



**Development of:
Inverurie Health & Care Hub Project
and
Foresterhill
Health Centre Project**

**FULL BUSINESS CASE
15 JULY 2016**

*This full business case can be made available in other languages and formats if requested.

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1. Executive Summary

EXECUTIVE SUMMARY

1.1. Introduction

- 1.1.1. This document consolidates the business cases for both of the Inverurie Health and Care Hub and Foresterhill Health Centre projects which have developed via different paths to date. The developments of the business case are set out as follows:
- 1.1.2. An Initial Agreement (IA) for the Inverurie Health and Care Hub was approved by the Scottish Government Health and Social Care Department (SGHSCD) on 3rd October 2013 and invited NHS Grampian to proceed towards Outline Business Case (OBC) on the basis that Inverurie be developed as a hub Design, Build, Finance and Maintain (DBFM) project, to be bundled with NHS Highland's Argyle and Bute Mental Health Redesign project. In June 2015 NHS Highland formally advised NHS Grampian that due to a number of issues which could potentially delay the project they were withdrawing from the bundle.
- 1.1.3. The IA for The Baird Family Hospital and the ANCHOR Centre includes the relocation of Foresterhill Health Centre. The IA was approved by the NHS Grampian Board on 4th June 2015 approved by the Scottish Government Health and Social Care Department (SGHSCD) on 30th September 2015. The proposal outlined in the IA is to relocate Foresterhill Health Centre to an adjacent site within the Foresterhill Health Campus to allow for development of The Baird Family Hospital on its preferred site.
- 1.1.4. It is proposed to bundle these two projects and deliver them as a hub DBFM project.
- 1.1.5. The OBC for the Inverurie Health and Care Hub and Foresterhill Health Centre Bundle was approved by the Scottish Government Health and Social Care Department on 28th September 2015.
- 1.1.6. During the same time period as approval was being given, new SCIM guidance was being developed and we agreed to refresh the OBC to support testing the new guidance. Re-submission of the OBC did not require further approval.
- 1.1.7. A copy of the refreshed OBC was submitted on 16th March 2016. ([Hyperlink](#)).

1.2. Revisiting the Strategic Case

- 1.2.1. The Investment Objectives in the Outline Business Case (OBC) for the Inverurie Health and Care Hub and Foresterhill Health Centre have been revisited and remain the same. The strategic context and scope of the Projects is unchanged since both the Initial Agreements and OBC were approved.
- 1.2.2. A summarised version of the Strategic Case from the OBC is included within **Sections 2 and 3** of the FBC.

1.3. Strategic Investment in Health Priorities for Communities

- 1.3.1. NHS Grampian has an Infrastructure Project Prioritisation Programme, which is regularly reviewed as part of its asset management process. The replacement of Inverurie Health Centre and replacement of the Aberdeen Maternity Hospital (which is reliant on the relocation of Foresterhill Health Centre to free up the preferred site for The Baird Family Hospital) are currently the top two priorities.
- 1.3.2. The replacement of the existing boiler infrastructure serving the Inverurie Hospital site also rated highly within the Infrastructure Prioritisation, the inclusion of which is part of the new Inverurie Health and Care hub. This project presents NHS Grampian with an opportunity to significantly reduce backlog maintenance risks.

1.4. Business Needs – Inverurie Health and Care Hub

- 1.4.1. Inverurie Medical Group is currently in a building located within Inverurie town centre and has had a longstanding challenge in meeting a rapidly expanding population. The practice, which currently operates out of two sites at Inverurie and a branch surgery at Kintore, has around 21,000 registered patients and is registering around 85-100 new patients per month. The practice population is expected to grow to 30,000 by 2023 (including the branch surgery at Kintore).
- 1.4.2. The existing accommodation is too small to meet the service needs of the current population, has very limited scope for extension and also requires significant investment in terms of backlog maintenance, creation of appropriate privacy, changing areas etc. Currently 16 GPs, 12 salaried staff, 15 nursing staff and a number of visiting clinics and specialties provide services in 18 consulting and 2 multipurpose rooms within the existing Health Centre. 10 of the consulting rooms and 1 of the multipurpose rooms are housed in temporary accommodation.
- 1.4.3. In addition to the ability to extend the range of services provided within the health centre accommodation, there are significant strategic advantages to be gained by co-locating the GP Practice within the local Community Hospital in terms of increasing GP/Nurse/Allied Health Professional led diagnostic and treatment services. A Masterplan for the existing Inverurie Hospital site undertaken in July 2013, and agreed with Aberdeenshire Council in August 2013, confirmed that the existing hospital site would be a suitable location for a comprehensive “Health and Care Hub” to serve the Inverurie community and the wider population within the locality.
- 1.4.4. A comprehensive Health and Care Framework exercise undertaken with involvement from public and a wide range of local stakeholders also supports the proposal to develop a Health and Care Hub on the Inverurie Community Hospital site. Inverurie Health and Care Hub will be within Aberdeenshire Health and Social Care Partnership (H&SCP).
- 1.4.5. The scope of the Inverurie project is for the development of an Integrated Health & Care Hub based on a single site accommodating the following services:
- Inverurie Medical Group;
 - Community Nursing Team;
 - Public Health Nursing (Health Visiting);

- Urie Dental Practice;
- Radiology unit;
- Allied Health Professionals;
- Cardiology, Audiology and Outpatient Accommodation;
- Community Maternity Unit (CMU); and
- Aberdeenshire H&SCP Admin Team.

1.4.6. The agreement to develop a CMU in Inverurie was one of the outcomes of the Grampian-wide Maternity Services Review which was approved by the (then) Health Minister, Nicola Sturgeon in 2012 following a major service change formal consultation process.

1.4.7. The dental service will have two dental chairs providing what will be known, in line with Scottish Government policy, as the Public Dental Service. This service will complement independent General Dental Practice in the Inverurie locality by providing specialist dental treatments that independent dentists cannot provide.

1.5. Business Needs – Foresterhill Health Centre

1.5.1. Foresterhill Health Centre is on the Foresterhill Health Campus and the site option appraisal for the proposed Baird Family Hospital concluded that the preferred location is on a site currently occupied by the Foresterhill Health Centre and Breast Screening Centre. This option, which requires the relocation of both current medical practices, is consistent with the Foresterhill Development Framework agreed with Aberdeen City Council in 2008 and refreshed in 2013. Deprivation factors related to the geography of both practices community make it essential that the new site remains in an area that would be accessible to a community with significant deprivation and health and social care inequality.

1.5.2. Design development for a new Foresterhill Health Centre was previously prepared in 2009, but did not progress to construction due to financial constraints at the time. The proposal is to revisit this earlier scheme as part of the preferred option for the relocation of Foresterhill Health Centre. The Foresterhill Health Centre will be within the Aberdeen H&SCP.

1.5.2.1. The scope of the Foresterhill project is for the relocation of Foresterhill Health Centre and accommodates the following services:

- Elmbank Group Practice;
- Westburn Medical Group;
- Allied Health Professionals;
- Health & Social Care Integrated Team; and
- Retail Pharmacy.

1.6. Economic Option Appraisal

- 1.6.1. Each shortlisted option identified was assessed to determine best value for money and affordability. Although Inverurie Health and Care Hub and Foresterhill Health Centre are bundled into one project agreement they are both mutually exclusive in terms of their individual preferred options, therefore separate economic cases have been developed.
- 1.6.2. Workshops were held to consider the options for each project with various key stakeholders in attendance. The workshops identified qualitative benefit criteria and those attending considered and scored each option to provide weighted benefit point scores for each option and to identify a preferred way forward.
- 1.6.3. An economic appraisal was carried out on each of the short listed options. In preparation of the FBC the Project Team revisited benefits of this appraisal to ensure they continued to align to the Investment Objectives of the Project. This exercise evidenced they were aligned as set out in **Appendix EC1**.
- 1.6.4. Results are given in **Table E1** & **Table E2** below.

Table E1: Value for Money Ranking – Inverurie Health and Care Hub

Value for Money Analysis – comparing qualitative benefits to costs				
Option	Qualitative Benefits Score	Equivalent Annual Cost £000s	Cost per Benefit point £s	VFM Ranking
Option 1 Do Minimum	205	354	1,727	1
Option 2 Current Hospital Site	360	730	2,028	2
Option 3 Town Centre Site	220	832	3,782	5
Option 4 Dual Site	240	885	3,688	4
Option 5 Peripheral Site	265	782	2,951	3

Table E2: Value for Money Ranking – Foresterhill Health Centre

Value for Money Analysis – Comparing qualitative benefits to costs				
Option	Qualitative Benefits Score	Equivalent Annual Cost £000s	Cost per Benefit point £s	VFM Ranking
Option 1 - Do minimum (backlog maintenance)	195	40	204	1
Option 2 - Build a replacement Health Centre	365	436	1,195	2
Baseline score	400	40	99	

1.7. The Preferred Option

- 1.7.1. 'Do Minimum' options are included as a comparator against which other options can be judged and reflect the short term solution of only undertaking backlog maintenance, these have been discounted for the following reasons: For Inverurie Health and Care Hub the "Do Minimum" option could not meet nor address the significant issues that represent the gap between current service need and provision and what the community requires into the future. For Foresterhill Health Centre the "Do Minimum" option could not meet the key objective of this project which is to release the land of the existing facility for use in The Baird Family Hospital project and realise the benefits of the Baird Family Hospital site will deliver as set out in **Appendix EC4**.
- 1.7.2. In discounting both "Do Minimum" as realistic options, the preferred way forward that emerged from both economic appraisals is summarised as follows:
- for Inverurie it is to create a co-located "Care Hub" on the Inverurie Community Hospital site;
 - for Foresterhill Health Centre it is to relocate elsewhere within the Foresterhill Campus;
- 1.7.3. Both Inverurie and Foresterhill are to be bundled into a hub (DBFM) project agreement.

1.8. Commercial Considerations

- 1.8.1. Delivery is provided through a joint venture company hub North Scotland Limited commonly known as hubCo which brings together local public sector participants, Scottish Futures Trust and a Private Sector Development Partner.
- 1.8.2. The hubCo route has been established to provide a strategic long-term programme approach in Scotland to the procurement of community-focused buildings that derive enhanced community benefit.
- 1.8.3. The Inverurie Health and Care Hub Project and Foresterhill Health Centre are being developed as part of a bundle with a single project agreement by a non recourse special purpose company (DBFM Co) funded from senior and sub-debt underpinned by a 25 year service concession contract. The purpose of this company is to raise the necessary debt finance to enable construction and then to operate and maintain the building during the operating period.
- 1.8.4. NHS Grampian will occupy and provide services from the building under a "service concession" contract which places obligations on the DBFM Co to meet specific operating and maintenance standards in return for an annual service payment. The contract will run for 25 years and on cessation the building will revert to the legal ownership of NHS Grampian.
- 1.8.5. Soft facilities management services (such as domestic, catering, porter and external grounds maintenance) are excluded from the project agreement with DBFM Co and these services will be provided by NHS Grampian.

- 1.8.6. NHS Grampian will pay DBFM Co for the services in the form of a unitary charge (UC) payment which is adjusted retrospectively to reflect any performance or availability deductions.

1.9. Indicative Capital Costs

- 1.9.1. The indicative capital cost for the preferred option is £23.9m. **Table E3** below provides a breakdown between Inverurie Health and Care Hub and Foresterhill Health Centre

Table E3: Summary of Capital and Revenue Implications of Initial Investment

	IHCH	FHC	Total	Total at OBC	Movement from OBC
	£000s	£000s	£000s	£000s	£000s
Initial Capital Investment					
Hub Contract Capital Expenditure					
Enabling Costs	760	0	760	720	(40)
Equipment	780	300	1,080	1,065	(15)
Sub Debt					
Project Development	77	83	160	143	(17)
Commissioning Costs	52	22	74	74	(0)
Total Initial Investment					
Sources of Funding					
Hub Contract					
NHS Grampian Capital Funding	1,532	370	1,902	1,983	81
Third Party Contribution	130	0	130	0	(130)
NHS Grampian Revenue Funding	129	105	234	217	(17)
Total Sources of Funding					

- 1.9.2. The main increase in cost of £1.3 million relate to inflation, costs associated with the whole site energy solution on the Inverurie site, higher than anticipated costs of the Community Maternity Unit at Inverurie and other site and service specific issues.

- 1.9.3. The construction cost associated with both projects will be financed through the Scottish Government's hub pipeline of revenue financed infrastructure projects previously announced during 2014. The related equipping costs and enabling works will be financed from NHS Grampian's formula capital allocation, supplemented in part by revenue funding generated from the disposal of surplus assets.

1.10. Indicative Revenue Costs

- 1.10.1. The base estimated annual UC payment, which is paid at the point of occupation and subsequently indexed over the next 25 years of service operation, is [REDACTED]. **Table E4** overleaf shows the split between the projects.
- 1.10.2. Under current Scottish Government guidance, the element of the annual UC that is required to be funded by Health Boards, without specific additional funding being provided, is in the range of 10% of the annual total. The Scottish Government provides an annual funding allocation to NHS Grampian for the remaining majority 90%.
- 1.10.3. A number of financial risks associated with the inputs into this financial model as set out in the finance case are being managed and it is proposed that to accommodate the potential of these risks being realised, that funding is capped at the value set out in the Outline Business Case [REDACTED] in the first full year of operations (2018/19). This is set as a not to be exceeded value for the purpose of the approval of the Business Case by the Board of NHS Grampian and the Scottish Government.
- 1.10.4. As is the case with most new build projects which replace existing buildings, it is anticipated that the new facility will be significantly larger than the existing with a net increase in revenue running costs across the two buildings of approximately £0.6 million per annum.
- 1.10.5. It is assumed that clinical services can be re-provided in the new facilities within existing resources. **Table E4** overleaf, details the estimated revenue consequences associated with the new facilities and the anticipated sources of funding.

Table E4: 2018/19 Revenue Costs – First Full Year of Operation

	IHCH	FHC	Total	Total at OBC	Movement from OBC
	£000s	£000s	£000s	£000s	£000s
Revenue Costs					
Unitary Charge	█	█	█	█	█
Additional Depreciation	78	30	108	106	(2)
Clinical Service Costs	0	0	0	0	0
Non-Clinical Service Costs	0	0	0	0	0
Building Related Running Costs	176	84	260	312	52
Total Costs	█	█	█	█	█
Sources of Funding					
SGHSCD Unitary Charge - 90.3%	█	█	█	█	█
NHSG Unitary Charge - 9.7%	█	█	█	█	█
NHSG Depreciation	78	30	108	106	(2)
NHSG (Other Scheme Costs)	133	59	192	226	34
Third Party (Medical Practices)	43	25	68	86	18
Total Sources of Funding	█	█	█	█	█

1.11. Overall Affordability

1.11.1. The key financial components are summarised in **Table E5** below. Figures relate to the project development and first full year of operations, 2018/19.

Table E5: Overall Affordability

	IHCH £ 000s	FHC £000s	Total £000s
Development Costs			
Capital Costs		1,662	369
Advisor Fees		77	83
Commission Costs		52	22
Total Development Costs		1,791	474
Annual Revenue Costs			
Net Depreciation		78	30
Net Running Costs (excluding UC)		176	84
Unitary Charge Total		█	█
Total Annual Revenue Costs		█	█
Unitary Charge NHSG		█	█
Unitary Charge SGHSCD		█	█

- 1.11.2. NHS Grampian is committed to the project and has incorporated the necessary funding increases for capital and revenue consequences in its financial plans and Local Delivery Plan for the coming years
- 1.11.3. Provision has been made in the NHS Grampian current Infrastructure Plan for enabling works at Inverurie, and equipment and sub debt investment in both Inverurie and Foresterhill amounting to £2,032,000. It is anticipated that the site of the existing Inverurie Health Centre will be vacated and sold in due course; the net book value of that site is £441,000.
- 1.11.4. The net additional recurring running costs and depreciation for the Project, less the Government contribution to the UC, amounts to £564,000. Based on the current assessment of occupancy the GP Practices and other third parties will contribute £68,000. The balance is included by NHS Grampian in its forward planning for revenue consequences.

1.12. Project Management and Programme

- 1.12.1. A project governance structure has been established for this project using a project monitoring approach to report on programme and cost.
- 1.12.2. The project will flow through 3 main phases from concept to operation.
- 1.12.3. The project organisational structure has been developed to take account of the differences between these three phases:
- Concept to Financial Close;
 - Financial Close to Operation; and
 - Operation to Service Completion (25 year term).
- 1.12.4. Each phase requires a different organisational structure; the Project Board and project groups will have common and specific roles and responsibilities during each phase. The structure, roles, remits and skills required need to reflect the differing needs of each phase.
- 1.12.5. The indicative milestones for the project are shown overleaf in **Table E6:**

Table E6: Delivery Programme

Activity	Timescale
Stage 2 Pricing Report	May 2016
FBC recommendation by NHS Grampian Asset Management Group (AMG)	18 th May 2016
FBC Formal Approval by NHS Boards	2 nd June 2016
FBC submitted to Capital Investment Group (CIG)	2 nd June 2016
Board presentation to CIG members	15 th June 2016
FBC Formal Consideration by CIG	28 th June 2016
Funding Letter from Scottish Government	15 th July 2016
NHS Grampian Board minute of understanding/Completion Documents	4 th August 2016
Financial Close	15 th August 2016
FBC Addendum to NHSG Board	September 2016
FBC Addendum to SGHSCD	October 2016
Foresterhill	
Mobilisation of construction activities	August 2016
Start on Site	By end of September 2016
Completion/Technical Commissioning/Handover to Board	December 2017
Functional commissioning	December 2017
Bring into Operation (Clinical Services)	January 2018
Inverurie	
Mobilisation of construction activities	August 2016
Start on Site	By end of September 2016
Completion/Technical Commissioning/Handover to Board	April 2018
Functional commissioning	April 2018
Bring into Operation (Clinical Services)	May 2018

1.13. Confirmation of Project Management Arrangements

- 1.13.1. A Project Programme has been agreed that will bring the new Foresterhill Health Centre into operation in January 2018, followed by the Inverurie Health and Care Hub in May 2018.
- 1.13.2. Robust project management plans have been developed to implement the preferred option on time and to specification. Project roles have been identified and allocated to appropriately experienced personnel. These are included in **Section 7.3** of the FBC.
- 1.13.3. The project management structure has been developed to take account of the three phases – concept to Financial Close, contract close to operation and throughout the operational term of the Project Agreement.
- 1.13.4. NHS Grampian has a service level agreement for a Contract Manager who will be involved during the construction phase and will manage the contract throughout the operating phase.
- 1.13.5. NHS Grampian will continue to be supported by a team of external advisors (legal, financial and technical) throughout the project to Financial Close and then as required through the construction phase.

1.14. Change Management Arrangements

- 1.14.1. Detailed plans for each area of service redesign are included as **Appendix MC4**. These plans include the following information:
- Description of service;
 - Lead officer;
 - Service Issue;
 - Operational Change Plan: Communication; Workforce; Training and Policies & Procedures; and
 - Stakeholder Sign Off.

1.15. Benefits Realisation Registers and Plans

- 1.15.1. An updated copy of the Benefits Realisation Registers and Benefits Realisation Plans for each project, have been included in **Appendix MC5** and confirm which benefits are still appropriate and viable and confirm how and by whom each of the benefits will be monitored throughout the implementation stage of the projects and then evaluated as part of the projects evaluation process.

1.16. Risk Management

- 1.16.1. A robust risk management process and risk register was identified and included within the OBC and has been effectively managed to reduce the likelihood of unmanaged risk affecting any aspect of the project. The Project risk register has been managed within the Project Team and has been led by the Project Manager. An updated copy of the Risk Register is included in **Appendix MC6**.

1.17. Commissioning

- 1.17.1. Commissioning has been described in two separate streams within **Section 7.14** of the FBC:
- Technical Commissioning; and
 - Functional Commissioning (prepare to bring into operation).
- 1.17.2. Technical Commissioning of the facilities will be led by DBFM Co and will be completed prior to handover of the facilities to NHS Grampian. NHS Grampian will work with DBFM Co to ensure the successful delivery of a detailed programme for each facility; this will ensure readiness for the Functional Commissioning, led by NHS Grampian, to commence.
- 1.17.3. A copy of the outline Technical Commissioning programme for each of the projects is detailed in **Appendix MC7**.
- 1.17.4. NHS Grampian and hubCo will jointly appoint an independent tester who will perform an agreed scope of work to ensure compliance with the Authorities Construction Requirements and completion criteria as per the agreed programme.
- 1.17.5. As a result of recent construction issues in other projects, NHS Grampian will be ensuring there is more monitoring from a technical perspective through the NHS Grampian Estates Team. This will involve, for example, an increase in site visits with more site observations at regular stages and liaison with the Authorities Representative.
- 1.17.6. The Functional Commissioning of each facility will be led by NHS Grampian Project Team. This task will be led by the Project Manager/Commissioning Manager supported by the Project Team.
- 1.17.7. A detailed Functional Commissioning Plan has been developed and is included as **Appendix MC8**. The high level programme developed for each facility includes a 4-8 week period for the functional commissioning for each facility following handover from hubCo.

1.18. Project Monitoring and Evaluation

- 1.18.1. **Section 7.19** provides firm details of the Project Monitoring and Service Benefit Evaluation Plan.
- 1.18.2. Evaluation of Inverurie Health and Care Hub and Foresterhill Health Centre will have two main strands:
- Monitoring which involves the systematic collection and review of information while a project is proceeding; and
 - Evaluation which is the process of assessing the impact of a project after it has come to an end.

1.19. Project Monitoring Report

- 1.19.1. A final Project Monitoring report will be submitted to the Scottish Government shortly after project completion.

1.20. Conclusion/Next Steps

- 1.20.1. The Inverurie and Foresterhill Bundle FBC will be formally considered by the NHS Grampian AMG in May 2016 and thereafter by NHS Grampian Board in June 2016. If approved, the FBC will be formally considered by the CIG at SGHSCD on 28th June 2016.
- 1.20.2. Additionally, the Stage 2 submission report will be subject to a Key Stage Review (KSR) by Scottish Futures Trust (SFT).

1.21. Sign Off

- 1.21.1. The Inverurie and Foresterhill Bundle FBC is signed off by the NHS Grampian Chair and Chief Executive on behalf of NHS Grampian Board, for submission to the Scottish Government for FBC approval and permission to proceed to Financial Close.

1.22. In Summary

The Inverurie Health & Care Hub and Foresterhill Health Centre Project Full Business Case:

- Delivers value for money;
- Is affordable to NHS Grampian;
- Is consistent with the strategic aims of NHS Grampian and NHSScotland;
- Has been designed to comply with the Project Brief;
- Has wide stakeholder support and
- Will deliver a reduction in overall carbon emissions.

Prof. Stephen Logan
Chairman
NHS Grampian

Mr. Malcolm Wright
Chief Executive
NHS Grampian

2. The Inverurie Strategic Case

THE INVERURIE STRATEGIC CASE

2.1. Revisiting The Strategic Case

- 2.1.1. The Investment Objectives in the Outline Business Case (OBC) for the Inverurie Health and Care Hub have been revisited and remain the same. The strategic context and scope of the Project is unchanged since both the Initial Agreement (IA) and OBC were approved.
- 2.1.2. The OBC was approved by Scottish Government Health and Social Care Department (SGHSCD) on 28th September 2015, refer to **Appendix SC1**.
- 2.1.3. An observation was made that the case for change was well made and the investment objectives laid out. However, during the same time period as approval was being given, new Scottish Capital Investment Manual (SCIM) guidance was being developed and we agreed to refresh the Strategic Case to test out this new guidance and re-submit the OBC. Re-submission of the OBC did not require further approval.
- 2.1.4. A copy of the refreshed OBC was submitted on 16th March 2016.
- 2.1.5. A summary of the revised Strategic Case is detailed below and for a full copy of the Strategic Case, **please refer to hyperlink**.

2.2. Case for Change

- 2.2.1. This section outlined the benefits to be gained from the investment proposal and covered:
 - Who is affected by this proposal;
 - What are the current arrangements related to this proposal;
 - What is the need for change;
 - What is NHS Grampian seeking to achieve from this proposal;
 - What measurable objectives will be gained from addressing these needs; and
 - What risks could undermine these benefits.

CURRENT ARRANGEMENTS

2.3. Who is affected

- 2.3.1. Inverurie is a key strategic community within the North East of Scotland, with population that has grown steadily over recent years, rising 36.3% between 1991 and 2010.
- 2.3.2. The Inverurie Medical Group is the largest single GP Practice in Scotland and has a long standing challenge in meeting a rapidly expanding population.
- 2.3.3. According to the local development plan, the practice population is expected to grow in size from 21,000 to 30,000 patients by 2023.

2.4. Current Service Provision Arrangements and Building

- 2.4.1. The main providers of Primary Care for the population of Inverurie and surrounding areas are housed in the Inverurie Health Centre, located in Inverurie town centre, which despite the addition of temporary accommodation, is not fit for purpose and not capable of expansion.
- 2.4.2. A number of modular buildings have been added to deal with the growth in patient numbers, however this means that services are delivered from whichever space is available. A number of buildings, that provide space for clinics, are some distance from the reception area and waiting areas are limited.
- 2.4.3. The site itself is “land-locked” at all sides. There is no room for expansion and patients struggle to park in the health centre car park as it is often taken up by non-health centre users.

GENERAL MEDICAL SERVICES

2.5. Inverurie Medical Group

- 2.5.1. Inverurie Medical Group is a 16 GP Partner Practice which currently operates from Inverurie Health Centre which is owned by NHS Grampian. The current practice population is 21,000. There is an extensive clinical team which results in excess of 1300 GP appointments 500 Practice Nurse appointments and 300 phlebotomy appointments on a weekly basis.
- 2.5.2. The Inverurie Surgical Clinic was developed in 1994. The clinic provides a wide range of services up to and including level three minor surgery e.g. vasectomies and plastic surgery procedures.
- 2.5.3. GP specialist and orthopaedic and dermatology clinics are held on a weekly basis however space for delivering these is limited as consulting rooms are generally fully utilised delivering general medical services.
- 2.5.4. There is also a dedicated Community Nursing Team which comprises District Nurses, Health Visitors and Midwives.

2.6. Allied Health Professionals

- 2.6.1. A range of Allied Health Professional led services are currently provided within the existing health centre and on the Inverurie Hospital site. These services include:
- Physiotherapy;
 - Speech and Language Therapy; and
 - Podiatry.
- 2.6.2. Other services within the scope of the project are provided across Grampian from various facilities:
- Urie Dental Practice – located at Inverurie Hospital Site;
 - Cardiology Clinics – limited service at Inverurie Hospital Site;
 - Radiology – no local access (22.5 miles north at Huntly or at ARI site, Aberdeen City);
 - Audiology - limited service at Inverurie Hospital Site. Use of Audiology booth requires travel of 16.5 miles to Woolmanhill Hospital in Aberdeen City; and
 - Visiting Consultants – there are a range of clinicians whose main base is elsewhere in Grampian that provide out-reach clinics locally for the Inverurie population. These clinics are mainly held at the Inverurie Health Centre, however due to lack of space these clinics cannot always be accommodated and would require patient to travel into Aberdeen City. The range of services includes Ophthalmology, Rheumatology, Respiratory and Orthopaedic clinics.

2.7. Maternity Services

- 2.7.1. Maternity services for women in the Inverurie and surrounding areas are limited to access to a community midwife within their own GP Practice. A core part of their role is to be the named lead healthcare professional for women who are healthy and are experiencing an uncomplicated pregnancy.
- 2.7.2. These teams however are not integrated with either a birth unit or midwife led unit, which are dedicated facilities for women to labour and birth. There are currently two birth units within Aberdeenshire (Aboyne and Fraserburgh).
- 2.7.3. These units can only accommodate one woman at a time. The location of these units is further away from Inverurie and surrounding areas than the main Aberdeen Maternity Hospital in Aberdeen City.
- 2.7.4. The building and physical facilities at Aberdeen Maternity Hospital do not meet the standards for maternity and neo-natal care in the 21st Century.

2.8. Need for Change

2.8.1. A summary of the four drivers to take action have been summarised in the **Table SC1** below and are detailed throughout the Strategic Case within the OBC, **refer to hyperlink.**

Table SC1: Need for Change

Cause of the need for change:	Effect of the cause on NHS Grampian:	Why action now:
Requirement for Better Integration of Services	Lack of synergy in current arrangements	Opportunity arising as a result of the introduction of Health and Social Care Partnerships
Requirement for Enhancement to Services	Existing services are remote from affected community	Delivery of Health Plan vision
Support Delivery of Maternity Strategy	Limited local provision	NHS Grampian Maternity Strategy 2010-2015
Address condition of Building	Current condition & performance of the Estate broadly unsatisfactory as set out in table below	Asset Management Plan Prioritisation

2.9. Building Condition

Table SC2: Current Condition and Performance of the Estate

	Current Condition & Performance of the Estate				
	Exist- ing sq.m	Physical Condition	Statutory Standards	Space Utilization	Functional Suitability
Inverurie Health Centre	914	Not satisfactory	Satisfactory	Over-crowded	Not satisfactory
Inverurie Hospital	6,168	Not satisfactory	Not satisfactory	Over-crowded	Not satisfactory

2.9.1. The services have now simply outgrown the buildings and have reached a state where they present a serious constraint on both the continuation and further development of services. There is very little potential for developing either existing or new services within the existing facilities due to the physical limitations of extending buildings on the existing site.

2.9.2. The backlog maintenance requirement for the existing builds is also shown in **Table SC3** below

Table SC3: Backlog Maintenance

Backlog Maintenance Requirement (Prime Costs)					
	Low Risk	Moderate Risk	Significant Risk	High Risk	Total
	£,000s	£,000s	£,000s	£,000s	£,000s
Inverurie HC	62	199	48	86	347
Inverurie Hospital	63	605	1,161	0	1,828

2.9.3. The existing facilities can, at times, compromise clinical standards and effectiveness and have been identified as risk management issues in areas such as cross-infection and health and safety. The existing accommodation also compromises the achievement at times of basic quality standards in terms of privacy and dignity.

2.10. What is NHS Grampian seeking to achieve from this proposal?

2.10.1. Within the approved OBC, this section of defined the critical success factors for the project and outlined a proposed service solution that is reflective of these.

2.11. Critical Success Factors

2.11.1. The Critical Success Factors were used as part of the process to shape the investment objectives, sustainability objectives and the benefits criteria within the economic case to ensure alignment with a preferred option. A full list of the critical success factors is included within the OBC Strategic Case in **([hyperlink](#))**.

2.12. Desired Scope and Service Requirements

2.12.1. The plans for the Inverurie Health and Care Hub will see the creation of an improved multi-agency facility which will accommodate:

- Inverurie Medical Group;
- Community Nursing Team;
- Public Health Nursing (Health Visiting);
- Urie Dental Practice;
- Radiology Unit;

- Allied Health Professionals;
- Cardiology, Audiology and Out-Patient Accommodation;
- Community Maternity Unit; and
- Aberdeenshire H&SCP Admin Team.

2.12.2. A copy of the Schedule of Accommodation (SOA) and 1:200 drawings are available in **Appendix SC2**.

2.13. Investment Objectives

2.13.1. The Investment Objectives laid out within the OBC have remained unchanged and are reflected in the potential benefits to be gained from this investment. The investment objectives are consistent with the principles of NHS Grampians Health Plan and Routemap to 2020 Vision. A copy of the Investment Objectives is detailed within the Strategic Case, refer to (**hyperlink**).

2.14. Sustainability Objectives

2.14.1. Consistent with SCIM and Chief Executive Letter (CEL) (2010) 19, NHS Grampian has an aspiration that, where possible, all new buildings achieve a Building Research Establishment Environmental Assessment Method (BREEAM) Excellent Rating. In that regard an independent BREEAM assessor has been appointed and is continuing to work with the project team to target BREEAM Excellence 2011.

2.14.2. NHS Grampian is committed to improving environmental performance both in the short and long term. The replacement of the boiler system at Inverurie Hospital site, included as part of the scope of providing the new Inverurie Health and Care Hub will substantially reduce backlog maintenance on the existing site through the provision of the new energy centre as well as corresponding efficiencies in energy consumption and emissions.

2.15. Design Quality Objectives

2.15.1. Consistent with SCIM and CEL (2010) 19, NHS Grampian is committed to improving the level of good design and ensuring business case outcomes are mapped into the design brief, to allow NHS Grampian Board assessment of quality through the development process.

2.15.2. The Achieving Excellence Design Evaluation Toolkit (AEDET) is continuing to be used throughout the development of this project. In addition the project team continues to work with Architect + Design Scotland (A+DS) and Health Facilities Scotland (HFS) through the NHSScotland Design Assessment Review Process (NDAP). A further update on this is provided within **Section 7.21.6** within the Management Case.

2.16. Benefits Realisation Register and Plan

- 2.16.1. A Benefits Realisation Register and Plan was included within the OBC. Further work has now been done to develop and complete the Register and Plan and more detail is provided within **Section 7.11** within the Management Case.

2.17. What, if any, external factors are influencing this proposal?

- 2.17.1. A summary of the main constraints and dependencies is detailed below. A full detailed list of these is included within the OBC Strategic Case. (**Hyperlink**).

- Financial;
- Commercial;
- Programme;
- Quality;
- Sustainability; and
- Service.

2.18. Risk Associated with this Project

- 2.18.1. A comprehensive Risk Register for the project is in place and is being actively managed by the Project Team with regular review of the register completed in collaboration with our project advisors (technical, legal and financial). A further update to this is detailed within **Section 7.13** of the Management Case.

2.19. Conclusion- Inverurie Health and Care Hub

- 2.19.1. The plans for the Inverurie Health and Care Hub will see the creation of an improved multi-agency facility which will accommodate:

- Inverurie Medical Group;
- Community Nursing Team;
- Public Health Nursing (Health Visiting);
- Urie Dental Practice;
- Radiology Unit;
- Allied Health Professionals;
- Cardiology, Audiology and Out-Patient Accommodation;
- Community Maternity Unit; and
- Aberdeenshire H&SCP Admin Team.

- 2.19.2. NHS Grampian aim to provide quality affordable assets, complementing and supporting the high quality services which meet the population needs and are financial sustainable over the long term. Investment in modern facilities will facilitate integrated and new working practices and contribute to meeting the challenges associated with delivering national and local policy

3. The Foresterhill Strategic Case

THE FORESTERHILL STRATEGIC CASE

3.1. Revisiting The Strategic Case

- 3.1.1. The Investment Objectives in the Outline Business Case (OBC) for the Foresterhill Health Centre have been revisited and remain the same. The strategic context and scope of the Project is unchanged since both the Initial Agreement (IA) and OBC were approved.
- 3.1.2. The relocation of Foresterhill Health Centre formed part of the Initial Agreement (IA) for The Baird Family Hospital and the ANCHOR Centre which was approved by the Scottish Government Health and Social Care Department on 30th September 2015. The IA proposed to relocate Foresterhill Health Centre to an adjacent site within the Foresterhill Health Campus to allow development of The Baird Family Hospital on its preferred site, this has not changed therefore the scope of the project has not changed
- 3.1.3. The OBC for the Inverurie and Foresterhill Bundle was approved by the Scottish Government Health and Social Care Department (SGHSCD) on 28th September 2015; refer to **Appendix SC1**.
- 3.1.4. An observation was made that the case for change was well made and the investment objectives laid out. However, during the same time period as approval was being given, new SCIM guidance was being developed and we agreed to refresh the Strategic Case to test out this new guidance and re-submit the OBC. Re-submission of the OBC did not require further approval.
- 3.1.5. A copy of the refreshed OBC was submitted on 16th March 2016.
- 3.1.6. A summary of the revised Strategic Case is detailed below and for a full copy of the Strategic Case, refer to **([hyperlink](#))**.

3.2. Case for Change

- 3.2.1. This section outlined the benefits to be gained from the investment proposal and covered:
- Developments on Foresterhill Health Campus;
 - Who is affected by this proposal;
 - What are the current arrangements related to this proposal;
 - What is the need for change;
 - What is NHS Grampian seeking to achieve from this proposal;
 - What measurable objectives will be gained from addressing these needs; and
 - What risks could undermine these benefits.

3.3. Foresterhill Health Campus Development

- 3.3.1. As detailed within the OBC, in 2015 a summary of Overarching Proposal of Application Notice (PAN) was prepared and submitted to Aberdeen City Council Planning Authority for consideration. This document gave an overview of all projects planned for the Foresterhill Health Campus site over the next 5 years and contains relevant approval documentation. The projects are set out in **Appendices SC3 and SC4.**

CURRENT ARRANGEMENTS

3.4. Who is affected

- 3.4.1. The existing Foresterhill Health Centre is within Aberdeen Health and Social Care Partnership and hosts the two medical practices which will relocate to the proposed new Foresterhill Health Centre, namely Elmbank Group Practice and Westburn Medical Group.

3.5. Current Service Provision Arrangements and Building

- 3.5.1. Westburn Medical Group and Elmbank Group Practice are presently accommodated within the Foresterhill Health Centre on the Foresterhill Campus, Aberdeen. The centre was built in the 1970s to accommodate medical practices as well as certain community services and the University of Aberdeen's academic department for General Practice. Over the life of the Foresterhill Health Centre to date, a number of changes and adaptations have been made. Although each was considered appropriate at the time, it has resulted in a building that compromises service delivery.

GENERAL MEDICAL SERVICES

3.6. Elmbank Group Practice

- 3.6.1. Elmbank Group Practice is a 7 GP Partner Practice who currently operate from Foresterhill Health Centre which is owned by NHS Grampian as part of the Foresterhill Campus. The Practice currently provide over 900 GP appointments per week and 150 nurse appointments for their registered list of 10,300 patients. As well as general nursing and GP consulting, Elmbank Group Practice provides full contraceptive services, high risk medication monitoring, substance misuse programmes, Keep Well Programme, Alcohol Brief Interventions and a full immunisation service.
- 3.6.2. Due to their location on the Foresterhill Campus site which also includes the Accident & Emergency (A&E) Department, Elmbank Group experience a high number of Temporary Registrations from people visiting or working in the area that have required emergency care or have presented to A&E with a clinical need that could be dealt with by General Practice.

- 3.6.3. Elmbank Group Practice is currently over-capacity in terms of patient numbers, but due to the locality and deprivation indicators of the catchment population, the Practice continues to accept new patients.

3.7. Westburn Medical Group

- 3.7.1. Westburn Medical Group is 2.5 GP Practice who currently operate from Foresterhill Health Centre which is owned by NHS Grampian as part of the Foresterhill Campus.
- 3.7.2. The Practice currently provide over 300 GP appointments and over 170 nurse appointments per week to their registered patient population of 4,800.
- 3.7.3. The Practice has high levels of deprivation and chronic medical problems, including a high rate of substance misuse and social problems which require multi-disciplinary working. At present the Practice have 5 SMS (substance misuse) sessions, 1 recovery coach session, 2 midwife sessions and 2 diabetic lifestyle coach sessions. The Practice is keen to expand and maximize on their existing services but unable to do so within their current accommodation.

3.8. Allied Health Professionals

- 3.8.1. A range of Allied Health Professional led services are currently provided within the Foresterhill locality.

These include:

- Speech and Language Therapy;
- Podiatry; and
- Dietetics.

3.9. Community Nursing/Integrated Health and Social Care Team

- 3.9.1. Integrated Health and Social Care Team – includes the Health Visitors; District Nurses; Direct Delivery Team; Community Midwifery; Occupational Therapy and Care Management Team.

3.10. Retail Pharmacy

- 3.10.1. The retail pharmacy provides a range of pharmacy services, prescription management and patient advice to the patients registered with the GP Practices located within Foresterhill Health Centre.

3.11. Need for Change

- 3.11.1. A summary of the three drivers to take action have been summarised in the **Table SC4** below and are detailed throughout the Strategic Case within the OBC, refer to **(hyperlink)**.

Table SC4: Need for Change

Cause of the need for change:	Effect of the cause on NHS Grampian:	Why action now:
Requirement to release Baird Family Hospital Site	Unable to develop Baird Family Hospital in an optimal location	Baird Family Hospital project is in development with construction start date of early 2018
Deliver Better Integration and Enhancement of Services	Lack of synergy in current arrangements	Opportunity arising as a result of introduction of Health and Social Care Partnerships
Address condition of Building	Current condition & performance of the Estate broadly unsatisfactory as set out in table below	Asset Management Plan Prioritisation.

3.12. Building Condition

Table SC5: Backlog Maintenance

Backlog Maintenance Requirement (Prime Costs)					
	Low Risk	Moderate Risk	Significant Risk	High Risk	Total
	£,000s	£,000s	£,000s	£,000s	£,000s
Foresterhill HC	530	190	48	77	844

- 3.12.1. The existing facilities can, at times, compromise clinical standards and effectiveness and have been identified as risk management issues in areas such as cross-infection and health and safety. The existing accommodation also compromises the achievement at times of basic quality standards in terms of privacy and dignity.

3.13. What is NHS Grampian seeking to achieve from this proposal?

- 3.13.1. This section of the OBC defined the critical success factors for the project and outlined a proposed service solution that is reflective of these.

3.14. Critical Success Factors

- 3.14.1. The Critical Success Factors were used as part of the process to shape the investment objectives, sustainability objectives and the benefits criteria within the economic case to ensure alignment with a preferred option. A full list of the critical success factors is included within the OBC Strategic Case in **(hyperlink)**.

3.15. Desired Scope and Service Requirements

- 3.15.1. The plans for the Foresterhill Health Centre will see the creation of an improved multi-agency facility which will accommodate:

- Elmbank Group Practice;
- Westburn Medical Group;
- Allied Health Professionals;
- Health and Social Care Integrated Team; and
- Retail Pharmacy.

- 3.15.2. A copy of the Schedule of Accommodation (SOA) and 1:200 drawings are available in **Appendix SC5**.

3.16. Investment Objectives

- 3.16.1. The Investment Objectives laid out within the OBC have remained unchanged and are reflected in the potential benefits to be gained from this investment. The investment objectives are consistent with the principles of NHS Grampians Health Plan and Routemap to 2020 Vision. A copy of the Investment Objectives is detailed within the Strategic Case, refer to **(hyperlink)**.

3.17. Sustainability Objectives

- 3.17.1. Consistent with SCIM and Chief Executive Letter (CEL) (2010) 19, NHS Grampian has an aspiration that, where possible, all new buildings achieve a Building Research Establishment Environmental Assessment Method (BREEAM) Excellent Rating. In that regard an independent BREEAM assessor has been appointed and is continuing to work with the project team to target BREEAM Excellence 2011.
- 3.17.2. NHS Grampian is committed to improving environmental performance both in the short and long term. Additionally, NHS Grampian has become a member of the Carbon Energy Fund for the Foresterhill Campus with the objective of implementing new technology to drive carbon reduction. The wider Foresterhill

Campus project (which includes the provision for the new Foresterhill Health Centre) will deliver corresponding efficiencies in energy consumption and greenhouse emissions (GHG), leading to a reduction in backlog maintenance through the replacement of existing plant and infrastructure with a more energy efficient arrangement.

3.18. Design Quality Objectives

- 3.18.1. Consistent with SCIM and CEL (2010) 19, NHS Grampian is committed to improving the level of good design and ensuring business case outcomes are mapped into the design brief, to allow NHS Grampian Board assessment of quality through the development process.
- 3.18.2. The Achieving Excellence Design Evaluation Toolkit (AEDET) is continuing to be used throughout the development of this project. In addition the project team continues to work with Architect + Design Scotland (A+DS) and Health Facilities Scotland through the NHSScotland Design Assessment Review Process (NDAP). A further update on this is provided within **Section 7.21.6** within the Management Case.

3.19. Benefits Realisation Register and Plan

- 3.19.1. A Benefits Realisation Register and Plan was included within the OBC. Further work has now been done to develop and complete the Register and Plan and more detail is provided within **Section 7.11** within the Management Case.

3.20. What, if any, external factors are influencing this proposal?

- 3.20.1. A summary of the main constraints and dependencies is detailed below. A full detailed list of these is included within the OBC Strategic Case. **(Hyperlink)**.
- Financial;
 - Commercial;
 - Programme;
 - Quality;
 - Sustainability; and
 - Service.

3.21. Risk Associated with this Project

- 3.21.1. A comprehensive Risk Register for the project is in place and is being actively managed by the Project Team with regular review of the register completed in collaboration with our project advisors (technical, legal and financial). A further update to this is detailed within **Section 7.13** of the Management Case.

3.22. Conclusion- Foresterhill Health Centre

3.22.1. The plans for the Foresterhill Health Centre will see the creation of an improved multi-agency facility which will accommodate:

- Elmbank Group Practice;
- Westburn Medical Group;
- Allied Health Professionals;
- Health and Social Care Integrated Team; and
- Retail Pharmacy.

3.22.2. NHS Grampian aim to provide quality affordable assets, complementing and supporting the high quality services which meet the population needs and are financial sustainable over the long term. Investment in modern facilities will facilitate integrated and new working practices and contribute to meeting the challenges associated with delivering national and local policy

4. The Economic Case

THE ECONOMIC CASE

4.1. Introduction

- 4.1.1. The purpose of the Economic Case within this Full Business Case (FBC) is to set out how the project groups have selected the short list of options. Each of the shortlisted options are then considered in greater detail to determine deliverability the best value for money and affordability. Each project is independent albeit have been bundled due to the nature of the delivery contract. Therefore a separate Economic Case Section has been developed for each. Section 1 - Inverurie Health & Care Hub is considered from 4.3 to 4.13 and Section 2 - Foresterhill Health Centre is considered from 4.14 to 4.24.

4.2. Revisiting the Economic Case

- 4.2.1. The Outline Business case was approved by Scottish Government Health and Social Care Department (SGHSCD) on 28th September 2015. As part of the approval Health Directorate's Capital Investment Group (CIG) highlighted that the Economic Case 'failed to demonstrate that the Project is Value for Money' (VFM) and requested that how the benefit appraisal reflects stated investment objectives is addressed in the FBC.
- 4.2.2. As is standard practice, the Economic Cases have been revisited. In addition, they have been updated to take account of this concern and reflects the new Scottish Capital Investment Manual (SCIM) guidance associated with this case. The costs reflect those documented in the Outline Business Case (OBC) as they haven't gone beyond the sensitivity levels tested at that stage.
- 4.2.3. In preparation of the FBC, the Project Team revisited benefits of this appraisal to ensure they continued to align to the Investment Objectives of the Project.

4.3. SECTION 1 - INVERURIE HEALTH & CARE HUB

This section details the Economic Case for Inverurie Health & Care Hub.

4.3.1. Appraisal Process

- 4.3.1.1. The Economic Case has revisited the Preferred Option set out within the OBC and examined the relative value for money of the short listed options. It demonstrates how NHS Grampian has selected the preferred options by appraising the economic implications, risks and benefits associated with the option identified and are summarised **Table EC1** overleaf:

Table EC1: Evaluation of Options – Inverurie Health and Care Hub

	Option 1	Option 2	Option 3	Option 4	Option 5
Evaluation Results	Do minimum	Current Hospital Site	Town Centre (Brown Field)	Dual Site	Peripheral Location (Green Field)
(Out of 100)	Rank	Rank	Rank	Rank	Rank
VFM Appraisal	1	2	5	4	3
Risk Appraisal	5	1	3	4	2
Overall Ranking	2	1	5	4	3

4.4. Benefit Appraisal

- 4.4.1. The Benefit Appraisal was undertaken at a workshop with public representatives, project management and service management. The group created and evaluated site location options.
- 4.4.2. The Benefit Criteria has been revisited in preparation of the FBC to evidence that they map to the Investment Objectives of this project, this is detailed in **Appendix EC1**.
- 4.4.3. The agreed benefit criteria are shown in **Table EC2** below.

Table EC2: Benefit Criteria

Benefit Criteria		Weight
1	Physical access to the building by public transport	15
2	Physical access to the building by car including parking spaces	20
3	Future expansion and flexibility	15
4	Deliverability of the project and certainty	20
5	Integration of health and social care	10
6	Collocation of the project with hospital services (efficiency)	15
7	Picturesque and safe environment	5
8	Community inclusion and proximity to local services	5
	Total	105

- 4.4.4. The short list of options was therefore discussed and agreed as summarised in **Table EC3** overleaf.

Table EC3: Short Listed Options – Inverurie Health and Care Hub

Option	Description
1	Do minimum (backlog maintenance plus build CMU and X-ray)
2	Build entire project on existing hospital site
3	Build entire project in a town centre location (option 13)
4	Dual site – with CMU and X-ray to be built in the existing hospital grounds and main medical practice and AHPs within a town centre site. Specific details would still need to be determined e.g. where dental would be built.
5	Build in a peripheral location (options 3, 5 and 15)

4.4.5. The options were then subject to a scoring exercise against the benefit criteria, the short listed options 1 – 5 were ranked in order as shown in **Table EC4** below:

Table EC4: Scoring of Short Listed Options – Inverurie Health and Care Hub

Ranking	Option	Description	Weighted Score
1	2	Build entire project on existing hospital site	360
2	5	Build in a peripheral location	265
3	4	Dual site	240
4	3	Build entire project in a town centre location	220
5	1	Do minimum	205

4.4.6. Applying the benefits criteria ranking demonstrates that Option 2, build entire project on existing hospital site, has the highest weighted score making it the preferred option using the non-financial benefits score, refer to **Table EC4** above.

4.5. Economic Appraisal

4.5.1. The OBC documented the economic appraisal carried out on each of the short listed options and covered:

- The capital costs of each option;
- The revenue cost implications;
- Net present costs; and
- Value for Money analysis.

4.5.2. The evaluation of each option is set in the context of the guidance provided in the Scottish Capital Investment Manual (SCIM). It incorporated a full analysis of the revenue and capital costs for each option. Whilst the preferred option will be to procure through the hub revenue model, the analysis proceeds on the assumption that all options are NHS Capital solutions.

4.6. Capital and Revenue Costs Summary

4.6.1. **Table EC5** below shows the capital and revenue costs summary for each of the short listed options for Inverurie.

Table EC5: Costs Short Listed Options – Inverurie Health and Care Hub

	Option 1	Option 2	Option 3	Option 4	Option 5
	Do minimum	Current Hospital Site	Town Centre (Brown Field)	Dual Site	Peripheral Location (Green Field)
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Capital	5,555	14,102	15,229	17,242	14,075
Running Costs (Additional)	132	178	238	201	238

4.7. Capital Options

- 4.7.1. Option 1 – Do Minimum: The capital cost of this option amounts to £5.5 million, being the estimate of the backlog maintenance and replacement of the temporary buildings (like for like in terms of size) at the Inverurie Health Centre, plus the construction of a new Community Maternity Unit (CMU) and X-Ray facilities at Inverurie Community Hospital.
- 4.7.2. Option 2 – Build Entire Project on Existing Hospital Site (New Build): This option requires the demolition of several buildings on the Community Hospital Site and re-provision of the Energy Centre that serves the site, prior to commencing the new build. These buildings would require to be vacated as part of a series of enabling works in advance of the main contract.
- 4.7.3. Option 3 – Build Entire Project in Town Centre (Brown Field): This option assumes that a suitable Town Centre site is available, that it is brown field in nature and that there will be some restrictions in terms of space on which to complete the development.
- 4.7.4. Option 4 – Dual Site (New Health Centre in Town Centre Brown Field, New CMU & X-Ray at Hospital): A dual site option was considered, with the Health Centre built in the Town Centre and the CMU and X-Ray facilities built at the Hospital. This option assumes that a suitable site is available, that it is brown field in nature and that there will be some restrictions in terms of space on which to complete the development.
- 4.7.5. Option 5 – Build Entire Project on the Periphery of Inverurie (Green Field): The peripheral site option would be on land identified for development within the Aberdeenshire Local Development Plan. It is assumed that the site will be green field in nature – i.e. a site where no buildings have ever been present, or without any significant contamination.

Table EC6: Capital Options Summary

	Option 1	Option 2	Option 3	Option 4	Option 5
	Cost	Cost	Cost	Cost	Cost
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Construction Cost	4,415	10,021	11,192	12,817	11,193
Design & Planning	0	970	0	0	0
Prelims, Fees, On-Costs	0	1,308	0	0	0
Risk/Optimum Bias	790	553	1,198	1,871	963
Equipment	350	650	650	650	650
Enabling Works	0	600	0	0	0
Land Costs	0	0	2,189	1,904	1,269
Total	5,555	14,102	15,229	17,242	14,075

4.8. Revenue Implications

- 4.8.1. The analysis that follows provides a focus on the net additional costs that would be incurred under the different short listed options. Net additional costs are arrived at by deducting existing budgetary provision within NHS Grampian and contributions from the GP Practice.
- 4.8.2. In developing the Economic Case, the main revenue consequences factored into the analysis were the significant additional premises related costs which consist of Rates, Refuse, Energy, Maintenance Domestic Services, Window Cleaning and Grounds. Costs have been based on a combination of experience from other new builds in Grampian and information from services (Domestics) and external advisors (Rates).
- 4.8.3. **Table EC7** overleaf sets out the potential impact on revenue budgets of the short listed options.

Table EC7: Annual Running Costs – Inverurie Health and Care Hub

Estimate of Annual Running Cost Implications for the Short Listed Options			
Option	Estimated Facility Running Costs £ 000s	Estimated Revenue Contribution £ 000s	Net Annual Additional Revenue Costs £ 000s
Option 1 Do Minimum	179	(47)	132
Option 2 Current Hosp Site	512	(333)	179
Option 3 Town Centre Site	512	(274)	238
Option 4 Dual Site	480	(279)	201
Option 5 Peripheral Site	512	(274)	238

4.9. Net Present Cost (NPC) Findings

- 4.9.1. This section takes the capital and revenue cost projections for the short-listed options and derives the NPC and Equivalent Annual Cost (EAC) using discounted cash flow techniques. Applying the weighted benefit points score to the EAC allows for a comparison of the cost per benefit point for each option to arrive at a comparable economic appraisal.
- 4.9.2. The short-listed options were subjected to investment appraisal using the Discounted Cash Flow (DCF) technique. The DCF calculation takes account of:
- Capital development costs and other non-recurrent expenditure; and
 - Annual revenue costs.
- 4.9.3. SCIM Guidance on the use of DCF has been followed, and the Global Economic Model (GEM) has been used to analyse the forecast cash flows of the short-listed options. GEM outputs are given at **Appendix EC2**. In accordance with guidance, capital charges and VAT are excluded from the calculations. Capital and revenue costs are added together to calculate a net present cost for total expenditure.
- 4.9.4. The results of the discounted cash flow calculations, shown as Equivalent Annual Cost (EAC), are summarised in **Table EC8** *overleaf*.

Table EC8: Equivalent Annual Cost Summary – Inverurie Health and Care Hub

Net Present Costs and Equivalent Annual Costs			
Option	Net Present Cost (NPC) £000s	Equivalent Annual Cost (EAC) £000s	VFM Ranking £000s
Option 1 Do Minimum	7,855	354	1
Option 2 Current Hosp Site	16,181	730	2
Option 3 Town Centre Site	18,446	832	4
Option 4 Dual Site	19,624	885	5
Option 5 Peripheral Site	17,333	782	3

4.9.5. From the above analysis the option with the lowest EAC is Option 1 “Do Minimum” with an EAC of £354,000.

4.10. Value for Money Analysis (VFM)

4.10.1. VFM is defined as the optimum solution in terms of comparing qualitative benefits to costs. The results are shown below in **Table EC9**.

Table EC9: Value for Money Ranking – Inverurie Health and Care Hub

Option	Qualitative Benefits Score	Net Present Cost £000s	Cost per Benefit point £s	VFM Ranking
Option 1 Do Minimum	205	7,855	38,317	1
Option 2 Current Hospital Site	360	16,181	44,947	2
Option 3 Town Centre Site	220	18,446	83,845	5
Option 4 Dual Site	240	19,624	81,767	4
Option 5 Peripheral Site	265	17,333	65,408	3

4.10.2. This VFM analysis compares the cost per benefit point of the options. The option that is preferable is the one that demonstrates the lowest cost per benefit point.

4.10.3. From this analysis and the results, the highest ranking option from this appraisal method is Option 1 “Do minimum”.

