes should include a technology survey of communications aids.</li> </ol>				
<b>Comments by Board Lead Officer</b>	<ol style="list-style-type: none"> <li>1. The EIA will be revisited when sites and final designs are conformed and assessed.</li> <li>2. Communication tool to advise the public on the update and sites of new premises.</li> </ol>				
<b>Agreed by Head of Directorate/ Department</b>	<table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 70%;">Name:</td> <td style="border: none; width: 30%;">Date:</td> </tr> <tr> <td style="border: none; height: 40px;"></td> <td style="border: none;"></td> </tr> </table>	Name:	Date:		
Name:	Date:				