

**Meeting:** Grampian NHS Board Meeting  
**Meeting date:** 3 February 2022  
**Item Number:** 9  
**Title:** National Treatment Centre Grampian (NTC)  
**Responsible Executive/Non-Executive:** Alan Gray – Director of Finance  
**Report Author:** Julie Anderson – Deputy Project Director/Finance Manager

## 1 Purpose

**This is presented to the Board for:**

- Approval and to ask the Board to delegate authority to the Board Chair and Chief Executive to commit additional expenditure up to a further £0.4m relating to the design and pre construction phase of the National Treatment Centre – Grampian project, necessary to conclude scope review phase prior to finalising the development of the Full Business Case (FBC).

**This aligns to the following NHS Scotland quality ambitions:**

- Safe
- Effective
- Person Centred

## 2 Report summary

### 2.1 Situation

NHS Grampian, in response to the Scottish Government allocation of capital funding for the development of elective care centres in Scotland, is seeking to create new capacity, and to configure this capacity in a way that supports maximum service efficiency and effectiveness by creation of the following facilities:

- A single new bespoke facility in Aberdeen
- Investment in CT and MRI facilities (including MRI facilities at Dr Gray's Hospital)

This Project is referred to as the National Treatment Centre - Grampian (formerly Elective Care). A summary of the project is attached as Appendix 1.

In May 2021, during the Full Business Case development stage of the project and in response to (a) the COVID pandemic, and (b) market & cost uncertainty, NHS Grampian (NHSG) commenced a focused, clinically led review of scope. Due to the need to engage with a wide range of stakeholders and the associated challenges of the pandemic, conclusion of the development of the full business case has been

delayed with the consequence the increased programme has required further spend than previously forecast.

Consequently, the increased programme has incurred additional costs associated with concluding the review and completing further works necessary to finalise development of the Full Business Case. These costs are forecast to be in excess of previous approvals granted by the Board, which now need to be revised.

## **2.2 Background**

The Schedule of Reserved Decision confirms that to approve variations of approved capital schemes >£250,000, require approval from the Board of NHS Grampian.

On 4 June 2020 the Board of NHS Grampian authorised the Board Chair and Chief Executive to commit additional expenditure on the design and pre construction phase of the project necessary to finalise development of the Full Business Case up to a revised budget of £5m.

On 2 December 2021 the Director of Finance applied his delegated authority under the Schedule of Reserved Decision to approve variations of approved capital schemes <£250,000, to approve a variation to the Project Budget of £185,000.

## **2.3 Assessment**

### **Overview**

Approval to commit additional expenditure beyond that previously authorised is required to conclude scope review phase prior to finalising the development of the full business case. A further report will be brought back to the June 2022 Board meeting providing (1) a comprehensive update on the project scope, programme of delivery and further resources required to conclude the FBC and (2) the process to progress and approve the business case for the MRI facility at Dr Gray's Hospital.

### **Quality/ Patient Care**

Further investment in the conclusion of the pre-construction stage of this project will ensure that the Board benefits from a completed design product which can be used to create additional capacity and support service reconfiguration in elective care.

The project is part of a local and national programme of elective care activities which seeks to moderate demand by coordinating prevention, self-management and realistic medicine initiatives; and increase capacity by improving efficiency, and applying best practice. Delivery of the project will provide a wide range of enhanced and improved planned care services. There will be a clearer separation of planned and unplanned services, consistent with the Clinical Strategy, and will enable services closer to home.

### **Service and workforce planning**

Assessment of the impact on workforce forms part of the FBC. Staff who form part of the Project Team will be required for a period longer than originally programmed.

## **Financial**

Committed expenditure on the project to date is £5.1 million and further necessary expenditure of £0.4 million is required to conclude scope review phase prior to finalising the development of the Full Business Case.

The Scottish Government have confirmed their agreement to fund the investment of up to £5.5 million in pre-construction costs.

## **Risk Assessment/Management**

Risk management procedures are an integral feature of the project. Conclusion of the clinically led review of scope may result in a project change that requires revision to the assumptions used in preparing the revised forecast for this stage of the project.

## **Equality and Diversity, including health inequalities**

An impact assessment has been completed as part of the Outline Business Case and will be refreshed as part of the Full Business Case, reflecting any changes to physical site needs etc.

## **Other impacts**

No other relevant impacts to note at this stage.

## **Communication, involvement, engagement and consultation**

The project continues to carry out its duties to involve and engage external stakeholders where appropriate.

## **Route to the Meeting**

Project performance is reported regularly at the monthly Project Board who have monitored this issue and require to escalate approval.

## **2.4 Recommendations**

The Board is asked to authorise the Board Chair and Chief Executive to commit a further £0.4 million in design fees and other project expenditure necessary to progress the conclusion of the review stage prior to the final development of the Full Business Case.

## **3 Appendix 1 – Summary of the National Treatment Centre Grampian project**

## **4 Future reporting – a comprehensive project update report will be brought back to the June 2022 Board meeting.**