4.10.4. The “Do Minimum” option has only been included as a comparator against which other options can be judged. It scores last in terms of the qualitative benefits, which is a reflection of the fact that the present Health Centre accommodation is too small and cannot meet modern day requirements. The current premises are also land locked with no potential for expansion.

4.10.5. The “Do Minimum” option could not meet nor address the significant issues that represent the gap between current service need and provision and what the community requires into the future. The significant issues are:

- The current Inverurie Health Centre is unsuitable for modern healthcare;
- The minimum investment proposed will not ultimately resolve the current unacceptable physical condition and functional unsuitability; and
- The inability of the service to expand in the current building and to provide the enhanced services the team wishes to provide would mean that the current Inverurie Health Centre would continue to be unfit for modern clinical service delivery.

4.10.6. Therefore the 'do minimum' option must be discounted with option 2 representing the option that will achieve all the Investment Objectives.

4.11. Sensitivity Analysis

4.11.1. The net present costs have been subjected to a range of sensitivity tests of:

- Running Costs +10%
- Capital Costs + 20%

4.11.2. The OBC demonstrated neither of these tests changed the outcome of the VFM analysis. In addition neither has been breached during the development of the project and no further work has been undertaken.

4.12. Risk Appraisal

4.12.1. Approach to Measuring Risk

4.12.2. The majority of risks associated with the short-listed options have been measured and quantified in monetary terms and included in the calculated NPC of each option. Hence, the costs used in the economic appraisal have been risk adjusted to reflect the main business, operational and Project implementation risks including:

- Planning, design and construction risks;
- Commissioning risks;
- Operational risks;
- Service risks;
- Business risks; and
- Optimism bias.

4.12.3. Non Financial Risk Appraisal

4.12.4. Recognising that not all risks can be quantified in monetary terms, the non-financial risks associated with the short-listed options have been evaluated and are covered in the optimism bias templates completed for the project during the option appraisal process.

Table EC10: Non Financial Risk Appraisal – Inverurie Health and Care Hub

Risk	Risk Score (Impact x Probability)														
	Option 1			Option 2			Option 3			Option 4			Option 5		
	Impact	Prob	Score	Impact	Prob	Score	Impact	Prob	Score	Impact	Prob	Score	Impact	Prob	Score
	Commercial	9	2	21	7	1	10	7	1	10	7	2	10	7	1	10
Site	3	0	1	3	1	3	3	2	7	3	2	7	3	2	6
Design	4	2	7	4	2	8	4	3	10	4	3	11	4	3	10
Service	12	1	13	8	1	7	8	1	7	8	1	7	8	1	7
Stakeholder Engagement	4	2	8	4	1	3	4	1	4	4	1	4	4	1	3
Total Risk Score Out of 100	49			31			38			38			37		
Rank	5			1			3			4			2		

4.13. Conclusions- Inverurie

- 4.13.1. This case considers more widely the economic implications, risks and benefits associated with the options. **Table EC11** below details the analysis supporting this and affirms that the preferred option to be taken forward is Option 2- Build Entire Project on Existing Hospital Site (New Build); as it is ranked highest when weighing up the risk and VFM (Value for Money) appraisal.
- 4.13.2. It should be noted that the “Do Minimum” option could not meet nor address the significant issues that represent the gap between current service need and provision and what the community requires into the future.

Table EC11: Evaluation of Options – Inverurie Health and Care Hub

	Option 1	Option 2	Option 3	Option 4	Option 5
Evaluation Results	Do minimum	Current Hospital Site	Town Centre (Brown Field)	Dual Site	Peripheral Location (Green Field)
(Out of 100)	Rank	Rank	Rank	Rank	Rank
VFM Appraisal	1	2	5	4	3
Risk Appraisal	5	1	3	4	2
Overall Ranking	2	1	5	4	3

4.14. SECTION 2- FORESTERHILL HEALTH CENTRE

4.14.1. This section details the Economic Case for Foresterhill Health Centre.

4.14.2. Appraisal Process

4.14.3. The Economic Case has revisited the Preferred option outlined within the OBC and examined the relative value for money of the short listed options. It demonstrates how NHS Grampian has selected the preferred options by appraising the economic implications, risks and benefits associated with the options identified and are summarised below.

4.14.4. Whilst the 'Do Minimum' option has been included for completeness it has been discounted as it will not deliver the key strategic driver of the project which is to release the selected site for the development of The Baird Family Hospital.

Table EC12: Evaluation of Options – Foresterhill Health Centre

	Option 1	Option 2
Evaluation Results	Do minimum (backlog maintenance)	Build a replacement Health Centre on Foresterhill Campus
(Out of 100)	Rank	Rank
VFM Appraisal	1	2
Risk Appraisal	2	1
Overall Ranking	N/a	1

4.15. Benefit Appraisal

4.15.1. An option appraisal workshop was held between project and service management during July 2015.

4.15.2. The Benefit Criteria has been revisited in preparation of the FBC to evidence that they map to the Investment Objectives of this project, this is detailed in **Appendix EC1**.

4.15.3. The agreed benefit criteria are shown in **Table EC13** overleaf and reflect that investment in the new facility will not only release the site for development but generate a new facility with many service benefits:

Table EC13: Benefit Criteria – Foresterhill Health Centre

Benefit Criteria		Weight
1	Physical access to the building by public transport	5
2	Physical access to the building by car including parking spaces	5
3	Future expansion and flexibility	8
4	Deliverability of the project and certainty	10
5	Integration of health and social care	2
6	Best Supports WH&CC* Project	60
7	Safe environment	2
8	Community inclusion and proximity to local services	2
9	Supports NHSG Strategic Aims	2
10	Promotes Recruitment and Retention of Staff, the "Staff Experience"	2
11	Sustainability	2
Total		100

* The new Women's Hospital (The Baird Family Hospital) and the Cancer Centre (The ANCHOR Centre)

4.15.4. The short list of options agreed are as summarised in the **Table EC14** below:

Table EC14: Short-List Options – Foresterhill Health Centre

Option	Description
1	Do minimum (backlog maintenance)
2	Build a replacement Health Centre on Foresterhill Campus

4.15.5. From the scores achieved from the benefit criteria scoring exercise, the short listed options were ranked in order as shown in **Table EC15** below:

Table EC15: Option Appraisal Scoring – Foresterhill Health Centre

Ranking	Option	Description	Weighted Score
1	Do minimum	Do minimum backlog maintenance)	144
2	Build a replacement Health Centre	Build a replacement Health Centre on Foresterhill Campus	384

4.15.6. Applying the benefits criteria ranking demonstrates that Option 2, build a replacement Health Centre on Foresterhill Campus, has the highest weighted score making it the preferred option using the non-financial benefits score, refer to **Table EC15** above.

4.16. Economic Appraisal

4.16.1. The OBC documented the economic appraisal carried out on each of the short listed options and covered:

- The capital costs of each option;
- The revenue cost implications;
- Net present costs; and
- Value for Money analysis.

4.16.2. The evaluation of each option is set in the context of the guidance provided in the SCIM. It incorporates a full analysis of the revenue and capital costs for each option. Whilst the preferred option is expected to be procured through the Hub revenue model, at this stage the analysis proceeds on the assumption that all options are NHS Capital solutions.

4.17. Capital and Revenue Costs Summary

4.17.1. Refer to **Table EC16** below which shows the capital and revenue costs summary for each of the short listed options.

Table EC16 Costs: Foresterhill Health Centre

	Option 1	Option 2
	Do minimum £ 000s	New Build - replacement Health Centre £ 000s
Capital	881	7,840
Running Costs (Additional)	0	77

4.18. Capital Options

4.18.1. Option 1 – Do Minimum: The capital cost of this option amounts to £0.9 million, being the estimate of the backlog maintenance for the existing facility. As detailed in **Table EC17** overleaf.

4.18.2. Option 2 – New Build Replacement Health Centre: This option is the construction of a new facility elsewhere on the Foresterhill Campus site with an investment of £7.8 million as detailed in the table overleaf.

Table EC17: Capital Options Summary

	Option 1	Option 2
	Cost	Cost
	£ 000s	£ 000s
Construction Cost	845	5,648
Site Specific Costs	0	1,104
Prelims, Fees, On-Costs	0	424
Risk/Optimum Bias	36	426
Equipment	0	237
	881	7,840

4.19. Revenue Implications

- 4.19.1. The analysis that follows provides a focus on the net additional costs that would be incurred under the different short listed options. Net additional costs are arrived at by deducting existing budgetary provision within NHS Grampian and contributions from the GP Practices.
- 4.19.2. In developing the FBC, the main revenue consequences factored into the analysis were the significant additional premises related costs which consist of rates, refuse, energy, maintenance domestic services, window cleaning and grounds. Costs have been based on a combination of experience from existing and other new builds in Grampian and information from services (Domestics).
- 4.19.3. **Table EC18** below sets out the potential impact on revenue budgets of the short listed options.

Table EC18: Potential Impact on Revenue Budgets – Foresterhill Health Centre

Estimate of Annual Running Cost Implications for the Short Listed Options			
Option	Estimated Facility Running Costs £ 000s	Estimated Revenue Contribution £ 000s	Net Annual Additional Revenue Costs £ 000s
Option 1 - Do minimum (backlog maintenance)	131	131	0
Option 2 - Build a replacement Health Centre	207	130	77

4.20. NPC Findings

- 4.20.1. This section takes the capital and revenue cost projections for the short-listed options and derives the NPC and EAC using discounted cash flow techniques. Applying the weighted benefit points score to the EAC allows for a comparison of the cost per benefit point for each option to arrive at a comparable economic appraisal.
- 4.20.2. The short-listed options were subjected to investment appraisal using the Discounted Cash Flow (DCF) technique. The DCF calculation takes account of:
- Capital development costs and other non-recurrent expenditure; and
 - Annual revenue costs.
- 4.20.3. The results of the discounted cash flow calculations, shown as Equivalent Annual Cost (EAC), are summarised below in **Table EC19**.

Table EC19: NPC & EAC – Foresterhill Health Centre

Net Present Costs and Equivalent Annual Costs			
Option	Net Present Cost (NPC) £000s	Equivalent Annual Cost (EAC) £000s	VFM Ranking
Option 1 - Do minimum (backlog maintenance)	823	40	1
Option 2 - Build a replacement Health Centre	9,670	436	2

- 4.20.4. From the above analysis the option with the lowest EAC is Option 1 “Do Minimum” with an EAC of £ 40,000.

4.21. Value for Money Analysis

4.21.1. VFM analysis has been undertaken and the results are shown in **Table EC20** below.

Table EC20: Value for Money Ranking – Foresterhill Health Centre

Option	Qualitative Benefits Score	Net Present Cost £000s	Cost per Benefit point £s	VFM Ranking
Option 1 - Do minimum (backlog maintenance)	144	823	5,713	1
Option 2 - Build a replacement Health Centre	384	9,670	25,182	2

4.21.2. The above table shows that, from an economic perspective, the options are ranked in the following order of preference:

- 1 = Option 1: Do Minimum (backlog maintenance)
- 2 = Option 2: Replacement Health Centre

4.21.3. From this analysis and the results, the highest ranked option is Option 1 “Do Minimum”; however, it has only been included as a comparator against which other options can be judged. It scores low in terms of the qualitative benefits and could not meet the key objective of this project which is to release the land of the existing facility for use in the Baird Family Hospital project and realise the benefits associated with this site as detailed in **Appendix EC4**.

4.21.4. For option 2 to achieve a ranking of 1 in the VFM appraisal a benefit score over 10 times that of the ‘Do Minimum’ option would be required and could only be achieved by artificially inflating the benefit weightings agreed. **Appendix EC1** affirms the benefit criteria used match the Investment Objectives of the project.

4.21.5. In discounting the “Do Minimum” option, Option 2 is the only alternative. However in developing this project to ensuring that it delivers best value for money benchmarking against similar project in relation to setting an affordability cap on prime costs has been used and continue to be applied and tested against the development.

4.22. Sensitivity Analysis

4.22.1. The net present costs have been subjected to a range of sensitivity tests of:

- Running Costs +10%
- Capital Costs + 20%

4.22.2. The OBC demonstrated neither of these tests changed the outcome of the economic analysis. In addition neither has been breached during the development of the project and no further work has been undertaken.

4.23. Risk Appraisal

4.23.1. Approach to Measuring Risk

4.23.2. The majority of risks associated with the short-listed options have been measured and quantified in monetary terms and included in the calculated NPC of each option. Hence, the costs used in the economic appraisal shown later in this FBC have been risk adjusted to reflect the main business, operational and Project implementation risks including:

- Planning, design and construction risks;
- Commissioning risks;
- Operational risks;
- Service risks;
- Business risks; and
- Optimism bias.

4.23.3. Non Financial Risk Appraisal

4.23.4. Recognising that not all risks can be quantified in monetary terms, the non-financial risks associated with the short-listed options are covered in the optimism bias templates completed for the project during the option appraisal process.

Table EC21: Non Financial Risk Appraisal – Foresterhill Health Centre

Risk	Risk Score (Impact x Probability)					
	Option 1			Option 2		
	Impact	Prob	Score	Impact	Prob	Score
Commercial	17	1	23	17	1	23
Site	0	0	7	2	1	2
Design	8	2	12	5	2	10
Service	38	1	23	26	1	22
Stakeholder Engagement	14	1	10	7	1	8
Total Risk Score	75			66		
Rank	2			1		

4.23.5. However this case considers more widely the economic implications, risks and benefits associated with the options. **Table EC21** above details the analysis supporting this and affirms that the preferred option to be taken forward is Option 2- New Build Replacement Health Centre; as it is ranked highest.

4.24. Conclusions- Foresterhill

4.24.1. **Table EC22** affirms option 2 to be the preferred option to be taken forward as delivering many benefits and “Do Minimum” option could not meet the key objective of this project which is to release the land of the existing facility for use in The Baird Family Hospital project.

Table EC22: Evaluation of Options – Foresterhill Health Centre

Evaluation Results	Option 1	Option 2
	Do minimum	Build a replacement Health Centre
(Out of 100)	Rank	Rank
VFM Appraisal	1	28
Risk Appraisal	2	1
Overall Ranking	2	1

5. The Commercial Case

THE COMMERCIAL CASE

5.1. Overview

5.1.1. This section outlines the commercial arrangements and implications for the Project. This is done by responding to the following questions:

- The procurement strategy and appropriate procurement route for the Project;
- The scope and content of the proposed commercial arrangement;
- Risk allocation and apportionment between public and private sector;
- The payment structure and how this will be made over the lifetime of the Project;
- The commercial arrangements of the offer; and
- The contractual arrangements for the Project.

PROCUREMENT STRATEGY

5.2. Introduction

5.2.1. The purpose of this section is to specify the procurement strategy and the appropriate procurement route for the Project.

5.3. Procurement Route

- 5.3.1. The Scottish Capital Investment Manual (SCIM) guidance proposes that the default position for delivering new build community facilities for the Inverurie Health & Care Hub and the relocation of Foresterhill Health Centre, both having an equivalent capital value in excess of £750,000 should be via the Scottish Futures Trust (SFT) hub initiative.
- 5.3.2. The hub initiative in the North Territory is provided through a joint venture company (hub North Scotland Limited) bringing together local public sector participants, SFT and a Private Sector Development Partner (PSDP).
- 5.3.3. The North Territory hubCo PSDP is a consortium between Galliford Try PLC (formally Miller Corporate Holdings) and Sweett Equitix.
- 5.3.4. All investment in hub projects will comply with relevant Scottish Government and European Union procurement regulations.
- 5.3.5. The procurement route identified to deliver the Inverurie Health & Care hub and the relocation of Foresterhill Health Centre will be based on the SFT's revenue hub standard form Design, Build, Finance, Maintain (DBFM) contract.
- 5.3.6. In order to achieve maximum value for money, both Inverurie & Foresterhill projects will be bundled together under a single Project Agreement (PA) arrangement.

5.4. EU Rules and Regulations

- 5.4.1. The SFT oversaw the procurement of a PSDP for the North Territory through the Official Journal of the European Union (OJEU), leading to the establishment of hub North Scotland Ltd in 2011.
- 5.4.2. There is no further requirement to advertise through OJEU for the procurement of a PSDP for the Inverurie & Foresterhill project; however the European Union's particular procurement processes, regulations, directives and the like must still be followed, particularly in the appointment supply chains contractors, designers and advisors.

5.5. Procurement Plan

- 5.5.1. An outline of the Project's procurement plan is described below, which highlights the Project's current procurement status, what has already been achieved and what still needs to be done.
- 5.5.2. The general Hub process for DBFM procurement is divided into 4 sequential stages, these being:
 - New Project Request (NPR) – As identified in the OBC, Inverurie had previously been bundled with Lochgilphead and had a Key Stage Review approved NPR. This NPR, in consultation with SFT was revised to include Foresterhill based on benchmarking costs derived from SFT's Performance Matrices. The revised Inverurie & Foresterhill NPR was accepted by Hub North Scotland June 2015.
 - Stage 1 – As Foresterhill had previously been the subject of considerable design development under a 2009 HFS Frameworks 1 project, this enabled HubCo to re-use much of the design to prepare a stage 1 submission within a condensed time period. The stage 1 submission was scrutinised by external advisors and, subject to a key stage review by SFT, with the predicted maximum cost informing the OBC.
 - Stage 2 – The draft stage 2 pricing report, complete with a financial model allows NHS Grampian to progress submission of the FBC Financial case, with the formal technical full stage 2 submission following in June 2016. The formal stage 2 technical submission will be scrutinised by external advisors, be subjected to a key stage review and confirmed prior to approval of the FBC by Scottish Government.
 - Financial Close - approval of the FBC will allow NHS Grampian to progress and finalise the project agreement schedules and base unitary charge. The final out turn cost, complete with allocation of funding contribution agreed between NHS Grampian and Scottish Government will be confirmed after financial close through the FBC Addendum.

5.6. Advisors

- 5.6.1. External Advisors for Technical, Legal and Financial Services have been procured by NHS Grampian to assist the Project Team with the administration of the Project. The procurements were separately carried out as mini-competitions under the OJEU procured SFT National Advisor Framework Contract.
- 5.6.2. Enquiries were sent to all consultants on the Framework list for each service, and responses were evaluated in accordance with the criteria described in the mini-competition invitation. Evaluation was done by panels for each service comprising an experienced representative of the Board, and two external members. The SFT oversaw this evaluation process but did not participate in the individual scoring.
- 5.6.3. Scores were assessed individually by each evaluator, and then moderated to agree a consensus score, which was then applied to the weightings accorded to each element for each service.
- 5.6.4. The Quality/Price ratio of 70/30 was applied, and the contracts were awarded to the bidder with the highest weighted scores in each service.
- 5.6.5. Advisors appointed were as noted:
 - Technical Advisor – Currie and Brown UK Ltd;
 - Financial Advisor – Caledonian Economics Ltd; and,
 - Legal Advisor – Pinsent Masons LLP.

5.7. Proposed Procurement Timescales

- 5.7.1. The procurement timetable from inception to operation is outlined overleaf **Table CC1** and aligns with the overarching project plan, (**see Section 5.5**).

Table CC1: Procurement Timetable

Stage	Duration	End Date
SFT review of refreshed Inverurie & Foresterhill NPR	1 month	March 2015
NPR issued by NHSG		June 2015
NPR approved by hubCo	2 months	August 2015
Stage 1 development	8 months * see below	August 2015
Stage 1 draft pricing report/ financial model submitted by hubCo		August 2015
Stage 1 sign-off by HubCo Board		August 2015
Stage 1 technical submission by hubCo		August 2015
Stage1 review of submission by NHSG advisors		August 2015
Stage 1 KSR by SFT		September 2015
Stage 1 approval by NHSG		October 2015
Stage 2 development	9 months ** see below	April 2016
Stage 2 draft price report/financial model submitted by hubCo	1 month	May 2016
Commercial close of Stage 2 price		June 2016
Stage 2 sign off by HubCo Board		June 2016
Formal Stage 2 technical submission by hubCo	1 month	June 2016
Stage 2 review of submission by NHSG advisors		June 2016
NDAP & AEDET review for FBC		June 2016
Stage 2 KSR by SFT		June 2016
Stage 2 approval by NHS Grampian (subject to FBC approval)		July 2016
NHS Grampian Board minute of approval		August 2016
Funders credit approval letter		August 2016
Dry run of financial close protocols		August 2016
Financial Close	3 months	August 2016
Mobilisation/pre works Inverurie & Foresterhill		August 2016
Construction start Inverurie & Foresterhill		September 2016
Foresterhill Construction Completion	16 months	December 2017
Foresterhill Operations Commencement	1 month	January 2018
Inverurie Construction Completion	18 months	March 2018
Inverurie Operations Commencement	1 month	April 2018

* Stage1 development was substantially completed for Inverurie as part of the previous Inverurie & Lochgilphead bundle. Foresterhill stage 1 development was substantially completed under a 2009 Frameworks Scotland project that was designed to planning stage but not progressed. The Inverurie & Foresterhill NPR was a refresh of the previous design developments

** HubCo overlapped stage 2 development work with NHSG approval process working at risk

SCOPE AND CONTENT OF PROPOSED COMMERCIAL ARRANGEMENTS

5.8. Introduction

5.8.1. The purpose of this section is to specify the scope and content of the proposed works/services included within the proposed commercial arrangements. Note that this may be different from the scope and content of the overall Project which may include works or services that are not part of any commercial arrangements.

5.9. Scope of Works/Services

5.9.1. The SFT hub initiative, which supersedes traditional style private finance procurement in Scotland, was established to provide a strategic long-term programmed approach to the procurement of community based developments.

5.9.2. As a means towards driving maximum value for money the Inverurie Health & Care Hub development and the relocation of Foresterhill Health Centre will be bundled together.

5.9.3. The projects will be delivered by a 'DBFM Co' (a non recourse vehicle funded from a combination of senior and subordinate debt underpinned by a 25 year service concession contract).

5.9.4. The senior debt is provided by [REDACTED] with predetermined arrangement fees agreed with SFT through a framework agreement. Subordinate debt is provided by a combination of private sector (60%), SFT (10%), and following the introduction of new SFT guidance on the structure of hub projects the participant investment will now be (10%) with the remaining (20%) balance being provided by a newly formed hub community foundation charity.

5.9.5. In essence the DBFM Co will be responsible for providing all aspects of design, construction, ongoing facilities management (hard maintenance services and lifecycle replacement of components) and finance throughout the course of the project term other than a small number of exceptions termed authority maintenance obligations (principally responsible for making good/replacing wall, floor and ceiling finishes).

5.9.6. Soft facilities management services (such as domestic, catering, porter and external grounds maintenance) are excluded from the project agreement (PA) with DBFM Co and these services will be provided by NHS Grampian.

- 5.9.7. Group 1 items of equipment, which are generally large items of permanently installed plant or equipment will be supplied, installed, maintained and replaced by DBFM Co throughout the project term.
- 5.9.8. Group 2 items of equipment, which are items of equipment having implications in respect of space, construction and engineering services, will be supplied by NHS Grampian, installed by DBFM Co, and maintained by NHS Grampian Board.
- 5.9.9. Group 3-4 items of equipment are supplied, installed, maintained and replaced by NHS Grampian.
- 5.9.10. The responsibility and interface of equipment and soft FM in the operational facility is a key consideration of the service provision. To facilitate this, an 'Equipment Responsibility Matrix' has been prepared, detailing all equipment by description, group reference, location and responsibility between NHS Grampian and DBFM Co in terms of supply, installation, maintenance and replacement over the course of the 25 year operational period.
- 5.9.11. The services to be included in the Commercial arrangements are the design, construction, finance and most of the Hard FM. The elements of Hard FM to be provided are in line with the standard hub Schedule Part 12 Section 1 Service Level Specification, with Response and Rectification Periods aligned to the needs of the Board and of the Project. A number of elements of hard FM services will be retained by the Board as Board Maintenance Obligations, and all Soft FM services will be retained by the Board.
- 5.9.12. The proposed service activities incorporate:
- Contract management;
 - Health and safety;
 - A helpdesk facility;
 - Performance management and monitoring;
 - Maintenance of the facilities;
 - Window and external facade cleaning; and,
 - Management of utilities within the facilities.
- 5.9.13. Proposed core hours, response and rectification periods are as stated in **Tables CC2 and CC3** overleaf.

Table CC2: Proposed Core Hours

Facilities Area	Monday - Friday	Saturday	Sunday
Foresterhill	7:00am – 7:00pm with additional 1.5 hours for 1 night per week	7.30am – 1pm	closed
Inverurie (all except CMU area)	7:00am – 7:00pm with additional 1.5 hours for 1 night per week	7.30am – 1pm	closed
Inverurie CMU	24 hours	24 hours	24 hours

Table CC3: Response and Rectification Periods

Category	Facility	Response Period	Rectification Period
Routine	Both	16 hours	[2 working days]
Important	Both	7 hours	[24 hours]
Urgent	Both	2 hours	[5 hours]

- 5.9.14. The service standards will be in accordance with the hub Standard Service Level Specification Schedule Part 12.
- 5.9.15. The stakeholders and customers for these services include patients (in-patients, day-patients and outpatients), patient support groups, clinical and non-clinical staff and visitors.
- 5.9.16. It is not anticipated that there will be any change in any service assumptions in the solution offered, as the service needs have been modeled and tested to take account of population trends and anticipated health care trends.
- 5.9.17. It is, of course, possible that future external factors could affect any of the assumptions above. Population and health trends may be affected by the general economic outlook, affecting house building, employment and household income.
- 5.9.18. The design and location of each of the Inverurie and Foresterhill facilities allows for future expansion space should it be required at a later date.
- 5.9.19. The programme for the Project indicates the timescales for procuring and delivering the facilities and services.

5.10. Project Information

5.10.1. **Table CC4** below provides a checklist of Project information requirements at this stage of the Project's development.

Table CC4: Project Information Checklist

Project Information Requirements	Confirmation that information is available (Yes, No, n/a)
Land/title information.	Yes. Title reports for both sites prepared by Central legal Office (CLO), being discussed with University of Aberdeen (joint owner) for Foresterhill and Pinsent Masons (Board legal advisor for Project).
Site Feasibility Studies or Masterplan (≥ 1:1000).	Yes. Supplementary Planning Guidance to Local Development Plan for Foresterhill and approved masterplan for Inverurie.
Analysis of site option(s) (≥ 1:500, plus 3Ds).	Yes.
List of relevant design guidance to be followed – SHPNs, SHTMs, SHFNs, HBNs, HTMs, HFNs, Including a schedule of any key derogations. (see glossary for definitions)	Yes. Referenced within Authority Construction Requirements (ACR's).
Evidence that Activity Data Base (ADB) use is optimised.	Yes. Used for Room Data Sheets, equipment lists.
Design Statement, with any updates in benchmarks highlighted.	Yes. Design Statements agreed with A+DS and HFS.
Evidence of completion of self assessment on design in line with the procedures set out in the design statement.	Yes. Will be assessed as part of the AEDET review.
Completed AEDET review at current stage of design development.	Yes. Refer to section 7.21.6 .
Evidence of Local Authority Planning consultation on their approach to site development and alignment with Local Development Plan.	Yes. Local Development Plan has Foresterhill Development Framework document as Supplementary Planning Guidance (SPG). Local Development Plan and SPG currently being updated for adoption in 2016.
Risk Register detailing benefits and risks analysis.	Yes. Refer to section 7.13 .
Photographs of site showing broader context.	Yes.
Evidence on Sustainability and BREEAM Healthcare commitments.	Yes. Target set in ACR's for best pragmatic score for BREEAM, and EPC.
Evidence that relevant DDA, Dementia, Health Promotion and Equality commitments are incorporated.	Yes. Incorporated in Board ACR's.

5.11. Risk Allocation

5.11.1. A key feature of the hub initiative is the transfer of inherent construction and operational risk to the private sector that traditionally would be carried by the public sector. **Table CC5** below outlines ownership of known key risks.

Table CC5: Risk Allocation

Risk Category	Potential allocation of risk		
	Public	Private	Shared
Client / Business risks [title, ground conditions where not disclosed]	100%	0%	
Design	0%	100%	
Development and Construction [note dark ground, contamination remain with public]	25%	75%	✓
Transition and Implementation [commissioning, migration Board responsibility]	80%	20%	✓
Availability and Performance	0%	100%	
Operating	5%	95%	✓
Revenue	10%	90%	✓
Termination	50%	50%	✓
Technology and Obsolescence	25%	75%	✓
Control	100%		
Financing		100%	
Change in Law	75%	25%	✓
Other Project risks	100%		

5.11.2. Business and title risks sit with NHS Grampian.

5.11.3. Design risk sits with DBFM Co, however ongoing authority's maintenance obligations during operation may give DBFM Co relief on certain designed components.

5.11.4. Development and construction risk predominantly sits with DBFM Co, but for example a number of delay and compensation events could entitle DBFM Co to compensation if the events materialised and this would be reflected in a revised unitary charge (UC) calculation.

5.11.5. Transition and implementation is a shared risk subject to compliance with the authorities requirements and agreed commissioning timetable.

- 5.11.6. Availability and performance risk predominantly sits with DBFM Co; however availability or performance failures that arise as a result of an excusing clause could give DBFM Co relief from payment deduction.
- 5.11.7. Operating risk predominantly sits with DBFM Co's responsibility under the PA and joint working arrangements within operational functionality. The hub model has a capped rate of return that limits the circumstances where surpluses can be generated.
- 5.11.8. Variability of revenue risk is a shared risk subject to adjustments of the annual service payment under the PA. In addition NHS Grampian is responsible for a number of pass through costs (costs charged to the DBFM Co that are the responsibility of the NHS Board and passed to the authority for payment with no mark-up) such as energy and utility usage and direct costs such as local authority business rates, all of which are subject to different factors such as indexation.
- 5.11.9. Termination risk is a shared risk within the PA with both parties (DBFM Co and the Board) being subject to events of default that can trigger termination. In addition NHS Grampian has an additional right of voluntary termination subject to the project agreement.
- 5.11.10. Technology and obsolescence risk predominantly sits with DBFM Co however NHS Grampian could be exposed through specification and derogation within the ACR's, obsolescence through service change during the period of functional operation and relevant or discriminatory changes in law under the PA.
- 5.11.11. Change of control, for example termination due to a reason stated within the PA sits with the Board.
- 5.11.12. Financing risks predominantly sits with DBFM Co subject to the PA however relevant changes in law, compensation events that compensate DBFM Co and changes under the PA all may give rise to obligation on NHS Grampian to provide additional funding. Authority voluntary termination may also bring an element of reverse risk transfer due to aspects of the funding arrangement with the funder.
- 5.11.13. Legislative risks are shared dependant on whether the relevant change is in law or a change only affecting NHS policy, for example SHTMs. Whilst DBFM Co is responsible to comply with all laws and consents, the occurrence of relevant changes in law as defined in the PA can give rise to compensate DBFM Co.

PAYMENT STRUCTURE

5.12. Method of Payment

- 5.12.1. NHS Grampian will pay for the services in the form of an annual service payment (ASP), termed Unitary Charge (UC).
- 5.12.2. A standard contract form of payment mechanism will be adopted within the PA with specific amendments to reflect the relative size of the two facilities at Inverurie and Foresterhill, respective availability standards, core times, gross service units (number of service units applied to each functional area) and a range of services specified in the service requirements.
- 5.12.3. NHS Grampian will pay the UC to DBFM Co on a monthly basis in arrears for only the buildings they are contracted with, calculated subject to adjustments for previous over/under payments, deductions for availability failures and performance failures and other amounts due to DBFM Co. Where any payment is in dispute then the Board will pay only parts or sums which are not in dispute.
- 5.12.4. The Board has a contractual right to set-off any sum due to it under the PA.
- 5.12.5. The UC is subject to indexation as set out in the PA by reference to the retail prices index published by the Government's National Statistics Office. Indexation will be applied to the UC on an annual basis. The base date will be the date on which the project achieves Financial Close.
- 5.12.6. Costs such as utilities usage charges (heating, water and electrical power) and operational insurance premiums can be treated as pass through costs and, if so, would be arranged by DBFM Co but added to the Monthly Service Payment as applicable. In addition, NHS Grampian is directly responsible for arranging and paying all connection, line rental and usage telephone and broadband charges. Local Authority rates are being paid directly by NHS Grampian.
- 5.12.7. DBFM Co is obliged to monitor its own performance and maintain records documenting its service provision both in terms of the PA and the Territory Partnering Agreement. Each Board will carry out performance monitoring on its own account and will audit DBFM Co's performance monitoring procedures in terms of the project agreement.
- 5.12.8. The payment structure will follow the standard form hub contract in the following areas: Risk contingency management by the Public Sector. This takes the form of a costed risk analysis and will be managed by the Board.
- Contract variations - as standard PA;
 - Disputed payments – as standard PA;
 - Payment indexation – As standard PA/paymech schedule;
 - Utilities and service connection charges – as standard pass through cost; and
 - Performance incentives – as standard paymech provisions.

KEY CONTRACTUAL ISSUES

5.13. Introduction

- 5.13.1. This section outlines the contractual arrangements for the procurement, including the use of a particular contract, the key contractual issues for the commercial deal, and any personnel implications.

5.14. Type of Contract

- 5.14.1. The agreement for the Inverurie & Foresterhill Bundle will be based on the SFT's hub standard form Design, Build, Finance, Maintain (DBFM) contract (the "Project Agreement"). The PA is signed at Financial Close and any derogation to the standard form position must be agreed with SFT.

5.15. Key Contractual Issues

- 5.15.1. DBFM Co will delegate the design and construction delivery obligations of the PA to its Tier 1 Building Contractor under a building contract. A collateral warranty will be provided in terms of other sub-contractors having a design liability. DBFM Co will also enter into a separate agreement with a FM Service Provider to provide most elements of hard FM service provision.
- 5.15.2. Following NHS Grampian and DBFM Co entering into the PA, the Board will also enter into occupancy agreements with Inverurie Medical Group, Elmbank Group Practice, Westburn Medical Group and a Pharmacy provider at Foresterhill, relevant to their occupation of space within the facility. Statements of 'Agreement in Principle' have been signed by Inverurie, Elmbank and Westburn Practices and copies of these statements are included as **Appendices CC1, CC2 and CC3**. The final Occupation Agreements will be concluded with each Practice following Financial Close.
- 5.15.3. NHS Grampian will provide its share of participant subordinate debt and equity to support the development. This investment will be provided for at Financial Close.
- 5.15.4. The NHS Grampian Board will procure the grant of a license from the Scottish Ministers to DBFM Co in line with the standard contract position.
- 5.15.5. The term will be 25 years.
- 5.15.6. 'Termination of Contract' - as the NHS will own both the Inverurie site and Foresterhill (jointly with the University of Aberdeen) then both buildings will remain in ownership of the NHS throughout the term, but be contracted to DBFM Co to allow them to construct and operate the building for the duration of this contract. On expiry of the contract each of the Inverurie and Foresterhill facilities will revert to NHS Grampian on behalf of The Scottish Ministers.
- 5.15.7. Compensation on termination and refinancing provisions will generally follow the standard contract position.

- 5.15.8. Responsibility for detailing planning consent rests with DBFM Co during their design development works.
- 5.15.9. The Inverurie site is currently in the ownership of NHS Grampian. A detailed Masterplan for the redevelopment of the Inverurie Hospital has been prepared and accepted by Aberdeenshire Council (the planning authority) and was used as a material consideration in the planning application. The planning application was approved with conditions which will be purified by DBFM Co.
- 5.15.10. The Foresterhill Health Campus is currently in the joint ownership of The Scottish Ministers (per NHS Grampian Board) and the University of Aberdeen. A Development Framework for the Foresterhill Health Campus was approved by Aberdeen City Council (the planning authority) in 2008 and refreshed in 2013 and was used as a material consideration for the planning application. The planning application was approved with conditions which will be purified by DBFM Co.
- 5.15.11. Service Level Specifications will detail the standard of output services required and the associated performance indicators. DBFM Co will provide the services in accordance with its method statements and quality plans which indicate the manner in which the services will be provided.
- 5.15.12. NHS Grampian will not be responsible for the costs to DBFM Co of any additional maintenance and/or corrective measures if the design and/or construction of the facilities and/or the components within the facilities do not meet the authority's construction requirements. Where appropriate, deductions will be made from the monthly service payment in accordance with the payment mechanism.
- 5.15.13. NHS Grampian's (the Authorities) maintenance obligations comprise of repairs and making good of all interior walls and ceiling finishes and, where appropriate, repairs and/or replacement of carpets and other non-permanent floor coverings in accordance with the frequency cycles stated in the PA. In addition, NHS Grampian is responsible for inspection and testing of electrical appliances. Failure by NHS Grampian to carry out the authority's maintenance obligations would result in a breach of the agreement and entitle DBFM Co to carry out the works and be reimbursed.
- 5.15.14. Not less than 2 years prior to the expiry date an inspection will be carried out to identify the works required to bring the facilities into line with the hand-back requirements which are set out in the PA.
- 5.15.15. DBFM Co will be entitled to an extension of time on the occurrence of a delay event and to an extension of time and compensation on the occurrence of compensation events (in either case, during the carrying out of the Works). DBFM Co is relieved of the Board's right to terminate the PA for non-performance on the occurrence of relief events. This reflects the Standard Contract position.
- 5.15.16. NHS Grampian will set out its construction requirements in a series of documents termed Authorities Construction Requirements (ACR). DBFM Co is contractually obliged to design and construct the facilities in accordance with the ACRs.

- 5.15.17. The Board has a monitoring role during the construction process and only by way of the agreed review procedure and/or the agreed change protocol will changes occur.
- 5.15.18. NHS Grampian and DBFM Co will jointly appoint an independent tester who will also perform an agreed scope of work that includes such tasks as undertaking regular inspections during the works, certifying completion, attending site progress meetings and reporting on completion status, identifying non compliant work, reviewing snagging progress as well as a range of other independent functions. Notwithstanding the appointment of an independent tester, NHS Grampian will also apply enhanced monitoring throughout the duration of site construction. Further details are provided within the Management Case at **Section 7.14.3.3**.
- 5.15.19. The Board will work closely with DBFM Co to ensure that the detailed design is completed prior to financial close. Any areas of design that do remain outstanding will, where relevant, be dealt with under the Reviewable Design Data (RDD) and procedures as set out within the review procedure.
- 5.15.20. The PA details the respective responsibilities towards malicious damage or vandalism to the facilities during the operational term. NHS Grampian has an option to carry out a repair itself or instruct DBFM Co to carry out rectification.
- 5.15.21. Dispute resolution procedures follow the standard form position.
- 5.15.22. Operational and contract administration arrangements will be in place prior to construction completion, commissioning and commencement of the services period. Appropriate training for service users will be provided. Further details are provided within the Management Case at **section 7.17**.

[REDACTED]

5.17. Personnel Arrangements

5.17.1. The management of soft facilities management services, such as external grounds maintenance, domestic and porter services will continue to be provided by NHS Grampian.

5.17.2. No staff will transfer and therefore the alternative standard contract provisions in relation to employee Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will not come into effect.

6. The Financial Case

THE FINANCIAL CASE

6.1. Introduction

6.1.1. The preferred options as discussed in the Economic Case, are detailed as follows:

- Inverurie Health & Care Hub (IHCH): Option 2- New Build including CMU and X-ray on Inverurie Hospital Site; and
- Foresterhill Health Centre (FHC): Option 2- Replacement Health Centre.

The Financial Case sets out:

- The revenue and capital implications of the projects;
- A statement on overall affordability;
- Current position on sub debt and equity;
- Risks; and
- The agreed accounting treatment.

6.1.2. The projects are part of a two project bundle, being taken forward as a hub Design Build Finance Maintain (DBFM) Service Concession Contract, utilising revenue funding.

6.2. Revisiting the Finance Case

6.2.1. The Outline Business Case (OBC) was approved by Scottish Government Health and Social Care Department (SGHSCD) on 28th September 2015, no specific conditions were outlined in the approval letter in relation to the Finance Case, and therefore a refresh and affirmation of the affordability and financial consequences of the Project are set out.

6.3. Capital Costs and Associated Funding for the Project

6.3.1. **Table FC1** overleaf details the initial investment in the Project and how it will be funded.

6.3.2. The build costs of the Projects are expected to be financed using the Scottish Government's hub DBFM revenue funding model. Revenue funding will be required from both the Scottish Government and NHS Grampian in order to meet the Unitary Charge (UC) associated.

6.3.3. Additional capital investment by NHS Grampian is required to fund equipment and enabling works with revenue investment in project development and commissioning costs. Capital contributions from Health Bodies in the form of a direct injection to Projects have been excluded based on the recent guidance issued by Scottish Futures Trust (SFT).

Table FC1: Summary of Capital and Revenue Implications of Initial Investment

	IHCH	FHC	Total	Total at OBC	Movement from OBC
	£000s	£000s	£000s	£000s	£000s
Initial Capital Investment					
Hub Contract Capital Expenditure	████████	████████	████████	████████	████████
Enabling Costs	760	0	760	720	(40)
Equipment	780	300	1,080	1,065	(15)
Sub Debt	████████	████████	████████	████████	████████
Project Development	77	83	160	143	(17)
Commissioning Costs	52	22	74	74	(0)
Total Initial Investment	████████	████████	████████	████████	████████
Sources of Funding					
Hub Contract	████████	████████	████████	████████	████████
NHS Grampian Capital Funding	1,532	370	1,902	1,983	81
Third Party Contribution	130	0	130	0	(130)
NHS Grampian Revenue Funding	129	105	234	217	(17)
Total Sources of Funding	████████	████████	████████	████████	████████

6.4. Movement in Initial Capital Investment

6.4.1. The anticipated investment in these facilities has increased by ██████████ compared with the OBC figure. The reasons for the cost increase are as follows:

- Hub capital expenditure required to deliver the project has increased ██████████ due to inflation allowance, costs associated with the whole site energy solution on the Inverurie site, higher than anticipated costs of the Community Maternity Unit at Inverurie and other site and service specific issues as set out in **Table FC2** overleaf.

Table FC2: Movement in Hub Contract Capital Expenditure

	IHCH	FHC	Total
	£000s	£000s	£000s
Hub Contract Capital Expenditure			
Total at OBC	■	■	■
Total at FBC	■	■	■
Difference	■	■	■
Reason			
Increase in Indexation Rates	■	■	■
Additional Cost of Community Midwife Unit (CMU)	■	■	■
Relocating Dental Services on Health & Safety Grounds	■	■	■
Other Site and Service Specific Issues	■	■	■
Total	■	■	■

- Increase in enabling works (£40,000) relating primarily to the removal of asbestos from retained estate underground ducts and plant rooms to allow for their reuse at the new Inverurie facility;
- Increase in equipment requirement (£15,000) following development of equipment lists to identify specific requirements for Foresterhill Health Centre;
- Reduction in sub debt (£6,000), reflecting the updated equity arrangements for DBFM Co;
- Increase in project development costs (£15,000); this relates to an increase in external advisor costs following confirmation of fee variation for adding FHC to existing arrangements; and
- Third Party Contribution (£130,000); reflects the separate identification of a contribution from the Aberdeenshire Health & Social Care Partnership to the enabling works at Inverurie.

6.5. Other Capital Costs

6.5.1. Enabling Costs: A series of enabling works (£760,000) are being undertaken by NHS Grampian on the Inverurie site ahead of the commencement of construction.

6.5.2. Equipment: Equipment lists were developed in 2015 and costs reflect 2016 price levels. The total estimated cost of equipment including VAT, allowing for an element of existing equipment to transfer is £1,080,000. **Table FC3** overleaf provides a further breakdown of the equipment costs.

Table FC3: Equipment

	Equipment - Health Centre	Equipment - CMU	Equipment - X-ray	Total
	£000s	£000s	£000s	£000s
Inverurie (Option 2)	360	228	192	780
Foresterhill (Option 2)	300	0	0	300
Total	660	228	192	1,080

6.5.3. Sub Debt: The Board will provide the full 10% investment (subordinated debt and equity) relating to the participants requirements per recent guidance issued by SFT.

6.5.4. The project bundle has a single Project Agreement and the most recent financial model (v0400) has the total sub debt investment anticipated to be £192,000. The Board confirms that provision has been made for this from its capital programme.

6.6. Summary of Revenue Implications- First Full Year of Operation

6.6.1. **Table FC4** overleaf details the anticipated annual recurring revenue costs that will be associated with the Project in the first year of operation following commissioning. It details the projected UC that will be charged through the contract, the impact of the investment on equipment depreciation and additional property costs anticipated as a result of the new buildings.

Table FC4: Summary of Revenue Implications - First Full Year of Operation (2018/19)

	IHCH	FHC	Total	Total at OBC	Movement from OBC
	£000s	£000s	£000s	£000s	£000s
Revenue Costs					
Unitary Charge	■	■	■	■	■
Additional Depreciation	78	30	108	106	(2)
Clinical Service Costs	0	0	0	0	0
Non-Clinical Service Costs	0	0	0	0	0
Building Related Running Costs	176	84	260	312	52
Total Costs	■	■	■	■	■
Sources of Funding					
SGHSCD Unitary Charge - 90.3%	■	■	■	■	■
NHSG Unitary Charge - 9.7%	■	■	■	■	■
NHSG Depreciation	78	30	108	106	(2)
NHSG (Other Scheme Costs)	133	59	192	226	34
Third Party (Medical Practices)	43	25	68	86	18
Total Sources of Funding	■	■	■	■	■

6.7. Movement in Recurring Revenue Costs

6.7.1. The anticipated recurring revenue cost associated with these facilities has reduced by £116,000, compared with the OBC figure. The reasons for the cost reductions are as follows:

- The Unitary Charge has reduced by ■ for a variety of reasons as set out in **Table FC5** overleaf; and
- Building related running costs have been refined and reduced to align with anticipated costs.

- 6.8.4. Regarding the cost of services to be provided in the developments the following assumptions have been made:
- The cost to NHS Grampian of delivering services, i.e. staffing and non pay costs associated with the services which will be located in the developments, are not expected to increase. The transfer of services will be cost neutral; and
 - There will be an Occupancy Agreement between each of the GP Practices and NHS Grampian reflecting the GP Practices' commitment to the development and the associated costs. Costs will be reviewed annually and inflation has been applied to reflect this. The GP Practices will be fully responsible for their own costs.

6.9. Recurring Funding Requirement – Unitary Charge (UC)

██████████ The Predicted Maximum Cost Unitary Charge (PMCUC) taken from a version of the financial model submitted by hub North Scotland dated 9th May 2016, Financial Model v0400, and the proportions attributable to the Scottish Government Health and Social Care Directorate (SGHSCD) and NHS Grampian ██████████

- 6.9.2. A number of financial risks are associated with the inputs into this financial model as set out in **Section 6.13** below and it is proposed to accommodate the potential of these risk being realised that funding is capped at the value set out in the Outline Business Case ██████████ in the first full year of operations (2018/19) this is set as a 'not to be exceeded' capped value for the purpose of the approval of the Business Case by the Board of NHS Grampian and the Scottish Government.
- 6.9.3. Approximately 80% of the UC will be fixed with the balance subject to variation annually in line with the actual Retail Price Index (RPI) which is estimated, within the financial model, at 2.5% per annum. The UC for the first full year of operation (2018/19) has been indexed (inflated).
- 6.9.4. Disaggregating the individual project UC's have been allocated according to the capital expenditure for each project.
- 6.9.5. Using this approach, the UC is split as follows in **Table FC6** overleaf based on the first full year of operations. Annual revenue support is requested each year, from SGHSCD, this will be adjusted for the impact of accounting convention and is in line with guidance provided by Capital Investment Group (CIG) on 21st February 2011.

Table FC6: Unitary Charge- First Year of Operation (2018/19)

	% Split	Total Unitary Charge £000s	Annual Revenue Support Funding £000s	Capped Revenue Support Funding £000s
Inverurie (Option 2)				
Foresterhill (Option 2)				
Total				

6.9.6. An analysis of the requested indicative funding at FBC stage is detailed in **Table FC7** below.

Table FC7: Analysis of Funding Support

Contributions to Unitary Charge (OBC)	Unitary Charge £ 000s	SGHSCD Support %	SGHSCD Support £ 000s	NHSG Cost £ 000s	Capped Unitary Charge	Capped SGHSCD Support
CAPEX						
Special Purpose Vehicle (SPV) (DBFM Co)/ Insurance						
Life Cycle Costs						
FM Costs						
Total						

6.9.7. The UC has been modeled at a point in time where a Stage 2 Pricing report has not been issued or agreed and there are a number of financial risks, which are detailed in **Section 6.13** that may change the UC. The UC will be further refined through to Financial Close and funding requirement finalised at that stage and the final costs will be confirmed in a Full Business Case (FBC) Addendum after Financial Close.

6.9.8. NHS Grampian's element of the UC together with the annual depreciation charge and annual running costs are reflected in the Board's financial plans and LDP.

6.10. Non-Recurring Revenue Costs

- 6.10.1. There will be non-recurring costs in the form of professional fees associated with the project. These are identified as £160,000. These will be incurred as a non-recurring revenue expense and have been incorporated in NHS Grampian's current financial plans.
- 6.10.2. Following on from experience gained with previous hub revenue funded projects, more work is being done in-house as opposed to externally. As a consequence the scope of work of external advisors has been reduced to reflect essential work.
- 6.10.3. Additional non-recurring costs are anticipated in 2017/18 in respect of commissioning of the building and transfer of services from existing premises. An estimated £ 64,000 will be required to meet the cost of decanting, pre-cleaning, deployment of equipment (including IT), security during commissioning phase and post project evaluation. In addition, there will be de-commissioning costs at the current Inverurie Health Centre of £10,000. Refer to **Table FC8** below.

Table FC8: Commissioning Costs

Other Non-Recurring Costs	IHCH (Option 2) £ 000s	FHC (Option 2) £000s	Total £ 000s
Removal (Inc Flooring Protection)	20	10	30
Pre-Cleaning	6	2	8
Security	10	4	14
Post Project Evaluation	6	6	12
De-commissioning (Inverurie HC)	10	0	10
Total	52	22	74

- 6.10.4. During the development stage of this project, the Board has provided a loan to hubCo to cover the cost of surveys, Stage 1 and Stage 2 development fees. These costs (£921,000) will be reimbursed to the Board at Financial Close, however the Board has accepted that it bears the financial risk of this arrangement.
- 6.10.5. The new facilities in Inverurie will accommodate a population growth, as set out in the Strategic Case, partially as a result of housing development. Supplementary planning guidance is in place to support securing developer obligation funds from housing developers for primary healthcare infrastructure needs in this area. The timing and scale of the funds are uncertain at this stage, but will be applied to NHS Grampian's contribution to this project, as appropriate.

6.11. Summary and Cashflow of All Costs and Associated Funding for the Project

6.11.1. The following **Tables FC9 and FC10**, consolidate the capital and revenue funding is needed to support the project during development and the first full year of operation.

Table FC9: Costs - Cashflow

Costs	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
Capital Contribution*	0	0	0	0	0
Capital Enabling Works	309	451	0	0	760
Equipment (inc. VAT) – Inverurie	0	0	780	0	780
Equipment (inc. VAT) – Foresterhill	0	0	300	0	300
Sub Debt Investment - Inverurie					
Sub Debt Investment - Foresterhill					
Total Capital Costs					
Advisor Fees	49	101	10		160
Commissioning Costs			64	10	74
Recurring Revenue Costs					
Unitary Charge					
Additional Depreciation (Equipment)	0	0	10	108	
Other Scheme Costs (Net Additional)	0		28	260	
Total Revenue Costs					
Total Costs					

Table FC10: Sources of Funding- Cashflow

Sources of Funding	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	Total £000s
NHSG Formula Capital	309	643	1,080	0	2,031
SGHSCD Unitary Charge			387	1,834	
NHSG Unitary Charge			41	196	
NHSG Depreciation (Equipment)			10	108	
NHSG (Other Scheme Costs)	49	101	94	202	
Third Party (Medical Practices)			8	68	
Total	358	744	1,620	2,408	

6.12. Overall Affordability

6.12.1. The key financial components are summarised in **Table FC11** below. Figures relate to the project development and first full year of operations, 2018/19.

Table FC11: Overall Affordability

	IHCH £000s	FHC £000s	Total £000s
Development Costs			
Capital Costs	1,662	370	2,032
Advisor Fees	77	83	160
Commission Costs	52	22	74
Total Development Costs	1,791	475	2,266
Annual Revenue Costs			
Net Depreciation	78	30	108
Net Running Costs (excluding UC)			260
	176	84	
Unitary Charge Total			
Total Annual Revenue Costs			
Unitary Charge NHSG			
Unitary Charge SGHSCD			

- 6.12.2. Provision has been made in NHS Grampian's current Capital Plan for enabling works at Inverurie, equipment and sub debt investment amounting to £2,032,000. It is anticipated that the site of the existing Inverurie Health Centre will be vacated and sold in due course; the current net book value of that site is £441,000.
- 6.12.3. Depreciation relates to equipment only. The Board has incorporated the additional £108,000 in its financial plans for the new equipment associated with this project.
- 6.12.4. The net additional recurring running costs for the Project, less the Government contribution to the UC, amounts to £564,000. Based on the current assessment of occupancy the GP Practices and other third parties will contribute £68,000. The balance of additional costs attributable to NHS Grampian amounts to £496,000, including its share of the [REDACTED]. This is included in its forward planning for revenue consequences.
- 6.12.5. NHS Grampian is committed to the Project and has incorporated the necessary funding increases for capital and revenue consequences in its financial plans and LDP for the coming years.

6.13. Financial Risks

6.13.1. Financial risks are identified within the project risk register. It is anticipated that the majority of these risks will be closed, or mitigated to reduced levels in the period leading up to Financial Close.

6.13.2. The financial risks carrying the greatest impact are:

- Stage 2 Pricing Report not issued and approved: the issue of this report has been delayed until after the completion of the FBC therefore there is a risk input costs used to calculate the Unitary Charge will change;
- Late value engineering: the project has been subject to substantial value engineering due to a cost increase between stage 1 and stage 2 of the project development, there is a risk that those items of value engineering agreed will not materialise or that they will have an unidentified consequential cost;
- Scottish Government Funding Requirement Understated: due to cost uncertainty there is a risk that funding support is understated, diligence has been applied in preparation of the funding requirements identified and mechanisms are in place to allow the actual financial close costs to be considered. The model will be subject to change at Financial Close and will result in an update to the unitary charge costs set out in FBC;
- Funding of the Project DBFM Co: there is a possibility that funding terms at Financial Close exceed the affordability caps identified for the project and/or that the preferred lender withdraws its offer. The market lending rates and lender commitment to the potential funding deal will be monitored up to Financial Close to identify such a situation as early as possible if it transpires; and
- Inflation: The UC figure will be partially subject to the impact of inflation over the life of the contract with reference to the Retail Price Index (RPI). This is standard practice. The risk of movements in the RPI remains with the Board for the duration of the Project. The Board will deal with this from its allocated resources and reserves set aside for inflationary purposes.

6.13.3. NHS Grampian will continue to monitor these and other financial risks and mitigate the impact.

6.14. Value for Money (VFM)

6.14.1. The UC included within the emerging hubCo Stage 2 submission has been scrutinised by external advisors as part of their due diligence towards their validation of the cost representing value for money at this stage and their initial statements are included as **Appendices FC3 and F4**.

- 6.14.2. The view of Currie & Brown (Technical Advisors) is that the Draft Stage 2 Pricing Report and subsequent Value Engineering, generally, provide Value for Money relative to prime cost comparator benchmark projects.
- 6.14.3. The comparison with prime cost comparator benchmarks will however, be subject to a final review of the Stage 2 Report where 'abnormals' need to be fully detailed and necessary adjustments made to enable a like for like comparison with the benchmarks. Early indications are that, following identification of 'abnormals' that the benchmarking will be in proximity of the comparator project benchmarking.
- 6.14.4. In terms of the commercial deal, our Financial Advisor has reviewed the key inputs underpinning components of the financial model used to calculate the UC with reference to representative pro-forma caps and current market intelligence. The optimisation of the financial model has also been reviewed and the key parameters are appropriate based on the financial model's underlying assumptions.
- 6.14.5. The view of the Financial Advisor is that the quoted UC is reflective of a VFM position at this stage. This assessment is made based on the understanding that the model's cost inputs are consistent with those reviewed by the Board's Technical Adviser and the view that the model's financial assumptions which reflect the current market and the appropriate shareholder return as agreed through the Territory Partnering Agreement with Hub North Scotland.

6.15. Agreed Accountancy Treatment

- 6.15.1. The Project will be delivered under hubCo DBFM Service Concession Contract over a 25 year term with NHS Grampian retaining all of the assets for no additional financial consideration at the end of the contract term.
- 6.15.2. The DBFM contract is defined as a 'Service Concession' arrangement under International Financial Reporting Interpretation Committee Interpretation 12 ('IFRIC 12') and will be "on balance sheet" in NHS Grampian accounts. See **Appendix FC5** for commentary on the IFRIC 12 assessment by NHS Grampian by Caledonian Economic (the Board's Financial Advisor).
- 6.15.3. The contract and payment mechanism follows the hub DBFM standard form which has been modified recently to ensure it delivers a "private sector" classification within the National Accounts under European System of Accounts (ESA) 2010 rules. This arrangement incorporates transfer of construction and availability risk and a 'private sector' delivery structure. The classification of the hub DBFM standard form 'private classification' is an evolving issue, however SFT have indicated that the revised form of the hubCo structure has addressed this is at this stage. The issue will be monitored by the Board through to Financial Close.

██████████ NHS Grampian Statement of Accounts are prepared under International Financial Reporting Standards (IFRS) and will recognize on its balance sheet the cost, at fair value, of the property, plant and equipment underlying the service concession as a non current (tangible) fixed asset and record a corresponding long term liability associated with the financing arrangement. The asset's carrying value

will be determined in accordance with International Accounting Standards (IAS) 16 subsequent to financial close but for planning purposes fair value is assumed to be the Operator Model construction cost, [REDACTED]

- 6.15.5. Compensating additional Capital Resource Limit (CRL) cover will be required in financial year in 2016/17 (£13.2 million) & 2017/18 (£8.4 million) when the asset is recognised during construction and completion. This value will be confirmed following agreement on Financial Close.
- 6.15.6. The 'lease rental' paid on the long term liability will be derived by deducting all operating, lifecycle and maintenance costs from the contract amounts paid to the DBFM Co. The 'lease rental' UC will be split between repayments of the liability, interest charged on the liability and contingent rentals determined according to the indexation provisions in the project payment mechanism.
- 6.15.7. The annual charge to the Statement of Comprehensive Net Expenditure (SOCNE) will consist of all operating, lifecycle and maintenance costs, contingent rentals, interest and depreciation calculated on a straight line basis.
- 6.15.8. On the expiry of the contract term the Net Book Value of the asset will be equivalent to the residual value assessed in accordance with IAS 16.
- 6.15.9. The equipment £1,080,000 procured to enable the project, from NHS capital resources, will be accounted for by NHS Grampian as a non current (fixed) asset.
- 6.15.10. The additional recurring revenue costs of [REDACTED] will be covered partly by revenue support funding from the SGHSCD [REDACTED], third party contributions (£68,000) with provision identified within NHS Grampian's Local Development Plan (LDP) to cover the balance (£496,000).

6.16. Written Agreement of Stakeholder Support - Current Position

- 6.16.1. Regular meetings have been held with the GP Practices to provide an indication of the estimated additional costs.
- 6.16.2. The GP Practices are engaged and have appointed legal teams to advise on the proposed Occupation Agreements and negotiations are at an advanced stage with finalisation not anticipated until Financial Close.
- 6.16.3. Letters confirming Agreement in Principle to the costs associated with an Occupation Agreement for these new premises is included as **Appendices CC1, CC2 and CC3**.
- 6.16.4. Foresterhill Health Centre will include a retail pharmacy and negotiations are ongoing to secure a commitment to the project.

7. The Management Case

THE MANAGEMENT CASE

7.1. The Management Case

7.1.1. This section will provide an update and confirmation on the Project Management arrangements shown in the Outline Business Case (OBC) with the focus now shifting from the procurement phase to the detailed arrangements in support of the design, build and implementation, and commissioning phase.

7.2. Project Structure and Organisation

7.2.1. This remains the same as in the OBC however detailed below is the Project Structure followed by additional information on the Lead Officers for the Inverurie Health and Care Hub Project and Foresterhill Health Centre Project.

Fig. MC1: NHS Grampian Governance Structure

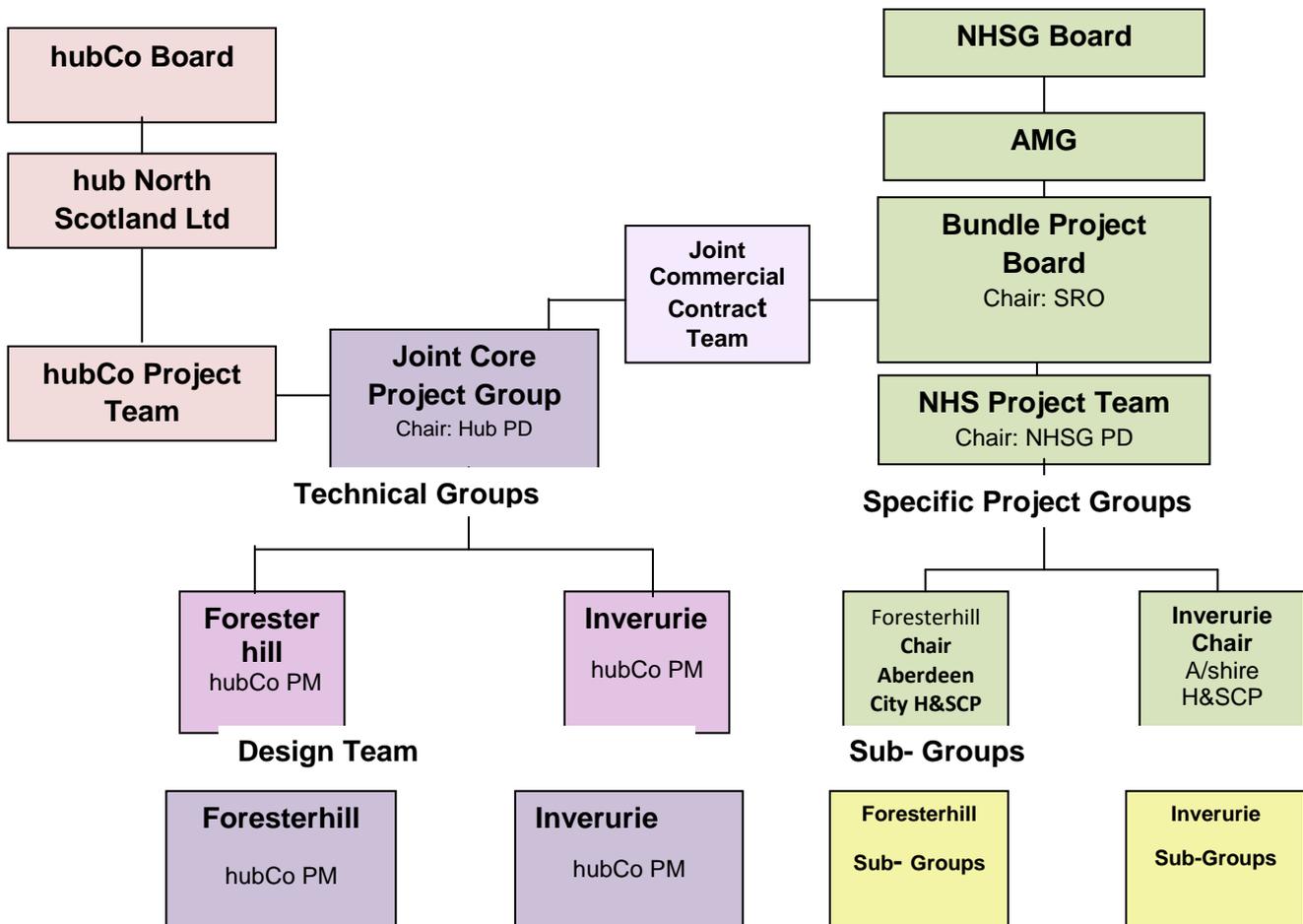
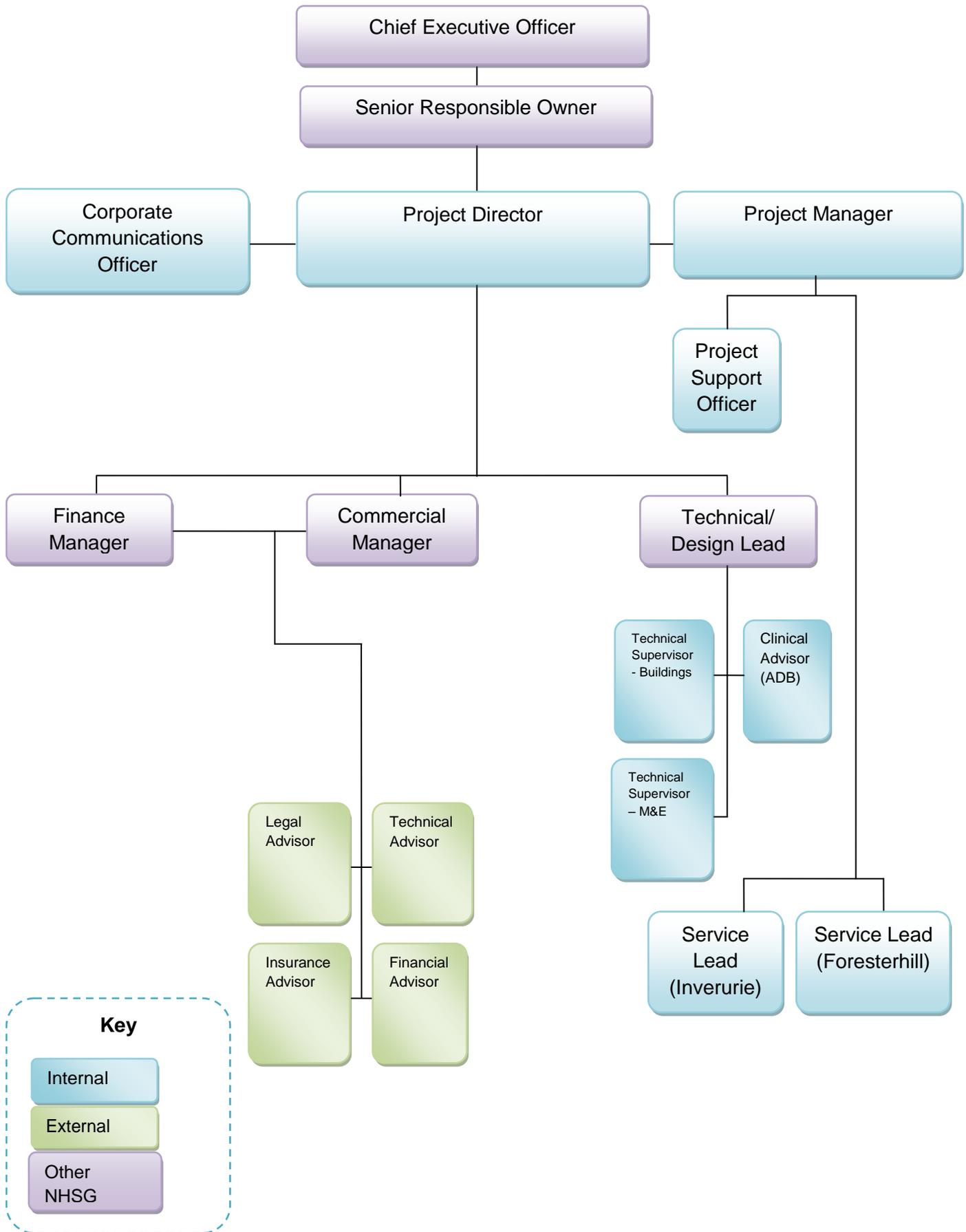


Fig. MC2: NHS Grampian Project Structure



7.3. Key Roles and Responsibilities

- 7.3.1. **Table MC1** below indicates the lead officers for both the Inverurie Health & Care Hub and Foresterhill Health Centre Bundle Project. In addition to this information, a pro forma listing other key members of the project team, including their roles and experience are outlined in **Appendix MC1**.

Table MC1: Roles and Responsibilities

Main Responsibilities	Named Person	Experience and suitability for the post
Senior Responsible Owner (SRO)		
To provide corporate leadership, support the Initial Agreement (IA)/Outline Business Case (OBC)/Full Business Case (FBC) through the approval process to Capital Investment Group (CIG), lead on external communication with Scottish Government and Members of Scottish Parliament (MSPs) etc, obtain funding and resources to ensure the projects delivery, negotiate on escalated issues with e.g. hubCo or NHS Grampian Board. To support the Project Director and project team to deliver the project as agreed in the FBC and Project Agreement.	Mr Alan Gray	<p>Member of the Institute of Chartered Accountants of Scotland.</p> <p>Deputy Chief Executive and Director of Finance for NHS Grampian and member of Board.</p> <p>Chair of the North of Scotland Territory Partnering Board.</p> <p>Chair of NHS Grampian Asset Management Group.</p> <p>Senior Responsible officer on first DBFM project under hub model in Scotland (Aberdeen Health Village).</p> <p>Senior Responsible officer on first joint project with two organisations under hub model in Scotland (Forres, Woodside and Tain).</p>
Project Director		
To lead and co-ordinate the project through all of its stages in collaboration with the project team, Service Management Team, Project Board, hubCo, and Scottish Futures Trust (SFT) from IA through New Project Request (NPR), Stage 1, OBC, Stage 2, FBC and Financial Close/start on site. Ensuring that the deal is fit for purpose, consistent with the strategic objectives, affordable and demonstrates value for money. To lead on the production and approval of the Scottish Capital Investment Manual (SCIM) compliant OBC and FBC to ensure successful completion of the facilities and bring into operation consistent with the project objectives and PA.	Mr Stan Mathieson	<p>Member of the Royal Institution of Chartered Surveyors</p> <p>Post Grad Diploma in Project Management</p> <p>Prince 2 Qualified</p> <p>NEC Project Manager accredited</p> <p>7 years experience with NHS Grampian as Development Manager, Commercial Manager, Deputy Head of Property Asset Development. Currently Project Director.</p> <p>Previous experience in commercial, legal and development finance.</p> <p>Commercial Lead on Aberdeen Health Village and Forres Woodside and Tain Bundle</p>

7.4. Independent Client Advisors

- 7.4.1. The various parties noted below in **Table MC2** have been appointed to provide specialist advice to NHS Grampian to support the delivery of the Inverurie Health and Care Hub and Foresterhill Health Centre Bundle Project.

Table MC2: Independent Client Advisors

Independent Client Advisors:	
Project Role:	Organisation and Named Lead:
Technical Advisor	Currie & Brown UK Ltd
Financial Advisor	Caledonian Economics Ltd
Legal Advisor	Pinsent Masons LLP
Insurance Advisor	Willis Group Ltd

7.5. Contract Management

- 7.5.1. NHS Grampian now has a number of hubCo Design Build Finance and Maintain (DBFM) Projects with 25 year operational contracts. To provide resilient contract management for these projects, NHS Grampian has a Service Level Agreement (SLA) with the Contract Management Team [REDACTED] who have extensive experience of providing contract management services to a portfolio of revenue funded schools and have previously provided NHS Grampian with support on the first two hub DBFM projects at Aberdeen Health Village and the Forres, Woodside & Tain Community Health Bundle delivered in partnership with NHS Highland.
- 7.5.2. This contract management service will be procured as a service delivered in partnership with ACC. NHS Grampian's Authorities Representative retains overall accountability as defined within the Project Agreement (PA) but will delegate parts of the day to day operational contract management to the Contract Manager.
- 7.5.3. It is the intention of NHS Grampian to promote these arrangements for both the Inverurie Health and Care Hub and Foresterhill Health Centre.

7.6. Role of Contract Manager between Contract Close and Operation

- 7.6.1. Work with the FM Service Provider and NHS Service Managers to produce contract monitoring documents, agree policies and working arrangements including:
- Risk Register;
 - Communications Plan;
 - Governance Structure;
 - Transition Plan;
 - Contract Admin Manual;

- User Guide;
- Project Directory;
- Contingency Planning;
- NHSG Contract Obligations;
- Information Strategy;
- Help Desk Procedures; and
- Staff Training (so that all users are able to engage appropriately with this new way of working, nurturing a joint working relationship with DBFM Co and the FM Service Provider).

7.7. Role of Contract Manager during Operation

7.7.1. The Contract Manager, under delegation of NHS Grampian's Authorities Representative will be responsible for the management, auditing and co-ordination of the Project Agreement to ensure due diligence in terms of the application of the Payment Mechanism and the performance management arrangements. To co-ordinate activities between the DBFM Co/FM Service Provider and the building users to ensure the effective delivery of services the facilities includes in the Project Agreement.

- To manage the Project Agreement on behalf of NHS Grampian;
- To act as the key link between NHS Grampian FM Service Provider and the DBFM Co/FM Service Provider;
- To ensure the FM Contract, policies and procedures are being adhered to by all parties;
- To review and amend policy and procedure by mutual agreement with the FM Service Provider and DBFM Co;
- To review regularly FM Service Provider performance with NHS Grampian Contract Team in preparation for Contract Meetings;
- To review audit/performance data and undertake spot check audit as required;
- To liaise with Finance Department to ensure accurate Pay Mech deductions consistent with performance criteria outlined in the contract Schedules 12 and 14 of the Project Agreement; and
- To prepare reports for the DBFM Strategic Management Group.

7.7.2. A flow chart detailing the Authorities Representative Escalation Process is included within **Appendix MC2**.

7.8. Project Recruitment Needs

7.8.1. The Board of NHS Grampian has invested significant financial and organisational resources in ensuring that it has sufficient capacity and capability to be able to effectively deliver and manage revenue funded infrastructure projects across the organisation.

7.8.2. All project posts have been successfully recruited to and post-holders in place.

7.9. Project Programme

7.9.1. **Table MC3** below indicates the key Development milestones for each of the projects. A copy of the more detailed project programme is included as **Appendix MC3**. The Project programme has been developed by both Project teams over a number of months in dialogue, with SFT, the project's financial, technical and legal advisors and hubCo.

Table MC3: Development Milestones

Activity	Timescale
Stage 2 Pricing Report	May 2016
FBC recommendation by NHS Grampian Asset Management Group (AMG)	18 th May 2016
FBC Formal Approval by NHS Boards	2 nd June 2016
FBC submitted to Capital Investment Group (CIG)	2 nd June 2016
Board presentation to CIG members	15 th June 2016
FBC Formal Consideration by CIG	28 th June 2016
Funding Letter from Scottish Government	15 th July 2016
NHS Grampian Board minute of understanding/Completion Documents	4 th August 2016
Financial Close	15 th August 2016
FBC Addendum to NHSG Board	September 2016
FBC Addendum to SGHSCD	October 2016
Foresterhill	
Mobilisation of construction activities	August 2016
Start on Site	By end of September 2016
Completion/Technical Commissioning/Handover to Board	December 2017
Functional commissioning	December 2017
Bring into Operation (Clinical Services)	January 2018
Inverurie	
Mobilisation of construction activities	August 2016
Start on Site	By end of September 2016
Completion/Technical Commissioning/Handover to Board	April 2018
Functional commissioning	April 2018
Bring into Operation (Clinical Services)	May 2018

7.10. Change Management Arrangements

- 7.10.1. This section will provide an update of any operational facilities Change Management arrangements included within the OBC.
- 7.10.2. As detailed within the OBC the most significant redesign is within the Inverurie Health and Care Hub Project, these include:
- Maternity Services;
 - Public Dental Services;
 - Radiology Unit; and
 - Facilities Maintenance.
- 7.10.3. Discussions with the services have provided reassurance that from an operational perspective they are working with their staff and stakeholders to ensure a smooth transition or implementation of their service prior to occupation of the new building. High Level Operational Change Plans for each of the above are included in **Appendix MC4**. These plans include the following information:
- Description of Service;
 - Lead Officer;
 - Service Issue;
 - Operational Change Plan: Communication; Workforce; Training and Policies and Procedures; and
 - Stakeholder Sign Off.
- 7.10.4. For Foresterhill Health Centre there will be no immediate service redesign. However the Facilities Maintenance Operational Change Plan for Inverurie Health and Care Hub will also be used for Foresterhill Health Centre. The Benefits Realisation Plan in **Appendix MC5** demonstrates the potential for service redesign after occupation of the new development.

7.11. Benefits Realisation Registers and Plans

- 7.11.1. A copy of the Benefits Realisation Registers and proposed Benefits Realisation Plans were previously included within the OBC. Significant work has been carried out since the OBC to review each of the projects Benefits Registers and Realisation Plans to confirm that the individually identified benefits are still appropriate and viable. This review was led by Project Team members with the full engagement of the stakeholders involved. Agenda time at Project Team meetings was set aside for this work.
- 7.11.2. A copy of the Benefits Realisation Registers and Plans, for each project, are included within **Appendix MC5** and have been updated to confirm how and by whom each of the benefits will be monitored throughout the implementation stage of the projects and then evaluated as part of the projects evaluation processes.

- 7.11.3. The Benefits Register and Realisation Plans for both Inverurie Health and Care Hub and Foresterhill Health Centre will be reviewed regularly at the Project Team Meets and monitored as a standing item at the Bundle Project Board meetings.

7.12. Project Risk Register

- 7.12.1. Effective management of Project risks is essential for the successful delivery of any infrastructure Project. A robust risk management process and risk register was identified and included within the OBC and has been effectively managed to reduce the likelihood of unmanaged risk affecting any aspect of the Project. The risk register has been managed within the Project Team and is led by the Project Manager.

7.13. Updated Risk Register

- 7.13.1. In developing the Project Risk Register, the initial activities of the Project Team focused on establishing a range of project risks reflecting the scope of both projects. The existing risk registers included within the OBC have been updated for any changes in assumptions and the impact of any control measures has been recorded. Assessment of each risk has been updated to reflect if they are financial, non-financial or remain unquantifiable.
- 7.13.2. All financial risks have been identified with an explanation as to why they remain within the project consistency, when they are most likely to occur and how they are being managed.
- 7.13.3. The non-financial risks have been reduced to low or medium risk through appropriate control measures. For those that remain High or Very High details of how they are being monitored and controlled and any burden to the potential success of the project has been identified.
- 7.13.4. A copy of the updated Risk Register which is regularly monitored and reviewed by the Project Board is included as **Appendix MC6**.

7.14. Commissioning

- 7.14.1. Commissioning can be divided into two important and overlapping processes that need to be planned and coordinated to ensure the successful bring into operation of the new facilities.
- 7.14.2. For clarity, commissioning has been described in two separate streams within this section of the Full Business Case (FBC):
- Technical Commissioning; and,
 - Functional Commissioning (prepare to bring into operation).

7.14.3. **Technical Commissioning:**

7.14.3.1. Technical commissioning of the facilities will be led by DBFM Co and will be completed prior to handover of the facilities to NHS Grampian. NHS Grampian will work with DBFM Co to ensure the successful delivery of a detailed programme for each facility which will ensure readiness for the functional commissioning led by NHS Grampian to commence.

7.14.3.2. A copy of the outline Technical Commissioning Programme for each of the projects is detailed in **Appendix MC7**.

7.14.3.3. Technical commissioning and Completion Criteria is part of Schedule 10 of the Project Agreement. As a result of recent construction issues in other projects, NHS Grampian will be ensuring there is more monitoring from a technical perspective through the NHS Grampian Estates Team. This will involve for example, an increase in site visits with more site observations at regular stages and liaison with the Authorities Representative.

7.14.4. **Functional Commissioning**

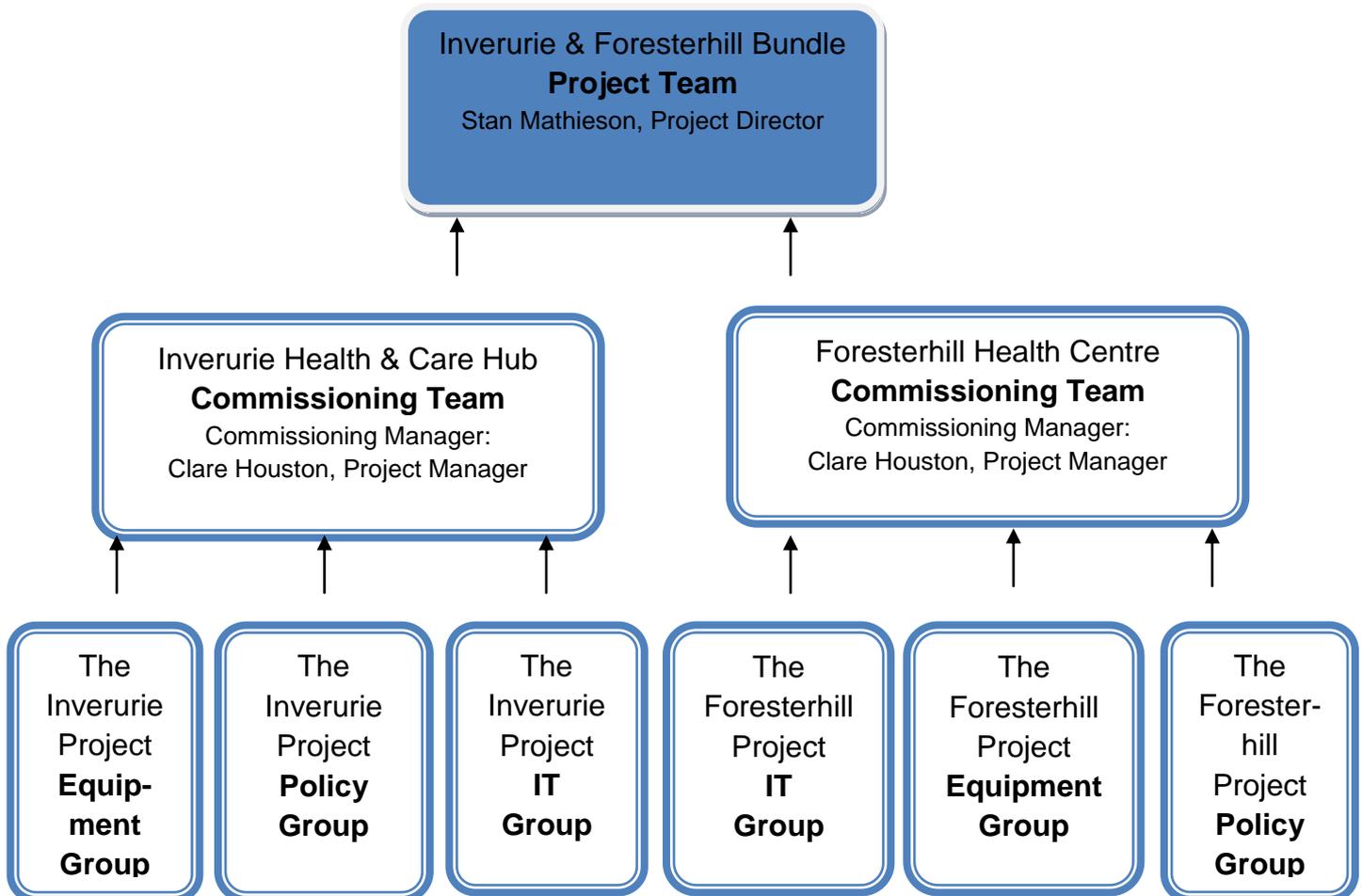
7.14.4.1. Functional commissioning of the facilities will commence following handover of each facility to NHS Grampian. It is envisaged at this stage that Foresterhill Health Centre will be handed over and commissioned in advance of Inverurie Health and Care Hub as the two projects will have quite different construction timetables due to scale and complexity. NHS Grampian is in agreement that the two facilities are commissioned one at a time to ensure that adequate resources can be deployed to ensure the successful commissioning and bring into operation of both facilities.

7.14.4.2. The commissioning of each facility will be managed as a single move which will be led and coordinated by the Commissioning Manager and Project Teams in close collaboration with the Operational Management Teams.

7.15. **Reporting Structure Aligned to Main Project Structure**

7.15.1. The functional commissioning of each facility will be led by the NHS Grampian Project Team. This task will be led by the Project Manager/Commissioning Manager supported by the Project Team.

7.15.2. **Figure MC3** overleaf outlines the planned reporting structure for commissioning activities. The commissioning teams, led by the Commissioning Manager/Project Manager will include staff from operational management, facilities management and logistics, the HFS Equipping Service along with appropriate members of the Project Team.

Fig. MC3: Functional Commissioning Structure

7.16. Person Dedicated to Leading this Process

- 7.16.1. The Project Manager and a number of Project Team members have extensive experience of commissioning primary healthcare facilities. The Project Manager will take on the temporary role of Commissioning Manager.
- 7.16.2. The Functional Commissioning Programmes for each of the projects **Appendix MC8** covers the 1-2 year period from FBC approval until 3-6 months after bring into operation to ensure all activities are planned, coordinated and delivered and that all functional commissioning teething issues are resolved post occupation in discussion with operational management teams and DBFM Co.
- 7.16.3. The Commissioning Manager will be responsible for:
- With operational colleagues, planning for revised operational procedures to reflect changes to ways of working associated with the new buildings and redesign agenda;
 - With operational colleagues, preparing staff to work differently to deliver new procedures (including formal training);

- Confirming with the HFS Equipment Service and operational colleagues the new equipment to be specified and procured and the equipment to be transferred and to ensure its successful implementation;
- Produce a comprehensive commissioning programme with clinical and logistic colleagues and to ensure its successful delivery;
- To develop a detailed occupation plan with clinical colleagues to ensure the safe continuation of appropriate clinical services throughout the commissioning period;
- Work with the security team to ensure that facilities are safe and secure after handover from DBFM Co and that appropriate operational procedures are implemented;
- Agree a service reduction with the operational teams to facilitate the smooth relocation to the new facilities with as little disruption as possible to patients and staff;
- To ensure a comprehensive plan to clean the building is in place and agreed with the domestic team and the infection control team;
- To plan for, procure a removal company and supervise the removal of all equipment, furnishings and goods agreed to transfer;
- To ensure with the Patient Focus Public Involvement Officer and stakeholder representatives within the Project Team that the public, staff and patients are briefed and clear about the relocation and occupation plan and what their role is in relation to it;
- To arrange staff orientation and training for all staff who will work in each of the buildings and issue of security enabled badges;
- To produce a comprehensive IT and telecommunications plan to make sure that all phones and computers etc. are operational in advance of staff and patient moves;
- To coordinate the installation of an complex equipment, post handover e.g. imaging equipment, as agreed with DBFM Co and;
- To plan for the accommodations being vacated to be emptied ready for re-use or demolition, as appropriate.

7.16.4. The Commissioning Manager will be supported by the wider Project Teams and Operational Management Teams to deliver the commissioning agenda in a planned and coordinated manner.

7.16.5. In addition, the Health Facilities Scotland Equipping Service has been commissioned by NHS Grampian to support the process of equipment specification, procurement and commissioning of all new equipment. A Service Level Agreement is in place and work to agree the equipment lists as part of the Room Data Sheet (RDS) development process is complete and finalised. The completed equipment list has been used to inform the budget equipment cost outlined in **Section 6.5.2** of the Finance Case.

7.16.6. A copy of the HFS Equipping Process Flow and the Equipment Procurement Process are attached as **Appendices MC9 and MC10**.

7.17. Key Stages of Commissioning

7.17.1. A detailed Functional Commissioning Programme has been developed for each of the projects and is included as **Appendix MC8**. The high level plan developed for each project includes a 4-8 week period for the functional commissioning for each facility following handover from DBFM Co.

7.17.2. Some of the key activities included in the Functional Commissioning Plan are:

- Safety and security of facilities and staff;
- Telecoms enlivenment;
- Clinical clean;
- New equipment installation;
- Equipment Transfer;
- Imaging equipment installation;
- Staff orientation and training (including fire and security etc.);
- Consumable Stock (including sterile products, stationary etc.);
- Receipt and dispatch arrangements in place;
- Equipment, furnishing etc; transfer arrangements in place;
- Signage internal and external in place;
- Media communication in place; and
- Patient and staff information and other internet and social media communication.

7.17.3. Examples of security and site induction arrangements are included as **Appendices MC11 and MC12**.

7.18. Resource Requirements

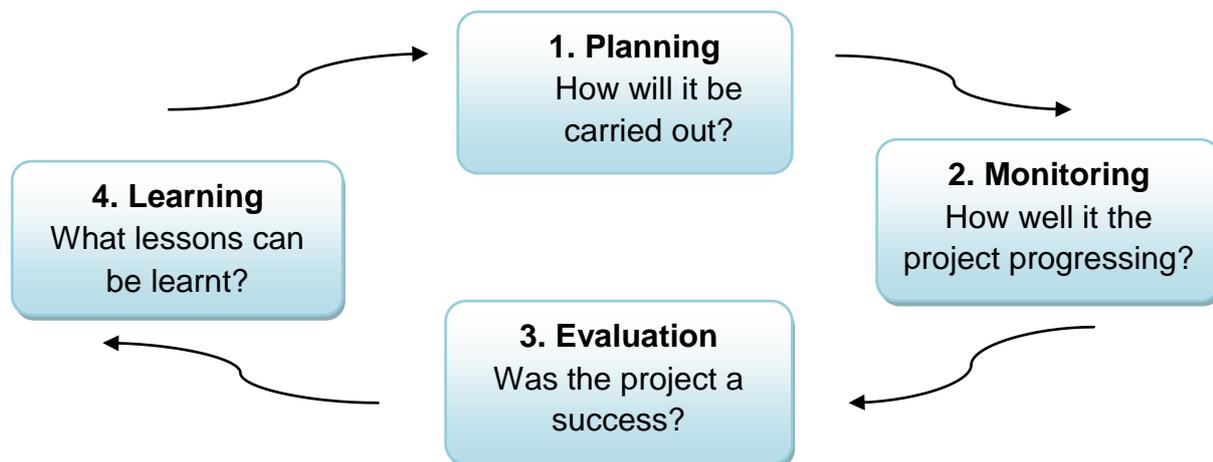
7.18.1. As outlined earlier in this section the role of Commissioning Manager will be taken up by the Project Manager for a temporary period. The Project Managers whilst taking on this temporary role will be provided with full support from the Project and Operational Management Teams and will be supervised by the Project Director.

7.18.2. The Commissioning Manager will lead on the commissioning of both projects.

7.19. Project Evaluation

- 7.19.1. This section will provide firm details of the Project Monitoring and Service Benefits Evaluation Plan.
- 7.19.2. Evaluation of Inverurie Health and Care Hub and Foresterhill Health Centre will have two main strands:
- Monitoring which involves the systematic collection and review of information while a project is proceeding; and
 - Evaluation which is the process of assessing the impact of a project after it has come to an end.
- 7.19.3. When used in combination, they become an essential aid in realising, determining and sharing the success of any Project, refer to **Figure MC4**.

Fig. MC4: Project Monitoring and Benefits Evaluation Process



7.20. Person dedicated to Leading This Process

- 7.20.1. A number of people are involved in the monitoring and evaluation process. The project monitoring will be led by the Project Manager who will prepare and produce a Project Manager Report for consideration by the Project Board over the life of the project. Completion of this report will involve members of the Project Team, including e.g. Finance Manager, Service Managers and Technical Supervisors. A template of the Project Manager's Report is included as **Appendix MC13**.
- 7.20.2. The post project benefits evaluation will likely be led by an officer from the NHS Grampian Property and Assessment Management Team. The benefits evaluation will however need support to be completed by specific operational management teams, health intelligence and property and asset management colleagues and will also involve feedback from staff, patients and other key stakeholders.

7.21. Project Monitoring

7.21.1. The Project monitoring element covers the assessment of the technical aspects of the projects as they proceed through planning, implementation and final completion phases. The main elements covered are:

7.21.2. Project Costs

7.21.2.1. Monitoring of project costs provides continuous assurance that appropriate cost control measures are in place and that actual costs are contained within the project budget.

7.21.2.2. A Project Cost Monitoring Form providing a summary of how all capital equivalent investment and operational costs have developed from OBC stage through to FBC is attached in **Appendix MC14**. An elemental Construction Cost Plan has also been attached in **Appendix MC15** which provides a more detailed breakdown of the agreed Construction Costs at stage 2 design development and is consistent with the Building Cost Information Service (BCIS) cost plan standards.

7.21.2.3. In the hub Design Build Finance and Maintain (DBFM) procurement the risk of cost increase is carried by the DBFM Co. Notwithstanding, at the end of the project implementation stage (e.g. end of construction) NHS Grampian will request that the DBFM Co provides an elemental analysis of final construction costs so that a detailed comparison between those costs reported at FBC and the actual final costs can be made. This will utilise, as necessary, the information contained within the Construction Cost Plan to provide a detailed breakdown of any evident cost changes.

7.21.2.4. The programme for assessing actual operational revenue costs will have to wait until a reasonable period after occupation for them to become typical, recurring costs. The final review of these final revenue costs is therefore more likely to align with the Services Benefits Evaluation Programme.

7.21.3. Project Programme

7.21.3.1. Monitoring of project milestones will indicate whether initial programme estimates were overly optimistic or not, and then provide assurance that critical milestones will be delivered on time or identify any slippages that have occurred. The potential impact on key interdependencies can then be reported.

7.21.3.2. A Programme Monitoring Form is attached in **Appendix MC16** which provides a summary of how the project's key milestones have/have not altered over the planning and procurement stages between Outline Business Case and Full Business Case. At project completion stage a further comparison will be carried out between FBC and actual milestones.

7.21.4. Project Scope Changes

7.21.4.1. The most critical aspect of controlling project cost and time is to develop a clear, comprehensive and detailed specification and design that takes account of stakeholder service requirements. To supplement this, a robust Change Control Plan is being developed and a draft is included within **Appendix MC17**. The Change Control Plan will identify the control points and thresholds (i.e. cost limits) supported by the management arrangements responsible for overseeing, controlling and approving any changes. Due to the introduction of Integrated Joint Boards as of April 2016, further discussion around these limits and management arrangements is still ongoing.

7.21.5. Health and Safety Performance

7.21.5.1. Monitoring and review of health and safety performance will enable a full understanding of the adequacy of health and safety practice during the construction and commissioning of the project, as well as identify any lessons to be learnt on all future NHS Grampian projects.

7.21.5.2. The Construction Design Management (CDM) coordinator appointed by DBFM Co will assess and report on the following:

- Number of accidents occurring;
- Number and percentage of those accidents coming under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR);
- Number and percentage of those accidents occurring due to:
 - Operative not using required Personal Protective Equipment (PPE)
 - Ineffective PPE
 - Inadequate training of using PPE
- Number of days lost due to injuries; and
- Number of treatments carried out on site.

7.21.5.3. NHS Grampian is also very aware, in particular with the Inverurie Health and Care Hub development that construction will be happening on a busy and live hospital site. Although certain areas will be handed over to the Tier 1 Contractor for construction, some NHS Grampian employees will still require access to these sites for the purposes of Goods Dispatch and Receipt and Waste Management.

7.21.5.4. Dialogue with the Tier 1 Contractor has already commenced, to ensure that there are robust arrangements in place, regarding necessary access to the site by approved NHS staff. Access will be coordinated to ensure that the Health and Safety of the NHS Grampian and Tier 1 Contractor staff is paramount and that there is no disruption or delay to the construction works.

7.21.6. **NHS Scotland Design Assessment Process (NDAP) and Achieving Excellence Design Evaluation Toolkit (AEDET)**

- 7.21.6.1. Monitoring and inspection of the quality, accuracy and progress of any project is expected to form part of a good practice approach to construction project management.
- 7.21.6.2. NDAP provides an independent assessment of design quality and functionality, including technical and sustainability standards. The NDAP process is overseen by Architecture and Design Scotland (A+DS) who will provide CIG with a formal assessment at FBC.
- 7.21.6.3. AEDET provides a scored review of design development involving stakeholders and is administered by Health Facilities Scotland (HFS)
- 7.21.6.4. Baseline (AEDET) information was submitted as part of the OBC including an NDAP Statement for Inverurie. In further terms of NDAP, Foresterhill was treated as a transitional project and therefore did not require an assessment.
- 7.21.6.5. Dialogue has continued with A+DS and HFS regarding the design of both projects and final AEDET workshops for both projects have been arranged for 7th June 2016 that will be led and facilitated by HFS. Our A+DS and HFS colleagues have confirmed they will provide CIG with an updated NDAP and AEDET Statement.

7.21.7. **Final Project Monitoring Report**

- 7.21.7.1. A final Project Monitoring Report will be submitted to the Scottish Government shortly after project completion and will incorporate the following:
- A Project Cost Monitoring Form (updating information provided within **Appendices MC15 & MC15**) which compares costs agreed within this FBC with actual outturn costs, giving reasons for any differences;
 - A Programme Monitoring Form (updating information provided in **Appendix MC16**) which compares the Programme milestones agreed within this FBC with actual dates achieved, giving reasons for any differences;
 - A summary of significant project scope changes between this FBC and project completion and their impact on the project;
 - A summary of health and safety performance throughout the construction and commissioning phases;
 - An overview of achievement of the project's design objectives, design standards, user expectations, and recommendations for any future improvements; and
 - A final review of the management of risks throughout the project development.

7.22. Service Benefits Evaluation

7.22.1. The rationale for a project will have identified the potential benefits to be gained from the successful delivery of the project. These benefits will include those directly associated with service improvement, as well as others with a more indirect supporting influence. All benefits within the Benefits Realisation Plans for both projects will therefore be assessed as part of the Service Benefits Evaluation Process. This will also encompass the project's impact on service delivery, activity and performance.

7.22.2. The dates for Service Benefits Evaluation, the methodology to be used and the stakeholders involved are included as part of the Benefits Realisation Registers and Plans detailed in **Appendix MC5**.

7.22.3. Meeting Stakeholder Expectations

7.22.3.1. Meeting stakeholder expectations is part of the Benefits Realisation Plans for both Inverurie Health and Care Hub and Foresterhill Health Centre.

7.22.3.2. The process being adopted is for each service to select stakeholder who are most capable of providing relevant insight into the success of the project from their perspective. An exercise which clearly outlines what their original expectations are was carried out at the Benefits Realisation workshop on 29th January 2016 for both projects and formed part of the Benefits Register and the Benefits Realisation Plan. In order to establish if these expectations have been met, techniques such as gaining feedback from questionnaires and structured interviews will take place.

7.22.3.3. This part of the process will be led by the Patient Public Involvement Officer who is aligned to both Inverurie Health and Care Hub and Foresterhill Health Centre and has extensive experience of developing project specific questionnaires and structured interview questions.

7.22.3.4. The aim of this evaluation is to gain a better understanding of user and stakeholder opinion on what they regard as a success, what could have been done better, what alterations to the facility may need to be made, and what improvements could be made to the benefit of future projects.

7.22.4. Impact of Service Change

7.22.4.1. As detailed earlier within this section, Operational Change Management Plans for both Inverurie Health and Care Hub and Foresterhill Health Centre have been developed and are attached in **Appendix MC4**.

7.22.4.2. These plans will be the source document for comparing the expected impact against the actual impact of these projects on service activities.

7.22.4.3. The aim of this aspect of the evaluation is to review how successfully the Operational Change Management Plans were implemented but also what lessons can be learned to enhance similar change plans in the future.

7.22.5. **Service Activity and Performance**

7.22.5.1. An evaluation of the Operational Change Management Plans and the Benefit Realisation Plans will also demonstrate how well each of the projects has delivered against projected service activity and performance assumptions.

7.22.5.2. The evaluation process will compare data on existing, proposed and actual service activity and performance associated with the projects.

7.22.5.3. The outcome of this element of the evaluation will confirm the accuracy of service activity assumptions and that each of the projects have had a positive impact on service performance when compared with what would have happened from doing nothing.

7.22.6. **Service Benefits Evaluation Report**

7.22.6.1. The programme for submitting the Service Benefits Evaluation Report to the Scottish Government is set out and will be delivered in accordance with the Benefits Realisation Registers and Plans; proposed and actual service activity and performance outcomes.

7.22.7. **Lessons Learned**

7.22.7.1. The final stage of the process will bring to the fore the lessons to be learnt for future projects both within NHS Grampian and for the wider benefits of NHSScotland. This will form the final concluding part of the Service Benefits Evaluation report and will include the following:

- A summary from the evaluation information of what went well and why;
- A summary of what could be improved upon gained from an overview of the evaluation results as well as from recommendations raised in any feedback process.
- An action plan for disseminating these lessons learnt within NHS Grampian and across the wider NHSScotland.

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Appendix SC1: Inverurie & Foresterhill OBC Approval Letter

Director-General Health & Social Care and
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28 September 2015

Dear Malcolm

**NHS GRAMPIAN – INVERURIE HEALTH AND CARE HUB PROJECT AND
FORESTERHILL HEALTH CENTRE – OUTLINE BUSINESS CASE**

The above Outline Business Case has been considered by the Health Directorate's Capital Investment Group (CIG) at its meeting of 1 September. CIG has recommended approval and I am pleased to inform you that I have accepted that recommendation and now invite you to submit a Full Business Case.

These two projects, together with the other interlinked developments currently planned for the Foresterhill campus, represent a complex and ambitious programme of investment. Given this, I would ask you to liaise closely with CIG members as you move forward with the development of your projects. CIG members will be happy to discuss work in progress and to provide advice and support to your team as they take forward these important projects.

In addition, CIG members have been in contact with your project team directly to discuss a number of queries and requests with regard to the outline business case. I ask that you and your team give these points early attention with the appropriate updates made to the Outline Business Case.

One observation that I would like to draw to your attention to is that the case for change is well made in the document and the investment objectives laid out. The economic case however failed to demonstrate that the project is Value for Money. The result of the option appraisal concluding, as it did, that the 'do minimum' was the best Value for Money is perverse given that the 'do minimum' does not meet the objectives. This suggests that the structure of the benefits appraisal and in particular, the criteria used, did not reflect the stated objectives. I would expect you to address this point when you submit your Full Business Case.

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Appendix SC2: Schedule of Accommodation and 1:200 Layouts (IHCH)

8. Appendices

Project : Integrated Health Care HUB for Inverurie
No : 1944-IHCH



S(00)101 AS DRAWN - SCHEDULE OF ACCOMMODATION

23/05/2016

MRT Room No's	Space	BRIEFED AREAS		AS DRAWN AREAS		+ / - sq. m.
		Ground Floor Area sq. m.	First Floor Area sq. m.	Ground Floor Area sq. m.	First Floor Area sq. m.	
1.1.1	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.2	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.3	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.4	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.5	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.6	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.7	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.8	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.9	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.10	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.11	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.12	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.13	GP Consulting Room (GF)	14.0		13.9		-0.1
1.1.14	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.15	GP Consulting Room (GF)	14.0		13.9		-0.1
1.1.16	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.17	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.18	GP Consulting Room (GF)	14.0		14.0		0.0
1.1.19	GP Consulting Room (GF)	14.0		14.1		0.1
1.1.20	GP Consulting Room (GF)	14.0		14.0		0.0
1.2	GP Consulting Trainer Room (GF)	16.5		16.4		-0.1
1.3	Nurse Practitioner Consulting Room (GF)	14.0		14.0		0.0
1.4	GP Consulting Registrar (Trainee) Room (GF)	14.0		13.9		-0.1
1.5	Interview Room	9.0		9.0		0.0
1.6.1	Practice Waiting Area per Consulting Room (GF)	44.0		51.4		7.4
1.6.2	Practice Waiting Area per Consulting Room (GF)	33.3		36.2		2.9
1.7.1	Children's Play Area (GF)	5.8		5.8		0.0
1.7.2	Children's Play Area (GF)	5.8		5.8		0.0
1.8	Treatment Room / Minor Injuries (GF)	20.0		19.9		-0.1
1.9	Treatment Room (GF)	17.0		16.8		-0.2
1.10	Treatment Room (GF)	14.0		14.0		0.0
1.11	Clinette (GF)	4.0		4.0		0.0
1.12	Test Room (GF)	4.0		4.0		0.0
1.13	Minor Procedures/Surgery Room (GF)	20.0		20.1		0.1
1.14	Recovery Room (GF)	14.0		14.0		0.0
1.15.1a	Treatment Room Storage space per Room (GF)	4.0		3.9		-0.1
1.15.1b	Treatment Room Storage space per Room (GF)	4.0		4.0		0.0
1.15.2	Treatment Room Storage space per Room (GF)	8.0		8.1		0.1
1.16	Treatment Waiting Area per Treatment Room (GF)	13.4		13.4		0.0
1.17	Reception + Disable counter (GF)	12.0		11.4		-0.6
1.18	Doctors Admin. / Mail Room 4 desks (FF)		23.0		22.9	-0.1
1.19	Admin. Data Office 7 desks (FF)		38.5		39.8	1.3
1.20	Admin Office for Finance, Surgical, Cardiology 3 desks (FF)		16.5		16.4	-0.1
1.21	Admin Back Office Reception 8 desks (GF)	44.0		43.8		-0.2
1.22	Record storage space / 1000 patients (including expansion allowance) (FF)		50.0		49.5	-0.5
1.23	Practice Managers Office (GF)	16.0		16.0		0.0
1.24	Assistant Practice Managers Office		9.0		9.0	0.0
1.25	Meetings Room (30 Persons) (FF)		45.0		46.1	1.1
1.26	Library / Teaching Room (20 Persons) (FF)		30.0		29.9	-0.1 reduced due to kit design
1.27.1	General / Equipment Store	10		11.3		1.3
1.27.2	General / Equipment Store		10		10.3	0.3
1.28	Staff Rest Room / Beverage Bay (Based on GP Unit size) (FF)		98.0		98.9	0.9
1.29	Male Staff Changing allowance per average No. of Staff (FF)		9.7		9.8	0.1
1.30	Female Staff Changing allowance per average No. of Staff (FF)		25.3		25.2	-0.1
1.31	Clinical Waste (large) (GF)	12.0		12.0		0.0
1.32	Multi-purpose Room / Health Education Room (large) (GF)	30.0		31.0		1.0
1.33	Multi-purpose Store (large) (GF)	8.0		8.1		0.1
1.34	Community Nursing Team Leaders Offices (FF)		11.0		16.4	5.4 includes 5.4sqm for 1.37
1.35	Community Nursing Team Offices per WTE Health Visitor (FF)		38.5		38.3	-0.2 reduced due to kit design
1.36	Community Nursing Team Offices per WTE District Nurse (FF)		38.5		38.4	-0.1 reduced due to kit design
1.37	Community Nursing Team Offices per WTE Secretarial Support (FF)		5.5		0.0	-5.5 Area combined with room 1.34
1.38	Community Nursing Store (large) (GF)	15.0		14.0		-1.0
2.1	Reception/Admin/Records (GF)	4.5		4.6		0.1
2.2.1	Midwifery Service Consulting Room (GF)	14.0		14.0		0.0
2.2.2	Midwifery Service Consulting Room (GF)	14.0		13.9		-0.1
2.3	Podiatry Office (2 person) (FF)		11.0		10.9	-0.1 reduced due to kit design
2.4.1	Podiatry Treatment Room (FF)		16.0		16.0	0.0
2.4.2	Podiatry Treatment Room (FF)		16.0		16.0	0.0
2.5	Audiology Consulting / Booth (GF)		20.0		19.7	-0.3 reduced due to kit design
2.6	Physiotherapy Treatment Room per Bay (FF)		60.0		62.1	2.1
2.7	Physiotherapy Treatment Room (FF)		14.0		12.0	-2.0 reduced due to kit design
2.8	Physiotherapy Store (FF)		15.0		14.8	-0.2
2.9	Physiotherapy Activity Space (FF)		30.0		32.5	2.5
2.10	Community Cardiology Clinic Assessment Room (FF)		17.0		17.0	0.0
2.11	Community Cardiology Clinic Ultrasound Room (FF)		14.0		14.0	0.0
2.12	Community Cardiology Clinic Consulting Room (FF)		14.0		14.0	0.0
2.13	X Ray Room (GF)	30.0		30.0		0.0
2.14	X Ray Office (GF)	9.0		9.3		0.3
2.15	X Ray 2 No Changing rooms (GF)	3.0		3.1		0.1
2.16	X Ray 1 No Changing room (Disabled) (GF)	6.0		5.9		-0.1
2.17.1	Speech & Language Consulting Room (FF)		14.0		14.0	0.0
2.17.2	Speech & Language Consulting Room (FF)		14.0		14.0	0.0
2.18	Speech & Language Group Consulting Room (FF)		20.0		19.8	-0.2 reduced due to kit design
2.19	Speech & Language Storage (FF)		30.0		29.9	-0.1 reduced due to kit design
2.20.1	CHP Visiting Consulting Rooms (GF)	14.0		14.0		0.0
2.20.2	CHP Visiting Consulting Rooms (GF)	14.0		14.0		0.0
2.20.3	CHP Visiting Consulting Rooms (GF)	14.0		14.0		0.0
2.20.4	CHP Visiting Consulting Rooms (GF)	14.0		14.0		0.0

8. Appendices

Project : Integrated Health Care HUB for Inverurie
 No : 1944-IHCH



5(00)101 AS DRAWN - SCHEDULE OF ACCOMMODATION

23/05/2016

MRT Room No's	Space	BRIEFED AREAS		AS DRAWN AREAS		+ / - sq. m.	
		Ground Floor Area sq. m.	First Floor Area sq. m.	Ground Floor Area sq. m.	First Floor Area sq. m.		
2.20.5	CHP Visiting Consulting Rooms (GF)		14.0		14.5	0.5	Moved to 1st floor to make best use of space
2.20.6	CHP Visiting Consulting Rooms (GF)		14.0		13.9	-0.1	reduced due to kit design
2.21	CHP Interview room (FF)		9.0		9.0	0.0	
2.22	3 No Physiotherapy Office Space/5 No Hotdesks for CHP Team		44.0		46.2	2.2	
2.23	Visitors Toilet Male		2.5		2.6	0.1	
2.24	Visitors Toilet Female		2.5		2.6	0.1	
2.25	CHP Services Waiting Area per Treatment Room (GF)	33.6		30.2		-3.4	
2.26	CHP Services Waiting Area per Treatment Room (FF)		40.3		23.9	-16.4	
2.27	CHP Services Waiting Area per Treatment Room (SALT) (FF)		10.1		34.0	23.9	
2.28	Staff Changing-allowance (enhancement) per average No. of Staff (FF)		0.0		0.0	0.0	Area added to Room 1.29
2.29	Staff Changing-allowance (enhancement) per average No. of Staff (FF)		0.0		0.0	0.0	Area added to Room 1.30
2.29	Staff Rest Room (enhancement) per additional staff member (FF)		0.0		0.0	0.0	Area added to Room 1.28
2.28	Dirty Toy Wash		6.7		5.5	-1.2	accommodate adjacent Dis.WC
2.29	Patient WC (with Parent Assistance space)		4.3		5.5	1.2	Added to Schedule (Increased to provide Dis.WC)
3.1.1	Treatment Room (Wheelchair/Special Needs) (FF)		19.0		18.8	-0.2	reduced due to kit design
3.1.2	Treatment Room (Wheelchair/Special Needs) (FF)		19.0		18.8	-0.2	reduced due to kit design
3.2	Interview Room / Quiet Room (FF)		10.0		9.2	-0.8	reduced due to kit design
3.3	Recovery Room (FF)		10.0		11.5	1.5	reduced due to kit design
3.4	X Ray Room (FF)		8.5		8.5	0.0	
3.5	Waiting Area per Treatment Room including play area (FF)		15.0		19.3	4.3	
3.6	Reception/Admin/Records (FF)		16.5		16.5	0.0	
3.7	Hot Desk Office (FF)		16.5		16.6	0.1	
3.8	Dental Store (FF)		12.0		11.0	-1.0	
3.9	Childlike Store (FF)		10.0		10.0	0.0	
3.10	LDU (FF)		14.0		14.0	0.0	
3.11	DSR (LDU equipment only) (FF)		4.0		4.0	0.0	
3.12	Plant Room - Compressor/Suction Plant (FF)		5.0		5.1	0.1	
3.13	Clinical Waste Domestic Services Room		4.0		4.0	0.0	
3.14	Toilet: Male Patients/Visitors (suitable for disabled)		5.0		5.0	0.0	
3.15	Toilet: Female Patients/Visitors (suitable for disabled)		5.0		5.0	0.0	
3.16	Toilet: Patients Disabled (shown in building)						
3.16	Toilet - Staff Mixed		2.5		2.5	0.0	
3.27	Staff Rest Room (enhancement) per additional staff member (FF)		0.0		0.0	0.0	Area added to Room 1.28
3.28	Staff Changing-allowance (enhancement) per average No. of Staff (FF)		0.0		0.0	0.0	Area added to Room 1.29
3.29	Staff Changing-allowance (enhancement) per average No. of Staff (FF)		0.0		0.0	0.0	Area added to Room 1.30
4.1	Entrance / Poshel-Bay Waiting Area	12.0		12.0		0.0	
4.2	Reception: 2 position / Staff Base	11.0		10.9		-0.1	
4.3	Patients WC: ambulant user	2.5		2.6		0.1	
4.4	Patients WC: disabled/wheelchair user	5.5		5.5		0.0	
4.5	Refreshment/Vending Machine Bay	3.0		3.4		0.4	
4.6	Day Assessment Unit: 4 2 beds/reclining chairs	28.0		27.9		-0.1	
4.7	Consulting/Examination Room: double sided couch access	14.0		14.0		0.0	
4.8	LDRP Room: standard (including pool)	31.0		30.9		-0.1	
4.9	LDRP Room: standard (including pool)	31.0		30.9		-0.1	Room name change
4.10.1	Single Bedroom with Cot	19.0		19.0		0.0	
4.10.2	Single Bedroom with Cot	19.0		19.0		0.0	
4.10.3	Single Bedroom with Cot	19.0		19.0		0.0	
4.10.4	Single Bedroom with Cot	19.0		18.8		-0.2	
4.11.1	En-Suite: shower, WC & wash	4.5		4.5		0.0	
4.11.2	En-Suite: shower, WC & wash	4.5		4.5		0.0	
4.11.3	En-Suite: shower, WC & wash	4.5		4.5		0.0	
4.11.4	En-Suite: shower, WC & wash	4.5		5.1		0.6	
4.11.5	En-Suite: shower, WC & wash	4.5		4.5		0.0	
4.11.6	En-Suite: shower, WC & wash	4.5		4.5		0.0	
4.12	Imaging Room: ultrasound	16.5		16.9		0.4	
4.13	Interview/Counselling/Quiet Room	9.0		8.9		-0.1	
4.14	Patients Pantry	6.0		7.7		1.7	
4.15	Emergency Trolley Bay	2.0		2.0		0.0	
4.16	Clean Utility	14.0		15.4		1.4	
4.17	Preparation Room - Baby-Feed-storage Equipment bay	7.0		7.0		0.0	
4.18	Dirty Utility	12.0		10.9		-1.1	
4.19	Disposal Hold	10.0		10.0		0.0	
4.20	DSR	10.0		12.3		2.3	
4.21.1	Store: equipment	6.0		5.7		-0.3	Store split into 2 rooms
4.21.2	Store: equipment	6.0		6.1		0.1	Store split into 2 rooms
4.22	Store: linen	4.5		4.5		0.0	
4.23	Office: general, 3 person	16.0		15.9		-0.1	
4.24	Staff Rest Room	12.0		11.0		-1.0	
4.25	Staff Changing: female, 10 places	4.0		4.0		0.0	
4.26	Staff Changing: male, 2 places	1.5		4.5		3.0	Includes 2 Sqm for 4.29
4.27	Staff WC: Disabled	5.0		4.5		-0.5	Area omitted in lieu of separate male/female WC @ 2.5
4.28	Staff WC: female	2.5		2.5		0.0	Area added in lieu of second Dis.WC
4.29	Staff WC: male	2.5		0.0		-2.5	Area combined with Room 4.26
4.30	Staff Shower: accessible, mixed	5.0		4.9		-0.1	
4.31	Midwife Workstation	2.6		2.6		0.0	Added to Schedule
5.1	Entrance / Pram Bay Mainentrance to building with Wheelchair bay	10.0		18.7		8.7	
5.2	Entrance / Pram Bay (Large - 7 * Doctor Practices)	10.0		0.0		-10.0	Area combined with Room 5.1
5.3.1	Female Patients / Visitors Toilet(s)	2.5		2.5		0.0	
5.3.2	Female Patients / Visitors Toilet(s)	2.5		2.5		0.0	
5.3.3	Female Patients / Visitors Toilet(s)	2.5		2.5		0.0	
5.3.4	Female Patients / Visitors Toilet(s)	2.5		2.5		0.0	
5.4.1	Male Patients / Visitors Toilet(s)	2.5		2.5		0.0	

8. Appendices

Project : Integrated Health Care HUB for Inverurie
 No : 1944-IHCH



5/00101 AS DRAWN - SCHEDULE OF ACCOMMODATION

23/05/2016

MRT Room No's	Space	BRIEFED AREAS			AS DRAWN AREAS		+ / - sq. m.	
		Ground Floor Area sq. m.	First Floor Area sq. m.		Ground Floor Area sq. m.	First Floor Area sq. m.		
5.4.2	Patient Disabled Toilet	5.0			5.2		0.2	Room increase to accommodate Dis.WC
5.4.3	Male Patients / Visitors Toilets						0.0	Room omitted to allow increase to Rm 5.4.2 to accommodate Dis.WC
5.4.4	Male Patients / Visitors Toilets	2.5			2.5		0.0	
5.5	Patients / Visitors Disabled Toilet / Adult Changing	10.0			10.1		0.1	
5.6	Baby Changing / Feeding Room	6.0			6.0		0.0	
5.7	Mixed Staff Toilet(s)	2.5			2.5		0.0	
5.8.1	Male Staff Toilet(s)		2.5			2.3	-0.2	
5.8.2	Male Staff Toilet(s)		2.5			2.3	-0.2	
5.9	Male Staff Shower(s)		5.0			5.1	0.1	
5.10.1	Female Staff Toilet(s)		2.5			2.5	0.0	
5.10.2	Female Staff Toilet(s)		2.5			2.5	0.0	
5.10.3	Female Staff Toilet(s)		2.5			2.5	0.0	
5.10.4	Female Staff Toilet(s)		2.5			2.5	0.0	
5.11	Female Staff Shower(s)		5.0			5.0	0.0	
5.12	Staff Disabled Toilet(s)		5.0			5.6	0.6	
5.13	Domestic Services Room (small) (FF Staff/OP/Office)		4.0			5.4	1.4	
5.14	Domestic Services Room (large) (FF CHP/Dental Area)		10.0			10.0	0.0	
5.15	Domestic Services Room (large) (GP - GP and CHP area)	10.0			9.9		-0.1	
5.16	Telephone, IT, Node Equipment Room (FF)		16.9			16.6	-0.3	
5.17	Domestic Bulk Storage (GP)	10.0			9.5		-0.5	
Sub-Total Area		1335.5	1117.8	2453.3	1344.9	1137.4	2482.4	29.1
5.18.1	Circulation area 1	444.7	372.2	817.0	79.0		723.8	-93.2
5.18.2	Circulation area 2				26.3			
5.18.3	Circulation area 3				26.2			
5.18.4	Circulation area 4				18.8			
5.18.5	Circulation area 5				33.8			
5.18.6	Circulation area 6				30.6			
5.18.7	Circulation area 7				13.9			
5.18.8	Circulation area 8				11.7			
5.18.9	Circulation area 9				20.2			
5.18.10	Circulation area 10				5.3			
5.18.11	Circulation area 11				29.8			
5.18.12	Circulation area 12				48.8			
5.18.13	Circulation area 13				43.7			
5.18.14	Circulation area 14					67.2		
5.18.15	Circulation area 15					22.1		
5.18.16	Circulation area 16					14.4		
5.18.17	Circulation area 17					15.1		
5.18.18	Circulation area 18					16.6		
5.18.19	Circulation area 19					34.1		
5.18.20	Circulation area 20					17.1		
5.18.21	Circulation area 21					15.1		
5.18.22	Circulation area 22					36.4		
5.18.23	Circulation area 23					34.4		
5.18.24	Circulation area 24					22.7		
Allowance for walls and voids @ 6%		122.4	102.5	224.9	125.0	105.8	230.7	5.8
5.19	LIR (Type B & C, 2 storey with 1 LIR) 900mm	7.5	7.5		5.1	5.1		-4.8
5.20	LIR (Type B & C, 2 storey with 1 LIR) 1100mm	10.0	10.0		4.9	4.9		-10.2
5.21.1	Staircase/s (Type B 2 storey 1 Staircase)	10.0	10.0		17.4	13.8		11.2
5.21.2	Staircase/s (Type B 2 storey 1 Staircase)	10.0	10.0		19.0	19.0		18.0
5.21.3	Staircase/s (Type B 2 storey 1 Staircase)	10.0	10.0		21.3	21.3		22.6
5.21.4	Staircase/s (Type B 2 storey 1 Staircase)	10.0	10.0		18.6	18.6		17.2
5.21.5	Staircase/s (Type B 2 storey 1 Staircase)	10.0	10.0		0.0	0.0		-20.0
6.2	Electrical Switchgear Room		9.0			0.0		-9.0
6.4	Medical Gas manifold / storage	5.0			7.0			2.0
6.5	Medical Gas manifold / storage (GP)	5.0			7.0			2.0
6.7	Plant Room (First Floor IHCH)		72.2			36.6		24.4
Total Heated Space		1980.2	1741.2	3721.4	1978.2	1738.3	3716.5	-4.9
6.1	FM Office / Store (Energy Centre)	12.0			12.1			0.1
6.3	Hospital General Storage (Energy Centre)	20.0			19.6			-0.4
6.5	Workshop & Receipt & Dispatch Storage (Energy Centre)	25.0			24.8			-0.2
6.8	Main Switchgear (Energy Centre)	0.0			20			20.0
6.9	Cold Water Storage (Energy Centre)	0.0			29.9			29.9
6.10	Plant Room (Energy Centre)	0.0			142.8			142.8
Edinburgh Refuse Area/Clinical Waste/ Grounds Maintenance Storage (allowed for separately)								0.0
Allowance for walls and voids @ 6%					8.9			8.9
Total Un-Heated Space		57.0	0.0	0.0	257.9	0.0	257.9	257.9
Total Estimated Floor Area in sq. m.		2037.2	1741.2	3721.4	2236.1	1738.3	3974.4	196.0
							Grand Total	

Appendix SC3: Foresterhill Health Campus Proposal of Application Notice

PROPOSAL OF APPLICATION NOTICE

Town and Country Planning (Scotland) Act 1997 (Section 35B)
 The Town and Country Planning (Development Management Procedure) (Scotland)
 Regulations 2013 (Regulations 4 -7)

**To be completed for all developments within the
 national or major categories of development**

Name of Council	Aberdeen City Council
Address	Marischal College, Broad Street
	Aberdeen AB10 1AB

Proposed development at [Note 1]	Foresterhill Health Campus
	AB25 2AY

Description of proposal [Note 2]	Overarching public notice giving details of forthcoming
	projects on the campus over the next 5 years as an
	appendix to the current Development Framework

Notice is hereby given that an application is being made to

[Note 3] Aberdeen City Council	Council by [Note 4] Archial Norr
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Of [Note 5]	3 Bon Accord Crescent, Aberdeen AB11 6XH
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In respect of [Note 6]	one public meeting, leaflet drops, presentation boards, press release
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To take place on [Note 7]	15th September Midstocket Church 10am- 7pm
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[Note 8] The following parties have received a copy of this Proposal of Application Notice

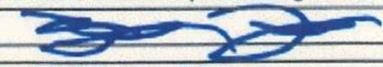
see appendix for PAN supplementary information

[Note 9] For further details contact	Mark Fresson (Director)/ Bruce Danraj (Senior Architect)
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on telephone number	01463 729307/ 01224 586277
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And/or at the following address	3 Bon Accord Crescent, Aberdeen
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[Note 10] I certify that I have attached a plan outlining the site

Signed	
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On behalf of	ARCHIAL NORR
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Date	26/8/15
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Appendix SC4a: Foresterhill Health Campus Development Plan

8. Foresterhill Health Campus Development Plan

- 8.1. Arrangements exist for the management and governance of the development of Foresterhill Health Campus.
- 8.2. A Health Campus Projects Overview Group, chaired by the Director of Modernisation has been established to coordinate all of the developments and works on the Foresterhill Campus to ensure all activities are delivered on programme and within budget. The Overview Group monitors the following projects as reflected in **appendix SC3**:
- 8.3. **Baird Family Hospital**- It is anticipated this will start on site first quarter of 2018. The site coloured light blue and numbered 1 on **appendix SC3** is expected to accommodate The Baird Family Hospital, which will be in the region on 20,000m² in size. Given the scale of this building, it is expected that it will be complete and ready for occupation during the course of 2020.
- 8.4. **ANCHOR Centre**- Due to the advances that the ANCHOR Centre required with existing LINACS and cancer services, the site that best provides for this is the one coloured mint and numbered 2 on **appendix SC3**. The ANCHOR Centre will be in the region of 6000m² and, like The Baird Family Hospital, will be required to be open for patients during the course of 2020.
- 8.5. **Foresterhill Health Centre**- As a consequence of the new Baird Family Hospital being required to be adjacent to the Royal Aberdeen Children's Hospital, imaging and ITU (located in Phase 2, shown on **appendix SC3**), the site chosen for the Baird Family Hospital requires the existing Foresterhill Health Centre to relocate to a new site. The site identified for the new Health Centre (2500m²) is shown on **appendix SC3**, coloured orange and numbered 3. The new Health Centre will be required to be open by the third quarter of 2017.
- 8.6. **Multi-Storey Car Park**- NHS Grampian have been offered and wish to accept the offer of a donation from the Wood Foundation to provide a multi-storey car park on the Foresterhill Health Campus site, which will provide an additional 1000 car parking spaces. The multi-storey car park is expected to be ready to open to visitors and patients before the completion of any other projects. The submission of the planning application will include a Traffic Assessment for the Campus as a whole and will build on the Paramics model submitted with the Development Framework approved by the Council in 2008 and updated to reflect new planning policy guidance in 2013. The multi-story car park location is shown on **appendix SC3**, coloured green and numbered 4. Timescale for completion, 2nd quarter 2016.
- 8.7. **Patient Hotel**- The combined population of hospital staff, visitors, patients, students and teaching staff numbers approximately 12,000-15,000 persons daily on site. It is expected that this would be a budget type hotel with no conference, banqueting or leisure facilities. Whilst no funding has been currently identified to deliver this presently, the location of the site is coloured cream and numbered 6 on **appendix SC3**.

8. Appendices

- 8.8. Energy Sub-Station-** NHS Grampian are likely to enter into a contract with Vital Energi for the provision of a new energy supply for the Foresterhill Campus site. This has already resulted in a planning consent for a new sub-station coloured pink and numbered 7 on **appendix SC3**. The new sub-station and wayleaves over the site are expected to be concluded by the fourth quarter of 2016.
- 8.9. Existing Maternity Hospital-** The existing Maternity Hospital, coloured red and numbered 8 on **appendix SC3**, will be demolished upon completion of The Baird Family Hospital. The future of that site for health and teaching purposes at this stage is yet to be defined.
- 8.10. Life Sciences Centre-** As with the Patient Hotel Project outlined in *section 3.4.7* no funding is currently available for this project. It is the desire of the University of Aberdeen to see the area coloured blue and numbered 11 on **appendix SC3**, developed for the next stage of research and development by creating a new Life Sciences Centre, adjacent to the existing Life Sciences Centre.
- 8.11.** In 2008 NHS Grampian and the Scottish Government approved the Foresterhill Health Campus Initial Agreement which set the direction for a wide range of clinical service and infrastructure improvements in the context of the wider NHS Grampian change programme. Also in 2008 the Board, in partnership with University of Aberdeen, developed a Framework for the Foresterhill Campus which set out a template for managing change on the Campus over the next 20-30 years. The Framework was based on NHS Grampian and University of Aberdeen's approved preference for a staged approach to re-development over this period.
- 8.12.** In 2015 a summary of Overarching Proposal of Application Notice (PAN) was prepared and submitted to Aberdeen City Council Planning Authority for Consideration. This document gives an overview of all projects planned for the Foresterhill Health Campus site over the next 5 years and contains relevant approval documentation.
- 8.13.** In 2014 initial approval was provided by the Scottish Government for the development of a new Women's Hospital and Cancer Centre at the Foresterhill Campus in Aberdeen with the aim of completion in 2020.
- 8.14.** The Baird Family Hospital preferred site will be developed towards the west of the campus on the site of the existing Foresterhill Health Centre, allowing good access via a bridge link into ARI for imaging and ITU. In addition a bridge link will be developed to RACH to allow neonates to be easily transferred for paediatric surgery and to ARI for complex imaging.
- 8.15.** The relocation of Foresterhill Health Centre by 2017 is an enabling work which is on the critical path
- 8.16.** An appendix setting out these projects is included as **appendix SC3**.

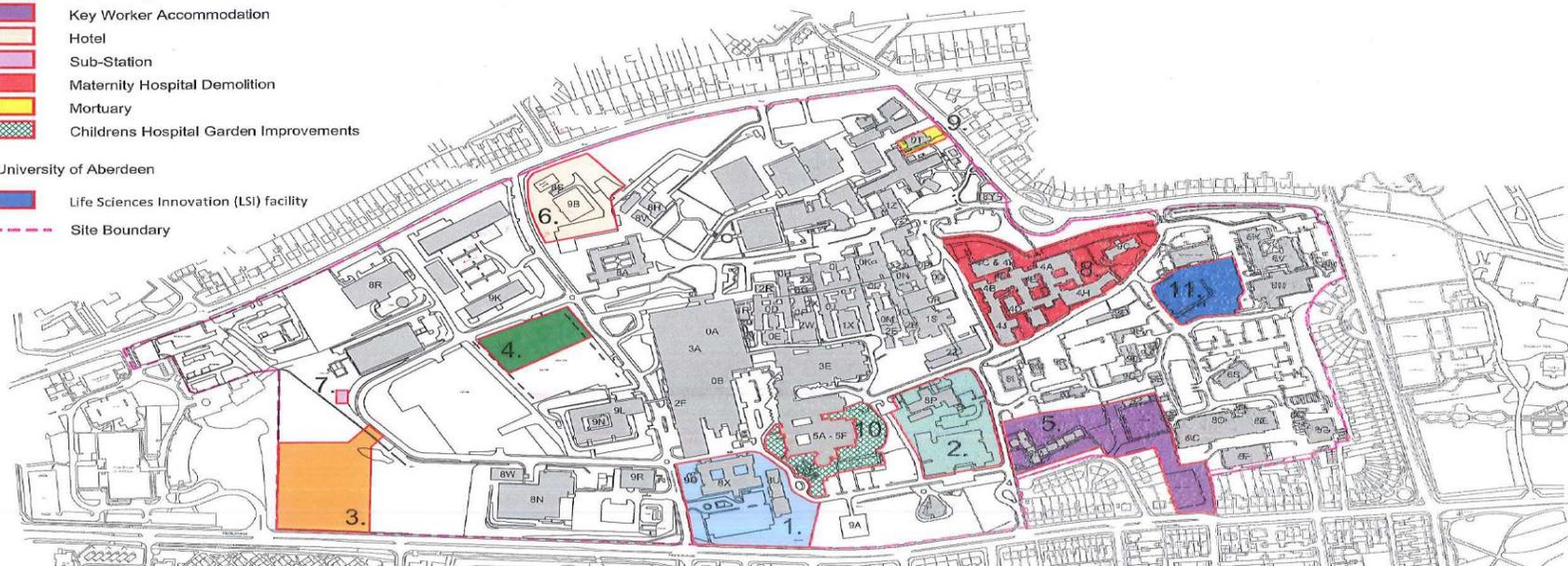
Appendix SC4b: Foresterhill Health Campus Development Plan (Drawing)

NHS Grampian

- 1. The Baird Family Hospital
- 2. The ANCHOR Centre
- 3. Health Centre
- 4. Multi-Storey Car Park
- 5. Key Worker Accommodation
- 6. Hotel
- 7. Sub-Station
- 8. Maternity Hospital Demolition
- 9. Mortuary
- 10. Childrens Hospital Garden Improvements

University of Aberdeen

- 11. Life Sciences Innovation (LSI) facility
- Site Boundary



0A Phase 1	10 Nuclear Medicine	3A New Art Gallery/Theatre Plant	8A Ashgrove House	AS Reservoir	9A Helicopter Pad
0B Phase 2	1R Communications Centre	3E Emergency Care Centre	8B Emergency Generator	8T Foresterhill Inn	9B Tennis Courts
0C Accident & Emergency	1S Linear Accelerator	4A Ante Natal	8C CSSD & Sewing Room	8U Breast Screening	9C Rowbotham House
0D Medical Block	1X Modular Theatre	4B Post Natal	8D Offices Canteen & Changing Accommodation	8V Foresterhill House Avenue	9D Estates Department
0E Coronary Care	1Z Link Building	4C Ante Natal Clinic	8E Laundry	8W Waste Compound	9E Gardener's
0F Cardiac Department	2B PET scanner	4D Operating theatres, Intensive Care	8F Workshops	8X Foresterhill Health Centre	9F Tenney Telfer Youngs
0G Sub Station (unconfirmed)	2E Clinic C Extension	4E Staff Changing, Reception	8G East Boilerhouse	8Y Gate Lodge	9G New Estates Building
0H Patient Hotel	2F Theatres, ITU Complex	4F Teaching	8H Foresterhill House	8Z Bowling Club	9H Woodburn Cottage
0I Administration Block	2I MRI Building	4G Sub-Station 0 (B)	8I IM&T Computer Centre		9I Estates Storage
0J Surgical Block	2J Generators (Outside Kitchens)	4H Neo-Natal Suite	8M Foresterhill Court		9J Estates
0K Kitchen & AutoValet	2R Dressings Clinic	2R Ultrasound Suite	8N Central Stores		9K Liberty Staffings
0L Consultant Offices	2U Generator Room (West)	4J 56 Bed Maternity Unit	8P Eye Out Patients		9L Blood Transfusion Service
0M Clinic C - Orthopaedics out-patients	2V Generator Rooms (Phase 1&2)	5A-F Royal Aberdeen Children's Hospital	8Q Gardener's Changing		9M Generator Room (maternity)
0N Special Block	2W Cath Lab	6K Argyll House	8R Hyperbaric Unit		9N STS Portacabin
0O Dental Block	2X Cath Lab Link Corridor	6S Dermatology			9O Health Centre Portacabin
0P Clinical Oncology & East Entrance	2Y MRSA Screening	6U Generator House			9P Mosque
0Q Radiopharmacy	2Z New Linear Accelerators	6V Dental Institute			9R Energy Centre
0R Radiotherapy		6W Dental School			
0T Mortuary					



Notes / Revisions / Keys / Legends

NHS Grampian
National Health Service
Physical Planning Team
Summerfield House
2 Eday Road
Aberdeen AB15 6RE
Tel: 01224 558820
Fax: 01224 558686

Location/Site:
Foresterhill Hospital

Drawing Title:
5 Year Development Plan
Foresterhill Site

Drawing No: L-001	
Drawn By: A.R.	Scale: 1:5000
Checked By: n/a	Date: June 2015

Appendix SC5: Schedule of Accommodation and 1:200 Layouts (FHC)

Project: Foresterhill Health Centre
No: 1905-FHHC



5(00)101 SCHEDULE OF ACCOMMODATION

25/05/2016

MRT Room No's	Space	BRIEFED AREAS			AS DRAWN AREAS			+/- sq. m.	
		Lower Ground Floor Area sq. m.	Ground Floor Area sq. m.	First Floor Area sq. m.	Lower Ground Floor Area sq. m.	Ground Floor Area sq. m.	First Floor Area sq. m.		
1.1.1	GP Consulting Room		14.0		14.00		0.00		
1.1.2	GP Consulting Room		14.0		14.00		0.00		
1.1.3	GP Consulting Room		14.0		14.00		0.00		
1.1.4	GP Consulting Room		14.0		14.00		0.00		
1.2	GP Consulting Room		14.0		14.00		0.00		
1.3	GP Consulting Room		14.0		14.30		0.30		
1.4	GP Consulting Room		14.0		14.00		0.00		
1.5	GP Consulting Room		14.0		14.00		0.00		
1.6	GP Consulting Room		14.0		14.13		0.13		
1.7	GP Consulting Room		14.0		14.00		0.00		
1.8	GP Consulting Trainer Room		16.5		16.50		0.00		
1.9	Nurse Practitioner Consulting Room		14.0		14.00		0.00		
1.10	GP Consulting Registrar (Trainee) Room		14.0		14.00		0.00		
1.11.1	Interview Room		9.0		9.02		0.02		
1.11.2	Interview Room		9.0		11.10		2.10		
1.12	Practice Waiting Area per Consulting Room		56.2		57.30		-1.10		
1.13	Children's Play Area		8.7		5.30		-3.40		
1.14	Treatment Room		17.0		17.00		0.00		
1.15	Treatment Room		17.0		17.00		0.00		
1.16	Minor Procedures/Surgery Room		20.0		20.00		0.00		
1.17	Recovery Room		10.0		11.52		1.52	Reduced following relocation by Practice	
1.18	Treatment Room Storage space per Room		12.0		12.00		0.00		
1.19	Treatment Waiting Area per Treatment Room		10.1		10.00		-0.10		
1.20	Practice Nurses Consulting Room		14.0		14.05		0.05		
1.21	Reception + Disable counter		12		12.00		0.00		
1.22	Doctors Admin. / Mail Room space per GP Unit site		15		15.18		0.18		
1.23	Administration / Secretarial space per person		38.5		41.35		2.85	Increased by Practice following Practice Manager swap with DGR	
1.24	Record storage space 12,000 patients (including expansion allowance)	30.0			36.40		6.40		
1.25.1	Practice Managers Office		9		9.14		0.14		
1.25.2	Practice Managers Office		9		12.00		3.00	Increased following relocation by Practice	
1.26	Meetings Room (10 Persons)	30.0			30.00		0.00		
1.27	General / Equipment Store		15		15.00		0.00		
1.28	Staff Rest Room / Beverage Bay (Based on GP Unit site)	30.0			30.00		0.00		
1.29	Male Staff Changing allowance per average No. of Staff						0.00	Included within Shared Male Staff Changing (LGF) Room 3.10	
1.30	Female Staff Changing allowance per average No. of Staff						0.00	Included within Shared Female Staff Changing (LGF) Room 3.11	
2.1.1	GP Consulting Room		14		14.00		0.00		
2.1.2	GP Consulting Room		14		14.00		0.00		
2.2	GP Consulting Room		14		14.00		0.00		
2.3	GP Consulting Trainer Room		16.5		16.50		0.00		
2.4	Nurse Practitioner Consulting Room		14.0		14.00		0.00		
2.5	GP Consulting Registrar (Trainee) Room		14.0		14.00		0.00		
2.6	Interview Room		9.0		9.06		0.06		
2.7	Practice Waiting Area per Consulting Room		26.9		26.00		-0.90		
2.8	Children's Play Area		4		2.80		-1.20		
2.9	Treatment Room		17		17.00		0.00		
2.10	Treatment Room		20.0		17.40		-2.60	Brief Changed to Treatment Room	
2.11	Treatment Room Storage space per Room		8		8.00		0.00		
2.12	Treatment Waiting Area per Treatment Room		6.7		6.70		0.00	1.03m ² (at end of corridor) + 2.07m ² (with main waiting)	
2.13	Practice Nurses Consulting Room		14		14.00		0.00		
2.14	Reception + Disable counter		7.5		7.70		0.20		
-	Doctors Admin. / Mail Room space per GP Unit site		4.5		0.00		-4.50	Included within 2.15	
2.15	Administration / Secretarial space per person		16.5		21.00		4.50		
2.16	Record storage space 5,000 patients (including expansion allowance)	20			20.00		0.00		
2.17	Practice Managers Office		9.0		9.03		0.03		
2.18	Meetings Room (10 Persons)	20.0			20.00		0.00		
2.19	General / Equipment Store	10.0			10.00		0.00		
2.20	Staff Rest Room / Beverage Bay (Based on GP Unit site)	18			18.00		0.00		
	Male Staff Changing allowance per average No. of Staff						0.00	Included within Shared Male Staff Changing (LGF) Room 3.10	
	Female Staff Changing allowance per average No. of Staff						0.00	Included within Shared Female Staff Changing (LGF) Room 3.11	
3.1	Multi Purpose Room		30		30.00		0.00		
3.2	Multi Purpose Room Store		8.0		8.88		0.88		
3.3	Community Nursing Team Leaders Office (NIV) and Team Admin		11.0		11.00		0.00		
3.4	Community Nursing Team Offices per WTE Health Visitor		44.0		44.00		0.00		
3.5	Community Nursing Team Offices per WTE District Nurse	33			32.96		-0.04		
3.6	Community Nursing Store (main)	10			10.00		0.00		
3.11	Closets		4		4.08		0.08		
3.23	Closets		4		3.98		-0.02		
3.32	Test Room		4		4.08		0.08		
3.24	Test Room		4		6.33		2.33	Added to Schedule	
3.8	Clinical Waste Bays	10			18.20		8.20	Increase size requested (18sqm)	
3.9	Confidential Waste	4			5.80		1.80		
3.10	Shared Male Staff Changing	7.5			7.00		-0.50	Central facility in lieu of separately identified staff change areas	
3.11	Shared Female Staff Changing	34.5			34.00		-0.50	Central facility in lieu of separately identified staff change areas	
4.1	CIP Reception			9.0		9.50	0.50		
4.2	Administrative Office			11.0		11.00	0.00		
4.3	Photocopier Room			4.0		8.77	4.77		

Project: Foresterhill Health Centre
No: 1985-FHHC



S(00)101 SCHEDULE OF ACCOMMODATION

25/05/2016

MRT Room No's	Space	BRIEFED AREAS			AS DRAWN AREAS			+/- sq. m.	
		Lower Ground Floor Area sq. m.	Ground Floor Area sq. m.	First Floor Area sq. m.	Lower Ground Floor Area sq. m.	Ground Floor Area sq. m.	First Floor Area sq. m.		
4.6	Meeting Room			30.0		30.22	3.22		
4.5	Interview Room			9.0		9.08	0.08		
4.6	Team Leader Office	9.0			9.00		0.00		
4.7	Team Office (2 teams)	71.5			71.50		0.00		
4.8	Photocopier Room	4.0			7.50		3.50		
4.9	Store	20			20.00		0.00		
4.10	Test Room			4.0		4.33	0.33		
4.11.1	Patient Toilets			2.5		3.53	1.03	Increased in size to include Cigarette Provision	
4.11.2	Patient Toilets			2.5		2.85	0.35	Adjusted following disabled WC reconfiguration	
4.12.1	Podiatry Clinical Room/Consulting Room			16.5		16.30	0.20		
4.12.2	Podiatry Clinical Room/Consulting Room			16.5		16.50	0.00		
4.13	Storage Room (podiatry)			14		14.00	0.00		
4.14	SALT Room/Consulting Room			20		20.01	0.01		
4.15	Store Midwives	10.0			10.00		0.00		
4.16.1	Consulting Room CHIP bookable			14.0		14.00	0.00		
4.16.2	Consulting Room CHIP bookable			14.0		14.00	0.00		
4.16.3	Consulting Room CHIP bookable			14.0		14.00	0.00		
4.17	Consulting Room Midwives			14.0		14.00	0.00		
4.18	Waiting Area			23.5		22.88	-0.62		
4.19	Patients Toilet Disabled			5.0		5.68	0.68	Adjusted following disabled WC reconfiguration	
	Staff Changing Allowance (enhancement) per average No. of Staff							2.6m ² Included within Shared Male Staff Changing (IGF) Room 3.10 + 12.1m ² Included within Shared Female Staff Changing (IGF) Room 3.11	
4.20	Staff Rest Room (enhancement) per additional staff member	30.0			36.00		6.00	Includes Social Work area @ 6m ²	
5.1	Social Services Offices per WTE (2 CM +2 OT's +2 OTA's)	27.5			27.50		0.00		
	Staff Rest Room (enhancement) per additional staff member	6			6.00		-6.00	Included within CHIP Staff Room 4.20	
6.1	Retail Pharmacy	120.0			121.40		1.40		
7.1	Entrance / Press Bay (Large - 7 + Doctor Practice)		10.0		13.40		3.40		
7.2	Female Patients / Visitors Toilet(s)		2.5		13.18		10.68		
	Female Patients / Visitors Toilet(s)		2.5		0.00		-2.50	Included within Room 7.2	
	Female Patients / Visitors Toilet(s)		2.5		0.00		-2.50	Included within Room 7.2	
	Female Patients / Visitors Toilet(s)		2.5		0.00		-2.50	Included within Room 7.2	
7.3	Male Patients / Visitors Toilet(s)		2.5		13.18		10.68		
	Male Patients / Visitors Toilet(s)		2.5		0.00		-2.50	Included within Room 7.3	
	Male Patients / Visitors Toilet(s)		2.5		0.00		-2.50	Included within Room 7.3	
	Male Patients / Visitors Toilet(s)		2.5		0.00		-2.50	Included within Room 7.3	
7.4	Patients / Visitors Disabled Toilet		5.0		10.00		5.00	Increased to 10m ² for Adult Change Facility	
7.5	Baby Changing/Feeding Room		7.0		7.14		0.14		
7.6	Mixed Staff Toilets		2.5		2.72		0.22	Located within Elmbank Wing	
7.7	Mixed Staff / Shower(s)	5.0			5.20		0.20		
7.8.1	Male Staff Toilet(s)		2.5		2.50		0.00		
7.8.2	Male Staff Toilet(s)		2.5		2.55		0.05	Located within Westburn Wing (Mixed)	
7.8.3	Female Staff Toilet(s)		2.5		2.50		0.00		
7.8.4	Female Staff Toilet(s)		2.5		2.50		0.00		
7.8.5	Female Staff Toilet(s)		2.5		3.13		0.63		
7.8.6	Female Staff Toilet(s)		2.5		2.85		0.35	Adjusted following disabled WC reconfiguration	
7.10	Staff Disabled Toilet(s)		5.0		5.80		0.80		
7.11	Domestic Services Room (small)		4.0		4.00		0.00		
7.12	Domestic Services Room (large)		10.0		9.63		-0.37	Reduced following relocation by Practice	
7.13	Domestic Services Room (large)		10.0	10.0		10.00	0.00		
7.14	Telephones, IT, Node Equipment Room		15.0		15.00		0.00		
7.15	Electrical Switchgear Room		6.3		7.50		1.20		
7.16	Plant Room (approx. floor area based on total)		25.1		38.30		13.20		
8.1	FBI Rooms/Offices		12.0		12.00		0.00	Additional Requirement	
	Sub-Total Area	649.9	755.6	331.5	683.90	777.45	343.47	69.82	
7.17.1	Circulation area 1		215.3	211.7	110.4	38.40		-132.14	
7.17.2	Circulation area 2				45.60				
7.17.3	Circulation area 3				6.10				
7.17.4	Circulation area 4				32.90				
7.17.5	Circulation area 5					13.10			
7.17.6	Circulation area 6					27.30			
7.17.7	Circulation area 7					66.90			
7.17.8	Circulation area 8					29.90			
7.17.9	Circulation area 9					44.50			
7.17.10	Circulation area 10					15.90			
7.17.11	Circulation area 11						6.70		
7.17.12	Circulation area 12						16.60		
7.17.13	Circulation area 13						25.70		
7.17.14	Circulation area 14						27.70		
	Delivery space				2.87				
	Male change LV.5				2.75				
	Female change LV.5				2.50				
	Allowance for walls and voids @ 0%	43.1	78.4	29.0	46.68	66.55	28.73	-7.43	
7.18	Lift (Type C, 3 storey with 1 lift)		7.5	7.5	7.5	6.00	6.00	6.00	-4.50
7.19	Staircase/A (Type B 2 storey 1 Staircase)		10	10		18.60	18.60		17.20
7.20	Staircase/A (Type C 3 storey 2 Staircase)		10	10	10	12.38	18.90	11.28	22.30
7.21	Staircase/A (Type C 3 storey 2 Staircase)		10	10	10	18.60	18.60	18.60	25.80
	Total Estimated Floor Area in sq. m.	945.8	1083.1	498.4	919.10	1109.50	485.70	2018.36	Overall Total

8. Appendices



NOTES:
 1. Do not scale this drawing. Use figured dimensions only. All site dimensions and levels to be checked on site by contractor prior to ordering of materials.

- KEY:
- ELMBANK GP ACCOMMODATION
 - WESTBURN GP ACCOMMODATION
 - ELMBANKWESTBURN SHARED ACCOMMODATION
 - CHP ACCOMMODATION
 - SOCIAL SERVICES
 - RETAIL PHARMACY
 - SHARED SUPPORT SERVICES (TOILETS, STAIRS, CORRIDORS, ETC)
 - FACILITIES MANAGEMENT ACCOMMODATION

FLOOR AREAS:

FIRST FLOOR	495.7m ²
GROUND FLOOR	1103.5m ²
LOWER GROUND FLOOR	919.1m ²
GIFA:	2518.3m²



- D Updated to reflect VE 24.05.15
- C Circ. areas added for SDA coordination 09.05.15
- B Coordinated with schedule of accommodation 12.03.15
- A Plant room position adjusted 03.12.15

Date	Description	Date



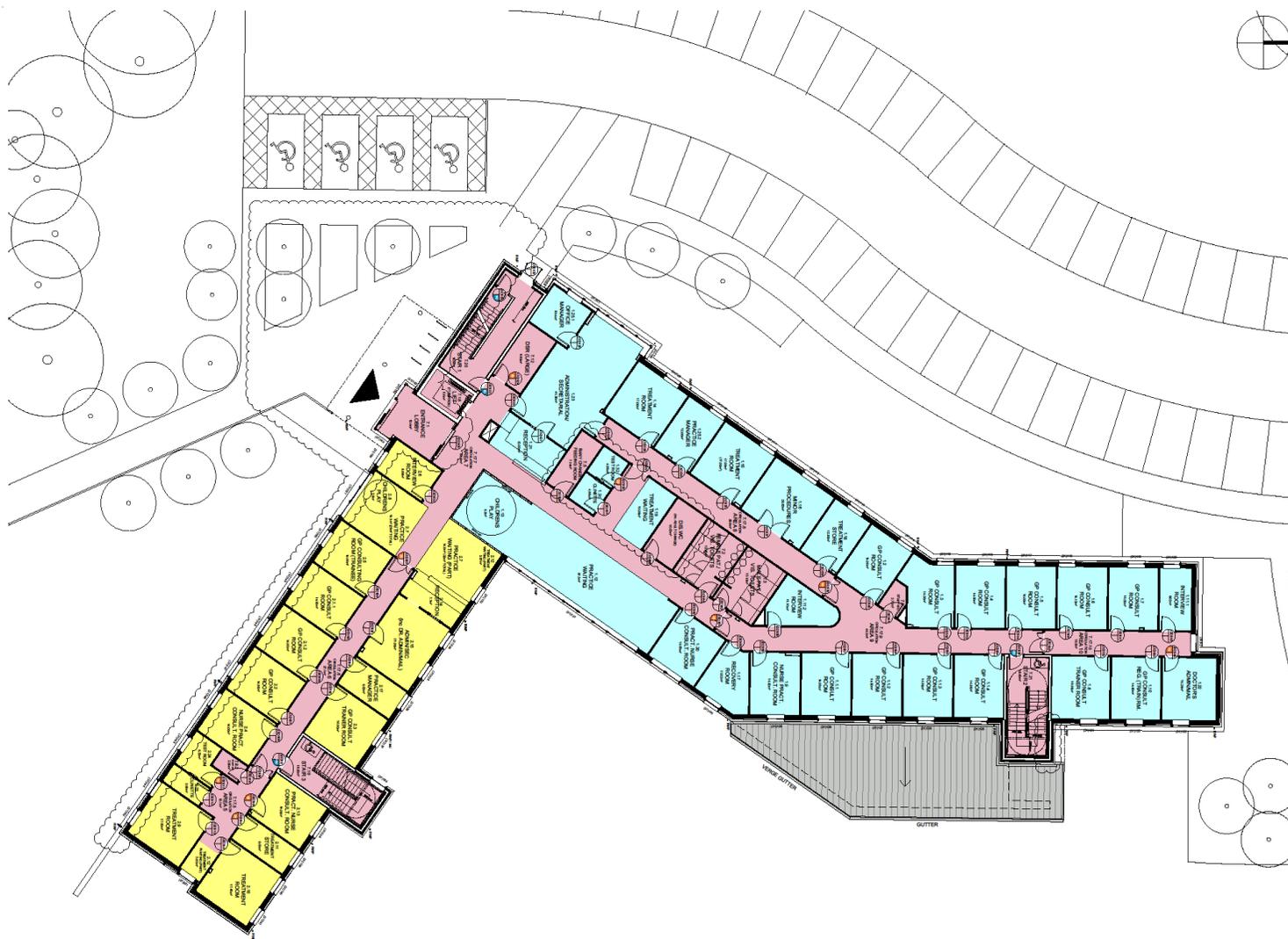
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Project:
 Foresterhill Health Centre,
 Aberdeen Royal Infirmary,
 Foresterhill, Aberdeen

Drawing:
 LOWER GROUND FLOOR PLAN
 DEPARTMENTAL LAYOUT
 STAGE 2 SUBMISSION

Scale	1:125 (1:250 @ A3)
Status	FOR INFORMATION
Date	Sept'15
Drawn by	bb
Project No.	1985-FHHC-A
Drawing No.	L(20)101

8. Appendices



NOTES:
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- KEY:**
- ELMBANK GP ACCOMMODATION
 - WESTBURN GP ACCOMMODATION
 - ELMBANK/WESTBURN SHARED ACCOMMODATION
 - CHP ACCOMMODATION
 - SOCIAL SERVICES
 - RETAIL PHARMACY
 - SHARED SUPPORT SERVICES (TOILETS, STAIRS, CORRIDORS, ETC)
 - FACILITIES MANAGEMENT ACCOMMODATION

FLOOR AREAS:

FIRST FLOOR	495.7m ²
GROUND FLOOR	1103.5m ²
LOWER GROUND FLOOR	915.1m ²
GFA:	2518.3m²

C	Updated to reflect VE	24.05.16
B	Circ. areas added for SCA coordination	06.05.16
A	Coordinated with schedule of accommodation	10.03.16
Rev	Description	Date



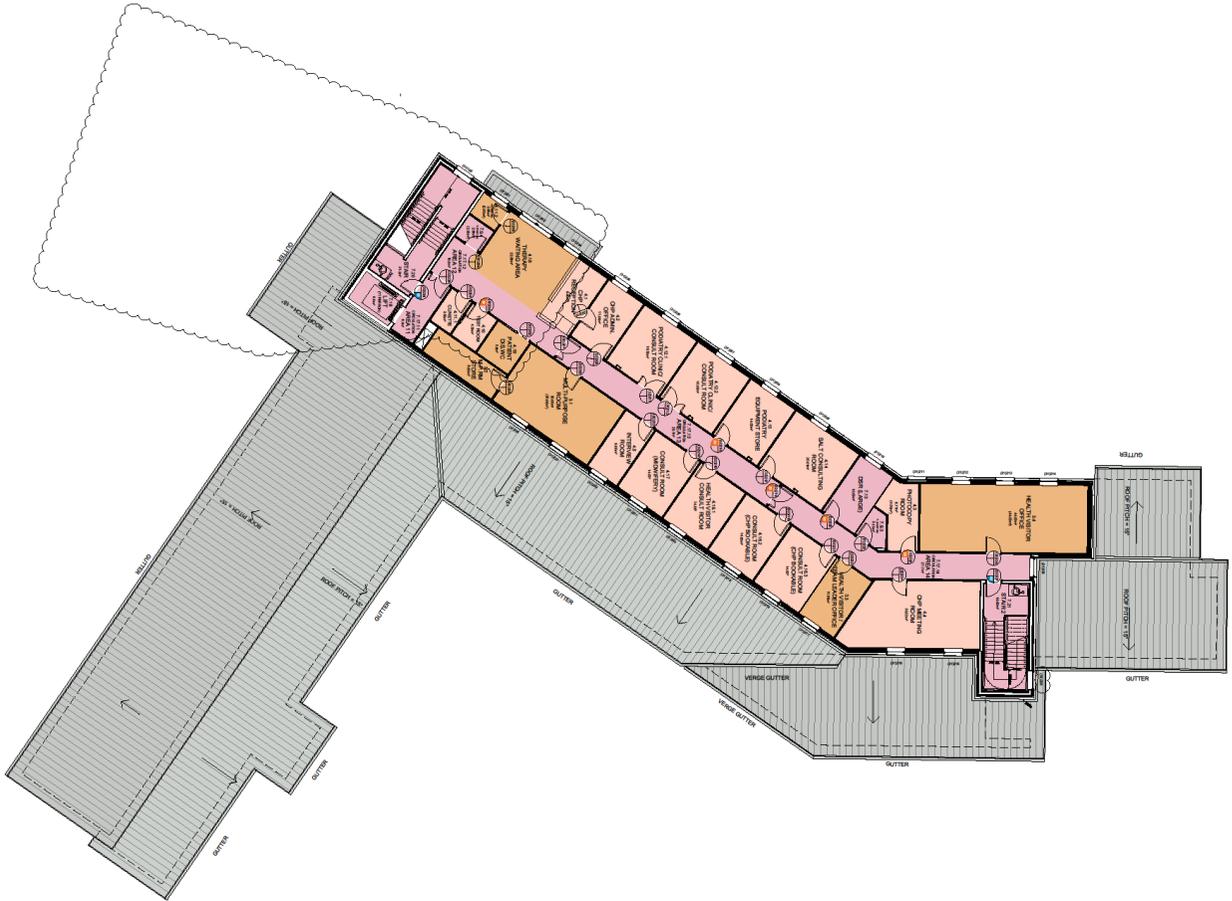
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Project:
**Foresterhill Health Centre,
 Aberdeen Royal Infirmary,
 Foresterhill, Aberdeen**

Drawing:
**GROUND FLOOR PLAN
 DEPARTMENTAL LAYOUT
 STAGE 2 SUBMISSION**

Scale	1:125 (1:250 @ A3)
Status	FOR INFORMATION
Date	Sept'15
Drawn By	bb
Project No.	1985-FHHC-A
Drawing No.	L(20)102

8. Appendices



NOTES:
1. Do not scale this drawing. Use figured dimensions only. All site dimensions and areas to be checked on site by contractor prior to ordering of materials.

- KEY:
- ELMBANK OP ACCOMMODATION
 - WESTBURN OP ACCOMMODATION
 - ELMBANKWESTBURN SHARED ACCOMMODATION
 - OP ACCOMMODATION
 - SOCIAL SERVICES
 - RETAIL PHARMACY
 - SHARED SUPPORT SERVICES (TOILETS, STAIRS, CORRIDORS, ETC)
 - FACILITIES MANAGEMENT ACCOMMODATION

FLOOR AREAS:

FIRST FLOOR	495.7m ²
GROUND FLOOR	1183.5m ²
LOWER GROUND FLOOR	919.1m ²
GFA:	2518.3m²

C	Updated to reflect VE	25.05.16
B	Circ. areas added for SCA coordination	05.05.16
A	Coordinated with Schedule of accommodation	10.03.16
Rev	Description	Date



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Project
**Foresterhill Health Centre,
Aberdeen Royal Infirmary,
Foresterhill, Aberdeen**

Drawing
**FIRST FLOOR PLAN
DEPARTMENTAL LAYOUT
STAGE 2 SUBMISSION**

Scale
1:125 (1:250 @ A3)

Date
FOR INFORMATION

Date
Sept'15 Drawn by
bb

Project No: 1985-FHHC-A	Drawing No: L(20)103	C
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Appendix EC1: Economic Benefits Revisited

Appendix X

Economic Case – Review of Benefit Criteria

As part of the approval Health Directorate's Capital Investment Group (CIG) highlighted:

The economic case however failed to demonstrate that the project is Value for Money. The result of the option appraisal concluding, as it did, that the 'do minimum' was the best Value for Money is perverse given that the 'do minimum' does not meet the objectives. This suggests that the structure of the benefits appraisal and in particular, the criteria used, did not reflect the stated objectives. I would expect you to address this point when you submit your Full Business Case'

In preparation of the FBC the benefit criteria have been revisited and affirmations that they reflect the stated Investment Objectives evidenced. The outcome of this exercise is detailed below.

Inverurie Health and Care Hub

Benefit Criteria		Weight	Investment Objective
1	Physical access to the building by public transport	15	6
2	Physical access to the building by car including parking spaces	20	6,7
3	Future expansion and flexibility	15	1,3,8
4	Deliverability of the project and certainty	20	n/a
5	Integration of health and social care	10	2,4,5,9
6	Colocation of the project with hospital services (efficiency)	15	2,3
7	Picturesque and safe environment	5	2,7
8	Community inclusion and proximity to local services	5	6
Total		105	

Foresterhill

Benefit Criteria		Weight	
1	Physical access to the building by public transport	10	7
2	Physical access to the building by car including parking spaces	10	7
3	Future expansion and flexibility	15	1b,3,9
4	Deliverability of the project and certainty	20	n/a
5	Integration of health and social care	5	2,5,6,10
6	Best Supports WH&CC Project	15	1a,4
7	Safe environment	5	8
8	Community inclusion and proximity to local services	5	10
9	Supports NHSG Strategic Aims	5	1a,4
10	Promotes Recruitment and Retention of Staff, the "Staff Experience"	5	8,3,5
11	Sustainability	5	9
Total		100	

Table 4: Investment Objectives – Inverurie Health and Care Hub

Essential							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
1	Vacating of premises that are too small and require significant investment in terms of backlog maintenance.	A.1	Successful construction of Inverurie Health and Care Hub.	Maximized range of health and social care services available locally and greater equity of service provision. Greater potential to avoid hospital admission. Reduces backlog maintenance.	High	Medium Term	Qualitative Service Resilience
2	Improved patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need.	C, D, H,K	Establish a patient focus group that can provide a baseline to measure the success in the future.	Services which provide personalized care and support designed to optimise well being and enable people to live long and healthier lives and have a positive experience of health and social care.	High	Medium-Long Term	Qualitative and potential resource efficiencies
3	Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff.	J,K	Measurable reduction in staff turnover. Measurable increase in the number of trainees	Improved working arrangements and facilities for staff resulting in greater job satisfaction and less turnover/sickness.	Medium	Medium Term	Qualitative and resource efficiencies

			in the practice.				
4	Solution that will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy.	C	Achieve higher % of integrated working.	Service integration and greater efficiency in the use of resources including streamlined management arrangements and integrated information systems and records management across health and social care	High	Short Term	Qualitative and potential resource efficiencies
5	Supports improvement in health and social care through timely access to diagnosis, treatment or improved learning for people e.g. long term conditions.	D, H, J	Measurement using national waiting time targets and Quality Outcomes Framework (QOF) (taking cognisance of the fact that QOF will be replaced in 2017 by a new GMS contract).	As many services as possible available at each visit, especially those with chronic disease combined with recognition that each patient contact should be the only contact needed to access all services.	High	Short Term	Qualitative and resource efficiencies
Important							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
6	Good access to services in terms of public transport, car parking, timely appointments but also easy way finding throughout the facility.	G, H, I, K	Establish patient focus group, use travel surveys and Did Not Attend (DNA) rates.	Specialist clinical advice from patient homes, health centre's and a wider range of community locations. Reduced travel time for	High	Short Term	Qualitative and resource efficiencies.

				patients. More timely and therefore more effective interventions			
7	Patient and staff safety improved through creation of a fit for purpose building with good access and health and safety standards.	F, H, I	Review of Datix Reports demonstrates reduction in incidents.	Significantly improved facilities providing a positive experience of the environment in which services are provided. Reduced adverse events.	Medium – High	Short Term	Qualitative and potential resource efficiencies
8	A flexible, modern, high quality accommodation with expansion capability "built-in" to allow for future growth if the population need requires it.	E.1, E.2, G, H, I, K	Undertake AEDET audits at key stages of the project.	Increased service resilience and responsiveness to public demand.	High	Short Term	Qualitative and resource efficiencies
9	Ability to move forward with Health and Social Care Integration working with Community Planning Partners e.g. Local Authority and Third Sector.	C, H	Increased usage by partners identified. Baseline v audits at 1, 3 and 5 years.	One point of contact for signposting to all health and social care services.	Medium	Short - Medium Term	Qualitative

Table 8: Investment Objectives – Foresterhill Health Centre

Essential							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
1a.	Vacating of current premises to allow for The Baird Family Hospital	A.1	Successful construction of The Baird Family Hospital.	Completion of Baird Family Hospital.	High	Medium Term	Qualitative Service Resilience.
1b.	Move from premises that are too small and requiring significant investment in terms of backlog maintenance.	A.2	Successful construction of Inverurie Health and Care Hub	Maximised range of health and social care services available locally and greater equity of service provision. Greater potential to avoid hospital admission.	High	Medium Term	Qualitative Service Resilience.
2.	Improve patient experience by ensuring a wide range of general medical services are available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need.	C, D, H	Baseline of patient feedback v patient feedback at 1,3 and 5 years.	Services which provide personalized care support designed to optimise well being and enable people to live long and healthier lives and have a positive experience of health and social care.	High	Medium - Long Term	Qualitative and potential resource efficiencies
3.	Better facilities to ensure continued and further improved teaching and medical training for future	J	Measurable reduction in staff turnover. Measureable	Improved working arrangements and facilities for staff resulting in greater job	Medium	Medium Term	Qualitative and resource efficiencies

	healthcare professionals and contributes to the recruitment and retention of staff.		increase in the number of trainees in the practice.	satisfaction and less turnover/sickness.			
4.	Identify an affordable solution in terms of revenue and capital.	B, E, I 1 & 2	Measurement of H&SCP revenue expenditure and new practice accommodation.				
5.	Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy.	C	Achieve higher % of integrated working. Change in workforce skill mix, demonstrates improved mix of skills and grades.	Service integration and greater efficiency in the use of resources including streamlined management arrangements and integrated information systems and records management across health and social care.	High	Medium – Long Term	Qualitative and potential resource efficiencies
6.	Supports improvement in health and social care through timely access to diagnosis, treatment or improved learning for people with e.g. long term conditions.	D, G, H	Measurement using national waiting time targets and Quality Outcomes Framework.	As many services as possible available at each visit, especially those with chronic disease combine with recognition that each patient contact should be the only contact needed to access all services.	High	Medium Term	Qualitative and resource efficiencies

Important							
	Investment Objective	Align with CSF	Measurement	Benefit	Relative Value	Relative Timescale	Type of Benefit
7.	Good access to services in terms of public transport, car parking, timely appointments but also easy way finding throughout the facility.	F, G, H, I	Baseline of patient feedback v patient feedback at 1, 3 and 5 years.	Specialist clinical advice from patient homes, health centre's and a wider range of community locations. Reduced travel time for patients. More timely and therefore more effective interventions.	High	Medium Term	Qualitative and resource efficiencies
8.	Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards.	H, I	Review of Datix demonstrates reduction in incidents.	Significantly improved facilities providing a positive experience of the environment in which services are provided. Reduced adverse events.	Medium - High	Medium Term	Qualitative and potential resource efficiencies
9.	Provides flexible, modern high quality accommodation with expansion capability "built-in" to allow for future growth if population need requires it.	E(i), E(ii), G, H, I	Undertake AEDET audits at key stages of the project.				

10.	Ability to move forward with Health and Social Care Integration working with community planning partners, e.g. Aberdeen City Council and Voluntary Sector.	C, H	Increased usage by partner's id evidenced. Baseline v audits at 1, 3 and 5 years.	One point of contact for signposting to all health and social care services.	Medium	Longer	Qualitative
Beneficial							
11.	Provides business visibility so that people know where to go for services and is viewed as a positive structural addition to the local area.	G	Patient feedback using survey and sustained practice list size.	Increased service resilience and responsiveness to public demand.	High	Medium Term	Qualitative and potential efficiencies

Appendix EC2: Generic Economic Model (GEM) Extracts (IHCH & FHC)

Summary of Project NPVs and F.A.C's
Inclusive 10% Running Costs

		SUMMARY					
	Appraisal Period	NPV £'000	Risk Adjustment £'000	Risk Adjusted NPV £'000	F.A.C £'000	Risk Adjustment £'000	Risk Adjusted NPV £'000
Option 1 Bus Station	40 Years	7,855.5		7,855.5	354.4		354.4
Option 2 Hospital Site	40 Years	15,179.2		15,179.2	774.0		774.0
Option 3 Trove Centre - Brunsford	40 Years	18,483.4		18,483.4	875.2		875.2
Option 4 Busi Site	40 Years	20,559.4		20,559.4	937.5		937.5
Option 5 Peripheral Location - Greenfield	40 Years	18,430.3		18,430.3	875.0		875.0

audited by the audit firm (company name) to be included in the summary.

Summary of Project NPVs and EACs
 Inverurie_20% Capital Costs

	Appraisal Period	NPV		Risk Adjusted NPV		T&C		Risk Adjustment		Risk Adjusted NPV	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Option 1											
Do Minimum	40 Years	7,855.3	7,855.3	7,855.3	7,855.3	254.4	254.4			254.4	254.4
Option 2											
Hospital Site	60 Years	18,671.7	18,671.7	18,671.7	18,671.7	848.1	848.1			848.1	848.1
Option 3											
Town Centre - Brownfield	40 Years	20,571.9	20,571.9	20,571.9	20,571.9	924.1	924.1			924.1	924.1
Option 4											
Deed Site	40 Years	22,058.1	22,058.1	22,058.1	22,058.1	995.1	995.1			995.1	995.1
Option 5											
Original Location - Greenfield	40 Years	19,458.9	19,458.9	19,458.9	19,458.9	877.5	877.5			877.5	877.5

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Appendix EC3: Benefit Criteria and Scoring of the Options- Results

INVERURIE HEALTH AND CARE HUB – LOCATION OPTION APPRAISAL**OPTION 1: Do Minimum (backlog maintenance on Health Centre plus build CMU and X-ray)**

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	2	40
3	Future expansion and flexibility	15	1	15
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	1	10
6	Collocation of the project with hospital services (efficiency)	15	2	30
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	205
Percentage of Maximum Available Score			%	48.81%

OPTION 2: Build Entire Project on Existing Hospital Site

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	4	80
5	Integration of health and social care	10	3	30
6	Collocation of the project with hospital services (efficiency)	15	4	60
7	Picturesque and safe environment	5	3	15
8	Community inclusion and proximity to local services	5	2	10
			Total	360
Percentage of Maximum Available Score			%	85.71%

OPTION 3: Build Entire Project in a Town Centre Location

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	1	15
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	2	20
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	220
Percentage of Maximum Available Score			%	52.38%

OPTION 4: Dual Site – with CMU and X-ray to be Built in the Existing Hospital Grounds and Main Medical Practice and AHPs Within a Town Centre Site

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	3	45
2	Physical access to the building by car including parking spaces	20	3	60
3	Future expansion and flexibility	15	3	45
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	1	10
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	2	10
8	Community inclusion and proximity to local services	5	3	15
			Total	240
Percentage of Maximum Available Score			%	57.14%

OPTION 5: Build in a Peripheral Location

Benefit Criteria		Weight	Score	Weighted Score
1	Physical access to the building by public transport	15	2	30
2	Physical access to the building by car including parking spaces	20	4	80
3	Future expansion and flexibility	15	4	60
4	Deliverability of the project and certainty	20	2	40
5	Integration of health and social care	10	2	20
6	Collocation of the project with hospital services (efficiency)	15	1	15
7	Picturesque and safe environment	5	3	15
8	Community inclusion and proximity to local services	5	1	5
			Total	265
Percentage of Maximum Available Score			%	63.10%

Appendix EC4: Benefit Arising from FHC Site Released for Baird Family Hospital

NHS Grampian

New Women's Hospital and Cancer Centre on Foresterhill Campus

Report on an Appraisal of Site Options

1. Introduction

The Scottish Government have provided initial approval for the development of a new Women's Hospital and a Cancer Centre within the Foresterhill Campus in Aberdeen.

The Women's Hospital and Cancer Centre will be part of the implementation of the Foresterhill Development Framework which was approved by the NHS Grampian Board and the Scottish Government in 2008. The agreement of the Development Framework has already resulted in significant investment in the campus i.e. in new buildings such as the Matthew Hay Building (ECC), Aberdeen Dental School and Hospital, Suttie Centre and the new Radiotherapy Centre, and in existing buildings including the outpatient facilities in the Rotunda, new operating theatres, and the £30m+ investment in the inpatient areas in the Phase 2 and East End buildings.

Ahead of the development of a formal Initial Agreement and Business Cases for the Project, it has been necessary to undertake an appraisal of the available sites for the project within the Foresterhill Campus. This was necessary to enable work to commence on the relocation of other functions/departments which may be necessary to accommodate the new facilities on the site.

This report describes the outcome from the option appraisal of the short-listed site options for the new developments which involved appraising them in terms of non-financial benefits, risks and costs. The appraisal was carried out in accordance with the Scottish Capital Investment Manual's Business Case and Option Appraisal Guidance.

2. Appraisal of non-financial benefits

On 8 December 2014 a workshop involving a range of stakeholders including clinicians, service managers and public members from the local community (see list in Annex C) was undertaken to carry out an appraisal of the non-financial benefits and risks of the short-listed options.

The workshop was facilitated by an independent management consultant and the workshop process involved:

- Reviewing and agreeing a set of non-financial benefit criteria and weighting these to reflect the workshop group's view of the relative importance of each criterion.
- Examining a short list of option against the criteria and following discussion, agreeing on how well each option could be expected to meet the criteria and then allocating a score (maximum 10 and minimum 0) for each option against each criterion.

- Computing an overall weighted benefit score (summed scores x weight) for each option. This weighted benefit score is simply a measure of how well the workshop participants considered each option was likely to deliver the benefits required from the project.
- Reviewing the weighted benefits scores from the appraisal and, following discussion, agreeing that they represent an accurate assessment of the group's views of how well each option is likely to perform in terms of delivering the benefits required from the investment in the project.

Whilst the aim was to reach a consensus score on each option against each criterion, it was recognised that with any group this may not always be possible and the facilitator recorded pessimistic and optimistic scores where individual group members had reservations on the consensus score or where there was general doubt on the magnitude of the consensus score.

Prior to scoring, the workshop group reviewed, amended and agreed guidance on scoring as shown in Annex A. The purpose of this guidance was to provide a basis for calibration of scoring and to improve the consistency and accuracy of scoring across options and criteria.

3. Short-listed Options

Prior to the workshop preliminary technical feasibility studies and design work was undertaken to develop a short list of options for locating the proposed facilities within the Foresterhill Campus, taking into account the required clinical and service adjacencies, patient, staff and goods logistics and the need to comply with the Foresterhill Development Framework. This work included taking into account the potential long term need to accommodate future development projects such as the replacement of the existing Phase 2 facilities. The short list of options that emerged from this work are summarised as follows:

Option 1 – (i) Cancer Centre adjacent to the existing Radiotherapy Centre:
(ii) Women's Hospital on the site of the existing Foresterhill Health Centre
(iii) Future potential development to replace Phase 2 would be adjacent to the new Cancer Centre.

Option 2 – (i) Cancer Centre between Radiotherapy & ECC
(ii) Women's Hospital located on the site of existing Eye Clinic/adjacent RACH
(iii) Future potential development to replace Phase 2 would be on the existing Foresterhill Health Centre site.

Option 3 – (i) Cancer Centre adjacent Radiotherapy
(ii) Women's Hospital located adjacent to Maggie's
(iii) Future potential development to replace Phase 2 would be adjacent to new Women's Hospital

Option 4 – (i) Woman's Hospital & Cancer Centre joined on site of existing Eye Clinic/adjacent to ECC and radiotherapy
(ii) Future potential development to replace Phase 2 would be on the existing Foresterhill Health Centre site

Indicative drawings showing the massing of the main building envisaged in each of the above options are shown in Appendix B.

4. Benefit Criteria

The Benefit Criteria agreed and weighted to reflect the workshop group's views on the relative importance of each criterion are shown in the table that follows.

Benefit Criteria	Workshop 08/12/14		
	Rank	Weight	Normalised Weight
Effective and Safe Service Delivery	1	100	19.61
Accessibility	2	90	17.65
Compatible with Foresterhill Master Plan/Development Framework	3	85	16.67
Flexibility/Future Proofing	4	80	15.69
Best use of Resources	5	80	15.69
Disruption	6	75	14.71
			100

The definitions for these criteria are shown in the scoring guidance in Annex A.

5. Non-financial benefits - scoring of options

The workshop group's scores for each option against each criterion are shown in the table below.

	Option 1			Option 2			Option 3			Option 4		
Scoring of Options	Women's Hospital on Foresterhill HC site			Women's Hospital adjacent to Children's Hospital			Women's Hospital adjacent to a new development			Women's Hospital integrated with General Centre		
Benefit Criteria	consensus	optimistic	pessimistic	consensus	optimistic	pessimistic	consensus	optimistic	pessimistic	consensus	optimistic	pessimistic
Effective Service Delivery	6	8	3	4	5	2	7	9	6	4	5	2
Accessibility	8	8	8	9	9	9	6	6	6	9	9	9
Compatible with Foresterhill Master Plan/Development Framework	10	10	10	4	4	2	4	4	2	4	4	2
Flexibility/Future Proofing	7	8	7	7	8	7	3	5	2	6	7	5
Best use of Resources	6	8	6	4	6	2	7	7	7	6	7	4
Disruption	7	7	7	7	8	7	5	5	3	6	7	5

The table shows that whilst on most of the criteria there is little difference in scores across the three scoring scenarios (consensus, optimistic and pessimistic), there are a number of criteria where the workshop group were either unsure on the magnitude of the score or there was varying views across the workshop group. In these cases optimistic and pessimistic scores were recorded as shown in the table. These optimistic and pessimistic scores provide the basis for sensitivity analysis shown later in the report.

The table also shows that there are a number of low consensus scores for some options in relation to particular criterion indicating that the workshop group considered that in these cases the option was unlikely to provide the required level of benefit.

The rationales for the differences in scores is summarised in the table that follows.

Option No	Rationale for Scores
1	<p>Advantages:</p> <ul style="list-style-type: none"> (i) Highly efficient and effective service delivery due to excellent links to Phase 2 (Theatres) and RACH. Subsequent redevelopment plans for new IP can ensure safe and most direct link corridors are developed. (ii) Having the two new developments on opposite sides of the campus improves accessibility in terms of access from main routes into ARI. (iii) This options best fit's master planning / Foresterhill Development Framework. (iv) This option allows expansion of both new developments. (v) Minimum disruption in terms of service continuity during construction. <p>Disadvantages:</p> <ul style="list-style-type: none"> (i) Need to re-provide Foresterhill Health Centre & Breast Screening Service
2	<p>Advantages:</p> <ul style="list-style-type: none"> (i) No urgency to re-provide FHC and BSS. <p>Disadvantages:</p> <ul style="list-style-type: none"> (ii) Patient safety issue due to distances between WH and current P2 and future new IP. (ii) New IP build not coherent with Master Planning. (iii) Future Expansion of Cancer Centre limited. (iv) Having the two new developments in close proximity makes access a problem both in terms of causing bottlenecks onto the main roads on the East End site of the campus. Concentrates patient activity onto East end site. (v) Disruption to RACH during construction and may impact on service continuity for radiotherapy during linking phase.
3	<p>Advantages:</p> <ul style="list-style-type: none"> (i) Services Delivery effective due to close adjacencies in the future between clinical blocks. <p>Disadvantages:</p> <ul style="list-style-type: none"> (i) Patient safety issue due to distances between WH and current P2 for the first 5 – 8 year period before new IP build is completed. (ii) Accessibility – Poorest of all four options. (iii) Future expansion non-existence. (iv) Ground-Lock and build-ability issues. (v) More disruption during construction and will impact on service continuity for both new developments.
4	<p>Advantages:</p> <ul style="list-style-type: none"> (i) No urgency to re-provide FHC and BSS. (ii) Economies of scales during construction due to being built as a single block (marginal). <p>Disadvantages:</p> <ul style="list-style-type: none"> (i) Patient safety issue due to distances between WH and current P2 and future new IP. (ii) New IP build not coherent with Master Planning. (iii) Future Expansion of Cancer Centre limited. (iv) Having the two new developments in close proximity makes access a problem both in terms of causing bottlenecks onto the main roads on the East End site of the campus. Concentrates patient activity onto East end site. (v) Disruption to RACH during construction and may impact on service continuity for radiotherapy during linking phase.

6. Results of the appraisal of non-financial benefits

The results from the non-financial benefits appraisal are summarised in the table that follows. The overall weighted benefit scores have been computed by multiplying the consensus score for each option on each criterion by the weight given to each criterion and then summing these weighted scores to arrive at an overall weighted benefit score for each option.

Option No	Option Description	Weighted Benefits Score	Rank
1	Women's Hospital on Foresterhill HC site	732	1
2	Women's Hospital adjacent to Children's Hospital	579	3
3	Women's Hospital adjacent to future development	540	4
4	Women's Hospital integrated with Cancer Centre	580	2

A number of conclusions can be drawn from these results:

1. Option No 1 has a relatively high overall weighted benefits scores (the maximum possible weighted benefit score using this system is 1000). This indicates that the workshop delegates considered that this option could be expected to perform well in terms of meeting the criteria and delivering the benefits required from the investment in the project.
2. The relatively low weighted benefits scores of Options 2, 3 & 4 reflect the workshop group's concern that these options are unlikely to deliver the required level of benefits.
3. The relatively large difference between the weighted benefits score of Option 1 and the other three options confirms that this site option is expected to maximise the required non-financial benefits from the site.

7. Risk Assessment

7.1 Financially Quantifiable Risks

The majority of risks associated with the short listed options have been measured and quantified in monetary terms and included in the calculated Net Present Cost of each option. Hence, the costs used in the economic appraisal shown later in this report have been risk adjusted to reflect the main business, operational and project implementation risks including:

- Planning, design and construction risks
- Commissioning risks
- Operational risks
- Service risks
- Business risks
- Optimum bias

7.2 Non-financial Risks

Recognising that not all risks can be quantified in monetary terms, the non-financial risks associated with the shortlisted options were identified and appraised at the workshop on the 8 December 2014. This appraisal was similar to that used for the non-financial benefits and involved.

- Reviewing each of the shortlisted option to identify potential non-financial risks.
- Assessing each risk in terms of its likelihood and impact
- Computing a risk score for each option by multiplying the likelihood and impact scores

The results from the appraisal of non-financial risks is summarised in the table that follows.

	Likelihood (0 - 10)				Impact (0 - 10)				Risk Score				
	Option				Option				Option				
Non-financial Risks	1	2	3	4	1	2	3	4	1	2	3	4	
Buildability	2	1	9	7	2	2	10	8	4	2	90	42	
Operational problems - car park management, buses etc	7	9	10	9	7	8	10	8	49	72	100	72	
Patient choice - patients choose centre rather than community (CMU)	5	5	5	5	7	7	7	7	35	35	35	35	
Planning	2	5	7	5	5	5	5	5	16	40	56	40	
Impact on radiology configuration	5	5	5	5	5	5	5	5	25	25	25	25	
Transfer times - Internal Pre Phase 2	5	9	9	9	9	9	9	9	45	81	81	81	
Transfer times - Internal Post Phase 2	9	8	3	8	9	9	9	9	81	72	27	72	
Replacement of FII Health Centre by 2017	4	0	0	0	5	5	5	5	32	0	0	0	
Decent accommodation for Breast Screening	10	0	0	0	5	5	5	5	80	0	0	0	
Reprovide Eye Clinic	7	7	7	7	8	8	8	8	56	56	56	56	
Road layouts and accessibility for urgent access	5	5	10	5	7	7	7	7	35	42	70	42	
Safety - personal safety for Women's Hospital	5	4	5	4	5	5	5	5	40	32	48	32	
									Total Risk Score	488	457	588	487

These results show that the workshop group considered that all the options were relatively low risk with Overall Risk Scores ranging from 457 to 588 (maximum possible risk score is 1200). The risks identified in this exercise will be incorporated into the overall risk register for the project with mitigation strategies developed as the project progresses.

8. Net Present Costs (NPC)

Indicative, high level capital and facilities management costs for the four options were developed and have been used for an economic appraisal of the short listed options. This resulted in a Net Present Cost (NPC) for each option which takes into account the capital and revenue costs of the options over 60 years using Discounted Cash Flow techniques. Hence, the economic appraisal enables the options to be compared in terms of their total costs (NPC). In accordance with SCIM and HM Treasury Guidance the NPCs have been calculated using the Treasury's Generic Economic Model (GEM) which uses a discount rate of 3.5% for the first 30 years of the appraisal and 3% thereafter. The results are shown in the table that follows.

Option No	Option	Net Present Cost (NPC) £millions over 60 years
1	Women's Hospital on Foresterhill HC site	181.234
2	Women's Hospital adjacent to Children's Hospital	173.354
3	Women's Hospital adjacent to future development	172.733
4	Women's Hospital integrated with Cancer Centre	173.356

9. Value for money

Weighted benefit scores can be directly compared with Net Present Costs to help assess trade-offs between costs and benefits. This enables options to be compared in terms of value for money. The results from this analysis are shown in the table that follows.

Option No	Option	Weighted Benefits Score (Consensus)	Net Present Cost £million	Cost per Unit of Weighted Benefit Score £
1	Women's Hospital on Foresterhill HC site	732	181.233572	247,467
2	Women's Hospital adjacent to Children's Hospital	579	173.353904	299,188
3	Women's Hospital adjacent to future development	540	172.733192	319,763
4	Women's Hospital integrated with Cancer Centre	580	173.356174	298,687

The table show that whilst the Net Present Cost of Option 1 is higher than that of the other three options, its significantly higher Weighted Benefit Score results in a lower Unit of Weighted Benefit and therefore, it provides best value for money i.e. the required benefits costs less in this option.

10. Preferred Option

The results from the four appraisals of the short listed options i.e. benefits, risks, costs, and value for money are brought together in the table that follows which shows the ranking of each option in each appraisal. (1 is highest ranking i.e. best, 4 is lowest ranking i.e. worst).

	Option No/Description	Ranking of Options by Appraisal			
		1	2	3	4
		Women's Hospital on Foresterhill HC site	Women's Hospital adjacent to Children's Hospital	Women's Hospital adjacent to future development	Women's Hospital integrated with Cancer Centre
Non-Financial Benefits Appraisal	WBS (consensus)	732	579	540	580
	Rank	1	3	4	2
Non-Financial Risks Appraisal	Overall NF Risk Score	498	457	588	497
	Rank	3	1	4	2
Economic Appraisal	Net Present Costs (60 years) £m	181.23	173.35	172.73	173.36
	Rank	4	2	1	3
Value for Money	Cost per Benefit Point £	247,467	299,188	319,763	298,687
	Rank	1	3	4	2

The table shows that Option 1 is ranked highest in two of the four appraisals indicating that overall it is the preferred option since it is the one most likely to maximise the non-financial benefits required from the project, provides best value for money and has an acceptable level of risk.

11. Sensitivity Analysis

Sensitivity analysis is fundamental to option appraisal since it is used to test the robustness of the ranking of options and the selection of a preferred option. It examines the vulnerability of options to changes in underlying assumptions and future uncertainties. For this project it has been undertaken in two stages:

- **Scenario Analysis** – examining the impact of changing scores, weights and net present costs through a number of scenarios
- **Switching Values** – computing the change required to bring about a change in the ranking of the options

11.1 Scenario Analysis

Scoring Scenarios

This analysis has examined the impact on the weighted benefit scores of more optimistic or pessimistic scoring scenarios. The optimistic and pessimistic scores from the workshop have been used to re-calculate weighted benefit scores and these are shown in the table below. The weighted benefits score derived from the consensus scores are also shown in the table for comparative purposes.

Option No	Option Description	Scoring Scenario					
		Optimistic		Consensus		Pessimistic	
		WBS	Rank	WBS	Rank	WBS	Rank
1	Women's Hospital on Foresterhill HC site	819	1	732	1	674	1
2	Women's Hospital adjacent to Children's Hospital	661	2	579	3	475	2
3	Women's Hospital adjacent to future development	611	4	540	4	442	4
4	Women's Hospital integrated with Cancer Centre	646	3	580	2	446	3

It can be seen from the table that the ranking of options does not significantly change as a result of adopting more optimistic or more pessimistic scoring. Option 1 remains superior in terms of expected non-financial benefits in all three scoring scenarios.

Weighting Scenarios

The weighted benefit scores shown early in this report have been calculated using the weights applied to the criteria as agreed by the workshop delegates on 8 December 2014 and which reflect their views of the relative importance of each criterion. However, given the subjective nature of the weighting of criteria the workshop group also agreed on the need to examine the impact of adopting three further weighting scenarios, all of which were considered plausible and reasonable:

- **Increased importance given to “Flexibility/Future Proofing”** - by switching the weight of “Flexibility/Future Proofing” with that of “Compatible with the Foresterhill Masterplan/Development Framework”.
- **Increased importance given to “Flexibility/Future Proofing”** – by switching the weight for “Flexibility/Future Proofing” with that of “Accessibility”
- **All criteria equally important** - Equal weights applied to the criteria. This is a reasonable and plausible scenario to examine since experience from other workshops has frequently shown this to be a scenario that broadly represents a wide body of public opinion i.e. all the criteria are equally important.

The table below shows the weights applied in these three scenarios and compares them with original weightings developed by the workshop.

	Weighting Scenarios			
	No1	No2	No3	No4
Benefit Criteria	Workshop 08/12/14	“Flexibility” switched with “Compatible with Masterplan”	“Flexibility” switched with “Accessibility”	Equal Weights
Effective Service Delivery	18.8	18.8	18.8	18.7
Accessibility	17.8	16.7	16.7	18.7
Compatible with Foresterhill Master Plan/Development Framework	18.7	18.7	18.7	18.7
Flexibility/Future Proofing	16.7	17.8	17.8	18.7
Best use of Resources	16.7	16.7	16.7	18.7
Disruption	14.7	14.7	14.7	18.7
	100	100	100	100

The impact on the overall weighted benefit scores of adopting these weighting scenarios is shown in the table below.

Option No	Option Description	Weighting Scenario							
		No 1		No 2		No 3		No 4	
		Workshop 08/12/14		"Flexibility" switched with "Compatible with Masterplan"		"Flexibility" switched with "Accessibility"		Equal Weights	
		WBS	Rank	WBS	Rank	WBS	Rank	WBS	Rank
1	Women's Hospital on Foresterhill HC site	732	1	730	1	731	1	733	1
2	Women's Hospital adjacent to Children's Hospital	579	3	575	2	575	2	583	3
3	Women's Hospital adjacent to future development	540	4	534	4	534	4	533	4
4	Women's Hospital integrated with Cancer Centre	580	2	575	3	575	3	583	2

It can be seen that the ranking of options does not materially change as a result of adopting the three different weighting scenarios and Option 1 is consistently is the highest ranked option.

Net Present Cost Scenarios

The net present costs used earlier in this report are the expected outturn costs for the options taking account of the expected impact (monetised) and probability of all risks. It is calculated by determining optimistic and pessimistic outturn costs and the probability of each of these outcomes occurring. An assumption has been made that the optimistic outturn costs has a probability of 0.05 and pessimistic outturn cost has a probability of 0.15 i.e. the pessimistic outturn cost is more likely than the optimistic one. These outturn costs are shown below.

Option No	Option	Net Present Cost (NPC) £millions over 60 years		
		Optimistic	Expected	Pessimistic
1	Women's Hospital on Foresterhill HC site	161	181.23	197
2	Women's Hospital adjacent to Children's Hospital	154	173.35	189
3	Women's Hospital adjacent to future development	154	172.73	188
4	Women's Hospital integrated with Cancer Centre	154	173.36	189

The optimistic and pessimist outturn cost scenarios have been used to re-examine the value for money comparisons and the results are shown in the table that follows

Option No	Option	Value for Money based of different Outturn Cost Scenarios		
		Optimistic Outturn Cost	Expected Outturn Cost	Pessimistic Outturn Cost
		Cost per Unit of Weighted Benefit Score £	Cost per Unit of Weighted Benefit Score £	Cost per Unit of Weighted Benefit Score £
1	Women's Hospital on Foresterhill HC site	220,515	247,467	269,519
2	Women's Hospital adjacent to Children's Hospital	266,603	299,188	325,849
3	Women's Hospital adjacent to future development	284,937	319,763	348,256
4	Women's Hospital integrated with Cancer Centre	266,157	298,687	325,303

The results in the table show that Option 1 remains best value for money in both the optimistic and pessimistic cost scenarios i.e. it's Cost per Unit of Weighted Benefit Score is lowest.

11.2 Switching Values

The table below shows the percentage change required on the weighted benefits scores, net present costs and the vfm measure for other options to equal the highest ranked option

Switching Values				
Percentage change required in current values to equal the highest ranked Option				
Option No	Option	Weighted Benefit Score	Net Present Cost £m	Cost per Unit of Weighted Benefit Score £000
1	Women's Hospital on Foresterhill HC site		4%	
2	Women's Hospital adjacent to Children's Hospital	26.4%		17%
3	Women's Hospital adjacent to future development	35.6%	-0.36%	23%
4	Women's Hospital integrated with Cancer Centre	26.2%	0.00%	17%

The results in the table show both the weighted benefit score and the Cost per Unit of WBS of Options 2, 3 and 4 would need to change significantly in order to equal that of Option 1. Although the NPC of Option 1 is higher this is only by a small percentage (4%) and this is more than compensated for by its considerably higher non-financial Weighted Benefits Score.

12. Conclusion

In conclusion, the sensitivity analysis has shown that the option appraisal results are robust since realistic and plausible changes in the underlying assumptions around costs and benefits do not result in a change in the choice of a preferred option. Furthermore, there would need to be substantial change in Weighted Benefit Scores or Net Present Cost for there to be a change in the ranking of options.

Annex A – Scoring Guidance and Calibration

Benefit Criteria	Maximum Score	Minimum Score
	10	0
Effective and Safe Service Delivery	<p>1) Can be expected to achieve and enhance good functional relationships and adjacencies with key support departments including Children's Hospital, Diagnostics, ITU, Theatres etc.</p> <p>2) Promotes and facilitates good planning and design principles - logical, efficient floor layouts, internal adjacencies, circulation space, space utilisation, functional suitability etc.</p> <p>3) A location which supports good care pathways, services organised and structured to deliver good capacity and flow management</p> <p>4) Supports the achievement of HEAT</p>	<p>1) Likely to seriously constraint the ability to achieve good functional relationships and adjacencies with key support departments including Children's Hospital, Diagnostics, ITU, Theatres etc.</p> <p>2) Could result in less than ideal floor templates which will constrain the designers ability to provide good internal layouts, efficient use of space etc</p> <p>3) May result in building solutions which could be less than ideal in terms of operational effectiveness and delivery of services on a day to day basis.</p> <p>4) Potential for fragmented and disjointed service delivery</p>
Accessibility	<p>1) Provides easy access for patients and visitors particularly taking into account that the majority of services will be provided on an ambulatory basis.</p> <p>2) A clearly defined approach and entrance</p> <p>3) Facilitates effective wayfinding and good short, direct travel routes from car parks, public transport terminals and other departments</p>	<p>1) Unlikely to be able to provide an obvious approach and entrance to the building</p> <p>2) Could result in indirect and illogical routes and wayfinding both internally and to and from the building</p> <p>3) Potential for patients and visitors to become disorientated when accessing the building/services</p> <p>4) People may feel that services are organised and provided around buildings rather than patients</p>
Compatible with Foresterhill Master Plan/Development Framework	<p>Compatible with the long term strategy for future development of the Foresterhill campus which takes account of the NHS and University's vision to create an integrated healthcare and educational campus. Enhances the linkages between hospital and University services, creates a sense of place, develops a strong campus identity. Expected to ease the achievement of Planning Permission</p>	<p>1) A short term solution which may seriously constrain future long term developments on the Foresterhill site.</p> <p>2) Is not compatible with the long term services strategies of the NHS and/or University</p> <p>2) Use of this site is not compatible with the principles of the Master Plan in terms of traffic flow, landscaping, environmental sustainability etc.</p> <p>3) Likely to be difficult in terms of obtaining Planning Permission</p>
Flexibility/Future Proofing	<p>The site will enable a planning and design solution which will be able to be responsive to changing service user needs driven by changing populations structures, increased health needs of elderly people, advances in technology, changing workforce etc.</p> <p>2) The site has the potential for extending and expanding the building in future</p>	<p>1) The site will necessitate a highly structured planning and design solution based on current service needs and which is inherently inflexible and unable to be easily changed to meet changing service needs.</p> <p>2) A site with very limited potential for future expansion and development</p>
Best use of Resources	<p>1) Overall, a solution which can be expected to promote efficient and effective use of land, buildings, staff and equipment through avoiding duplication, waste, under-utilisation etc.</p> <p>2) A solution which fully takes account of existing and planned buildings and maximises the shared use of space, equipment, staff and financial resources.</p> <p>3) A solution which can be expected to have a positive impact on performance as measured by national KPIs</p>	<p>1) A site which may result in poor and inefficient use of staff time and skills/expertise, low utilisation of buildings, equipment and assets.</p> <p>2) Potential for negative impact on performance as measured by national KPIs such as unit costs</p>
Disruption	<p>1) A site which can be largely self-contained and segregated from the the rest of the hospital throughout the construction phase of the project.</p> <p>2) Disruption and impact on the rest of the operational departments in the hospital can be maintained at an acceptable level.</p> <p>3) Expected to enable the required timescale for construction to be met.</p>	<p>1) A site which is likely to result in significant disruption in terms of noise, dust and traffic flow for adjacent departments during construction</p> <p>2) Potential for widespread disruption across the whole site during the construction phase</p> <p>3) May have an adverse impact on delivery within required timescales</p>

Annex B – Option 1 – Indicative drawing showing the massing of main buildings



NHS GROUP

ARCHITECTURE
PLANNING
ENGINEERING

ARCHITECTURE
PLANNING
ENGINEERING



01753 810000
01753 810000
01753 810000

Annex B – Option 3 – Indicative drawing showing the massing of main buildings



SKIDMORE OWINGS & MERRILL LLP

ARCHITECTS

FUTURE DEVELOPMENT



Annex C – List of Workshop Attendees

Management	Service	Public
Graeme Smith, Director of Modernisation (Project SRO)	Fiona Francey, Divisional General Manager, Women and Children (Project Service Lead)	Barbara Lamb
Jackie Bremner, Project Director	Chris Bain, Clinical Director, Clinical Director for Obstetrics, Gynaecology and Neonatology	Fiona Donald
Alan Gray, Director of Finance	Jane Tighe, Clinical Lead, Haematology	Jean Williams (apologies due to bereavement)
Stan Mathieson, Deputy Head of Property and Asset Development (Project Commercial Lead)	Yvonne Wright, Divisional Lead Nurse (Complex Care)	Claire Reith
Gary Mortimer, General Manager Facilities and Estates (Project Facilities Lead)	Jenny McNicol, Head of Midwifery	Amber Sebold
Manju Patel – Master Planning Lead		Linda Davies, Scottish Health Council Representative

Appendix CC1: Statement of ‘In Principle Agreement’ from Inverurie Medical Practice

INVERURIE MEDICAL GROUP

Mr Gareth Evans
 Property Transaction manager
 Property and Asset Development
 NHS Grampian
 Summerfield House
 Eday Road
 Aberdeen
 AB15 6RE

NHS GRAMPIAN
 PROPERTY AND ASSET
 DEVELOPMENT
 15 APR 2015

10th April, 2015

Dear Mr Evans

GPs letter of intent -

Agreement in Principle

We Inverurie Medical Group ("the Practice"), in respect of the proposed facility development at Inverurie Health and Care Hub, and having regard to the NISG paper "Independent GP Practice occupation within hub facilities" version 26/12/12 confirm that we:

- ✗ • have reviewed the schedule of accommodation, plans and specifications for the whole facility as detailed within the stage 1 submission, not yet submitted;
- ✗ • have reviewed the extent of accommodation, indicated on floor plans as designated for the sole use of the Practice both in terms of the indicative room adjacencies and individual room layout towards meeting the requirements of the Practice;
- ✗ • have reviewed the extent of further accommodation, indicated on floor plans as communal/shared/split areas and understand the Practice will be responsible for a share of appropriated cost;
- ✗ • have received and are taking professional advice regarding the template Offer and Agreement provided to us by NHSG;
- ✗ • understand and agree that any changes to the proposed accommodation or the services instigated by the Practice may have implications on the costs payable by the Practice;

We [..the Practice...] acknowledge that in order for NISG to progress the facility development with hubco and in particular to facilitate the approval of an Outline Business Case by NHSG Board, NHSG require the Practice to confirm their intention in principle to occupying the agreed space within the new facility.

Accordingly, we the Practice confirm that it is our intention to move the Practice premises to the new facility once it has been completed subject always to:

1 CONSTITUTION STREET INVERURIE ABERDEENSHIRE AB51 4SU
Tel : 0845 337 9911 Fax : 01467 627770

Dr Chris Allan
 Dr Gillian Brewin
 Dr Sally Haffness
 Dr Iain Innes
 Dr Shadi Kholagari

Dr Karen Denker
 Dr Vicki Glaser
 Dr George Linton
 Dr Nicola Musymina
 Dr David Rutledge
 Dr Chae Wilkins

Dr Fiona Daxler
 Dr Richard Gordon
 Dr Annette Huret
 Dr Laura Nyles
 Dr Nick Smith

- a) agreement of the terms and conditions upon which we will occupy the new facility;
- b) the costs payable by us in connection with and/or arising out of such occupation;
- c) the completion of the new facility in accordance with plans, specifications and room data sheets as approved by us and in accordance with applicable statutory requirements.

We further confirm that, as soon as reasonably practicable, and once the details of the facility have been further developed by NHSG and hubco, we the Practice will accept the terms of an Offer (with an Agreement attached) on behalf of N-EG, such Offer and Agreement to be substantially in the form of the template documents provided to us, subject to project specific drafting being included (including as to the matters referred to in the preceding paragraph).

We understand that this undertaking requires to be completed as part of the Outline Business Case with unconditional formal missives (comprising an Offer with Agreement attached and an Acceptance of the said Offer being issued on behalf of the Practice) being completed as part of Financial Close. Without these documents the development will not progress.

This letter is not intended to form part of a legally binding contract and is not contractual in its effect.

Signed on behalf of Inverurie Medical Group (the Practice) dated 10th April, 2015


.....

Appendix CC2: Statement of 'In Principle Agreement' from Elmbank Group Practice

Dr James A REPPER
Dr Ruby M J WATT
Dr Christopher D PROVAN
Dr Elizabeth A PHULL
Dr Guruprasad PADUBIDARE
Dr Emily J ANDERSON
Dr Mishaim BHANA



FORESTERHILL HEALTH CENTRE
WESTBURN ROAD
ABERDEEN
AB25 2AY

Tel: 0345 33 70 710
Prescriptions: 01224 558177
Fax: 01224 661599

Dear Gareth,
Apologies that we have been unable to complete the official letter of intent at this time, due to being unable to contract a lawyer as yet.

However, we are happy to officially notify you of the following:

- Elmbank Group Practice agrees to work with the NHS, for the purposes of moving building in 2017. The intention is that we will move out of the current Foresterhill Health Centre and into a building elsewhere on the site.
- We have now verbally agreed terms for the layout of the new building, and expect to be able to sign these off as soon as the finalized drawings arrive with us.

This intention is entirely dependant on the mutual agreement of costs.

If you require any further information, please don't hesitate to contact me on the details in the header.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Rob Johnson', written over a horizontal line.

Rob Johnson
Practice Manager

Opening Hours:
Monday - Friday 8.30am - 6.00pm
Consultations by appointment only

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Appendix CC3: Statement of 'In Principle Agreement' from Westburn Medical Group



31st July 2015

Dear Gareth,

I am sorry that we have been unable to complete the official letter of Intent yet. I am sure you will appreciate that we wish to have a legal view on this.

However, we are happy to notify you that:

- Westburn Medical Group agrees to work with MHSG, for the purposes of moving premises in 2017. The intention is to move from the current Foresterhill Health Centre into a building elsewhere on the site.
- We have verbally agreed Terms for the layout of the new building, and plan to sign these off on Friday 31st July.

This intention is entirely dependant on the mutual agreement of costs.

If you require any further information, please don't hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Kari M. Millar". The signature is written in a cursive, flowing style.

Kari M Millar
Practice Manager

FORESTERHILL
HEALTH CENTRE
Westburn Road
Aberdeen AB9 8AY
Tel: 01224 575525 / 559578
Fax: 01224 559597

Appendix FC1: Revenue Consequences for Preferred Option (IHCH)

Inverurie Development - Full Business Case 2016 for Re-provision of AccommodationOption 2 - Preferred Option - New Build Inverurie Hospital SiteApportionment of Running Costs - First Full Year of Operations - 2018/19

	GP's £000's	GMS £000's	CHP Share £000's	Dental £000's	Maternity £000's	Total £000's
Rates	0	67	45	12	26	151
Water Rates	0	9	6	2	3	20
Refuse Collection	0	4	2	1	1	8
Insurance (Buildings)	0	7	5	1	3	16
Heating (Gas)	19	0	17	4	8	48
Electricity	19	0	17	4	8	48
Domestic Services	38	0	34	8	45	125
Window Cleaning	1	0	1	0	0	2
Maintenance (Authorities Obligations)	3	0	3	1	1	8
Soft FM	1	0	1	0	1	3
Grounds	1	0	1	0	1	3
Sources of Funding						
Inverurie Hosp, Aboyne Maty & Fraserburgh Maty Savings	0	0	86	16	30	133
Inverurie HC Saving	0	45	33	0	0	78
Existing Funding (Practice)						
Heat & Power (	21	0	0	0	0	21
Domestic Services (	22	0	0	0	0	22
Window Cleaning (	0	0	0	0	0	0
Maintenance N/A - Reimbursed (	0	0	0	0	0	0
Grounds (	0	0	0	0	0	0
Assume Practice Funds its Shortfall						
Practice additional revenue requirement (Running Costs)	43	0	0	0	0	43
Gross Available Resource	86	45	120	16	30	297
Property Running Costs Shortfall	-4	41	11	17	69	134
Net Funding Shortfall	0	60	69	31	97	257

Appendix FC2: Revenue Consequences for Preferred Option (FHC)

Foresterhill Health Centre Development - Full Business Case 2016 for Re-provision of Accommodation

Option 2 - Preferred Option - New Build Foresterhill Health Centre

Apportionment of Running Costs - First Full Year of Operations - 2018/19

	Elmbank GP £000's	Westburn GP £000's	CHP £000's	Social Work £000's	Retail Pharmacy £000's	GMS £000's	Total £000's
Rental	0	0	0	0	55	122	177
Rates	0	0	31	3	6	85	125
Water Rates	0	0	1	0	0	2	4
Refuse Collection	0	0	1	0	0	2	3
Insurance (Buildings)	0	0	0	0	0	0	0
Heating (Gas)	4	2	4	0	1	0	11
Electricity	5	3	4	0	1	0	13
Domestic Services	15	8	14	1	2	0	40
Window Cleaning	0	0	0	0	0	0	1
Maintenance (Authorities Obligations)	2	1	2	0	0	0	5
Soft FM	1	0	1	0	0	0	2
Grounds	1	1	1	0	0	0	3
Sources of Funding							
Existing Foresterhill HC Saving							
Rental	0	0	0	0	55	122	177
Rates	0	0	26	0	2	24	52
Waste Water & Metered Water	0	0	1	0	0	2	3
Property Maintenance	0	0	2	0	0	3	5
Trade Refuse	0	0	1	0	1	2	3
Electricity	5	2	5	0	1	0	12
Gas	4	2	3	0	1	0	10
Cleaning	14	7	15	0	1	0	37
Total Existing Funding	23	12	53	0	60	152	300
Assume Practice/3rd Party Funds its Shortfall							
Practice/3rd Party additional revenue requirement (Running Costs)	9	5	0	0	11	0	25
Gross Available Resource	32	17	53	0	71	152	325
Property Running Costs Shortfall	-3	-2	5	5	-6	60	59
Net Funding Shortfall	0	0	38	7	0	86	132

Appendix FC3: Technical Advisors Report

1/6/16

NHS GRAMPIAN

TECHNICAL ADVISOR COMMENTS ON FBS FOR INVERURIE & FORESTERHILL HEALTH CENTRES

5.4. Technical Advisor's Statement

- 5.4.1. The Technical Advisors, Currie & Brown, reviewed the Stage 1 Pricing Report that was included in the OBC. The Stage 2 process has been ongoing since late 2015. Due to a considerable increase in costs in the Draft Stage 2 Pricing Reports an extensive period of Value Engineering was undertaken to bring the Stage 2 in line with the Stage 1 submission and this Value Engineering has still to be finalised. Consequently, the full Stage 2 Report was not submitted by hubCo until 31st May 2016. Currie & Brown have checked the original Draft Stage 2 Pricing Report and are in the process of checking the final Stage 2 Pricing report which includes the Value Engineering exercise as it stands as at 31st May 2016. hubCo are still completing the Value Engineering with a realisation of the savings required by NHSG to reach the values included in the FBC. This was to be completed in time for submission of the full Stage 2 Pricing Report due to be issued at the end of May 2016 but will now be ongoing up to financial close. hubCo will continue with this value Engineering with a target cost provided..
- 5.4.2. The view of Currie & Brown is that the Draft Stage 2 Pricing Report and subsequent Value Engineering, generally, provide Value for Money relative to the agreed benchmark projects.
- 5.4.2.1. The comparison with benchmarks will however, be subject to a check on the final Stage 2 Report where 'abnormals' need to be fully detailed and necessary adjustments made to enable a like for like comparison with the benchmarks. This checking is still ongoing. Early indications are that, following identification of 'abnormals' that the benchmarking will be in proximity of the comparator benchmarking.
- 5.4.2.2. All adjustments between the Stage 1 and Stage 2 Pricing Reports have been provided by hubCo in the final Stage 2 Pricing Report. The changes, have in part, been demonstrated through the Value Engineering exercise and commercial reviews that have taken place in April and May 2016. The checking of this exercise is still ongoing.
- 5.4.2.3. Early indication of the % of the Prime Cost market tested may fall short of the 80% requirement for the Value for Money criteria. A full update on this has been provided for the full Stage 2 Report but still to be checked.
- 5.4.2.4. The Pricing Data (Non Prime Cost) within the Final Stage 2 Pricing Report is being checked and it is anticipated that this will prove value for money and compare favourably with both the Stage 1 and comparator projects.
- 5.4.2.5. The checking carried out by Currie & Brown during the Stage 2 process, with hubCo Project and Cost Managers has been an open and transparent process and all parties have worked closely in an attempt to bring this process as close to the Stage 1 submission as possible.
- 5.4.3. The current capital cost, as at 31st May 2016, exceeds the NPR/OBC by approximately ██████ in aggregate over the two projects. This ██████ increase includes for a further

targeted forecast saving £450K. This forecast saving is still ongoing which will be confirmed on issue of the Final Stage 2 Report. . There is a realisation that further savings should be sought to close this gap further..

5.4.4. The FM and Lifecycle tenders are :

	FM	LCC
Inverurie		
Foresterhill		

These costs are within capped values set at NPR Stage of Inverurie (£21/m2 FM and £19/m2 LCC) and Foresterhill (£20/m2 FM and £18/m2 LCC).

- 5.4.5. Moving forward with design development, the expectations of hubCo and the participants is that the Value Engineering will be ongoing until Financial Close to further reduce the variance between OBC and FBC and to ensure Value for Money is being achieved.
- 5.4.6. Currie & Brown will produce a further Report, based on hubCo's full and final Stage 2 submission, which was submitted on 31st May 2016. The Board will continue to work closely with both Currie & Brown and hubCo to ensure that costs that are built into the contract represent Value for Money and the final Report from Currie & Brown will include references to confirm the extent that this has been achieved.

Appendix FC4: Financial Advisors Report

Caledonian Economics

NHS Grampian

**Inverurie & Foresterhill bundle
hub DBFM scheme – Stage 2**

June 2016

Company Registered in Scotland. Company Registration No: 167049

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1 Introduction

1.1 Introduction

This report has been prepared by Caledonian Economics Ltd in our role as financial advisers to NHS Grampian (“NHSG”) during the procurement of the Inverurie and Foresterhill bundle DBFM scheme under the hub programme. hub North Scotland Ltd is the private sector partner delivering the scheme.

The purpose of this report is to support the Board in producing its Full Business Case and in addressing all the issues required in order to meet the requirements of the Scottish Futures Trust’s Pre-Stage 2 Approval Key Stage Review.

1.2 Scope of report

In this report we address the following issues:

- Comparing hubco’s financial model and its input assumptions against NPR caps and benchmarks and any pricing reports;
- the optimisation of the financial model; and
- whether the project IRR is compliant with the position in the Territory Partnering Agreement.

Our conclusions in this report are based on a review of hub North Scotland’s Stage 2 submission, the associated financial model and any clarifications received from hubco, its advisors and the Council. The key documents referred to in this report are:

- Financial model “IF v0400 9May16”;
- Stage 2 Pricing Reports – please note that only drafts were available at this stage
 - “DRAFT STAGE 2 PRICING REPORT FORESTERHILL”
 - “DRAFT STAGE 2 PRICING REPORT INVERURIE – MARCH”;
- NPR affordability analysis “Inverurie Affordability Cap Summary 24 06 15”;
- NPR affordability analysis “Foresterhill Health Centre Affordability Cap Breakdown 25 05 15”;
- NPR “NPR -Inverurie & Foresterhill Updated 24-06-15”.

2 Financial model review

2.1 Introduction

We have carried out a review of hub North Scotland's financial model as part of our assessment of the Stage 2 submission. This review has focused on two elements of the financial model's construction:

- The model's optimisation – is the price as low as possible within the constraints of the financial model?; and
- The model's inputs – are they consistent with the Stage 2 submission and in line with the appropriate caps and benchmarks?

2.2 Financial model – key information

Item	Financial model - Stage 1	Financial model – Stage 2	CalEc comment
Annual Service Payment	Of which 20.00% subject to RPI	Of which 19.00% subject to RPI	NB - a number of issues have been highlighted in our review which will impact on this figure so this will vary prior to financial close.
ASP Base Date	1 st April 2015	1 st June 2016	Project Agreement will need to reflect this
ASP first year of operations	£ (2018/19)	(2018/19)	See comment on ASP above.
Construction start date	29 th April 2016	28 th July 2016	Consistent with construction programme
Construction end date	31 st January 2018	Inverurie – 28 th February 2018 Inverurie Energy Centre – 31 st August 2017 Foresterhill – 30 th November 2017	Consistent with construction programme
Operations start date	1 st February 2018	1 st September 2017	Consistent with construction programme

Item	Financial model - Stage 1	Financial model – Stage 2	CalEc comment
Operations end date	30 th January 2043	28 th February 2043	Consistent with programme

2.3 Inputs compared against affordability caps

Capex

Project	NPR affordability cap	Financial model – Stage 1	Stage 2 Pricing Report	Financial model – Stage 2	CalEc comment
Inverurie			Final price not available		Please see reconciliation below.
Inverurie energy centre	-	-			
Foresterhill			Final price not available		

Capex reconciliation – Stage 2 financial model

	Financial model	NPR	Variance	CaIec comment				
<u>Inverurie</u> Capex				Total excess of [REDACTED] over NPR was agreed for modelling purposes with NHS Grampian.				
<i>Plus: hubco portion</i>								
<i>Plus: hubco fees</i>								
<i>Total:</i>								
<u>Foresterhill</u> Capex								
<i>Plus: hubco portion</i>								
<i>Plus: hubco fees</i>								
<i>Total:</i>								

Financial Close Costs – covered by NPR cap

Cost	NPR SG funding cap	Financial model – Stage 1	Financial model – Stage 2	CalEc comment
Funder – legal adviser				
Funder – insurance adviser				
Funder – technical adviser				
Funder – financial adviser inc. model audit				
Irrecoverable VAT				
hub – financial adviser				
hub – legal adviser				
hub – technical adviser				

Cost	NPR SG funding cap	Financial model – Stage 1	Financial model – Stage 2	CalEc comment
hub – independent tester				
hub – financial modeller				
Total				

Financial Close Costs – outside of scope of NPR cap

Cost	Financial model – Stage 1	Financial model – Stage 2	CalEc comment
Insurances			
hubco portion			
hubco commercial			

¹ “DRAFT STAGE 2 PRICING REPORT INVERURIE - MARCH” and “DRAFT STAGE 2 PRICING REPORT FORESTERHILL”

² “DRAFT STAGE 2 PRICING REPORT INVERURIE - MARCH” and “DRAFT STAGE 2 PRICING REPORT FORESTERHILL”

Cost	Financial model – Stage 1	Financial model – Stage 2	CalEc comment
management fee			
Subordinated debt arrangement fee			
Total			

SPV Costs during Construction

Cost	NPR affordability cap	Financial model – Stage 1	Financial model – Stage 2 Y1	Financial model – Stage 2 Y2	CalEc comment
Audit/tax					
Operations MSA					
Fund monitor					
Contingency					
Administration MSA					
<u>Total</u>					

SPV Costs during Operations

Cost	NPR affordability cap	Financial model – Stage 1	Financial model – Stage 2 Y1	Financial model – Stage 2 Y2-25	CalEc comment
Audit/tax					
Operations MSA					
Fund monitor					
Contingency					
Hubco MSA					
Bank fees					
Total					

Operating Costs

Cost	NPR affordability cap	Financial model Stage 1	Financial model – Stage 2	CalEc comment
Hard FM				
Lifecycle				

2.4 Review of investor returns

Investor returns

	Financial model – Stage 1	Financial model – Stage 2	CalEc comment
Equity IRR			
Subordinated Debt coupon			

2.5 Funding terms

The funding terms used within the model are in line with the term sheet provided by Aviva for hub projects in the hub North Territory.

Item	Financial model – Stage 1	Financial model – Stage 2	CalEc comment
Interest rate			
Buffer			
Loan margin			
Gearing			
ADSCR required			

LLCR required	[Redacted]
Agency fee	
Maintenance reserve account	

2.6 Financial model optimisation

As part of our financial model review, we have tested a number of aspects of the financial model's optimisation. We will revisit these tests for future financial model iterations.

Issue	CalEc comment
Annual Service Payment	<p>We have recalculated the level of annual service payment required in order to meet the key parameters of the financial model. These are:</p> <ul style="list-style-type: none"> • Capex and development costs; • Operating costs (SPV, FM, lifecycle, bank agency fees); and • Funding costs (senior and subordinated debt). <p>Our calculation has arrived within 2% of the Annual Service Payment modelled. While this is a simplification, it provides a reasonableness test of the level of ASP. We will monitor this position as the project develops.</p>
Indexation of ASP	<p>The financial model assumes that 19.0% of the ASP will be subject to indexation in line with RPI (assumed at 2.5% per annum). This is in line with the drafting of the payment mechanism, which provides for a proportion of the ASP to be uplifted in line with RPI to provide a natural hedge for sub-hubco against those costs it bears which are subject to inflation (namely Hard FM, lifecycle and SPV costs).</p> <p>We test the appropriateness of this in two ways:</p> <ol style="list-style-type: none"> 1) Test the % of operating costs as a proportion of the ASP. This suggests that the appropriate percentage is 17.8%. NB this does not take account of the fact that lifecycle costs vary year by year; and 2) For a range of inflation assumptions (0% per annum to 5% per annum), test the impact on shareholder return (IRR). If the ASP is over-indexed, then the shareholder return would increase as inflation increases and decrease as inflation decreases. The shareholder return moves within a range of 0.11% points for these inflation sensitivities suggesting that the level of indexation is appropriate.

	Both these tests support the conclusion that the indexation assumption is reasonable and optimal given the wider modelling constraints.
Gearing (senior debt to subordinated debt ratio)	<p>Within the financial model and funding structure employed it is possible to increase the gearing ratio within the bounds allowable by the senior funder and achieve a lower ASP as the senior debt is cheaper to borrow than subordinated debt. After a point, higher gearing will require ASP to increase to repay the balance of the senior debt and achieve the senior funder's required debt service cover ratios. At this point, increasing gearing makes</p> <p>Our testing suggests that gearing levels are currently modelled at a reasonable level and in line with what our testing indicates is optimal. We will continue to monitor this with hubco and its advisers prior to financial close.</p>

2.7 Summary of points for clarification/further action

Issue	Comment
Financial model optimisation	<p>We will continue to assess hubco's approach to a number of issues in order to be satisfied that the financial model is appropriately optimised at financial close. These issues include:</p> <ul style="list-style-type: none"> • Gearing; • ASP % subject to indexation; • Annual Service Payment; • Taxation; and • ADSCR and debt sculpting. <p>Our review of these points at this stage suggests that the model is reasonably optimised at this stage.</p>
Taxation	<p>The financial model assumes £25,000 of disallowable expenses against taxation. This increases the SPV's liability to tax, albeit it does not have a material impact on the Annual Service Payment. We are seeking clarification as to the basis of this assumption.</p>
FM and lifecycle costs	<p>FM and lifecycle costs are currently modelled on the basis of hubco assumptions and not tendered prices. Updating the model for tendered prices will potentially have a significant impact on the ASP to the extent that these vary to the prevailing assumptions.</p> <p>The lifecycle costs are currently modelled on an assumed lifecycle profile, rather than one which has been agreed by the FM services provider and tested by the Board's own technical advisers. Introducing an updated lifecycle profile will impact on the financial model and we will monitor its effect once this has been done. We will ensure that any adverse effects are mitigated as far as possible. For instance, an overly spikey lifecycle profile would require larger cash reserves to be held by the SPV but this could be mitigated by smoothing the cost profile if this were supported by the technical advisers.</p>

Subordinated debt	We note that a significant element of subordinated debt is forecast to be repaid early on in the project's lifetime. This occurs due to the forecast lifecycle cost profile modelled by hub. Given that we expect this profile to be updated in the next version of the model, we will revisit this point in the next iteration of the model.
Phasing of ASP step-up	The model currently models a phased step-up of service payment across the three facilities. A common end date is modelled. This approach may need to be amended to reflect the funding available from SGHD.
Fund monitor costs	The cost assumptions in relation to the fund monitor appear high compared with similar projects in the market. hub is revisiting these assumptions. We will review their response.

Appendix FC5: IFRIC 12- Risk Assessment

Caledonian Economics

NHS Grampian

**Inverurie Health and Care Hub & Foresterhill Health
Centre DBFM**

IFRIC 12

August 2015

Company Registered in Scotland. Company Registration No: 167049



Certificates 08377, 08377/A/0001/UK/En and 08377/B/0001/UK/En

1.1 Introduction

This note has been prepared by Caledonian Economics Ltd in our role as financial advisers to NHS Grampian during the procurement of Inverurie Health and Care Hub and Foresterhill Health Centre DBFM scheme under the hub programme. hub North Scotland Ltd is the private sector partner delivering the scheme. The purpose of this report is to assess the Board's assessment of the project's status under IFRIC 12 as part of the project's Outline Business Case.

1.2 Summary of the project

The Inverurie and Foresterhill health facilities are to be procured through a Design Build Finance and Maintain contract with hub North Scotland Ltd. The contract will take the form of the Scottish Futures Trust Standard Form Contract for hub DBFM projects. The health facilities will be designed, built and maintained by the private sector partner in exchange for an annual service payment over the 25 year life of the project. At the end of the 25 year period, the health facilities will revert to the Board's ownership and control.

IFRIC 12 is an accounting standard interpretation which gives guidance to operators on the accounting for PPP type service arrangements. A PPP service arrangement will be within the scope of IFRIC 12 if the relevant conditions are met¹. The Board's assessment of this position is set out in Appendix 1 to this note.

1.3 Conclusion

The Board's assessment of the project against the scope of IFRIC 12 is shown in Appendix 1 to this note. We are supportive of the Board's conclusion that the project is within the scope of IFRIC 12 based on the expected form the project will take under the standard form DBFM contract. This does not form a comment as to the balance sheet status of the project for national accounts purposes.

This assessment will be need to be revisited at the full business case stage as the project's commercial development will inevitably mean that derogations are made to the standard form contract (either to address project specific issues, or to address ESA2010 compliance issues). Although this is not expected to change the IFRIC assessment, firm conclusions should not be drawn at this stage given we cannot anticipate what form these contractual changes are likely totake.

¹ IFRIC Interpretation 12 Service Concession Arrangements – paragraphs AG1 to AG8.

Appendix 1 – IFRIC 12 assessment

Criteria	Yes/No	Evidence	Conclusion
1. Does the grantor control or regulate what services the operator must provide with the infrastructure, to whom it must provide them, and at what price?	Yes	The Operator is required to make the Project facilities available to the Authority for use as Health Care and Medical Centres under the terms of the draft Project Agreement ² .	Within The Scope Of The Interpretation
2. Does the grantor control through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the service arrangement or Is the infrastructure used in the arrangement for its entire useful life?	Yes	The draft Project Agreement provides that the Operator's rights and responsibilities shall cease on expiry of the Term ³ .	Within The Scope Of The Interpretation

² Standard Form Project Agreement (hub DBFM Projects) – Part 6 Services; Schedule Part 12 (Service Requirements), Section 1 Service Level Specification and Section 2 Method Statements; Schedule Part 6 (Construction Matters), Section 3 Authority's Construction Requirements.

³ Ibid. – clause 43

Criteria	Yes/No	Evidence	Conclusion
3. Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement?	Yes	New build facilities for the purpose of the service agreement ⁴ .	Within The Scope Of The Interpretation
4. Is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement?	n/a	n/a	n/a
5. Does the operator have a contractual right to receive cash or other financial asset from or at the direction of the grantor as described?	Yes	There will be a contractual requirements to pay a unitary charge as the result of the arrangement ⁵ .	Operator recognises a financial asset to the extent that it has a contractual right to receive cash or another financial asset as described in paragraph 16 of the IFRIC

⁴ Ibid. - Schedule Part 6 (Construction Matters), Section 3 Authority's Construction Requirements.

⁵ Ibid. - Clause 34.1 and Schedule Part 14 (Payment Mechanism)

Criteria	Yes/No	Evidence	Conclusion
6. Does the operator have a contractual right to charge users of the public services as described?	n/a	n/a	n/a
Conclusion: IFRIC 12 Service Concession Arrangements			

Appendix MC1: Key Responsibilities

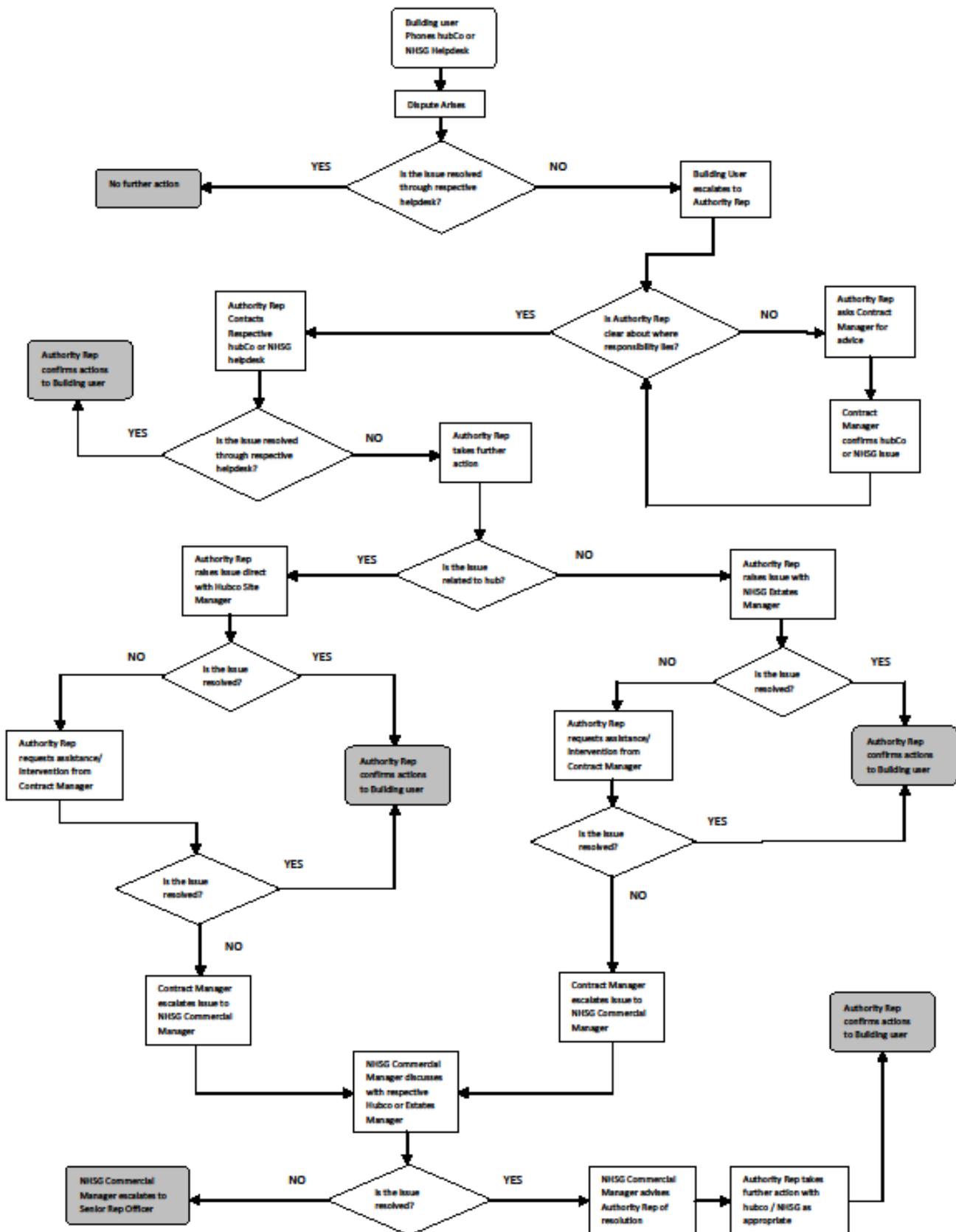
Main Responsibilities	Named Person	Experience and suitability for the post
Project Manager		
During implementation assist the Project Director in ensuring that the project is progressing on all areas consistent with the agreed programme and cost envelope. To ensure regular risk identification review and management in collaboration with hubCo		Clare has extensive project and change management experience within a healthcare setting, in particular working with community/primary care teams. In her previous role of Practice Development Manager with Aberdeen Community Health Partnership, Clare was involved as Service/Project Lead for the development of Woodside Fountain Health Centre which was part of the Forres, Woodside and Tain hubCo bundle.
Commercial Lead		
Lead on production of the PA and schedules e.g. payment mechanism working with hubCo, legal, technical and financial advisors and SFT to ensure that the commercial deal is fit for purpose, commercially sound, has transferred appropriate risk to hubCo and demonstrates value for money for NHS Grampian. To lead on the Commercial Case in the OBC/FBC. To lead, with the support of the Contract Manager and Service Managers and hubCo/FM Service provider, bringing the facility into operation from a Sub-hubCo FM Contract perspective.		Andy is a Quantity Surveyor with significant experience in private sector contracting and at senior level in the public sector. Andy led the £120m Aberdeen Schools NPd through to financial close, and £54m Moray Schools through procurement and construction. He then served for 2 years as programme manager supporting the public participants delivering 6 secondary schools in the SSF programme via hub. He is currently acting as commercial manager on the £120m Baird & ANCHOR project.
Finance Lead(s)		
During implementation lead on all key financial issues in relation to the business case including e.g. the Central Government support aspects of the financial model, sub-debt, economic appraisal for revenue project and financial analysis and value for money. Also to work with other finance		Julie is a qualified accountant with broad ranging experience in the Public and 3 rd Sectors. Immediately prior to joining this Project she worked in Corporate Finance within Local Government.

colleagues and the Commercial Lead to lead the economic and financial sections of the OBC and FBC. To work with the Commercial Lead, Contract Manager, hubCo and FM Service Provider in relation to operation of the financial model.		specialism in that role included Treasury Management and Capital Finance and Planning.
Technical Lead		
During implementation, lead on the production of the technical specification and production of the technical authority requirements and to ensure that hubCos proposals are consistent with the authority requirements including any agreed derogations to work with hubCo to ensure all RDD, finishes, Group 2 equipment and change protocol issues are concluded consistent with the PA during construction and commissioning.		<p>John has 37 years experience within the Health Service and a total of 45 years in the Building industry.</p> <p>John has extensive experience in Project Management and as Technical Development Manager on hubCo projects including Initial Agreement, OBC and FBC input.</p> <p>John was the technical lead for Forres, Woodside and Tain (FWT) Health Centres Bundle.</p> <p>John has been involved in the early planning of Primary Care development programme since 2000 and involved in Initial Agreements, Schedule of Accommodation, specifications for room layouts and sizes and compliance with design guides. Including technical support and Post Project Evaluations</p>

Appendix MC2: Authority Representative Escalation Process

Authority Representative Escalation Process V1

Stan Mathieson 20 Nov 2015

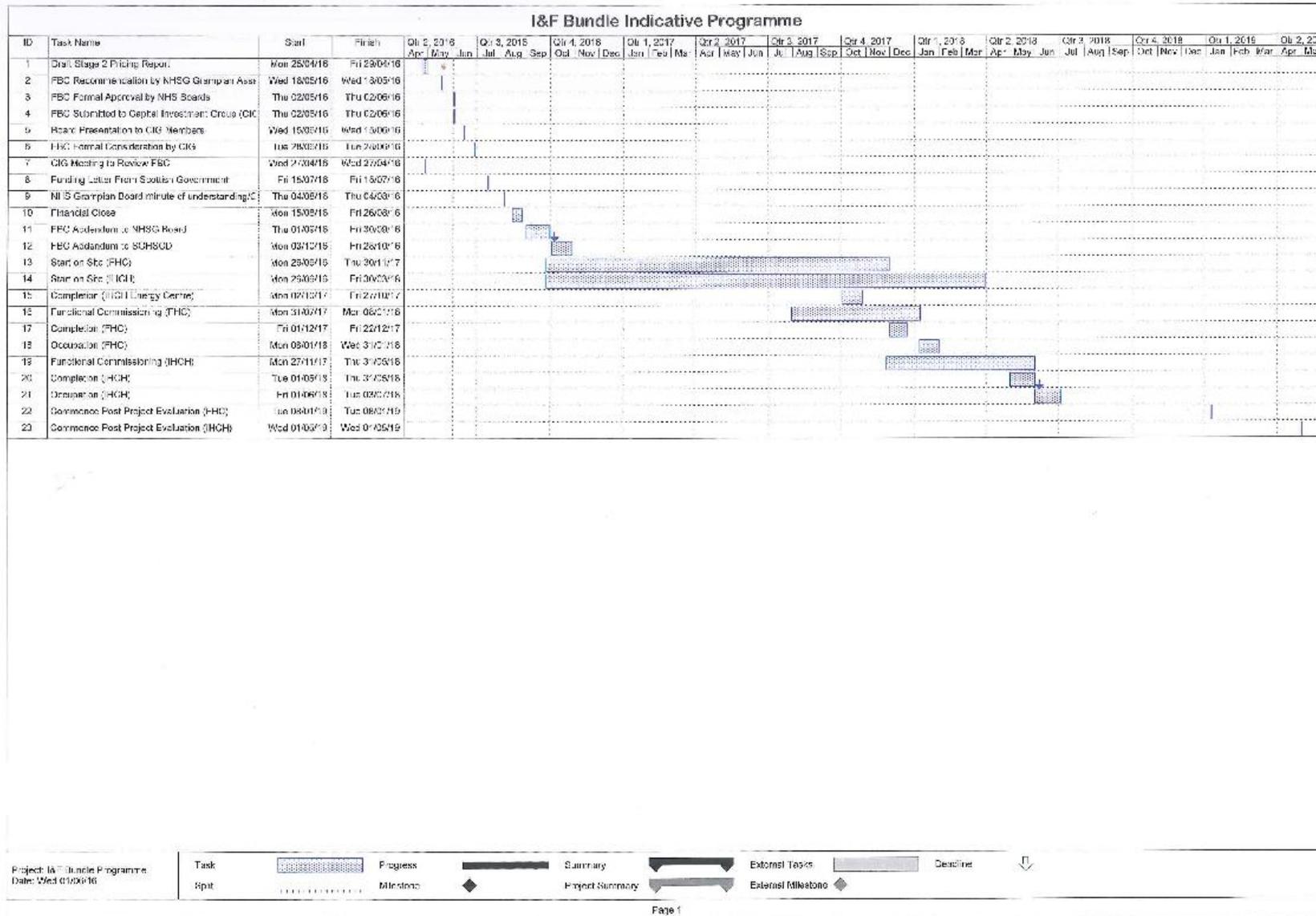


Appendix MC3: Project Programme

***due to the poor image quality of the following Plan, please find clearer images embedded below, if required:**



I&F Bundle Indicative
Programme V1 01JUN



Appendix MC4a: Change Management Plan (CMU)



INVERURIE HEALTH AND CARE HUB

Operational Change Plan – Community Maternity Unit

Description of Service:

The Inverurie Community Maternity Unit will be a focal point of Maternity Care in Inverurie and the surrounding areas. It will provide labour and birth facilities for women and families who are likely to have an uncomplicated normal birth and who choose to give birth there, but it will also be a hub for maternity care for all women during pregnancy and after giving birth providing for e.g. Ultrasound, Consultant Clinics, Antenatal Care and Postnatal Care.

It is worth noting that the location of a CMU in Inverurie is consistent with the NHS Grampian Maternity Strategy which identified the location for the following reasons:

- The current population in Central Aberdeenshire, particularly around the Inverurie area, has a high potential to achieve 250-500 births in a local CMU. 39% of the Inverurie Practice population is aged 25-44, which means there is a high potential for women and families to use the services which a CMU will offer.
- There are plans for major house building in this area. Inverurie sits on one of two "strategic growth corridors" which will account for around 75-80% of growth in Aberdeen and Aberdeenshire over the next 20 years.
- Inverurie is conveniently situated on the main A96 road with rail and bus networks.

Lead Officers:



Service Issue:

To ensure the Community Maternity Unit in Inverurie achieves its target of delivering up to 250-500 babies per year and also to ensure that the service and approach is consistent with other developments.

The Maternity Strategy "The Best Possible Start in Life" has an action plan which includes Service Redesign and has dedicated actions for the development of the CMU in Inverurie.

The Operational Plan detailed below adopts the same consistent approach to that for the other developments that are part of the maternity strategy. These include; The New Baird Family Hospital and Refurbishment of the CMU in Peterhead.





Operational Change Plan

Communication: Use of open days, brochures, public group visits, promotion of the service by midwives and related services. This will include Inverurie CMU being an option within the Birth Choices Leaflet, the maternity website, with the main marketing and promotion being carried out by the community midwives. Also using the existing communication strategy for the Inverurie Health and Care Hub Project.

Workforce: An area of change identified within the maternity strategy was to move to a model of staff development and deployment which is more flexible, fair and which keeps a wider range of specialist and general skills up to date. This will ensure a more integrated service across all areas, including for example, General Practice, as well as those dedicated specifically to maternity care.

As a result, a significant amount of work has already gone into the workforce plan, being led by Rachael MacDonald to establish Community Midwife Integrated Teams. Significant progress had been made with this and the teams are working together and will be ready to respond to the service requirements at the CMU in Inverurie.

Training: Training of community midwives is at the core of the Midwifery Service and all community midwives work to the Grampian Community Maternity Units Clinical Guidelines for Labour and Birth. In addition, all community midwives have a "Skills Passport" which is developed in line with the role and banding of the midwife. A copy of an Integrated Team Midwife Skills passport is attached to this operational plan.

All of the above applies to the community midwives who will be providing the service at the CMU in Inverurie. Rachael MacDonald is also leading on the Training Plan for this project.

Orientation of the new facility will be arranged by the Inverurie Health and Care Hub Project Team. Training will also be provided regarding the Help Desk being provided by hubCo FM Provider.

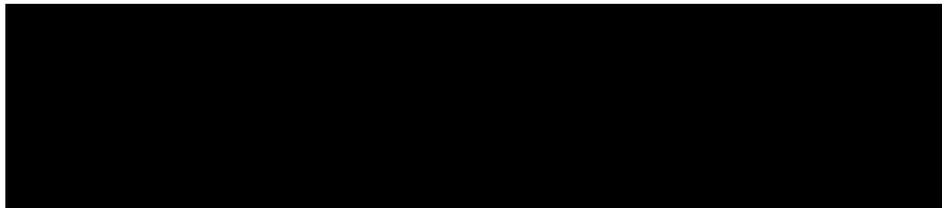




Policies and Procedures:

All policies used will be NHS Grampian policies. Booking and referral arrangements remain the same as they currently are with the patients being booked in with a Community Midwife. A dedicated policies and procedures group will be established to develop policies and procedures around the sharing of facilities; car parking arrangements; safety and security of staff and building and help desk arrangements. This group will have representation from all services and will be facilitated by the Project Manager for the Inverurie Health and Care Hub Project.

FM service arrangements and procedures including cleaning, waste management, portering, receipt and distribution of goods etc. is covered under the FM Service Arrangements Operational Change Plan (Appendix ??)



Appendix MC4b: Change Management Plan (Dental)



INVERURIE HEALTH AND CARE HUB

Operational Change Plan – Urie Dental Practice to Public Dental Service

Description of Service:

The Public Dental Service within the Inverurie Health and Care Hub will have two dental chairs providing what will be known, in line with Scottish Government Policy as the Public Dental Service. This service will complement Independent General Dental Practices in the Inverurie locality by providing specialist dental treatments that independent dentists cannot provide. These treatments include Relative Analgesia, (R.A. Sedation or Conscious Sedation), Intravenous Sedation, School and Care Home Screenings, as well as acting as a specialist point of referral for areas such as paediatric dentistry, older people and others with medical conditions that may make them unsuitable. The Public Dental Service will provide a wide range of dental services which includes dental care for:

- People with special care needs or where their circumstances prevent them from attending a GDP.
- People requiring specialist services because of anxiety, phobia or disability.
- People referred by GDPs or other health and social care practitioners for specialised and special services such as special care dentistry, paediatric dentistry, sedation and general anaesthesia

Lead Officers:



Service Issue:

To redesign the existing dental service from a 3 to 2 chair dentist, moving away from providing general dental services and concentrating solely on the vulnerable patient groups.

The approach that the service adopted was for each clinician to check the medical records of every patient registered with them and agree who could be re-directed to access their dental care from an Independent General Dental Practitioner and those who due to clinical need would remain on their list.

An action plan for this process was developed and a copy attached to this Operational Change Plan.





Operational Change Plan

- Communication:** Work has already been completed in informing patients who were registered at Urie Dental Practice who can access Independent GPs for their dental care. Communication around this was also shared with local MSPs and the Scottish Government. In addition, a dedicated e-mail address was established (and still remains) for any patient who wished to appeal this decision. To date there have been no requests for appeal. Attached are examples of the communication used to inform patients and services of this change.
- Workforce:** The existing workforce will remain as although the numbers attending the clinic will reduce, this will allow the service to increase appointment times for their vulnerable patient group but also increase the amount of domiciliary visits that they carry out. Support for staff was also provided in that regular meetings were held to keep staff informed with HR and staff side representation.
- Training:** Training of staff is imbedded within the service and was part of the action plan that was developed. Any training identified is being sourced for delivery to all staff working for this service and mentoring arrangements will also be in place prior to occupation of the new building.
- Orientation of the new facility will be arranged by the Inverurie Health and Care Hub Project Team. Training will also be provided regarding the Help Desk being provided by hubCo FM Provider.
- Policies and Procedures:** All policies used will be NHS Grampian policies. Booking and referral arrangements remain the same as they currently are. A dedicated policies and procedures group will be established to develop policies and procedures around the sharing of facilities; car parking arrangements; safety and security of staff and building and help desk arrangements. This group will have representation from all services and will be facilitated by the Project Manager for the Inverurie Health and Care Hub Project.
- FM service arrangements and procedures including cleaning, waste management, portering, receipt and distribution of goods etc. is covered under the FM Service Arrangements Operational Change Plan (Appendix ??)



Appendix MC4c: Change Management Plan (Radiology)



INVERURIE HEALTH AND CARE HUB

Operational Change Plan – Radiology Plain Film X-Ray Service

Description of Service:

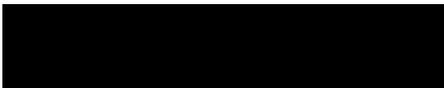
With an agreed capacity of 5 sessions per week, the service will see approximately 30-40 patients per week dependent upon final arrangements of the opening hours/daily attendance requirements of radiology staff.

The Radiology Department will provide a Plain Film X-Ray Service (excluding Dental examinations) for GP referrals from Inverurie Health and Care Hub catchment area. The facility will also deliver, to an agreed capacity, a service from the demand generated from the outpatients clinics in the Inverurie Health and Care Hub.

All imaging will use the NHSG Picture Archiving and Communication Systems (PACS)

The provision of this service within the Inverurie locality reflects the agreed programme for Service Redesign in Aberdeenshire, originally articulated through the Change and Innovation Plan, focussing on the development of services for older people and the local provision of diagnostic and treatment services.

Lead Officer:



Service Issue:

To ensure provision of a Plain Film X-Ray Service for the patient population of Inverurie Health and Care Hub catchment area.

Operational Change Plan

Communication: The main communication promoting this service will be through the already established Communication Strategy for the Inverurie Health and Care Hub Project. Referring services such as the local GP Practice will also be promoting this service.

Workforce: As Inverurie and the surrounding areas have previously been without local X-Ray facilities, the service trend is difficult to predict. However a commitment of 5 sessions per week is established and provision for 0.5 wte Radiographer and 0.5 wte Radiographer Assistant has been made.





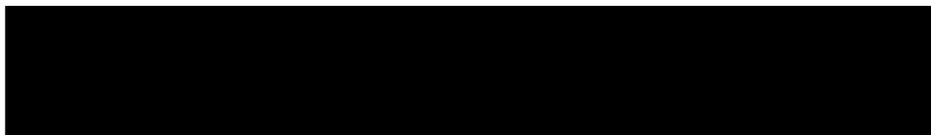
Orientation of the new facility will be arranged by the Inverurie Health and Care Hub Project Team. Training will also be provided regarding the Help Desk being provided by hubCo FM Provider.

Policies and Procedures:

NHS Grampian Policies and Procedures will apply. A dedicated policies and procedures group will be established to develop policies and procedures around these facilities with representation from all services and will be facilitated by the Project Manager for the Inverurie Health and Care Hub Project.

Stakeholder Sign Off

This Operational Change Plan is currently in development and consultation with the FM Providers is ongoing.



Appendix MC4d: Change Management Plan (FM)



INVERURIE HEALTH AND CARE HUB

Operational Change Plan – Facilities Maintenance

Description of Service:

The Facilities Maintenance (FM) which are the responsibility of NHS Grampian are as follows:

Domestic Services; Waste; Goods Receipt and Distribution; Linen and Laundry and Portering.

Lead Officers:

To be confirmed.

Service Issue:

To ensure appropriate FM arrangements are in place for the Inverurie Health and Care Hub taking into consideration the additional services to be provided for, 24 hour service of the Community Maternity Unit and the increase in square meterage.

Operational Change Plan

Communication: Regular communication and engagement with the stakeholders and services to ensure consistent approach of the FM arrangements and ensure needs of services are met. Meetings to be arranged with FM providers and service representatives and facilitated by Project Manager to ensure this is actioned.

Workforce: Clinical and Non-Clinical Out-put specifications have already been developed as part of the Authority Requirements document which detail the occupancy and operating hours of the building. Meetings to be arranged with FM providers and service representatives and facilitated by Project Manager to ensure this is actioned.

Training: FM provider to ensure that all staff are trained as required to ensure the facilities are maintained to a clinical standard taking into account the presence of a 24 hour manned facility (CMU) that will produce regular clinical waste and also require cleaning during unsocial hours. Meetings to be arranged with FM providers and service representatives and facilitated by Project Manager to ensure this is actioned.





Orientation of the new facility will be arranged by the Inverurie Health and Care Hub Project Team. Training will also be provided regarding the Help Desk being provided by hubCo FM Provider.

Policies and Procedures:

NHS Grampian Policies and Procedures will apply. A dedicated policies and procedures group will be established to develop policies and procedures around these facilities with representation from all services and will be facilitated by the Project Manager for the Inverurie Health and Care Hub Project.

Stakeholder Sign Off

This Operational Change Plan is currently in development and consultation with the FM Providers is ongoing.



Appendix MC5a: Benefits Realisation Plan (IHCH)

Benefits Realisation Plan – Inverurie Health and Care Hub							
IDENTIFICATION		REALISATION					
Ref No.	Benefit	Who Benefits	Who is responsible	Investment Objective	Dependencies	Support Needed	Date of Realisation
1.	CMU & Maternity: Enhanced provision of antenatal and post-natal outpatient and scanning services for pregnant women reducing dependency on Aberdeen Maternity Hospital (AMH).	Women, staff, AMH	Service Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	Patients attending the new service. Building a positive reputation with local community prior to availability of The Baird Family hospital	Engagement of staff and local community	2023
2.	CMU & Maternity: Improved access to maternity services locally. Women choose to come to the Inverurie CMU to give birth.	Women, staff, AMH	Service Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	Patients attending the new service. Building a positive reputation with local community prior to availability of The Baird Family hospital	Engagement of staff and local community	2023
3.	Dental: Ability to provide full Orthopantomogram (OPG) assessment locally in Garioch area	Patients and staff	Service Lead	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning	Availability of equipment	Availability of equipment	2019
4.	Radiology: Provision of a 'plain-film' X-Ray service locally, decreasing the need for local people to travel to Aberdeen	Patients and staff	Service Lead(s)	2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education 3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals 4. Solution will support the move towards health and social care integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of 5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning 6. Good access to services in terms of public transport, car parking, timely appointments but also easy way finding through the facility	Patients attending the new service Stakeholder buy-in	Promotion of services to the patients Stakeholder engagement	2023

5.	Provide increased number of group treatments (AHPs, Midwives, Health Visitors etc) to reduce waiting times	Patients and staff	Service Leads	<p>2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education</p> <p>3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals</p> <p>4. Solution will support the move towards health and social care integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of</p> <p>5. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning</p>	Service support to provide group treatments Patients attending the services	Service redesign support Promotion of services	2023
6.	GP: GP Practice ability to cope with the increasing population of the Inverurie Community	Patients, staff and wider community	GP Lead	<p>2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education</p> <p>3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals</p> <p>6. Good access to services in terms of public transport, car parking, timely appointments but also easy way finding through the facility</p> <p>8. Provides flexible, modern, high quality accommodation with expansion capability built in to allow future growth if the population need requires it</p>	Enough GP staff available to cope with demand	Promoting GP Practice as a good place to work	2023
7.	Improved formal and informal communication between health care services due to the co-location of services	Patients and staff	Service Leads	<p>4. Solution will support the move towards Health and Social care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy</p> <p>9. Ability to move forward with Health and Social Care Integration working with Community Planning partners e.g. Local Authority and Third Sector</p>	Dependent on continued joint working of staff	Support and buy-in from all services to continue good communication	2023
8.	GP: Increased GP clinical time available due to the co-location of hospital and GMS services (less wasted time due to travel).	Patients and staff	GP Lead	<p>2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need.</p> <p>5. Supports improvements in health and social care through timely access to diagnosis, treatment or improved learning for people</p>	GP Practice being able to manage potential increase in demand due to new location	Support for Practice in ensuring they maintain their optimum list size	2019



9.	Overall improvement in patient experience for all services	Patients and staff	Service Leads Public Involvement Officer	<p>2. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need.</p> <p>5. Supports improvement in health and social care through timely access to diagnosis, treatment or improved learning for people</p> <p>6. Good access to services in terms of public transport, car parking, timely appointments but also easy way finding throughout the facility</p> <p>7. Patient and staff safety to be improved through creating of a fit for purpose building with good access and health and safety standards</p>	Services identifying appropriate patient staff groups to provide satisfaction rating	Support from Public Involvement team to design meaningful and measurable methodology to capture this information	2022/23
10.	Property & Asset: Improves the physical condition of the healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	<p>1. Need to vacate premises that are too small and require significant investment in terms of backlog maintenance.</p> <p>3. Better facilities to ensure continued and further improved teaching medical training for future healthcare professionals.</p> <p>7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards</p> <p>8. Provides flexible, modern, high quality accommodation with expansion capability built-in to allow future growth</p>	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2020
11.	Property & Asset: Reduces the age of healthcare estate	NHS Grampian	Property and Asset Development Team	<p>1. Need to vacate premises that require significant investment in terms of backlog maintenance</p> <p>3. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals</p> <p>7. Patient and staff safety to be improved through creation for a fit for purpose building with good access and health and safety standards.</p> <p>8. Provides flexible modern, high quality accommodation with expansion capability built-in to allow future growth</p>	Successful completion of enabling and demolition works	Work with NHS Project team to ensure completion of enabling and demolition works	2020
12.	Property & Asset: Reduces backlog maintenance	NHS Grampian	Property and Asset Development Team	<p>1. Need to vacate premises that require significant investment in terms of backlog maintenance</p>	Successful completion of enabling and demolition works	Work with NHS Project team to ensure completion of enabling and demolition works	2020
13.	Property & Asset: Reduces carbon emissions and energy consumption	NHS Grampian	Property and Asset Development Team/Project Team	<p>7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards</p>	Dependent on sustainable design and design specification	The technical specification has been developed with technical advisors and HFS	2020

14.	Property & Asset: Improves functional suitability of Health Care estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises that require significant investment in terms of backlog maintenance 7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018
15.	Property & Asset: Improves the quality of the Healthcare Estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises that require significant investment in terms of backlog maintenance 7. Patient and staff safety to be improved through creation of a fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018



Appendix MC5b: Benefits Register (IHCH)

Benefits Register – Inverurie Health and Care Hub (IHCH)						
IDENTIFICATION						PRIORITISATION
Ref No.	Benefit	Assessment	As measured by:	Baseline Value	Target Value	Relative Importance
1.	CMU & Maternity: Enhanced provision of antenatal and post-natal outpatient and scanning services for pregnant women reducing dependency on Aberdeen Maternity Hospital (AMH).	Quantative	Baseline will be established by the number of antenatal appointments and ultrasound scans at AMH from the appropriate data zones in 2015. The target value will measure the number of patients using the CMU from the appropriate data zones in 2023 (<i>these patients would previously have had to go AMH</i>). <i>*Data provided by Health Intelligence</i> <i>**Datazones list embedded below</i>  Inverurie Community Midwife Datazones.xlsx	Antenatal appointments at AMH from data zones 2015: 1937 Ultrasound scans at AMH from data zones 2015: 488	Target antenatal appointments at IHCH from data zones 2023: 1255 Target ultrasound scans at IHCH from data zones 2023: 375	5
2.	CMU & Maternity: Improved access to maternity services locally. Women choose to come to the Inverurie CMU to give birth.	Quantative	Birth rates within the IHCH CMU in 2023, measured against the reduction in AMH birth rates in 2023, using appropriate data zones. <i>*Data provided by Health Intelligence</i> <i>**Datazones list embedded in benefit 1</i>	Number of births at AMH from data zones 2015: 1119	Target number of births at IHCH CMU in 2023: 500	5
3.	Dental: Ability to provide full Orthopantomogram (OPG) assessment locally in Garioch area	Quantative	The number of patients receiving an OPG at IHCH in 2019. <i>*Data provided by Laura Anderson & Brian Dawson of Inverurie Dental</i>	0 – machine not available	25 patients per week in 2019	4
4.	Radiology: Provision of a 'plain-film' X-Ray service locally, decreasing the need for local people to travel to Aberdeen	Quantative	Baseline will be established by the number of 'GP referred' plain film x-rays at Aberdeen Royal Infirmary (ARI) from the AB51 postcode area in 2015. The target will be established by the total number of patients from the postcode AB51 that receive an X-Ray at IHCH in 2023. <i>*Data provided by Alan Riddoch of Radiology</i>	Number of 'GP referred' plain film X-rays carried out at ARI from the postcode AB51 in 2011/12: 1593	Number of 'GP referred' plain film X-rays carried out at ARI from the postcode AB51 in 2023: 660	4
5.	Provide increased number of group treatments (AHPs, Midwives, Health Visitors etc) to reduce waiting times	Quantative	Number of group treatment sessions available currently and in 2023. <i>*Data provided by:</i> <i>Valerie Shields: Midwifery</i> <i>Wilma Hadden: Health Visitors</i> <i>Shona Strachan: AHP</i>	Number of Group Treatment Sessions per month 2015: Midwifery: 1 per month Health Visitors: 16 per month AHP: 13 per week	Target number of Group Treatment Sessions per month 2023: Midwifery: 2 per month Health Visitors: 18 per month AHP: 24 per week	4

6.	GP: GP Practice ability to cope with the increasing population of the Inverurie Community	Quantative	Number of patients seen per week currently and in 2023. <i>*Data provided by Eunice Ross- Practice Manager at Inverurie Health Centre</i>	Current weekly figures 2015/16 <u>Patients attending appointments-</u> Inverurie Health Centre: 1399	Projected weekly figures 2023 <u>Patients attending appointments-</u> Inverurie Health Centre: 1679	5
7.	Improved formal and informal communication between health care services due to the co-location of services	Qualitative	Staff satisfaction rate measured by the Safety Climate Report currently and in 2023. <i>*Data provided by The Safety & Climate Report 2015/16'</i>	Average Staff Communication Score based on Safety Climate Report 2015/16: 5.2	Average Staff Communication Score based on Safety Climate Report 2023: 5.6	4
8.	GP: Increased GP clinical time available due to the co-location of hospital and GMS services (less wasted time due to travel).	Quantative	Number of GP Clinical appointments made available at IHCH due to co-location in 2019. <i>*Data provided by Valerie Rorie- Assistant Practice Manager at Inverurie Health Centre</i>	Current 2015: 80mins travel time used for Inverurie Hospital visits.	Target 2019: 10 additional GP appointments made available per week.	4
9.	Overall improvement in patient experience for all services	Qualitative	Patient satisfaction rating improves across all services. <i>*Data provided by the 'Health and Care Experience Survey 2015/16'</i>	Based on the patient survey section "At your GP Practice" – 2015/16 -Overall arrangements for getting to see a doctor: VP: 10% P: 51% N: 29% Neg: 10% -Overall arrangements for getting to see a nurse: VP: 18% P: 58% N: 21% Neg: 3% -Time waiting to be seen at GP practice: VP: 0% P: 85% N: 0% Neg: 15% <u>KEY</u> VP: Very Positive P: Positive N: Neutral Neg: Negative	Target 2022/23: -Overall arrangements for getting to see a doctor: VP: 20% P: 41% N: 31% Neg: 8% -Overall arrangements for getting to see a nurse: VP: 28% P: 48% N: 23% Neg: 1% -Time waiting to be seen at GP practice: VP: 13% P: 72% N: 8% Neg: 7% <u>KEY</u> VP: Very Positive P: Positive N: Neutral Neg: Negative	5

7.	Property & Asset: Improves the physical condition of the healthcare estate	Quantative	Proportion of current Health Centre as either A or B for physical condition. Currently and in 2020. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 Poor 34% A-B 66% C-D	Predicted 2020 Excellent 100% A-B	5
8.	Property & Asset: Reduces the age of healthcare estate	Quantative	Proportion of NHSG estate less than 30 years old. Currently and in 2020. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 61% 37%	Predicted 2020 71% 100%	4
9.	Property & Asset: Reduces backlog maintenance	Quantative	Reduce backlog maintenance burden. Currently and in 2020. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 £1.8m	Predicted 2020 £0	4
10.	Property & Asset: Reduces carbon emissions and energy consumption	Quantative	Percentage reduction on CO2 emissions and energy consumption for Health Centre. Currently and in 2019/20. <i>*Data provided by Alan Lamont and Robert Hobkirk- Facilities</i>	Carbon Emission figures and Energy Consumption for current GIA 6620m2. <u>Carbon Emissions (2014/2015)-</u> 229.08kg Co2 per m2 <u>Energy Consumption (calendar year 2015)</u> -Energy Consumption: 495.64kWh per m2 Breakdown embedded:  Inverurie sites.xls	Projected 2020 Carbon Emission figures and Energy Consumption for new GIA 7078.4m2. <u>Carbon Emissions-</u> 51.22kg Co2 per m2 <u>Energy Consumption-</u> -Energy Consumption: 209.26 kWh per m2	4
11.	Property & Asset: Improves functional suitability of Health Care estate	Quantative	Proportion of current health centre categorised as either A or B for functional suitability. Currently and in 2018. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 Poor 43% A-B 57% C-D	Predicted 2018 Excellent 100% A-B	5
12.	Property & Asset: Improves the quality of the Healthcare Estate	Qualitative	Proportion of current health centre categorised as either A or B for Quality. Currently and in 2018. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 Poor 43% A-B 57% C-D	Predicted 2018 Excellent 100% A-B	5



Appendix MC5c: Benefits Realisation Plan (FHC)

Benefits Realisation Plan – Foresterhill Health Centre							
IDENTIFICATION		REALISATION					
Ref No.	Benefit	Who Benefits	Who is responsible	Investment Objective (as per business case)	Dependencies	Support Needed	Date of Realisation
1.	Increased service activity: a) General Practice b) Allied Health Professionals c) Retail Pharmacy	Patients, staff and wider community	Lead GP Lead AHP Lead Pharmacist	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 10. Ability to move forward with Health and Social Care Integration working with community planning partners	Appropriately trained staff to deliver the service	Agreed contractual arrangements to support funding of additional posts	2023
2.	Podiatry: Introduction of ABPI service (Doppler Clinic).	Patients Acute Service Staff	Lead AHP	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 5. Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people	Accommodation being available; training and equipment for staff Communication between professions	Management of demand; service planning and communication	2019
3.	GP: Increased availability of substance misuse appointments.	Patients Staff Substance Misuse service	GPs Pharmacy Lead Substance Misuse Service Manager	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 5. Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of	Stakeholder buy in and commitment	Stakeholder engagement	2023

				staff, sharing of resources and high levels of room occupancy 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people 10. Ability to move forward with Health and Social Care Integration working with community planning partners			
4.	GP: Increased number of 'NHS employed' pharmacist appointments.	Patients, attached services, wider community	Public Health Retail Pharmacy General Practice	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 4. Better facilities to ensure continued and further improved teaching and medical training for future healthcare professionals. This will contribute to the recruitment and retention of staff. 5. Solution will support the move towards Health and Social Care Integration by enabling multi-disciplinary working, efficient skill mix of staff, sharing of resources and high levels of room occupancy 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people	Stakeholder and community buy –in and offer and use of services	Stakeholder and community engagement	2023
5.	GP: Access to third sector community support information via manned Healthpoint, i.e.: -Self care -Welfare Rights -Social Isolation	Patients, third sector agencies, wider community	Public Health Co-ordinator Patient and Public Information Officer	3. Improving patient experience by ensuring a wide range of general medical services is available that facilitate social inclusion by improving access to services, health information and patient education for people living in areas of health need 6. Supports improvements in health and social care through timely access to diagnosis, treatment and improved learning for people 10. Ability to move forward with Health and Social Care Integration working with community planning partners	Availability of services via third sector and ability to cope with demand	Third sector engagement	2023
6.	Property & Asset: Improves the physical condition of the healthcare estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises to allow for the Baird Family Hospital 2. Need to vacate premises that require significant investment in terms of backlog maintenance	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2020
7.	Property & Asset: Reduces the age of healthcare estate	NHS Grampian	Property and Asset Development Team	1. Need to vacate premises to allow for the Baird Family Hospital 2. Need to vacate premises that require significant investment in terms of backlog maintenance 8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Vacated space is used for The Baird Family Hospital	Work with NPD Project Team to ensure that the vacated space is used for The Baird Family Hospital	2020

8.	Property & Asset: Reduces backlog maintenance	NHS Grampian	Property and Asset Development Team	2. Need to vacate premises that require significant investment in terms of backlog maintenance 8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Vacated space is used for The Baird Family Hospital	Work with NPD Project Team to ensure that the vacated space is used for The Baird Family Hospital	2020
9.	Property & Asset: Reduces carbon emissions and energy consumption	NHS Grampian	Property and Asset Development Team/Project Team	8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Dependent on sustainable design and design specification	The technical specification has been developed with technical advisors and HFS	2019
10.	Property & Asset: Improves functional suitability of Health Care estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018
11.	Property & Asset: Improves the quality of the Healthcare Estate	Patient Staff NHS Grampian	Property and Asset Development Team and Project Team	1. Need to vacate premises to allow for the Baird Family Hospital 2. Need to vacate premises that require significant investment in terms of backlog maintenance 8. Patient and staff safety to be improved through creation of fit for purpose building with good access and health and safety standards	Dependent on clear Authority Requirements (Technical Brief)	Work with health planners, HFS and technical advisors to ensure clear technical specification	2018



Appendix MC5d: Benefits Register (FHC)

Benefits Register – Foresterhill Health Centre (FHC)						
Ref No.	Benefit	Assessment	IDENTIFICATION			PRIORITISATION
			As measured by:	Baseline Value	Target Value	Relative Importance
1.	Increased service activity: a) General Practice b) Allied Health Professionals c) Retail Pharmacy	Quantatively via service appointments	No. of patients attending appointments currently and in 2023 with: a) General Practice b) Allied Health Professionals c) Pharmacy <i>*Data provided by Clinical Output Specification</i>	Current weekly figures 2015/16. <u>Patients attending appointments-</u> Elmbank: 990 Westburn: 320 SALT: 150 Podiatry: 90 Dietetics: 10 <u>Retail Pharmacy-</u> Prescriptions Filled: 2220 Health Enquiries: 60	Projected weekly figures 2023. <u>Patients attending appointments-</u> Elmbank: 1020 Westburn: 400 SALT: 175 Podiatry: 115 Dietetics: 15 <u>Retail Pharmacy-</u> Prescriptions Filled: 2220 Health Enquiries: 68	5
2.	Podiatry: Introduction of ABPI service (<i>Doppler Clinic</i>).	Quantatively via referral rates	Number of APBI Clinics held currently and in 2019 at the new Foresterhill Health Centre. <i>*Data provided by Leigh Porter-Podiatry</i>	Current monthly figures 2015/16: 0 per month	Projected monthly figures 2019: 2 per month	4
3.	GP: Increased availability of substance misuse appointments.	Quantatively via service appointments	No. of patients attending appointments currently and in 2023 with substance misuse service. <i>*Data provided by Clinical Output Specification</i>	Current weekly figures 2015/16. <u>Patients attending appointments-</u> Elmbank: 40 Westburn: 20	Projected weekly figures 2023. <u>Patients attending appointments-</u> Elmbank: 25 Westburn: 50	5
4.	GP: Increased number of 'NHS employed' pharmacist appointments.	Quantatively via patients accessing services	No. of patients attending pharmacist appointments currently and in 2023. <i>*Data provided by Clinical Output Specification</i>	Current weekly figures 2015/16. <u>Patients attending appointments-</u> Elmbank: 4	Projected weekly figures 2023. <u>Patients attending appointments-</u> Elmbank: 6	5
5.	GP: Access to third sector community support information via manned Healthpoint, i.e.: -Self care -Welfare Rights -Social Isolation	Quantatively via manned Healthpoint hours.	Number of weekly manned Healthpoint hours currently and in 2023. <i>*Data provided by Rob Johnson and Kari Millar- Practice Managers for Elmbank and Westburn respectively</i>	Current weekly figures 2015/16. Manned Healthpoint hours: 0hrs	Projected weekly figures 2023. Manned Healthpoint hours: 7.5hrs	4
6.	Property & Asset: Improves the physical condition of the healthcare estate	Quantative	Proportion of current Health Centre as either A or B for physical condition. Currently and in 2020. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 Poor 61% A-B 39% C-D	Predicted 2020 Excellent 100% A-B	5

7.	Property & Asset: Reduces the age of healthcare estate	Quantative	Proportion of NHSG estate less than 30 years old Proportion of Health Centre buildings less than 30 years old. Currently and in 2020. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 61% 3%	Predicted 2020 71% 100%	4
8.	Property & Asset: Reduces backlog maintenance	Quantative	Reduce backlog maintenance burden. Currently and in 2020. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 £850k	Predicted 2020 £0	4
9.	Property & Asset: Reduces carbon emissions and energy consumption	Quantative	Percentage reduction on CO2 emissions and energy consumption for Health Centre. Currently and in 2019/20. <i>*Data provided by Alan Lamont and Robert Hobkirk- Facilities</i>	Yearly Carbon Emission figures and Energy Consumption. <u>Carbon Emissions (2014/15)-</u> 23.44kg Co2 per m2 <u>Energy Consumption (current FHC GIA 2906m2)-</u> -Electricity Consumption (2014/15): 50.72kwh per m2 -Steam Consumption (Heat) (average yearly figure from 2002-07, prior to steam meters breaking): 115.86 kWh per m2	Projected 2019/20 Carbon Emission figures and Energy Consumption. <u>Carbon Emissions-</u> 21.7kg Co2 per m2 <u>Energy Consumption (new FHC GIA 2546.9m2)-</u> -Electricity Consumption: 48.19 kWh per m2 -Heat Consumption: 110.06 kWh per m2	4
10.	Property & Asset: Improves functional suitability of Health Care estate	Quantative	Proportion of current health centre categorised as either A or B for functional suitability. Currently and in 2018. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 Poor 3% A-B 97% C-D	Predicted 2018 Excellent 100% A-B	5
11.	Property & Asset: Improves the quality of the Healthcare Estate	Qualitative	Proportion of current health centre categorised as either A or B for Quality. Currently and in 2018. <i>*Data provided by Graeme Legge- Property & Asset Development</i>	Current 2015 Poor 0% A-B 100% C-D	Predicted 2018 Excellent 100% A-B	5



Appendix MC6: Risk Register

Risk Register

Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

IMPACT ->	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
S	001	Failure to proceed with Foresterhill means that Baird & ANCHOR cannot be delivered on its preferred site	3	5	15	H	Maintain dialogue with SG to avoid delay in programme to Financial Close. Align I&F programme with B&A programme	NHSG	1	5	5	M	Service/Financial/Programme	y	nhsg
S	002	The Inverurie Practice are unable to continue delivering services in current facilities against the backdrop of growing population and the need to achieve waiting times if larger accommodation is not available.	5	5	25	H	Seek to produce a sound SCIM compliant business case which clearly outlines the service impact of delay or failure to proceed on meeting the health needs of any growing population. Ensure periodic review of patient numbers or changes to assumptions	NHSG	4	5	20	H	Service/Financial	s	
S	003	GPs fail to relocate to new premises due to not agreeing to terms of the occupancy agreement and/ or running costs.	3	5	15	H	Robust estimates of property costs. Communication to be entered into with GP practices at earliest opportunity.	NHSG	2	5	10	H	Service/Financial	y	nhsg
S	003a	GPs fail to relocate to new premises after signing/agreeing occupancy agreement.	2	5	10	H	Ongoing communication maintained with GP practices.	NHSG	2	5	10	H	Service/Financial	y	nhsg
S	004	There is insufficient flexibility built into the schedule of accommodate to meet the new 2017 GP contract or future health provision requirements i.e. 20:20 vision	3	4	12	H	detailed review of current accommodation to meet GMS allowances. Review patient numbers with practice	NHSG	2	4	8	M	Service/Financial	y	nhsg
S	005	Lack of synchronicity between Westburn & Elmbank practices results in delay in signing both GP occupation agreements.	4	4	16	H	dialogue with both practices to ensure synchronicity	NHSG	2	4	8	M	Service/Financial/Programme	n	
S	006	Failure to proceed with the CMU at Inverurie means that the Midwifery review can only be completed by finding an alternative solution	5	5	25	H	If there is any likelihood that the project will not proceed investigate other solutions for these services.	NHSG	5	5	25	H	Service/Financial	s	
S	007	The final agreed specification, layout etc agreed for the CMU at Inverurie acts as a precedent on wider projects covered by the Midwifery review	3	4	12	H	Dialogue with wider Maternity Service and B&A project team to ensure consistency across various projects and that the Maternity Service understands that the final design sign-offs could become a precedent for future projects	NHSG	2	4	8	M	Service	s	
S	008	The CMU at Inverurie does not deliver the Service objectives covered by the Midwifery Review or mothers continue to travel to Aberdeen	3	5	15	H	Seek to produce a sound SCIM compliant business case which clearly outlines the service impact of delay or failure to proceed. Ensure periodic review of patient numbers or changes to assumptions	NHSG	2	5	10	H	Service/Financial	s	
S	009	Wrong assumption on in the Midwifery Review Business case about patient numbers meaning an under/over provision on space requirements/utilised space at CMU at Inverurie	3	4	12	H	Ensure periodic review of patient numbers or changes to assumptions	NHSG	2	4	8	M	Service/Financial	s	
S	010	Failure to proceed with Inverurie means Change Fund support identified for Inverurie X-ray services is lost resulting in the service remaining in acute sector.	4	5	20	H	If there is any likelihood that the project will not proceed investigate other solutions for these services.	NHSG	3	5	15	H	Service/Financial	s	
S	010a	wrong assumptions with x-ray provision mean under/over utilisation and subsequent pressure on service budget	3	4	12	H	Ensure periodic review of patient numbers or changes to assumptions	NHSG	2	4	8	M	Service/Financial	s	
S	011	The proposed dental chair transfer from current Urle Dental Practice to an independent dental practitioner cannot be accommodated within Inverurie	3	4	12	H	Dental Service to maintain dialogue with independent sector to ensure transfer per business case. Built flexibility by considering independent practices outwith Inverurie	NHSG	2	4	8	M	Service	s	
S	012	The business case objectives of the public dental service for Inverurie are not met by location in new development	3	5	15	H	In conjunction with Service, seek to produce a sound SCIM compliant business case which clearly outlines the service impact of delay or failure to proceed. Review case at periodic stages	NHSG	2	5	10	H	Service/Financial	s	
I	013	NHSG Enabling works programme for Inverurie is not executed in advance of DBFM	4	5	20	VH	Agree and implement a realistic enabling works programme with adequate contingency arrangements in place	NHSG	3	5	15	H	Finance/Programme	y	nhsg
S	014	The temporary Dental practice move from current portacabins to Allan Ward impacts on current Dental Service and access for patients	2	4	8	M	Ensure early dialogue with service to ensure that scope of move meets requirements. Early sharing of 1:50 layouts and meeting service on site to review proposed accommodation. Ensure engagement with actual end users as well as management team. Liaise with NHSC Health & Safety team.	NHSG	2	4	8	M	Service		

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

Likelihood	IMPACT ->	Impact				
		1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM	HIGH
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
I	014	The temporary fit-out of Allan Ward by Hub to accommodate temporary Dental Service move delays excavation of substructures / hubco start on site	2	4	12	M	Early dialogue with NHSG to agree scope of temporary works. Design signed off and building warrants applied for. Ensure all service connections are available. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build risk allowance into overall hub programme to accommodate a small percentage of slippage.	hubCo	2	4	8	M	Finance/ Programme		
I	015a	The temporary relocation of Dental cabins to front of Hospital cannot be accommodated within 9 week period impacting on patients and service	3	4	12	H	Early dialogue between hubco & NHSG to agree scope of temporary works. Dialogue with Dental service to agree programme and patient notification. Ensure all service connections are available. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build risk allowance into overall hub programme to accommodate a small percentage of slippage.	hubCo/NHSG	2	4	8	M	Finance/ Programme		hub
I	015b	The Dental porta cabins break up during temporary relocation	3	4	12	H	hubCo ensure that Elliotts (cabin provider) have back up cabins available	hubCo	2	4	8	M	Finance/ Programme	y	hub
I	015c	The quality of the reconstructed Dental porta cabins do not meet quality & performance requirements of Dental service break up during temporary relocation	3	4	12	H	hubCo ensure that completion criteria is understood by supply chain & that all statutory standards are followed	hubCo	2	4	8	M	Finance/ Programme		hub
I	016	The temporary fit out of Allan Ward to accommodate several relocations (hub & NHSG led work) does not meet HEI/HAH/Health & safety standards	2	5	10	H	Involve wider NHSG teams including Health Infection and Health & Safety around project meeting. Review Design scope of works	hubco/NHSG	2	5	10	H	Finance/ Programme/ Service/ Legal	y	hub
I	017	The Gate lodge refurbishment works are not completed in time to accommodate the SAS Service permanent move - this will impact on hubco programme	4	4	16	H	Early dialogue with SAS to ensure design scope is approved. Ensure approvals of AMG to commit expenditure. Ensure necessary warrants and approvals are in place through Term Contractor. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build flexibility into refurbishment programme to accommodate a small percentage of risk slippage.	NHSG	3	4	12	H	Finance/ Programme		hub
S	018	Temporary Physio Service move from Service Block to Allan Ward impacts on service and patients	3	4	12	H	Ensure early dialogue with service to ensure that scope of move meets requirements. Early sharing of 1:50 layouts and meeting on site to review proposed accommodation. Ensure engagement with actual end users as well as management team	NHSG	2	4	8	M	Service	s	
S	019	Semi Permanent OT Service move from Service Block to Allan Ward impacts on service and patients	3	4	12	H	Ensure early dialogue with service to ensure that scope of move meets requirements. Early sharing of 1:50 layouts and meeting on site to review proposed accommodation. Ensure engagement with actual end users as well as management team	NHSG	2	4	8	M	Service	s	
I	020	Allan Ward is required for a major clinical requirement i.e. Pandemic outbreak meaning that the temporary OT, Dental, Physio etc moves cannot take place	1	5	5	M	Contingency planning. Discussions with Service around locating back up accommodation off-site. Look for hubco to build in flexibility in programme for re-phasing works	NHSG	1	5	5	M	Service/ Programme/ finance	s	
I	021	Ashcroft Ward beds are required for a major clinical requirement i.e. Pandemic outbreak meaning that demolition cannot take place to suit programme	1	5	5	M	Contingency planning. Look for hubco to build in risk flexibility in programme for re-phasing demolition, car park works	NHSG	1	5	5	M	Service/ Programme/ finance	s	
I	022	Joint Social & Mental Health Team move off-site delays refurbishment of Gate Lodge for SAS move from Service Block	4	4	16	H	Early dialogue with Joint Social & Mental Health Team to ensure that their phased decanting is programmed. Ensure approvals of AMG to commit expenditure. Ensure necessary warrants and approvals are in place through Term Contractor for refurbished works. Ensure dialogue with NHSG Estates team to co-ordinate programme. Build flexibility into refurbishment programme to accommodate a small percentage of risk slippage.	NHSG	3	4	12	H	Finance/ Programme		
I	023	Delay in refurbishment of Staff Home will impact on the Old Peoples Services relocation to Hospital site impacting on other moves	3	4	12	H	dialogue with H&SCP to ensure budget is available for works. Ensure approval through AMG. Ensure necessary warrants and approvals are in place through Term Contractor. Ensure dialogue with NHSG Estates team to co-ordinate programme	NHSG	2	4	8	M	Finance/ Programme		nhsg
S	024	Failure to deliver replacement boilers at Inverurie Hospital as part of the development works will increase the likelihood of a boiler failure impacting on the existing Hospital	5	5	25		progress with Inverurie scheme and ensure phasing of boiler replacement within works	NHSG	5	5	25		Service	n	

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B: Bundle level 'Common Programme' risk
Key	I: Inverurie Specific Project Risk
	F: Foresterhill Specific Project Risk
	S: NHS Service risk

		Impact				
	IMPACT ->	1- Negligible	2- Minor	3- Moderate	4- Major	5- Severe
Likelihood	1- Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
	2- Unlikely	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	3- Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	4- Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
	5- Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
S	025	The NHSG/Independent contractors/other public sector stakeholders fail to agree joint working arrangements/protocols for operating the new premises at Inverurie & Foresterhill	4	4	16	H	Village and Woodside user protocols to be used as a template and initiate early dialogue with users through project groups to commence a working agreement	NHSG	2	4	8	M	Service	y	
I	026	The existing infrastructure of retained buildings is unsuitable for connection to new facilities	3	4	12	H	Understanding the existing infrastructure and ensuring the design solution is appropriate. DSSR to liaise with NHSG Estates officers to focus on the existing heating installation and connections to it. Carry out early surveys.	hubCo	3	4	12	H	Finance/ Programme	y	??
I	027	Existing Travel plan for site does not meet inclusion of a new health centre on Inverurie site/ new development needs, failure to agree new travel plan.	3	4	12	H	Develop travel plan early in the design process to make sure that good solutions can be included in design.	NHSG	2	4	8	M	Service	s	
I	027a	Loss of car parking during construction severely impacts on hospital operations	3	4	12	H	ensure hub construction method statements are fully understood, dialogue with Aberdeenshire Council to secure additional car parking for staff, Use ARI transport team to advise on permit/temporary parking arrangements to ensure adequate provision for essential staff & patients	NHSG	2	4	8	M	Service	s	
F	028	New development transport requirement. Existing Travel plan for ARI does not meet new development needs, failure to agree new travel plan.	3	4	12	H	Develop travel plan early in the design process to make sure that good solutions can be included in design.	NHSG	2	4	8	M	Service	s	
I	029	lack of public transport/bus route changes to new location in Inverurie affects patient	1	2	2	L	All travel issues to be resolved ahead of FBC.	NHSG	1	2	2	L	Service	s	
F	030	Distance from existing bus stop affects patient numbers.	1	2	2	L	All travel issues to be resolved ahead of FBC.	NHSG	1	2	2	L	Service	s	
S	031	Boots the Pharmacy and Bon Accord Care do not require accommodation within new Health Centre and withdraw financial contribution	4	4	16	H	Gareth Evans to have early discussions with Boots and Bon Accord. Final deadline to be issued to Boots for a decision, and if required area to be reallocated to another Pharmacy provider	NHSG	3	4	12	H	Service	y	nhsq
S	031a	Boots the Pharmacy and Bon Accord Care agree to require accommodation within new Health Centre but withdraw after signing occupation agreement in principle	2	4	8	M	Gareth Evans to have continue dialogue with Boots and Bon Accord. If required area to be reallocated to another Pharmacy provider	NHSG	2	4	8	M	Service	y	nhsq
B	032	Lack of synchronicity between Inverurie & Foresterhill individual project design development causes programme delay	5	4	20	VH	To be monitored through monthly management team meetings	hubco/NHSG	2	4	8	M	Programme/Financial	n	
S	033	NHSG working capital loan to hubco to cover development upfront fees not paid back at financial close	3	4	12	H	legal agreement to be entered into to ensure remedy for payment return	NHSG	1	3	3	L	Service	y	nhsq
S	034	Group 2,3 & 4 equipment costs exceeds budget.	4	3	12	H	RDS will inform Equipment Requirements to be priced by Board/HFS for inclusion in FBC	NHSG	4	3	12	H	Service/Financial	y	nhsq
S	035	Failure to agree transfer of Group 2,3 & 4 equipment.	4	3	12	H	Board to liaise with HFS and service users to agree transferring equipment list	NHSG	2	3	6	M	Service/Financial	y	nhsq
S	036	NHSG Advisor costs exceed budgeted sum	2	3	6	M	Costs actively monitored and forecasted. Rising costs to be flagged up at earliest opportunity to Project Board.	NHSG	1	2	2	L	Service/Financial	y	nhsq
B	037	Stage 2 affordability caps (CAPEX, LC & FM) exceed the stage 1 approval causing delay to FBC/KSR	4	5	20	VH	Stage 2 capex affordability problems to be mitigated by cost control, further surveys where required, early market testing, joint value management sessions to be run by Morrison Construction.	hubCo	3	4	12	H	Programme	y	nhsq
B	038	Stage 3 affordability caps (CAPEX, LC & FM)- exceed NPV affordability caps causing delay	4	5	20	VH	Stage 3 capex affordability problems to be mitigated by joint value management sessions to be run by Morrison Construction.	hubCo	4	5	20	VH	Programme		
B	039	Unitary charge output in the financial model doesn't demonstrate value for money (VFM)/ affordability	3	4	12	H	Benchmarking of completed schemes, previous Aviva projects, capital & SPV costs. Financial Advisors to ensure that lending package is competitive with others available in the financial market place and that model is fully optimised	hubco	3	4	12	H	Financial	y	??
B	040	The board fails to approve the OIC business case in line with the programme.	2	5	10	M	Seek to produce a robust SCIM compliant business case. Early engaging with Chair of AMG and Board. Build flexibility into the programme by underwriting the risk between stage 1 & 2 with hubco. Investigate additional Board/AMG meetings	hubco/NHSG	1	5	5	M	Programme		

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

		Impact				
IMPACT ->		1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
Likelihood	1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
	2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
	3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
	5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
B	041	The board fails to approve the FBC business case in line with the programme.	2	5	10	H	Seek to produce a robust SCIM compliant business case. Early engaging with Chair of AMG and Board. Build flexibility into the programme by investigating additional Board/AMG meetings	huboo/NHSG	1	5	5	M	Programme	y	nhsg
B	042	CIG fails to approve the OBC business case in line with the programme.	2	5	15	H	Seek to produce a robust SCIM compliant business case. Early dialogue & pre-submission presentation to CIG members. Build flexibility into the programme by underwriting the risk between stage 1 & 2 with - investigate additional CIG meetings	huboo/NHSG	2	5	10	H	Programme		
B	043	CIG fails to approve the FBC business case in line with the programme.	3	5	15	H	Seek to produce a robust SCIM compliant business case. Early dialogue with & pre-submission presentation to CIG members. Build flexibility into the programme investigating additional CIG meetings	huboo/NHSG	3	5	15	H	Programme	y	nhsg
B	044	Scottish Government changes its support funding position before financial close	1	5	5	M	Maintain dialogue with SG to avoid delay in programme to Financial Close.	NHSG	1	5	5	M	Financial	y	nhsg
B	045	Scottish Government changes its support funding during the 25 years operation resulting in NHSG having to fund UC in full	1	4	4	M	ensure SG letter of commitment for 25 years at FBC but maintain annual dialogue with to ensure I&F is a priority funded project. Ensure implications built into NHSG plans	NHSG	1	4	4	M	Financial	y	nhsg
B	046	NHSG's financial position changes affecting the projects affordability to go to financial close	1	5	5	M	Ensure cost implications of the project are fully built into the financial plans of NHSG.	NHSG	1	5	5	M	Financial	y	nhsg
B	047	The Board & CIG are unable to approve an FBC due to the conditions for ISA 10 remaining unapproved.	4	5	20	HH	Await final confirmation of ISA 10 resolution from SG and respond accordingly	huboo/NHSG	4	5	20	HH	Financial/Commercial/programme		
B	048	Uncertainty over Foresterhill funding support if SG does not approve Baird & ANCHOR project. OBC due to the conditions for ISA 10 remaining unapproved.	4	5	20	HH	Await final confirmation of ISA 10 resolution from SG and respond accordingly	huboo/NHSG	4	5	20	HH	Financial/Commercial/programme		
S	049	Board revenue costs for business case exceed affordability (to NHSG)	3	4	12	H	Robust estimates of additional revenue costs to be developed. Additional costs to be discussed with Senior Finance Management team in order to build into revenue plans of NHSG	NHSG	2	4	8	M	Service/Financial	y	nhsg
B	050	Bond market lending rate increases significantly	3	4	12	H	Ensure buffer agreed with Financial Advisors accurately reflects market conditions and maintain watching brief for market changes and be prepared to adjust the buffer if required.	Huboo	3	4	12	H	Financial/Commercial	y	??
B	051	AVIVA/SFT framework changes e.g. Rates, package or terms	1	3	3	L	Terms and rates negotiated by SFT. Term sheets to be checked through dialogue with funders	NHSG	1	3	3	L	Financial/Commercial	y	??
B	052	Construction inflation calculations are inadequate	3	4	12	H	Industry standard inflation indices to be used until such times as tendered packages confirm actual costs. Continue to monitor and update on a quarterly basis.	huboo/NHSG	2	4	8	M	Financial/Programme	y	???
B	053	Parties unable to agree commercial risks to appropriate party leading up to FC	3	4	12	H	Early dialogue with respective legal and technical parties/advisors regarding appropriate risk transfer and contract drafting. Engage with SFT concerning derogations and Project Agreement/commercial adjustment required.	huboo/NHSG	3	4	12	H	Commercial/ Legal	y	??
B	054	AVIVA Funder default or withdrawal from market before FC	1	5	5	M	SFT/huboo would need to procure a further funder for the Northern Territory, either through market competition or using other Territory funder	Huboo	1	5	5	M	Financial/Programme	y	hub
B	055	The parties fail to meet deadlines for agreement of final PA technical schedules	3	4	12	H	Ensure appropriate capacity and capability is deployed to undertake a clearly defined workload and timetable. Review programme and escalate to PDS/Boards as necessary	huboo/NHSG	3	3	9	M	Programme	y	??
B	056	FM Contractor service obligations in Schedule 12 are unsatisfactory in cost or timescale	3	4	12	H	Early dialogue with the authority, service provider, technical advisors and SFT to agree benchmarking. Review scope of service for affordability.	Huboo	2	4	8	M	Financial	y	hub
B	057	Not all A, B & C shareholders agree to their share of sub debt	1	5	5	M	Other investors to confirm sub debt investment at commercial close.	huboo/NHSG	1	4	4	M	Commercial/ Legal	n	
B	058	Changes to Statutory Authority legislation that affect design, cost and programme e.g. Change in Building Control requirements	2	4	8	M	Ensure design complies with standards contemporaneous to time of submission. Regarding change in Building Regulations change October 2015 submit Building Warrant.	Huboo	1	3	3	L	Financial	y	??

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IMPACT ->	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	HIGH	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
B	059	Stage 1 approval is not achieved consistent with agreed revised programme.	3	4	4	M	NHSG to maintain dialogue with Hubco in case of any delay beyond September 2015. Extend underwriting agreement/staged 1/2 payments.	hubco/NHSG	3	5	5	M	Programme		
B	060	Stage 2 approval is not submitted & approved consistent with agreed revised programme.	2	4	8	M	Timely submission/clarifications by hubco in line with programme and timely evaluation/approval of submission by NHSG	hubco/NHSG	1	3	3	L	Programme/Financial	y	hub
B	061	Changes to NHS policy that affects design, cost and programme e.g. Change in clinical requirements.	2	3	6	M	Anticipate as much as possible any emerging policy or legislation change during the design stage and try to anticipate what physical changes might be required change, reflect them into the design as funding allows. Maintain	NHSG	1	2	2	L	Programme/Financial	y	nhsg
B	062	Board requests major changes during construction and operation	2	4	8	M	Board has an agreed strategy and provision made for incurring and authorising unavoidable changes. Change control procedure and NHS to identify funds	NHSG	2	3	6	M	financial	y	nhsg
B	063	Board requests minor change during construction/operations	5	2	10	H	Board has an agreed strategy and provision made for incurring and authorising unavoidable changes	NHSG	4	2	8	M	financial	y	nhsg
B	064	Sub-Hubco proposals including derogations are not accepted by NHSG.	2	4	8	M	Should be managed early in the process and the contractor should be aware of Ars and BREEAM. Need to ensure that any changes made do not conflict with the planning permission.	hubco	2	3	6	M	Programme	y	??
B	065	Hubco fails one or more TPA track-record tests or KPIs.	1	5	5	M	Dialogue around corrective action	Hubco	1	3	3	L	Commercial/ Legal	y	hub
B	066	Hubco supply chain performance issues/insufficient capacity in delivering Stage 2 and FC, eg. Stage 2 documentation: costs too high - time taken to 'clean down' price from Tier 1 Contractor - late submission of documentation by Hubco - documentation incomplete by: Tier 1 Contractor, NHS, Hubco or others.	3	4	12	H	Any issues to be addressed quickly to minimise implications for programme	hubco	2	4	8	M	Programme/Financial	y	hub
B	067	NHSG has insufficient capacity and capability to deliver required actions on time	2	4	8	M	NHSG to address any issues to quickly to minimise implications for programme. PD to escalate to Project Board if necessary for authority to engage temporary agency staff/reconments	NHSG	2	4	8	M	Programme/Financial	n	
B	068	Failure by hub to appoint appropriate Professional expertise to inform design (Design, Commercial, Clinical).	2	3	6	M	Appointment of appropriate design team and consultants early in Stage 1, early in stage 2	hubco	1	3	3	L	Commercial/ Legal	y	hub
B	069	Failure of the funders to accept titles for either project.	2	5	10	H	Requirement for title information low on composite trader.	NHSG	1	3	3	L	Programme/Financial	y	
B	070	Hub Project structure and operating system is not fit for purpose.	3	3	9	M	Agree document management system and discipline on structure/manager. 4P's system in place and training day on 8/7/15 will establish folder structure etc. To be used for stage 2 drawing iteration only.	Hubco	2	3	6	M	Programme/Financial	n	
I	071	Inverurie Thermal efficiency modelling doesn't meet AR's target for facility.	2	3	6	M	Run model at earliest opportunity and incorporate design modifications	Hubco	1	3	3	L	Finance/ Programme	n	
F	072	Foresterhill Thermal efficiency modelling doesn't meet AR's target for facility.	2	3	6	M	Run model at earliest opportunity and incorporate design modifications	Hubco	1	3	3	L	Finance/ Programme	n	
B	073	Main contractors & supply chain members (design team & sub-contractors) going into receivership/defaulting on appointment agreement	1	5	5	M	Careful selection process and monitoring by Tier 1 Contractor.	Hubco	1	5	5	M	Commercial/ Legal	y	hub
B	074	Delay in achieving Key Stage Review (KSR) approval at Stage 1/OBC	2	4	12	M	Work closely with SFT and hubco to identify and address issues as they arise and not when the stage submission is received.	hubco/NHSG	3	4	4	M	Construction/ Programme		

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IMPACT ->	Impact				
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3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
B	075	Delay in achieving Key Stage Review (KSR) approval at and Stage 2/FBC.	3	4	12	H	Work closely with SFT and hubCo to identify and address issues as they arrive and not when the stage submission is received.	hubco/NHSG	1	4	4	M	Construction/ Programme	y	nhsg
B	076	Room-market returns both in terms of price level and interact stage 2 work packages	4	4	16	H	Issue tenders with Bill of Materials wherever possible. Tier 1 Contractor to agree procurement strategy early.	Hubco	4	4	4	M	Programme/Financial		
B	077	Schedule of Material Amendments are not agreed	2	3	6	M	Submitted for Inverurie in Stage 1. Foresterhill to be similar. Any proposed amendments to be proposed by NHSG	hubco/NHSG	1	3	3	L	Programme/Financial	y	
B	078	Directly employed sub-contractors may fail to adhere to the Programme.	3	3	9	M	Regular monitoring against programme and mitigation where required by Morrison Construction	Hubco	2	3	6	M	Programme/Financial	y	
I	079	Land matters on Inverurie Hospital site - service way leaves, reserved rights and road access cannot be agreed within programme timescale.	3	4	12	H	Early assessment of what wayleaves etc. will be required. Early dialogue with relevant adjacent land owners, e.g. Aberdeenshire Council.	NHSG	2	4	8	M	Finance/ Programme	y	
F	080	Land matters on ARI - service way leaves, reserved rights and road access cannot be agreed within programme timescale.	3	4	12	H	Early assessment of what wayleaves etc. will be required. Early dialogue with relevant adjacent land owners, e.g. Aberdeen University	NHSG	2	4	8	M	Finance/ Programme	y	
I	081	Continuity of IT provision during server changeover on live Inverurie hospital site	4	3	12	H	Planned and discussed with IM&T and Hubco	Hubco	3	3	9	M	Finance	s	??
F	082	Continuity of IT provision during server changeover on live ARI hospital site	4	3	12	H	Planned and discussed with IM&T and Hubco	Hubco	3	3	9	M	Finance	s	??
I	083	Loss of IT provision during Inverurie construction phase due to construction works	4	3	12	H	Radar surveys and records to ascertain service locations and suitable protection measures	Hubco	2	3	6	M	Finance	y	hub
F	084	Loss of IT provision during Foresterhill construction phase due to construction works	4	3	12	H	Radar surveys and records to ascertain service locations and suitable protection measures	Hubco	2	3	6	M	Finance	y	hub
I	085	Planning Conditions for Inverurie are over-onerous and difficult to achieve within programme	3	3	9	M	Review any conditions attached to Consent and early liaison with Planners to purify. Stick to masterplan.	Hubco	3	3	6	M	Finance/ Programme		
F	086	Planning Conditions for Foresterhill are over-onerous and difficult to achieve within programme	2	2	4	M	Review any conditions attached to Consent and early liaison with Planners to purify. Stick to masterplan.	Hubco	2	2	4	M	Finance/ Programme		
I	087	Site surveys at Inverurie result in abnormal costs or delay (over and above allowances made at NPH)	4	5	20	H	BF to identify site constraints. (Listed Building status, environmental concerns, ground conditions). Road access and services to be explored. Ecology to be progressed and GAT Scan to be scoped with S1. Price risked in NPH	hubco	2	5	10	H	Finance/ Programme		
F	088	Site surveys at Foresterhill result in abnormal costs or delay (over and above allowances made at NPH)	4	5	20	H	BF to identify site constraints. (environmental concerns, ground conditions). Road access and services to be explored. Ecology to be progressed and GAT Scan to be scoped with S1. Price risked in NPH	hubco	3	5	15	H	Finance/ Programme		
B	089	Failure to Engage with HFS & A&DS regarding NDAP process, late delivery of Design Statement and or change resulting from NDAP review at OBC and FBC approval Stage.	3	4	12	H	NHS have engaged with HFS and A&DS, the Design Statement is agreed. NDAP process is underway. Essential recommendations incorporated.	hubco/NHSG	2	4	8	M	Programme/Financial	y	nhsg
I	090	Design and 1,00's not signed off by all Inverurie stakeholders/end users.	3	4	12	H	Produce Clinical Output Spec, non-clinical specification and design statement with users. Have regular dialogue with key stakeholders and the design team to make sure that the brief is being met.	NHSG	3	4	6	M	Finance/ Programme		
I	091	Design and 1,00's not signed off by all Foresterhill stakeholders/end users.	2	4	8	M	Produce Clinical Output Spec, non-clinical specification and design statement with users. Have regular dialogue with key stakeholders and the design team to make sure that the brief is being met.	NHSG	2	4	6	M	Finance/ Programme		
I	092	Fail to accommodate appropriate HAI controls in design development.	2	5	10	H	Undertake regular HAI Scribe assessments throughout the project and agree actions to address all HAI compliant issues identified.	hubco	1	5	5	M	Finance/ Programme/Commercial/legal	y	hub
F	093	Fail to accommodate appropriate HAI controls in design development.	2	5	10	H	Undertake regular HAI Scribe assessments throughout the project and agree actions to address all HAI compliant issues identified.	hubco	1	5	5	M	Finance/ Programme/Commercial/legal	y	hub

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5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016

Revision F

Prefix	Risk ID	Risk Description / Details:	FBC Stage					Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
			Likelihood	Impact	Risk	Risk	Risk		Likelihood	Impact	Risk				
I	094	Fail to agree Fire Strategy with NHS Fire Officers, GFRS and Building Control at Inverurie, in particular decompartment CMU	2	5	10	H	MRT and Morrison's construction to coordinate and agree Fire Strategy with appropriate officers early in Stage 2	hubco	2	4	8	M	Programme/ Legal	n	
F	095	Fail to agree Fire Strategy with NHS Fire Officers, GFRS and Building Control at Foresterhill	2	5	10	H	MRT and Morrison's construction to coordinate and agree Fire Strategy with appropriate officers early in Stage 2	hubco	2	4	8	M	Programme/ Legal	n	
I	096	Failure to achieve BREEAM target for Inverurie Site	3	4	12	H	Early BREEAM workshop and agreement on Credits to be achieved in dialogue with HFS and allocation of responsibility. NHSG also to discuss with A+DS	hubco/NHSG	2	3	6	M	Commercial/ Legal	n	
F	097	Failure to achieve BREEAM target for Foresterhill site	3	4	12	H	Early BREEAM workshop and agreement on Credits to be achieved in dialogue with HFS and allocation of responsibility. NHSG also to discuss with A+DS	hubco/NHSG	2	3	6	M	Commercial/ Legal	n	
I	098	Risk of encountering / damaging Unknown Services below ground during construction	3	2	6	M	Radar survey conducted	Hubco	2	2	4	M	Finance/ Programme	y	hub
F	099	Risk of encountering / damaging Unknown Services below ground during construction	3	2	6	M	Radar survey conducted	Hubco	2	2	4	M	Finance/ Programme	y	hub
I	100	Failure to engage with utilities companies to ascertain capacity, connectivity and suitability of existing infrastructure to support the project.	2	3	6	M	DSSR to maintain engagement with Utility Companies	hubco	2	3	6	M	Finance/ Programme	y	hub
F	101	Failure to engage with utilities companies to ascertain capacity, connectivity and suitability of existing infrastructure to support the project.	2	3	6	M	DSSR to maintain engagement with Utility Companies	hubco	2	3	6	M	Finance/ Programme	y	hub
I	102	Planning Obligations costs exceed allowance in NPPF/Stage costs	2	2	4	M	Seek to engage with Aberdeenshire Council around potential obligations at an early stage.	Hubco	2	2	4	M	Finance/ Programme		
I	102a	hubco fail to purify all planning obligations	2	5	10	H	Continue dialogue with Aberdeenshire Council to close out obligations at the earliest opportunity.	Hubco	1	5	5	M	Finance/ Programme		
F	102	Planning Obligations costs exceed allowance in NPPF/Stage costs	2	2	4	M	Seek to engage with Aberdeen City Council around potential obligations at an early stage.	Hubco	2	2	4	M	Finance/ Programme		
F	103a	hubco fail to purify all planning obligations	2	5	10	H	Continue dialogue with Aberdeen City Council to close out obligations at the earliest opportunity.	Hubco	1	5	5	M	Finance/ Programme		
I	104	Risk of disruption to ongoing live hospital operations during construction & enabling works due to noise/dust/parking/service disruption - working time restrictions	5	4	20	VH	Enter into early dialogue with the design team and hospital management to understand key issues to be addressed during construction and build in how they will be managed to the programme and cost profile.	hubco/NHSG	5	4	20	VH	Finance/ Programme/ Service	s	
F	105	Risk of disruption to ongoing live hospital operations during construction works due to noise/dust/parking/service disruption - working time restrictions	5	4	20	VH	Enter into early dialogue with the design team and hospital management to understand key issues to be addressed during construction and build in how they will be managed to the programme and cost profile.	hubco/NHSG	5	4	20	VH	Finance/ Programme/ Service	s	
F	106	Failure to maintain access to loop road during construction works	4	4	16	H	Enter into early dialogue with the design team and hospital management to understand key issues to be addressed during construction and build in how they will be managed to the programme and cost profile.	hubco	3	4	12	H	Service	n	
B	107	Independent Tester fails to adhere to programme/scope	3	4	12	H	Ensure that IT fully understands the independent nature of the role	hubco/NHSG	2	4	8	M	Programme/Financial	y	hub
F	108	Land matters - joint ownership issues with University hold up title reports	3	4	12	H	Early engagement with CLO & University. Letter in principle to be issued identifying UoA area reposition elsewhere on Foresterhill site	NHSG	2	4	8	M	Commercial/ Legal	n	
F	109	Due diligence of previous M&E design proposals causes programme delay	3	4	12	H	DSSR to advise	hubCo	2	4	8	M	Programme	y	hub
F	110	File content of planning changes requires a non-material amendment	2	2	4	M	User changes to design to be controlled within existing footprint	NHSG	2	2	4	M	Finance/ Programme		
F	111	Failure to liaise with NHS staff regarding tie in to existing utilities on site.	2	4	8	M	Hubco to engage early with NHS staff on site to identify work to be carried out and agree a programme for this. Issue to be raised through Foresterhill Health Campus Overview Group	hubco	2	3	6	M	Finance/ Programme	n	
I	112	Failure to liaise with NHS staff regarding tie in to existing utilities on site.	2	4	8	M	Hubco to engage early with NHS staff on site to identify work to be carried out and agree a programme for this.	hubco	2	3	6	M	Finance/ Programme/ Service	n	

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

IMPACT ->	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016
Revision F

Prefix	Risk ID	Risk Description / Details:	U	I	R	R	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									U	I	R				
I	113	Failure to liaise with NHS staff regarding tie in of new energy connections to existing buildings	2	4	8	M	Hubco to engage early with NHS staff on site to identify work to be carried out and agree a programme for this.	hubco	2	3	6	M	Finance/ Programme/ Service	n	
I	114	Unable to achieve parking space planning requirements for patient numbers on hospital site	2	4	8	M	Early communication with end user groups, planning and roads	Hubco	2	4	8	M	Finance/ Programme/ Service	y	
F	115	Unable to achieve parking space planning requirements for patient numbers on hospital site	2	4	8	M	Early communication with ARI Estates transport group end user groups, planning and roads	Hubco	2	4	8	M	Finance/ Programme/ Service	y	
I	116	Unable to agree allocation of adequate balance in staff/patient parking space requirements on hospital site/health centre designated car park	2	4	8	M	Ensure dialogue with Hospital Management/Practice reps and Estates car parking teams to ensure agreement on allocation of spaces. Ensure end users develop a strategic parking policy similar to Woodside Project	NHSG	2	4	8	M	Service	s	
F	117	Unable to agree allocation of adequate balance in staff/patient parking space requirements within Foresterhill health centre designated car park	2	4	8	M	Ensure dialogue with Hospital Management/Practice reps and Estates car parking teams to ensure agreement on allocation of spaces. Ensure end users develop a strategic parking policy similar to Woodside Project	NHSG	2	4	8	M	Service	s	
I	118	Hospital Staff park in designated patient car parking spaces. no car parking for patients	2	4	8	M	Ensure dialogue with estates car parking teams and adequate signpoing	NHSG	2	4	8	M	Service	s	
F	119	Hospital Staff park in designated patient car parking spaces. no car parking for patients	2	4	8	M	Ensure dialogue with estates car parking teams and adequate signpoing	NHSG	2	4	8	M	Service	s	
⚡	120	Additional cost / issues with Road Department requirements - Pedestrian Crossing, service access, new patient access etc.	⚡	⚡	⚡	⚡	More detailed discussion with Planning / Building Control/Roads to establish nature and extent of work required.	Hubco	⚡	⚡	⚡	⚡	Finance/ Programme		
F	121	Issues with existing culvert through middle of site - SEPA agreement.	3	3	9	M	Early dialogue with SEPA including site investigation. NOTE: SEPA agreement may have been reached previously.	Hubco	2	2	4	M	Commercial/ Legal	y	nhsq
F	122	Ecology issues relating to existing trees etc.	3	3	9	M	Receive reports and further discussion required.	hubco	2	2	4	M	Commercial/ Legal	y	
F	123	Works required to stabilise footpath and roadway on Westburn Road after construction commencement.	1	4	4	M	Receive reports and further discussion required to determine extent of works.	hubco	1	4	4	M	Commercial/ Legal	y	
F	124	Flood assessment or risk due to location of Gilcomston Burn.	2	3	6	M	Early dialogue with SEPA and Planning to include site investigation. NOTE: work may have been completed.	hubco	1	3	3		T&C	y	
F	125	Any boundary issue from within Campus or Woodhill House.	2	4	8	M	Early dialogue / discussion with Planning.	hubco/NHSG	2	2	4	M	Commercial/ Legal	y	
F	126	Communication issues concerning other developments on site at the same time. The multiple works/contracts running concurrent at ARI Impact on the works sequence/compound and storage/delivery of materials	3	4	12	H	PAN and general access issues under discussion with planners. Need to understand other works (car park Baird Hospital) and regular meetings with contractors	hubco/NHSG	2	4	8	M	Finance/ Programme	n	
I	127	Contractor parking & a suitable compound cannot be accommodated on site	3	3	9	M	Check that proposed site affords enough space to accommodate parking required.	Hubco	3	3	9	M	Finance/ Programme	y	
F	128	Contractor parking & a suitable compound cannot be accommodated on site	3	3	9	M	Check that proposed site affords enough space to accommodate parking required.	Hubco	3	3	9	M	Finance/ Programme	y	
⚡	129	HubCo Board Approval is not secured for revised NPA.	⚡	⚡	⚡	H	Board Meeting to gain approval 30th July for stage 1-	hubco	⚡	⚡	⚡	⚡	Programme/Financial		
⚡	130	HubCo Board Approval is not secured for Stage 1	⚡	⚡	⚡	H	Early dialogue with hub to ensure programmed Board meetings meet programme dates. Investigate extra Board meetings.	hubco	⚡	⚡	⚡	⚡	Programme/Financial		
B	131	HubCo Board Approval is not secured for Stage 2	2	5	10	H	Early dialogue with hub to ensure programmed Board meetings meet programme dates. Investigate extra Board meetings.	hubco	1	5	5	M	Programme/Financial	n	
B	132	HubCo Board Approval is not secured for FC	2	5	10	H	Early dialogue with hub to ensure programmed Board meetings meet programme dates. Investigate extra Board meetings.	hubco	1	5	5	M	Programme/Financial	n	
I	133	Planning permission not granted within programme	⚡	+	⚡	H	Engage the planning authority and others e.g. Historic Scotland, AD+S in early dialogue to confirm working parameters and identify any barriers to approval.	hubco/NHSG	⚡	+	⚡	H	Finance/ Programme		
⚡	134	Planning permission not granted within programme	⚡	+	⚡	H	Engage the planning authority and others e.g. Historic Scotland, AD+S in early dialogue to confirm working parameters and identify any barriers to approval.	hubco/NHSG	⚡	+	⚡	H	Finance/ Programme		

Risk Register
Inverurie & Foresterhill Bundle

Prefix	B:	Bundle level 'Common Programme' risk
Key	I:	Inverurie Specific Project Risk
	F:	Foresterhill Specific Project Risk
	S:	NHS Service risk

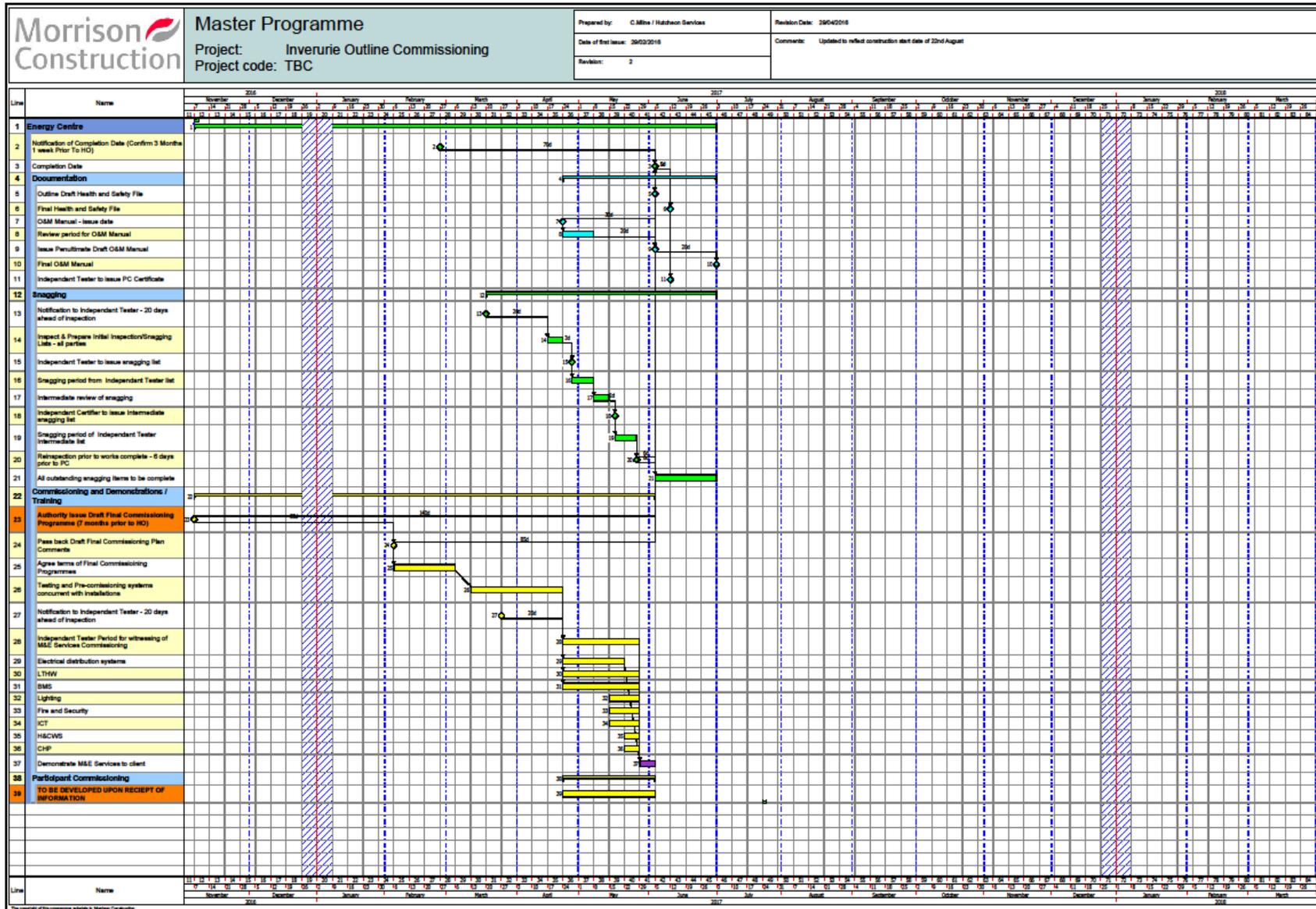
IMPACT ->	Impact				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Severe
1 - Rare	LOW	LOW	LOW	MEDIUM	MEDIUM
2 - Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
3 - Possible	LOW	MEDIUM	MEDIUM	HIGH	HIGH
4 - Likely	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
5 - Almost Certain	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH

Revision Date 24/05/2016
 Revision F

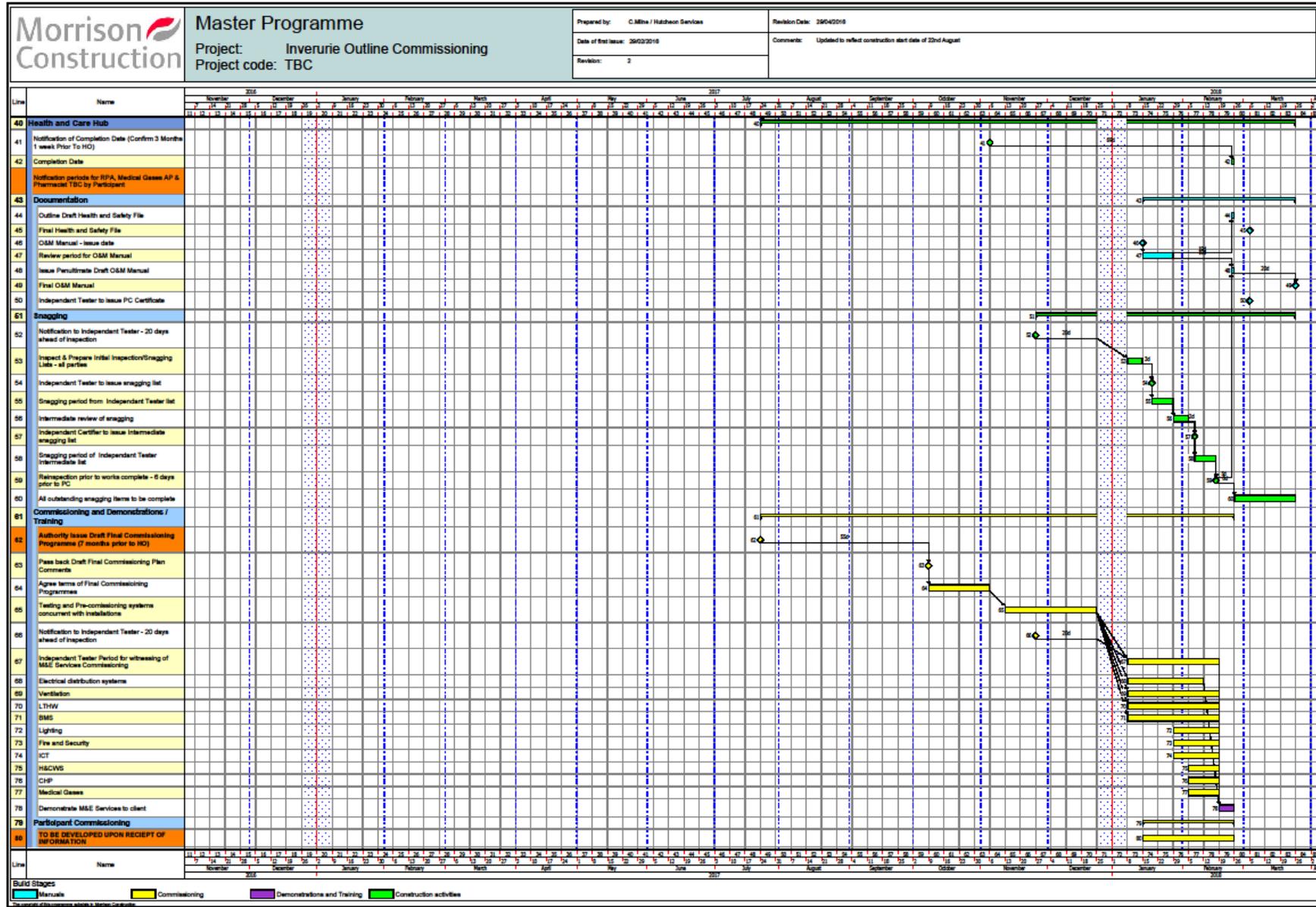
Prefix	Risk ID	Risk Description / Details:	Likelihood	Impact	Risk	Risk	Risk Management Strategy / Mitigation	Risk Owner	FBC Stage			Residual Risk	Impact	cost	Comments on Cost Basis
									Likelihood	Impact	Risk				
I	135	Fail to achieve a commercially viable solution at Financial Close to provide energy through CHP to existing hospital and new health centre.	3	3	9	M	Technical solution now agreed between hubCo & Vital. Follow up meetings to be arranged an dreflected in PA drafting	hubco/NHSG	2	3	6	M	Finance/ Programme	y	
I	135a	hubCo/M&E contractor unable to agree solution for reusing existing external ducts and plantrooms to tie in new services to retained buildings.	3	3	9	M	Technical solution now agreed between hubCo & hubco. NHSG instruct term contractor to clean/remove existing asbestos from ducts. Method statements to be developed by hubco to reflect working in retained estate that may include areas with asbestos removed	hubco/NHSG	2	3	6	M	Finance/ Programme	y	
I	135b	FM provider unable to carry out service in existing ducts/retained estate	3	3	9	M	Technical solution now agreed between hubCo & hubco. NHSG will require FM provider to obtain access permit and provide method statements prior to any work being carried out in retained estate that may have included/ includes areas with asbestos	hubco/NHSG	2	3	6	M	Finance/ Programme	y	
F	136	Fail to achieve a commercially viable solution at FC to provide energy from new CEF system to new health centre.	3	3	9	M	Technical solution now agreed between hubCo & Vital. Follow up meetings to be arranged an dreflected in PA drafting	hubco/NHSG	2	3	6	M	Finance/ Programme	y	
I	137	Noisy CHP and ventilation plant may affect acoustic treatment resulting in neighbourhood complaints	4	2	8	M	Planning consent approved. Issue now during operation. Planned and discussed with Hubco. Acoustics to be reviewed prior to handover of building	Hubco	2	2	4	M	Commercial/ Legal	y	
I	138	Staged Handover of project - Energy Centre not delivered on time	4	3	12	H	Review phasing and access to existing Dental Unit. Programme and financial model updated to reflect phasing arrangements	Hubco	2	3	6	M	Service/ Operational	y	hub
I	139	loss of power and heating during phased handover	4	3	12	H	NHSG Estates team and hubco to liaise around change over from steam system to new energy centre. Temporary boilers to be provided for standby	Hubco	2	3	6	M	Service/ Operational	y	hub
F	140	failure to agree commercial position with Funders over treatment of Japanese Knotweed	2	5	10	H	Early engagement with funders TA to review balance of risk to both Board & funder	Hubco/NHSG	1	4	4	M	Finance/ Programme	y	
F	141	failure by NHSG to excavate knotweed prior to handover of site to hubCo following FC	4	4	16	H	early engagement with NHSG Estates to ensure clearance of knotweed to suit programme	Hubco/NHSG	1	4	4	M	Finance/ Programme	y	
B	142	failure of hubco to contain CAPEX and SPV cap costs within FBC/Stage 2 financial model wll delay FC	4	5	20	H	HubCo need to manage supply chain to ensure no escalation of costs and identify further savings to deliver within caps. NHSG to monitor	Hubco/NHSG	4	5	20	H	Finance/ Programme	y	
B	143	failure of hubco/ tier 1 contractor to properly supervise work or quality on site during construction, resulting in latent defects	3	4	12	H	HubCo/tier 1 contractor need to ensure adequate supervision regime to guarantee quality. NHSG to provide closer monitoring through authority rep/ works supervisors	Hubco/NHSG	3	3	9	M	Finance/ Programme	y	
B	144	indexation during the 25 year operation period are higher than modelled	3	2	6	M	Annual review of anticipated Unitary Charge budget	NHSG	3	1	3	L	Finance	n	

Appendix MC7a: Technical Commissioning Plan (IHCH)

8. Appendices

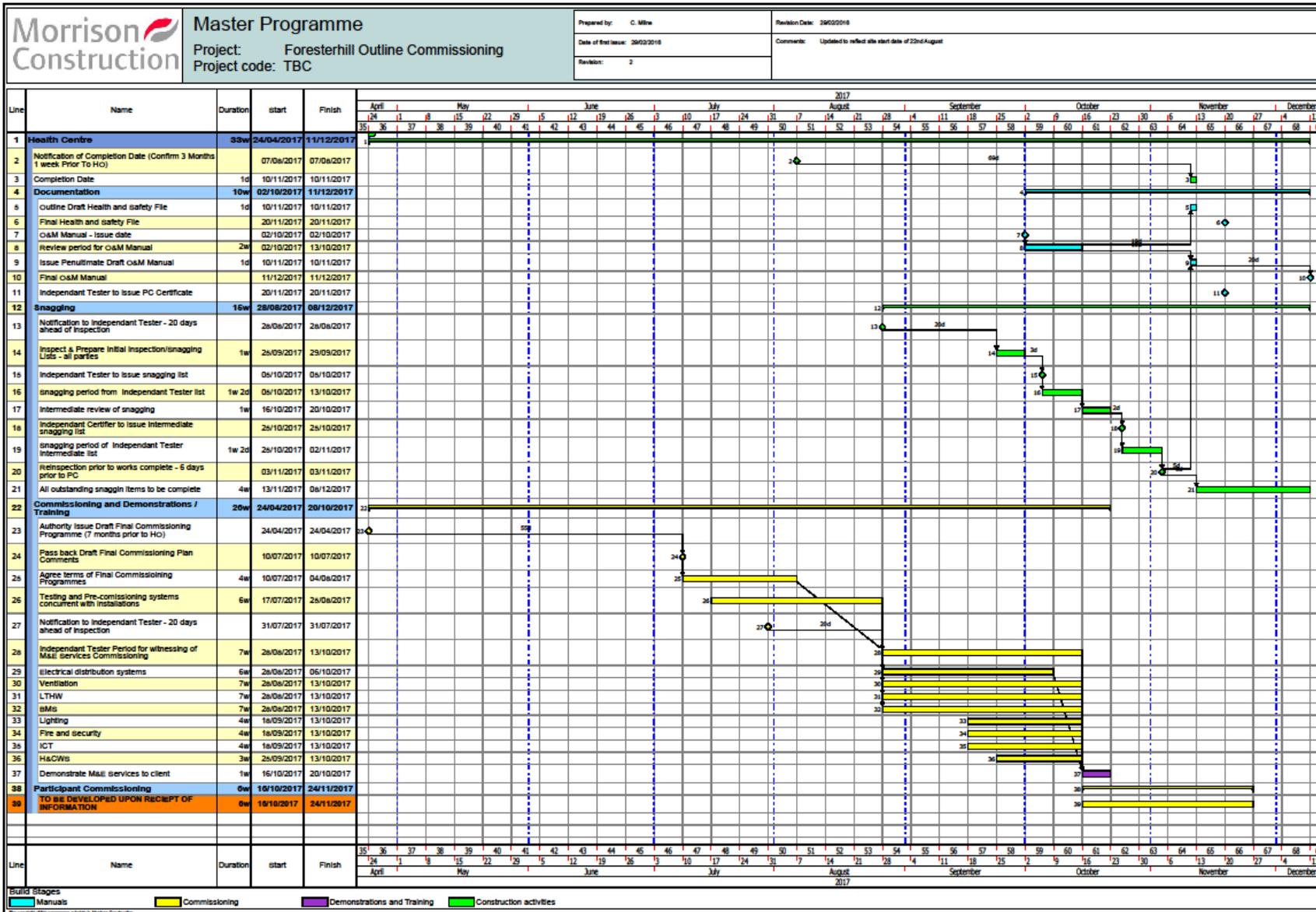


8. Appendices



Appendix MC7b: Technical Commissioning Plan (FHC)

8. Appendices



Appendix MC8a: Functional Commissioning Plan (IHCH)

***due to the poor image quality of the following Plan, please find clearer images embedded below, if required:**



IHCH Functional
Commissioning Plan V



IHCH Functional
Commissioning Plan V

8. Appendices

**IKVH KIRRIE HEALTH & CARE HUB
INDICATIVE FUNCTIONAL COMMISSIONING PLAN - VERSION 1**

Item No	Item Name	Code	Unit	Rate	Start Date	End Date	Frequency	Priority	Category	Sub-Category	Service Line	Department	Location	Notes
1	Medical records - ongoing - daily completion of all info	KSA 125478	MS1 125478	180										
2	Prevention of falls - daily safety procedure	KSA 125479	MS1 125479	180										
3	Cleaning and signs for fire exit procedure	KSA 125479	MS1 125479	180										
4	Practice Emergency Drills	KSA 125479	MS1 125479	180										
5	Emergency response - fire alarm and procedure	KSA 125479	MS1 125479	180										
6	Written fire drill procedure in the fire drill	KSA 125479	MS1 125479	180										
7	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
8	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
9	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
10	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
11	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
12	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
13	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
14	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
15	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
16	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
17	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
18	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
19	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
20	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
21	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
22	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
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26	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
27	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
28	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
29	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
30	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
31	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
32	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
33	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
34	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
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37	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
38	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
39	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
40	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
41	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
42	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
43	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
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47	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
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58	Written fire drill procedure - fire drill of all service areas	KSA 125479	MS1 125479	180										
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8. Appendices

INVERKUIE HEALTH & CARE HUB INDICATIVE FUNCTIONAL COMMISSIONING PLAN - VERSION 1												
Item No.	Item Description	Start	End	Priority	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8
1	Establish a governance structure for the health and care hub	2020-01-01	2020-03-31	High	██████████							
2	Define the scope of services to be provided at the health and care hub	2020-01-01	2020-03-31	High	██████████							
3	Identify the key stakeholders and their roles	2020-01-01	2020-03-31	High	██████████							
4	Develop a business case for the health and care hub	2020-01-01	2020-03-31	High	██████████							
5	Secure funding for the health and care hub	2020-01-01	2020-03-31	High	██████████							
6	Develop a business plan for the health and care hub	2020-01-01	2020-03-31	High	██████████							
7	Develop a marketing plan for the health and care hub	2020-01-01	2020-03-31	High	██████████							
8	Develop a recruitment plan for the health and care hub	2020-01-01	2020-03-31	High	██████████							
9	Develop a training plan for the health and care hub	2020-01-01	2020-03-31	High	██████████							
10	Develop a risk management plan for the health and care hub	2020-01-01	2020-03-31	High	██████████							

Appendix MC8b: Functional Commissioning Plan (FHC)

***due to the poor image quality of the following Plan, please find clearer images embedded below, if required:**



FHC Functional
Commissioning Plan V



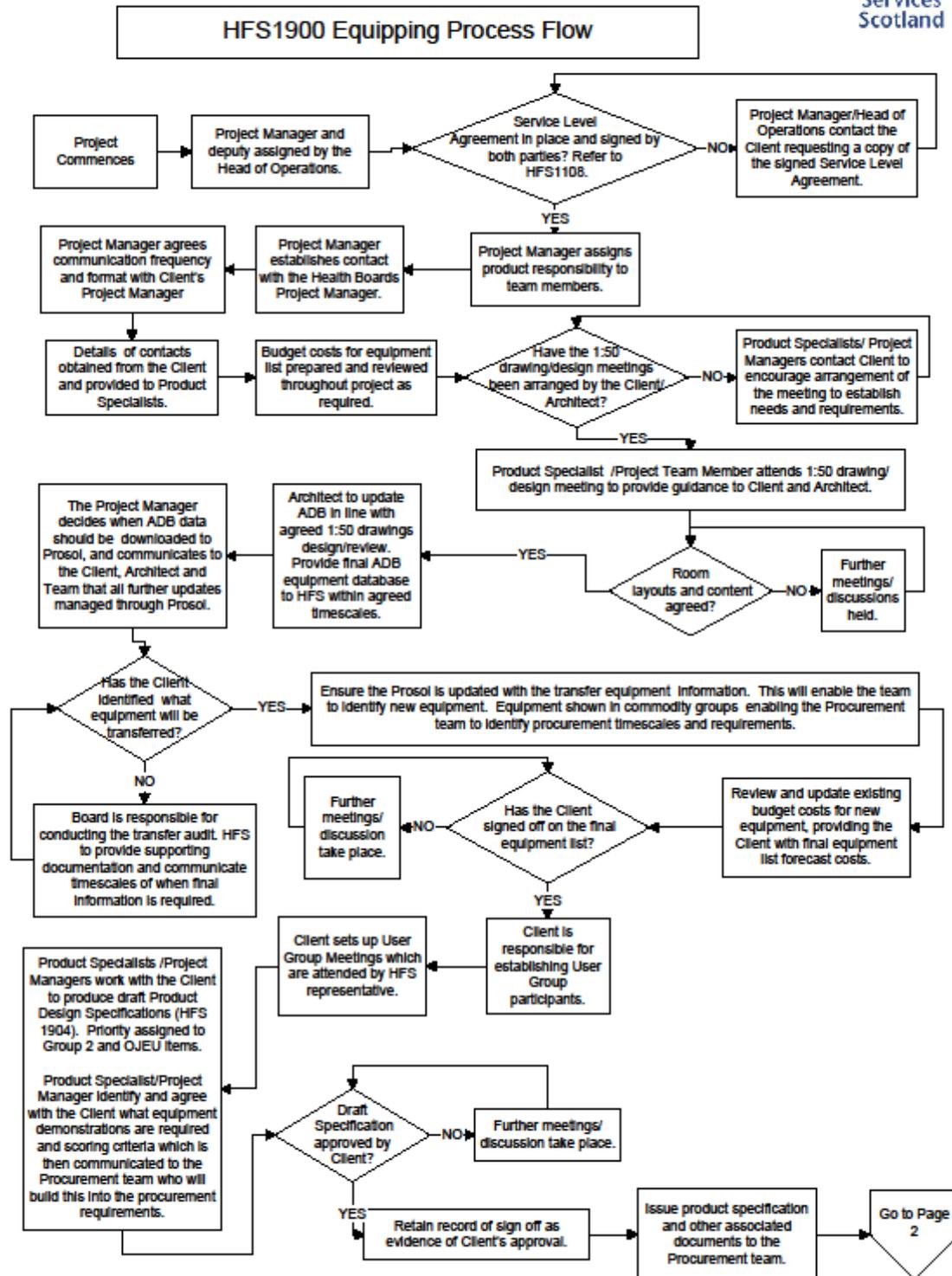
FHC Functional
Commissioning Plan V

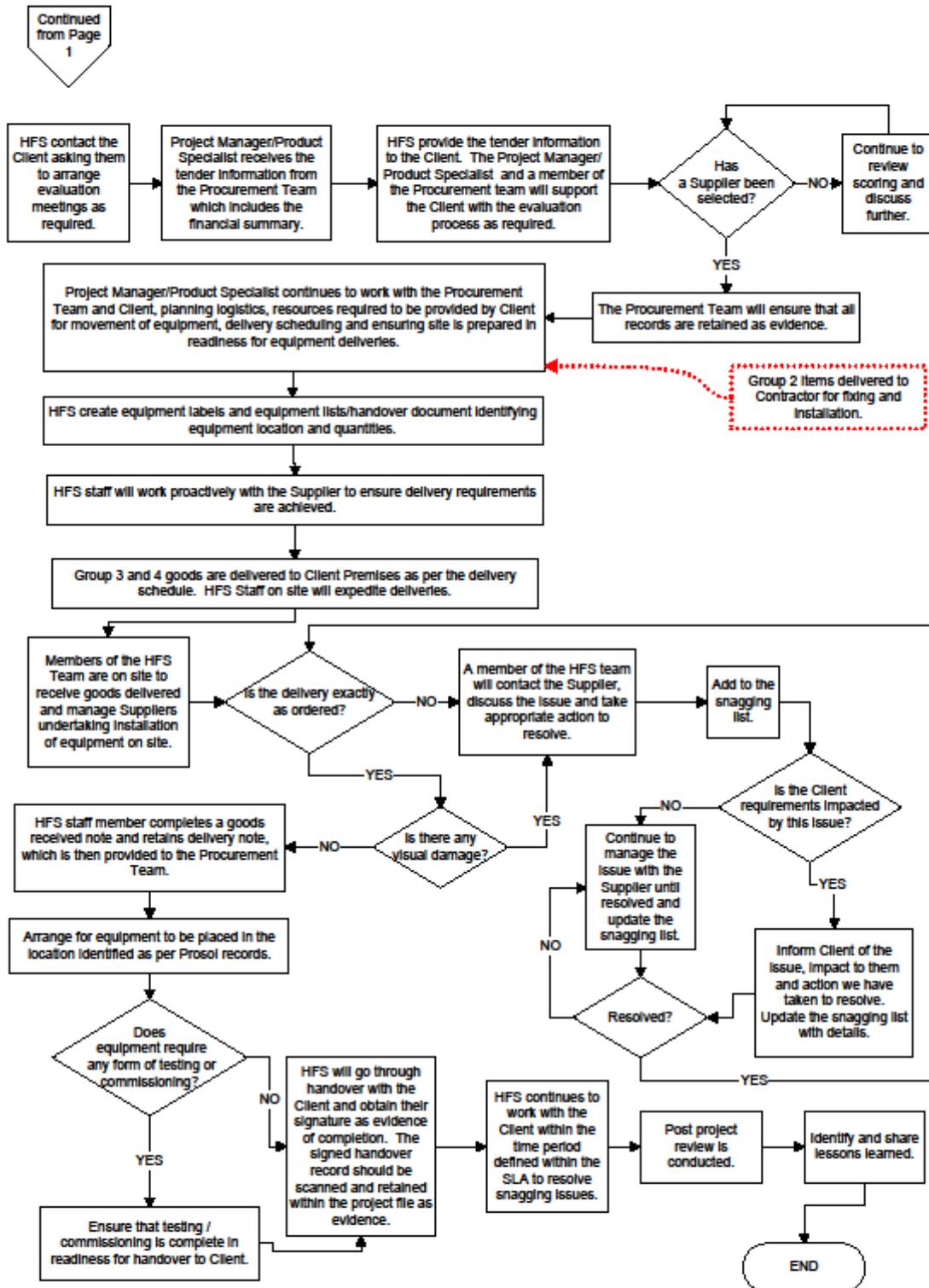
FORESTERHILL HEALTH CENTRE INDICATIVE FUNCTIONAL COMMISSIONING PLAN - VERSION 1									
ID	Description	Start	End	Phase	By	For	Notes	Dependencies	Resources
1	Review contract meeting - take account of building	Mon 12/2/17	Mon 13/2/17	TBC					
2	Final contract meeting - secure procedure	Mon 12/2/17	Mon 13/2/17	TBC					
3	Check and agree interim security procedure	Mon 23/2/17	Thu 23/2/17	TBC					
4	Final security review	Mon 7/3/17	Thu 23/2/17	TBC					
5	Agree security procedure to reflect agreed procedure	Mon 12/2/17	Fri 3/3/17	TBC					
6	Agree final fire procedure with Fire Officer	Mon 23/2/17	Thu 23/2/17	TBC					
7	Check with Fire Officer that all systems are installed	Mon 23/2/17	Fri 3/3/17	TBC					
8	Check with Police Local RV the procedure for vehicle entry during	Mon 23/2/17	Fri 3/3/17	TBC					
9	Install temporary floor protection	Mon 7/3/17	Mon 13/3/17	TBC					
10	Delivery of Domestic Equipment	Mon 6/3/17	Mon 20/2/17	TBC					
11	Confirm who will provide and install floor protection	Mon 6/3/17	Thu 23/2/17	TBC					
12	Final set up ready to use in Shop 2 items	Mon 20/2/17	Thu 23/2/17	TBC					
13	Final set up ready to use in Shop 2 items	Mon 20/2/17	Thu 23/2/17	TBC					
14	Agree a programme for delivery of new equipment with HFE	Mon 23/2/17	Fri 3/3/17	TBC					
15	Agree a procedure for new receipt of equipment and assembly of etc	Mon 23/2/17	Thu 23/2/17	TBC					
16	Agree a procedure for the safe removal of waste packaging, etc	Mon 23/2/17	Fri 3/3/17	TBC					
17	Agree a disposal location for waste packaging and testing of media	Mon 23/2/17	Fri 3/3/17	TBC					
18	Identify equipment used for training in each department	Mon 23/2/17	Fri 3/3/17	TBC					
19	Arrange for Material Safety Data Sheet to be sent to all relevant units	Mon 23/2/17	Thu 23/2/17	TBC					
20	Agree how we will manage broken or faulty equipment	Fri 23/2/17	Thu 23/2/17	TBC					
21	Initial clean	Thu 23/2/17	Wed 30/2/17	TBC					
22	Remove floor pads temporary at equipment installation	Thu 23/2/17	Mon 13/3/17	TBC					
23	Ground clean	Fri 16/3/17	Fri 3/3/17	TBC					
24	Daily 30' Light cleaning - 30min 300 minutes	Mon 6/3/17	Mon 13/3/17	TBC					
25	Backwash and install access - Check with Fire	Mon 12/2/17	Fri 16/2/17	TBC					
26	Arrange for stock order to be placed for each department	Fri 23/2/17	Thu 23/2/17	TBC					
27	Agree stock list for each department	Mon 12/2/17	Thu 23/2/17	TBC					
28	Receive and distribute back orders with security log sheet	Thu 23/2/17	Thu 23/2/17	TBC					
29	Receive and distribute stock for cosmetic supplies	Mon 12/2/17	Mon 13/3/17	TBC					
30	Arrange for PPE to be ordered, if any, for management etc. (and	Mon 6/3/17	Mon 13/3/17	TBC					
31	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
32	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
33	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
34	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
35	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
36	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
37	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
38	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
39	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
40	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
41	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
42	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
43	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
44	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
45	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
46	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
47	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
48	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
49	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					
50	Finalise ordering of materials to be used in the building	Mon 23/2/17	Mon 13/3/17	TBC					

8. Appendices

FORESTERMILL HEALTH CENTRE INDICATIVE FUNCTIONAL COMMISSIONING PLAN - VERSION 4												
ID	Activity	Start	Finish	Serial	Location	Resource	Priority	Dependencies	Notes	Phase 1	Phase 2	Phase 3
1	Commissioning of the alarm system.	Mon 06/10/17	Fri 03/12/17	TBC								
2	Deployment and installation of IT systems and end phones.	Wed 04/12/17	Fri 02/02/18									
3	Setting up new IT equipment.	Wed 04/12/17	Mon 02/02/18									
4	Testing and validation of installed IT equipment.	Thu 21/12/17	Fri 22/02/18	TBC								
5	Complete installation - testing.	Mon 01/12/17	Wed 03/12/17	TBC								
6	Setting up multidisciplinary clinics and installing training point.	Mon 04/12/17	Wed 03/02/18	TBC								
7	Final IT to go live.	Mon 08/01/18	Mon 08/01/18	TBC								
8	Open a copy of the user permit to allow new installation and testing.	Mon 01/02/17	Mon 01/02/17									
9	Final information pack to go live and change of website content.	Mon 11/02/17	Mon 11/02/17									
10	Issue letter to practice population to book a model.	Mon 05/10/17	Fri 03/12/17	TBC								
11	Update patient information booklet.	Mon 04/09/17	Mon 23/11/17	TBC								
12	IT to allow email to be able to email patients period.	Mon 04/10/17	Fri 02/12/17	TBC								
13	Perform network during commissioning period.	Tue 19/09/17	Fri 02/12/17	TBC								
14	Security review during commissioning period.	Mon 04/09/17	Fri 02/12/17	TBC								
15	Manage network during commissioning period.	Mon 04/09/17	Fri 02/12/17	TBC								
16	Training (IT/IT Security, etc).	Mon 18/12/17	Mon 01/02/18	TBC								
17	Relocate DATA centre.	Mon 20/09/17	Mon 22/11/17	TBC								

Appendix MC9: HFS Equipping Process





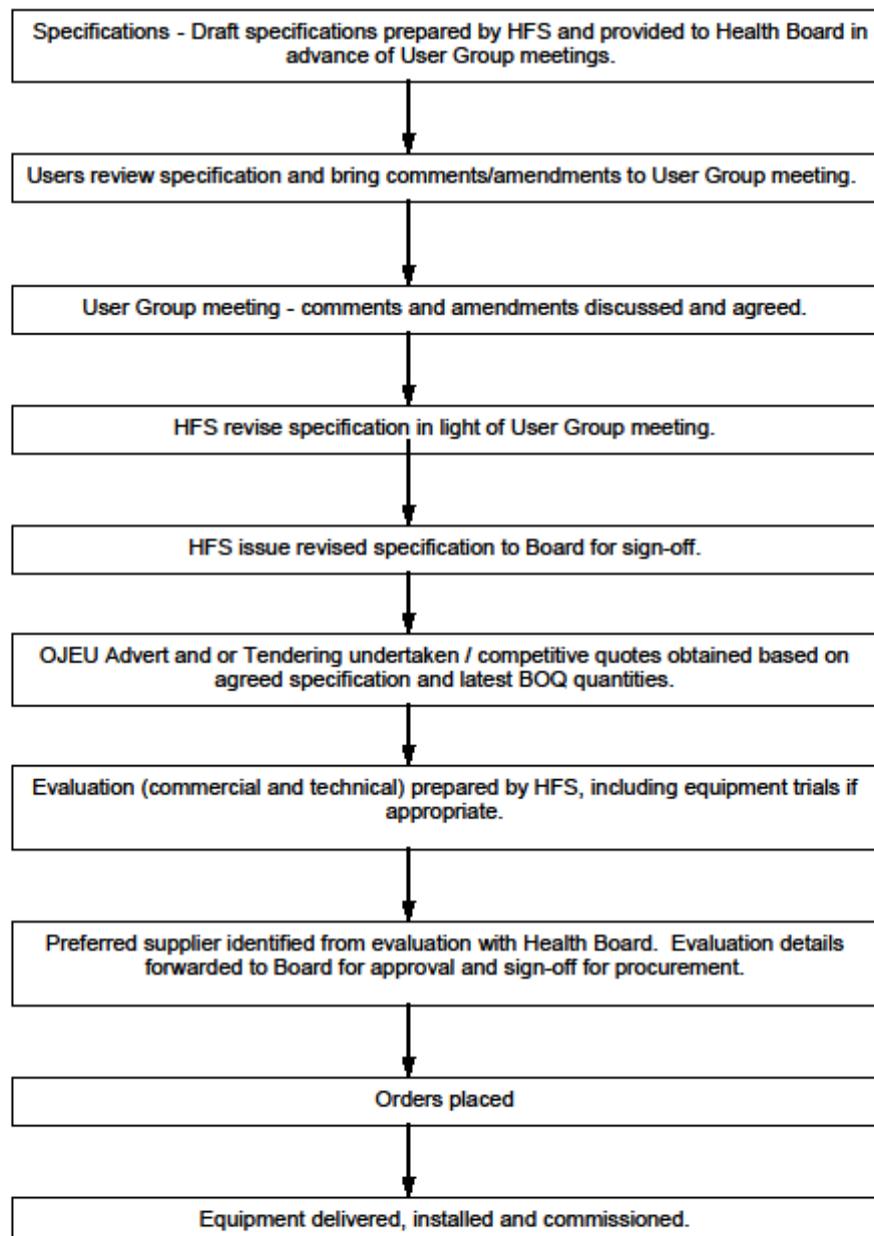
Appendix MC10: Equipment Procurement Process



Name of Project - Equipment Procurement Process

Group 3 and 4 Equipment (Non-Medical and Medical):

- Catalogue Items
- Equipment requiring detailed specification



Equipment Procurement Process Grp 3 and 4 16Dec11

Appendix MC11a: Staff Induction Pack (IHCH)



Inverurie Health and Care Hub Staff Site Induction



Overview



- Inverurie Health and Care Hub is a site operated by NHSG and maintained by Robertson FM on behalf of hubCo
- During Functional Commissioning the facility is in transition from a construction site to a clinical environment (maintenance of a clean environment is essential)
- NHS are preparing the building for clinical staff and patients
- The Inverurie Health and Care Hub will be ready to operate with effect from TBC

Site Access/ Security



- Site access - NHSG Staff should enter and exit the site during commissioning via the Service Entrance (accessed from TBC)
- Staff must sign in and sign out
- Staff must wear a name badge at all times
- Blue shoes must be worn at all times once in the building
- Security staff reserve the right to stop and search

NHSG Equipment Placement



- Equipment lists on room doors **MUST NOT BE REMOVED**
- Equipment placed in rooms **MUST NOT BE MOVED OUTWITH THE ROOM**
- Failure to adhere to this will result in removal of the person from the Inverurie Health and Care Hub

Fire Procedures



- The Fire Detection system is fully operational
- In the event of hearing an alarm leave the building immediately via the nearest fire exit
- Assemble at the Fire Muster point in the car park and await role call from Security
- An intermittent alarm signifies an alarm has been activated in an adjacent fire zone
- A continuous alarm indicates the alarm has been raised in that zone
- Fire extinguishers are located throughout the building

Welfare



- Staff must not eat or drink in the building, except in:
- The Staff Room is the designated location for coffee breaks during commissioning
- There are designated toilets TBC. Do not use any other toilet on site
- The designated toilets are indicated on a map TBC. The specific toilets will be labelled on site.

Cont...



- Strictly **no smoking** on site
- Parking during commissioning is TBC
- No radios/stereos on site
- Mobile phones are permitted
- All incidents or near misses must be reported on Datix by a member of Commissioning Team
- Work requiring isolation of services must be done in conjunction with Tier 1 Contractor

Cont...



- Work requiring isolation of services must be done in conjunction with the Tier 1 Contractor and Robertson FM
- Robertson FM will issue permits to work where they are required for NHSG Contractors
- RAMS will be requested where deemed to be required, and they must be approved by NHSG / Robertson FM staff before work commences

Appendix MC11b: Staff Induction Pack (FHC)



Foresterhill Health Centre Staff Site Induction



Overview



- Foresterhill Health Centre is a site operated by NHSG and maintained by Robertson FM on behalf of hubCo
- During Functional Commissioning the facility is in transition from a construction site to a clinical environment (maintenance of a clean environment is essential)
- NHS are preparing the building for clinical staff and patients
- The Foresterhill Health Centre will be ready to operate with effect from TBC

Site Access/ Security



- Site access - NHSG Staff should enter and exit the site during commissioning via the Service Entrance (accessed from TBC)
- Staff must sign in and sign out
- Staff must wear a name badge at all times
- Blue shoes must be worn at all times once in the building
- Security staff reserve the right to stop and search

NHSG Equipment Placement



- Equipment lists on room doors **MUST NOT BE REMOVED**
- Equipment placed in rooms **MUST NOT BE MOVED OUTWITH THE ROOM**
- Failure to adhere to this will result in removal of the person from the Foresterhill Health Centre

Fire Procedures



- The Fire Detection system is fully operational
- In the event of hearing an alarm leave the building immediately via the nearest fire exit
- Assemble at the Fire Muster point in the car park and await role call from Security
- An intermittent alarm signifies an alarm has been activated in an adjacent fire zone
- A continuous alarm indicates the alarm has been raised in that zone
- Fire extinguishers are located throughout the building

Welfare

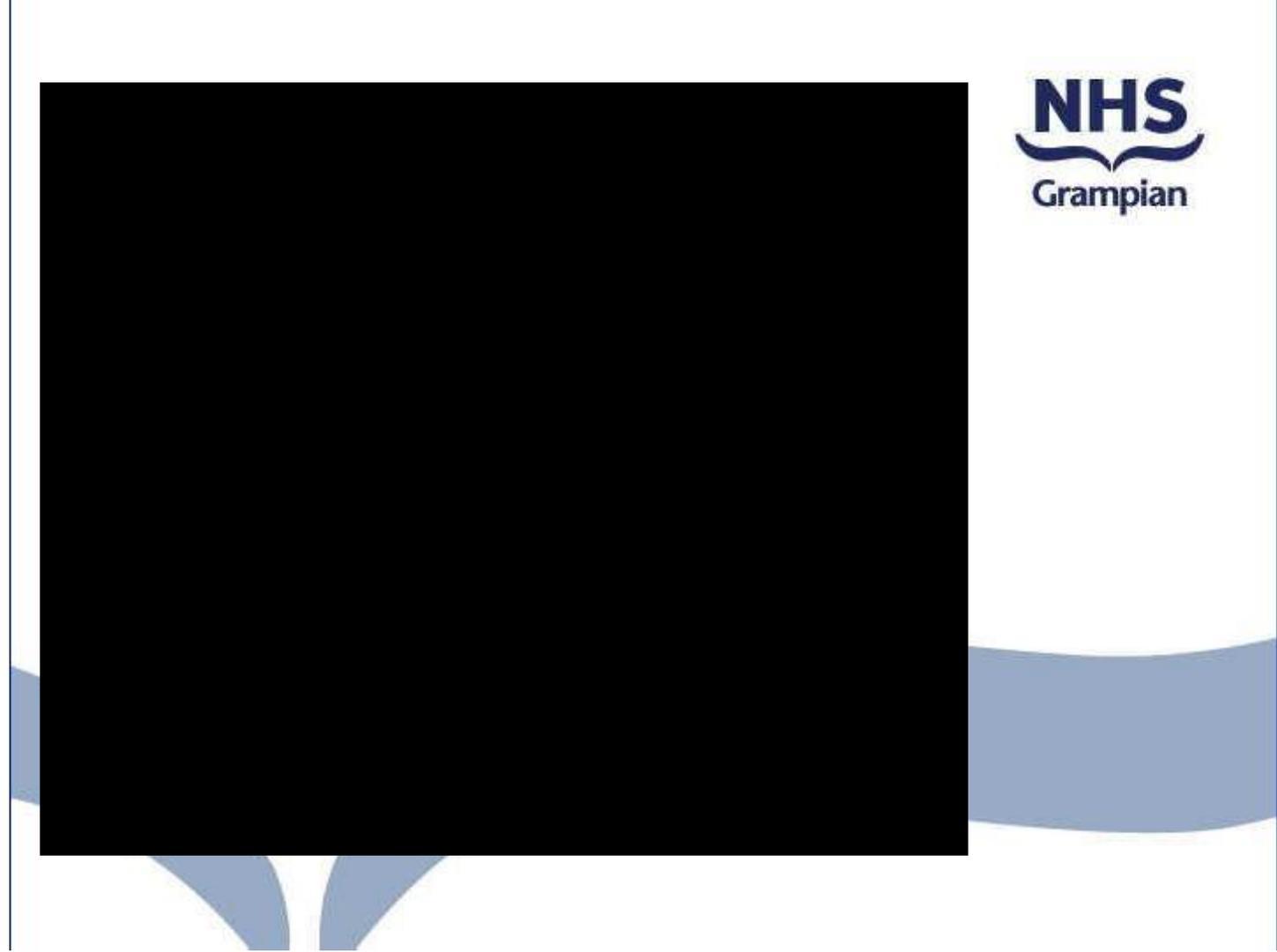


- Staff must not eat or drink in the building, except in:
- The Staff Room is the designated location for coffee breaks during commissioning
- There are designated toilets TBC. Do not use any other toilet on site
- The designated toilets are indicated on a map TBC. The specific toilets will be labelled on site.

Cont...



- Strictly **no smoking** on site
- Parking during commissioning is TBC
- No radios/stereos on site
- Mobile phones are permitted
- All incidents or near misses must be reported on Datix by a member of Commissioning Team
- Work requiring isolation of services must be done in conjunction with Tier 1 Contractor



Appendix MC12a: Sub-Contractor Induction Pack (IHCH)



Inverurie Health and Care Hub Sub Contractor Site Induction



Overview



- Inverurie Health and Care Hub is a site operated by NHSG and maintained by Robertson 24 on behalf of hubco
- In transition from a construction site to a clinical environment (maintenance of a clean environment is essential)
- NHS are preparing the building for clinical staff and patients
- The Inverurie Health and Care Hub will be fully operational with patients on TBC

Site Access/ Security



- Site access - Sub Contractors should enter and exit the site during commissioning via the staff entrance to the rear of the building (refer to enclosed map)
- Sub Contractors must sign in and sign out
- Sub Contractors must wear their name badges at all times
- Blue shoes must be worn at all times once in the building
- Security staff reserve the right to stop and search

NHSG Equipment Placement



- Equipment lists on room doors **MUST NOT BE REMOVED**
- Equipment placed in rooms **MUST NOT BE MOVED OUTWITH THE ROOM**
- Failure to adhere to this will result in removal of the person from the Inverurie Health and Care Hub

Fire Procedures



- The Fire Detection system is fully operational
- In the event of hearing an alarm leave the building immediately via the nearest fire exit
- Assemble at the Fire Muster point in the car parks to the front and rear of the building and await role call from Security
- An intermittent alarm signifies an alarm has been activated in an adjacent fire zone
- A continuous alarm indicates the alarm has been raised in that zone
- Fire extinguishers are located throughout the building
- **Please refer to Fire Evacuation Flow Chart**

Welfare



- Sub Contractors must not eat or drink in the building
- There are designated toilets on each floor. Do not use any other toilet on site
- The designated toilets are indicated on a map that will be available at the security sign in desk. The specific toilets will be labelled Commissioning WC.

Cont...



- Strictly **no smoking** on site
- No radios/stereos on site
- Mobile phones are permitted
- All incidents or near misses must be reported on Datix

Cont...



- Work requiring isolation of services must be done in conjunction with the Tier 1 Contractor and Robertson FM
- Robertson FM will issue permits to work where they are required for NHSG Contractors
- RAMS will be requested where deemed to be required, and they must be approved by NHSG / Robertson FM staff before work commences

Appendix MC12b: Sub-Contractor Induction Pack (FHC)



Foresterhill Health Centre Sub Contractor Site Induction



Overview



- Foresterhill Health Centre is a site operated by NHSG and maintained by Robertson 24 on behalf of hubco
- In transition from a construction site to a clinical environment (maintenance of a clean environment is essential)
- NHS are preparing the building for clinical staff and patients
- The Foresterhill Health Centre will be fully operational with patients on TBC

Site Access/ Security



- Site access - Sub Contractors should enter and exit the site during commissioning via the staff entrance to the rear of the building (refer to enclosed map)
- Sub Contractors must sign in and sign out
- Sub Contractors must wear their name badges at all times
- Blue shoes must be worn at all times once in the building
- Security staff reserve the right to stop and search

NHSG Equipment Placement



- Equipment lists on room doors **MUST NOT BE REMOVED**
- Equipment placed in rooms **MUST NOT BE MOVED OUTWITH THE ROOM**
- Failure to adhere to this will result in removal of the person from the Foresterhill Health Centre

Fire Procedures



- The Fire Detection system is fully operational
- In the event of hearing an alarm leave the building immediately via the nearest fire exit
- Assemble at the Fire Muster point in the car parks to the front and rear of the building and await role call from Security
- An intermittent alarm signifies an alarm has been activated in an adjacent fire zone
- A continuous alarm indicates the alarm has been raised in that zone
- Fire extinguishers are located throughout the building
- **Please refer to Fire Evacuation Flow Chart**

Welfare



- Sub Contractors must not eat or drink in the building
- There are designated toilets on each floor. Do not use any other toilet on site
- The designated toilets are indicated on a map that will be available at the security sign in desk. The specific toilets will be labelled Commissioning WC.

Cont...



- Strictly **no smoking** on site
- No radios/stereos on site
- Mobile phones are permitted
- All incidents or near misses must be reported on Datix

Cont...



- Work requiring isolation of services must be done in conjunction with the Tier 1 Contractor and Robertson FM
- Robertson FM will issue permits to work where they are required for NHSG Contractors
- RAMS will be requested where deemed to be required, and they must be approved by NHSG / Robertson FM staff before work commences

Appendix MC13: Project Managers Report (Template)



Inverurie Health and Care Hub and Re-location of Foresterhill Health Centre Bundle Project

Project Managers Report Month/Year

No.	Item	Status
1a.	<p>Construction Up-date</p> <p><u>Inverurie Health and Care Hub</u></p> <p>Contract Programme</p> <p>Anticipated Completion Date -</p> <p><u>Foresterhill Health Centre</u></p> <p>Contract Programme</p> <p>Anticipated Completion Date –</p> <p>Programme Delays Issues</p>	

No.	Item	Status
1b.	Reviewable Design Data	
2.	<p>Inverurie Health and Care Hub Project Group Update</p> <p><u>Equipment Group</u></p> <p><u>Building Operation Policies</u></p> <p><u>Commissioning Group</u></p> <p><u>Inverurie Health and Care Hub Project Management Team</u></p> <p><u>IM&T and Comms Group</u></p>	

No.	Item	Status
3.	<p data-bbox="412 284 806 309">Foresterhill Health Centre Project Update</p> <p data-bbox="412 352 584 378"><u>Equipment Group</u></p> <p data-bbox="412 469 676 494"><u>Building Operation Policies</u></p> <p data-bbox="412 604 629 630"><u>Commissioning Group</u></p> <p data-bbox="412 721 960 746"><u>Inverurie Health and Care Hub Project Management Team</u></p> <p data-bbox="412 837 651 863"><u>IM&T and Comms Group</u></p>	

5.	Occupation Agreement	
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Appendix MC14: Project Cost Monitoring Form

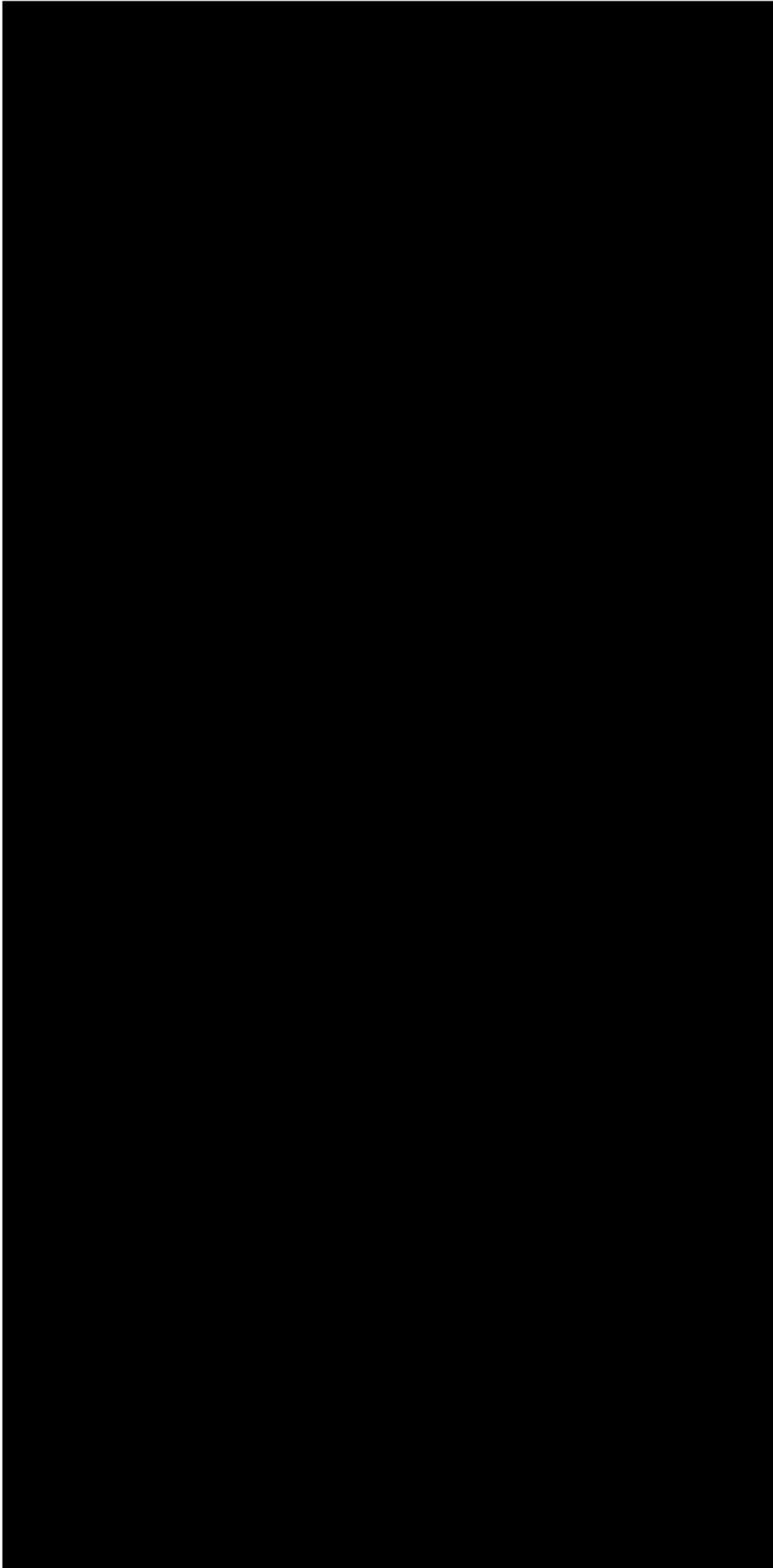
Capital / Equivalent Investment Cost Monitoring Form:

Project Title:	Inverurie Health and Care Hub and Foresterhill Health Centre		
Floor Area (GIA):	6,483		
	OBC	FBC	Actual
	£000s	£000s	£000s
Construction / Investment Cost:			
Quantified Construction Risk:			
Total Construction Costs:			
Site acquisition:	0	0	0
Enabling works not included in cost plan:	720	760	0
Total Other Construction Related Costs:	720	760	0
Furniture not included in Cost Plan	1,065	1,080	0
IM&T	0	0	0
Medical Equipment	0	0	0
Non-medical Equipment	0	0	0
Total Furniture & Equipment Costs:	1,065	1,080	0
Other Development Costs:			
Commissioning Costs	74	74	0
Project Development (Advisor Fees)	143	160	0
Subordinate Debt	198	192	0
Total Development Costs	415	426	0
Total Estimated / Actual Cost:			

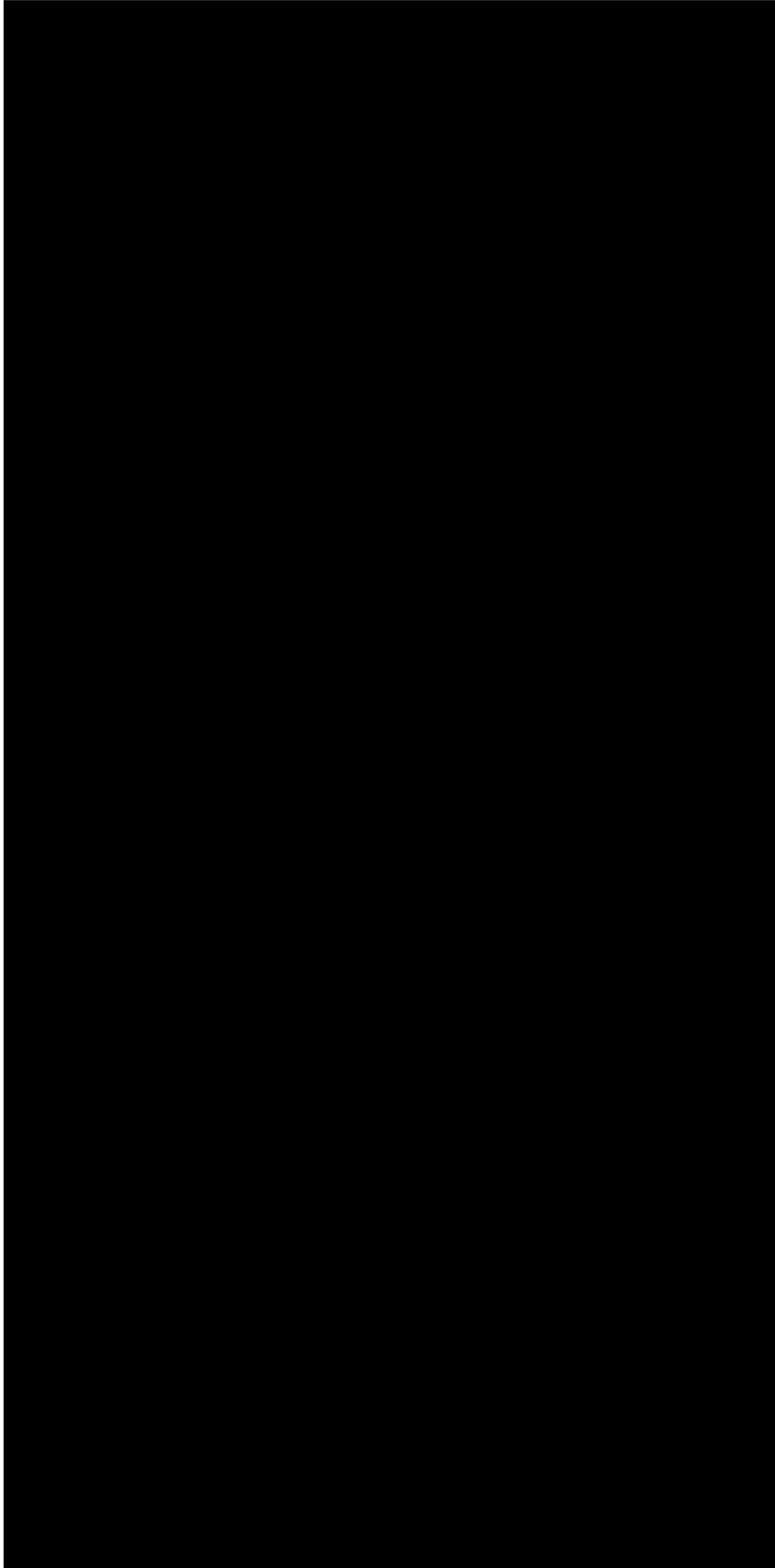
Operational Revenue Cost Monitoring Form:

Project Title:	Inverurie Health and Care Hub and Foresterhill Health Centre			
Floor Area (GIA):	6,483			
	Existing	OBC	FBC	Actual
	£000s	£000s	£000s	£000s
Clinical Services staff costs:				
GP Practices	n/a	n/a	n/a	n/a
Non-Clinical Services staff costs:				
GP Practices	n/a	n/a	n/a	n/a
Building occupancy / running costs:	554			
Unitary Charge				
Rental	0	177	177	0
Rates	0	276	276	0
Water Rates	0	23	24	0
Refuse Collection	0	11	11	0
Insurance (Buildings)	0	18	18	0
Heating (Gas)	0	74	58	0
Electricity	0	73	61	0
Domestic Services	0	155	185	0
Window Cleaning	0	3	3	0
Maintenance (Authorities Obligations)	0	13	13	0
Soft FM	0	10	5	0
Grounds	0	6	6	0
Income contribution / costs:	-138	-188	-208	0
Other recurring costs:	0	0	0	0
Allowance for Optimism Bias	0	0	0	0
Total Estimated / Actual Cost:				

Appendix MC15a: Construction Cost Plan (IHCH)



Appendix MC15b: Construction Cost Plan (FHC)



Appendix MC16: Programme Monitoring Form

Inverurie and Foresterhill			
Activity	OBC	FBC	Details of variance
OBC approved NHSG Board	Aug 2015	Aug 2015	
OBC issued to CIG	Aug 2015	Aug 2015	
NDAP & AEDET reviews forwarded to CIG	Aug 2015	Aug 2015	
OBC presentation to CIG	Aug 2015	Aug 2015	
SFT key stage review forwarded to CIG	Sept 2015	Sept 2015	
CIG Meeting	Sept 2015	Sept 2015	
OBC Funding letter from SG	Sept 2015	Sept 2015	
Stage 1 approval by NHSG	Oct 2015	Oct 2015	
Foresterhill planning consent	Jan 2016	Mar 2016	Planning submission held up by Aberdeen City Planning officers.
Inverurie planning consent	Feb 2016	April 2016	Planning submission determined by Aberdeenshire Council committee meeting in lieu of officer recommendation
Stage 2 price submitted	Feb 2016	May 2016	Affordability issues on the capital build cost of both Inverurie & Foresterhill impacted on programme/VE workshops required to resolve
Stage 2 sign-off by hub Board	March 2016	June 2016	Remainder of programme delayed due to affordability at stage 2
Formal Stage 2 submitted	March 2016	June 2016	
Commercial close of price	March 2016	June 2016	
FBC approved NHSG Board	March 2016	June 2016	
FBC issued to CIG	March 2016	June 2016	
Final AEDET review Foresterhill	April 2016	June 2016	
Final AEDET review Inverurie	April 2016	June 2016	
NDAP review for Inverurie	April 2016	June 2016	
NDAP & AEDET reviews forwarded to CIG	April 2016	June 2016	
SFT key stage review forwarded to CIG	April 2016	June 2016	

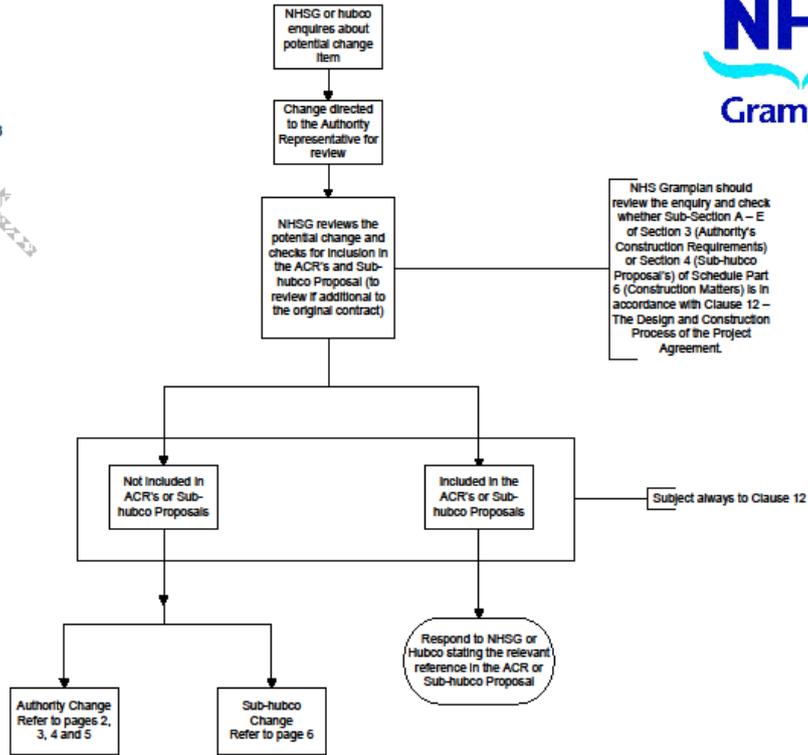
FBC presentation to CIG	April 2016	June 2016	
CIG Meeting	April 2016	June 2016	
SG confirmation of FBC	May 2016	July 2016	
Stage 2 approval by NHS Board	May 2016	July 2016	
Dry run of financial close protocols	May 2016	Aug 2016	
Financial Close	May 2016	Aug 2016	
Inverurie mobilisation/pre works	June 2016	Aug 2016	
Foresterhill mobilisation/pre works	June 2016	Aug 2016	
Foresterhill construction start	July 2016	Sept 2016	
Inverurie Construction start	July 2016	Sept 2016	
Foresterhill construction complete	Oct 2017	Dec 2017	
Foresterhill functional commissioning & training	Oct 2017	Dec 2017	
Foresterhill Services Commencement	Nov 2017	Jan 2018	
Inverurie construction complete	Dec 2017	March 2018	
Inverurie functional commissioning & training	Dec 2017	March 2018	
Inverurie Services Commencement	Jan 2018	April 2018	

Appendix MC17: Change Control Plan

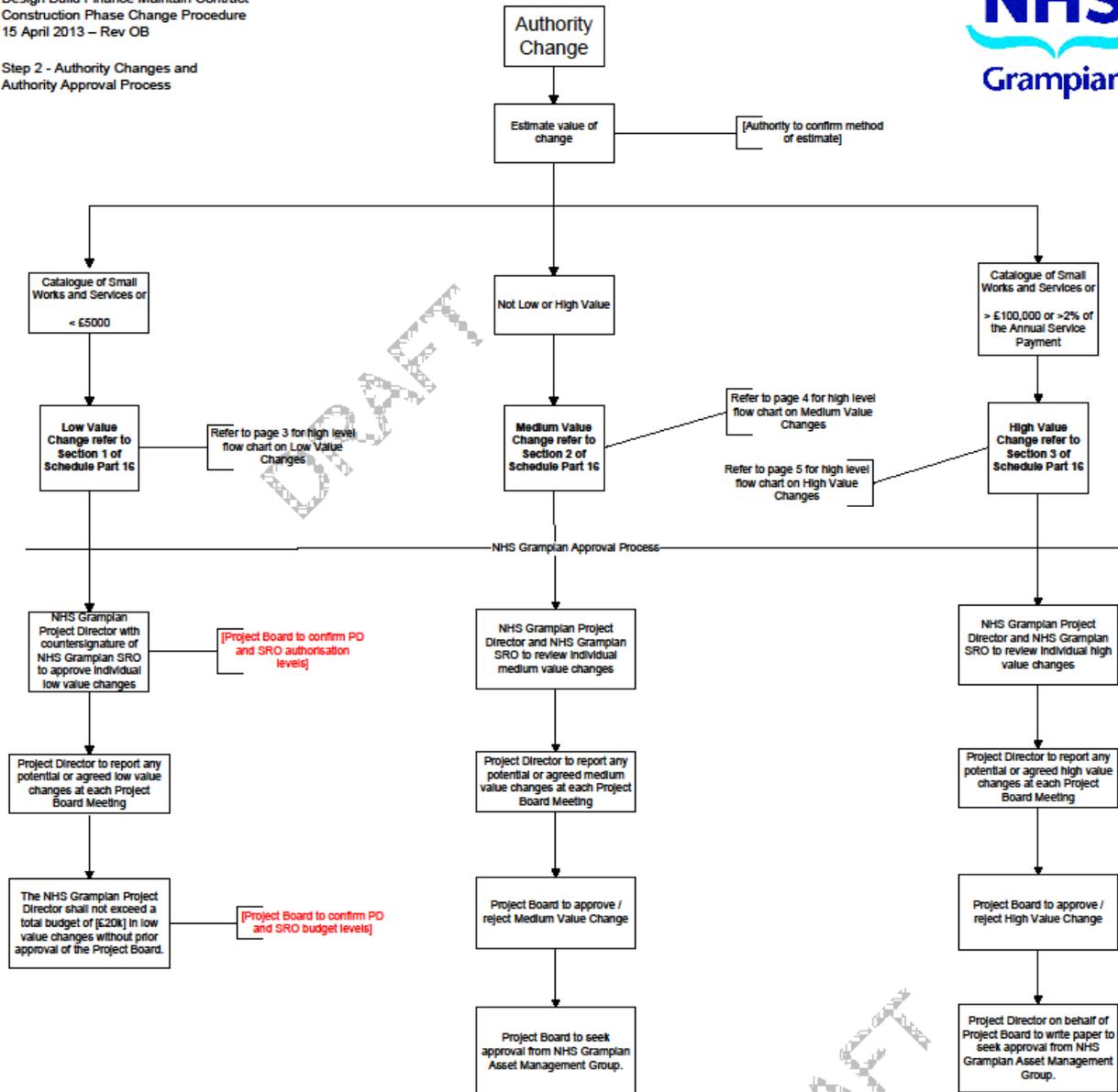


Step 1 – Initial Review – pre Schedule Part 16

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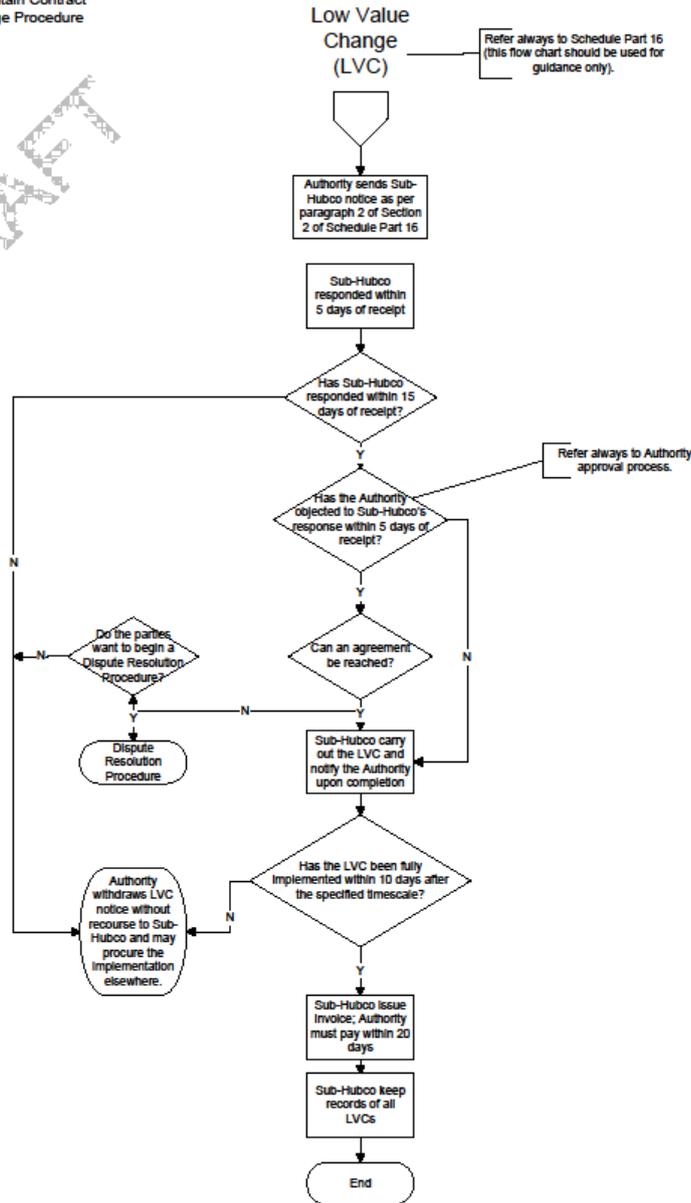


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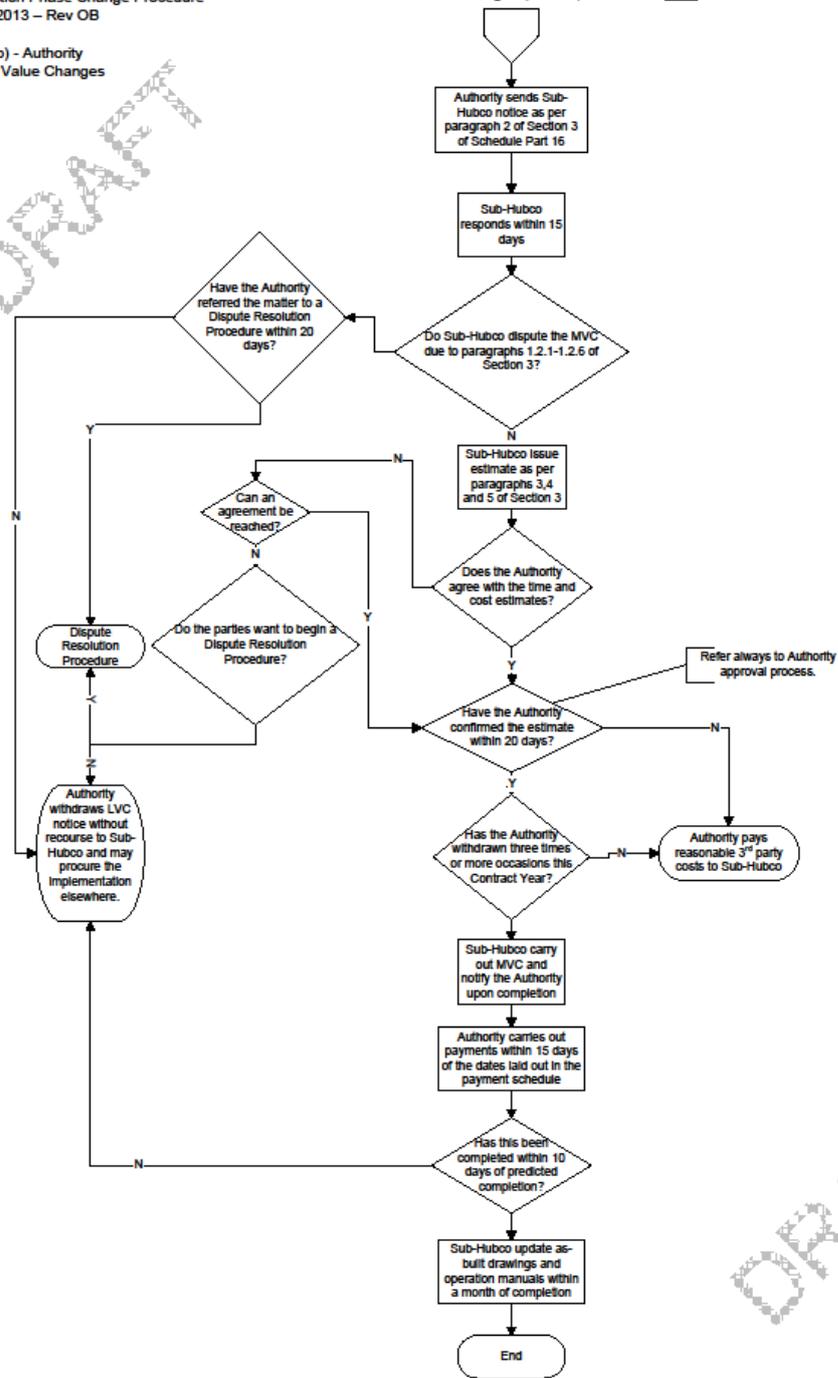
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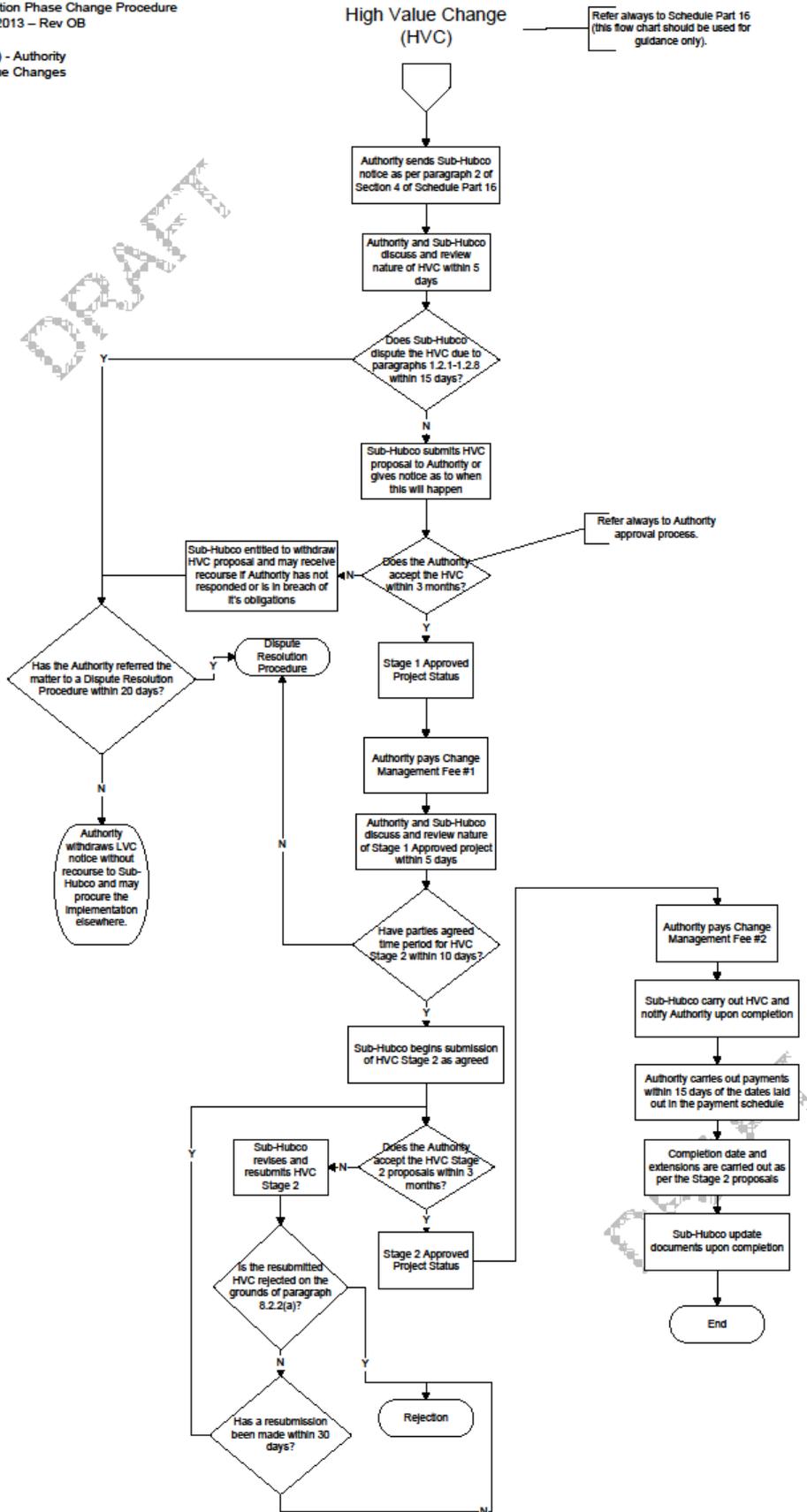
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Medium Value Change (MVC)

Refer always to Schedule Part 16 (this flow chart should be used for guidance only).

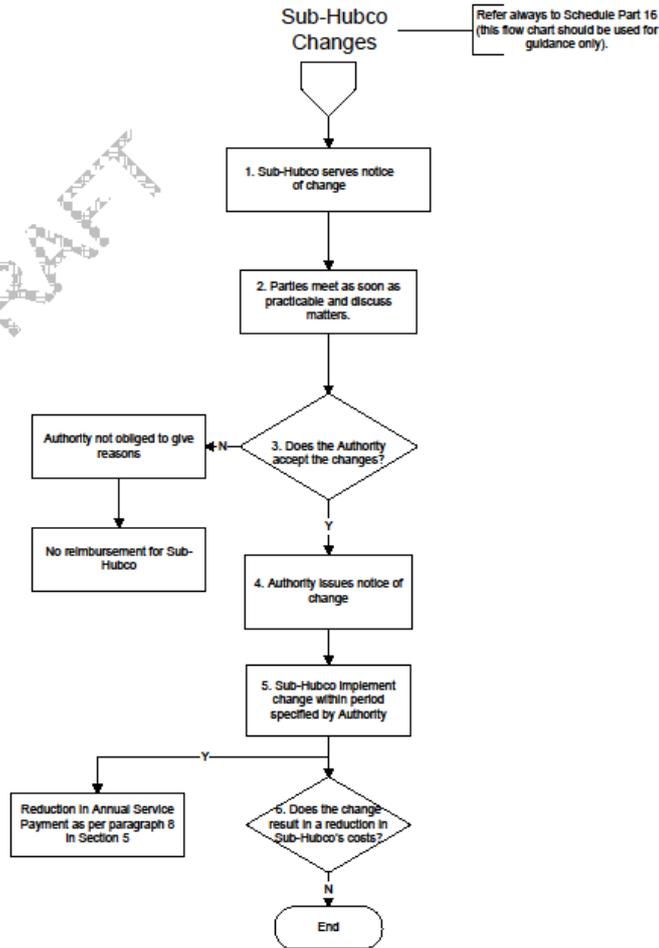


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Appendix A1: Glossary of Terms

A+DS	Architecture and Design Scotland
A&E	Accident and Emergency
ACC	Aberdeen City Council
ADB	Activity Data Base
AEDET	Achieving Excellence Design Evaluation Toolkit
AHP	Allied Health Professional
AMG	Asset Management Group
AR's/ACR's	Authority (Construction) Requirements
BREEAM	Building Research Establishments Environmental Assessment Method for Healthcare
CAPEX	Capital Expenditure
CDM	Construction Design Manager
CEL	Chief Executive Letter
CHP	Combined Heat and Power
CIG	Capital Investment Group
CLO	Central Legal Office
CMU	Community Maternity Unit
CRL	Capital Resource Limit
CSF	Critical Success Factors
Datix	Patient Safety Incidents Healthcare Software
DBFM	Design, Build, Finance and Maintain Contract
DBFM Co	Special purpose vehicle established for the project
DCF	Discounted Cash Flow
DDA	Disability Discrimination Act
EAC	Equivalent Annual Costs
eHealth	Healthcare practice supported by electronic processes and communication
EPC	Energy Performance Certificate
ESA	European System of Accounts
FBC	Full Business Case

FHC	Foresterhill Health Centre
FM	Facilities Management
GEM	Generic Economic Model
GHG	Green House Gas
GIFA	Gross Internal Floor Area
GMS	General Medical Services
GP	General Practitioner
H&SCP	Health and Social Care Partnership
HAI SCRIBE	Healthcare Associated Infection System for Controlling Risk in the Built Environment
HFS	Health Facilities Scotland
hubCo	hub North Scotland Limited
IA	Initial Agreement
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IHCH	Inverurie Health and Care Hub
ITU	Intensive Treatment Unit
JK	Japanese Knotweed
KSR	Key Stage Review
L&I	Lochgilphead and Inverurie
LA	Local Authorities
LDP	Local Delivery Plan
MDT	Multi-Disciplinary Team
MSC	Major Service Change
MSP	Member of Scottish Parliament
NDAP	NHSScotland Design Assessment and Review Process
NHSG	National Health Service Grampian

NHSS	NHSScotland
NPC	Net Present Cost
NPD	Non-Profit Distributing (Delivery Vehicle)
NPR	New Project Request
OBC	Outline Business Case
OJEU	Official Journal of the European Union
OMT	Operational Management Team
PA	Project Agreement
PAMS	Property and Asset Management Strategy
PAN	Proposal of Application Notice
Paramics	Transport modelling and traffic simulation
Pay Mech	Payment Mechanism
PD	Project Director
PEP	Project Evaluation Plan
PMCUC	Predicted Maximum Cost Unitary Charge
PPE	Personal Protective Equipment
PSDP	Private Sector Development Partner
RDD	Reviewable Design Data
RDS	Room Data Sheets
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RPI	Retail Price Index
SALT	Speech and Language Therapy
SCIM	Scottish Capital Investment Manual
SFT	Scottish Futures Trust
SGHSCD	Scottish Government Health and Social Care Directorate
SHTM	Scottish Health Technical Manual
SIMD	Scottish Index of Multiple Deprivation
SOA	Schedule of Accommodation

SOCNE	Statement of Comprehensive Net Expenditure
SPG	Supplementary Planning Guidance
SPV	Special Purpose Vehicle
The Authority	NHS Grampian
TPA	Territory Partnering Agreement
TUPE	The Transfer of Undertakings (Protection of Employment)
UC	Unitary Charge
VAT	Value Added Tax
VFM	Value for Money