

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Monday 23 May 2022
Title:	National Treatment Centre update
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1. Purpose

This is presented to the NHS Board for:

- Decision

This paper relates to:

- Government policy/directive

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2. Report summary

2.1 Situation

This paper is presented to give assurance to NHS Board members on progress for the NHS Ayrshire & Arran National Treatment Centre (NTC); to note the purchase of Carrick Glen Hospital in March 2022 and seek endorsement for the planned redevelopment of Carrick Glen Hospital into the NTC.

Scottish Government had previously advised that a “modified governance approach” would be adopted for the development and approval of NHS Ayrshire & Arran’s National Treatment Centre, to support the project being delivered “at pace”.

They confirmed that an Economic Case be submitted for approval, in lieu of an Outline Business Case, and subject to the recommended option being a development of the Carrick Glen Hospital, would approve the purchase of this site in advance of the approval of the Full Business Case (FBC).

The economic case and option appraisal was completed in February 2022 and the recommended option was to purchase and redevelop Carrick Glen Hospital.

The economic case was submitted to Scottish Government and approval was received on 7 March to proceed with the acquisition of Carrick Glen Hospital and that the project team proceed to prepare the FBC.

The delivery of the project is dependent upon completion and approval of a Full Business Case.

2.2 Background

2.2.1 The Strategic Initial Agreement (SIA) was approved by the Scottish Government's Capital Investment Group (CIG) in October 2021. CIG confirmed that the approval of the project would require; (a) an economic case in lieu of an outline business case and (b) a full business case (FBC). It was confirmed that should the economic case indicate that the preferred option be centred upon Carrick Glen Hospital (CGH), approval of the economic case would permit the acquisition of the CGH be progressed in advance of final approval of the FBC. This flexibility in approach was to accelerate the project programme and take advantage of the potential opportunity to purchase CGH.

2.2.2 NHS Ayrshire & Arran commissioned property condition, valuation and ground investigation surveys to support negotiations with Circle Healthcare for the purchase of CGH at a price of £1.5m excluding vat. NHS Ayrshire & Arran Board had approved the purchase of Carrick Glen Hospital, for use as a National Treatment Centre, for the agreed £1.5m excluding vat, subject to approval by CIG. External independent property advisors and the Central Legal Office (CLO) had been engaged to facilitate the purchase to be completed quickly once approved by CIG. The purchase was completed in March 2022.

2.2.3 The project team have been progressing a number of workstreams to complete the economic case, FBC and thereafter deliver the facility as early as possible whilst meeting policy, governance and financial due diligence.

2.2.4 Members of the wider project team are engaged with National NTC groups across a wide range of activities including workforce, equipment, technical design and construction and in parallel there are a number of concurrent internal workstreams that are contributing to the preparation of the Economic Case including; clinical, property & capital planning, engagement & communications, operational planning, workforce and financial.

2.2.5 An engagement process, included within the economic case, had consulted with representatives from patients and staff to consider and score the three shortlisted options;

- Purchase, refurbishment and extension to Carrick Glen Hospital.
- A new build NTC on the University Hospital Ayr site via a traditional construction.
- A new build NTC on the University Hospital Ayr site via a modular construction.

2.2.6 The economic case, incorporating the engagement process had identified the purchase, refurbishment and extension to Carrick Glen Hospital as being the preferred option.

2.2.7 The economic case was approved by Scottish Government and the acquisition of Carrick Glen Hospital was completed in March 2022. A licence to occupy the facility was provided to Circle Healthcare, for a short period until 13 May 2022, to allow them to complete planned procedures and decommission and exit the facility. No use of the facility was proposed by NHS Ayrshire & Arran for this period.

2.2.8 A project team from Infrastructure & Support Services has been established to manage the operational responsibilities related to CGH and integrate into the wider property and estates portfolio.

2.3 Assessment

2.3.1 The Economic Case (in lieu of an Outline Business Case)

The Economic Case as approved by Scottish Government has been uploaded to NHS Ayrshire & Arran's website at <https://www.nhsaaa.net/about-us/how-we-make-decisions/> under the Business Cases heading.

The contents of the Economic Case includes the following chapters:

- Context & Background
- Approach to Economic Case
- Identifying a Shortlist of Implementation Options
- Economic Appraisal of Shortlisted Options
- Non-Financial Costs and Benefits of Options
- Net Present Costs and Assessing Uncertainty
- Summary of Benefits
- Conclusion & Next Steps

This was approved by Scottish Government on 7 March, allowing the team to commence with preparation of the FBC.

2.3.2 Project Scope

A clinical brief and a Schedule of Accommodation (SoA) were developed in collaboration between the design team and clinical groups and were utilised in the development of the outline design, project costs and programme for each of the shortlisted options included in the economic case.

This will be further developed and interrogated through a series of design workshops, as part of the preparation of the Full Business case of the preferred option, to ensure that room adjacencies and sizes are optimised and that the building layout is efficient whilst meeting user and technical requirements.

2.3.2 Project Programme

The project is being driven to deliver the NTC as early as is practicable as it is recognised that this is a key development to support the recovery programme and reduce waiting times across the system.

Programmes had been developed for each of the shortlisted options in the economic case and formed part of the options appraisal process to identify the preferred option. The selected option offered the shortest programme duration.

The project scope and scale has increased from that anticipated at inception, to reflect the requirements of the clinical brief. This has impacted upon both programme and cost, however the National Treatment Centre Programme Board and CIG have been fully informed and engaged throughout the design development.

The critical path of the programme is most influenced by two key workstreams; (i) completion of the design, specification and tendering of the construction works and (ii) the review and approval of the project by NHS Assure. Whilst it is recognised that the building is technically complex and challenging, the design work is proceeding at pace. The project team are in consultation with NHS Assure to ensure that their engagement and review process is as effective as possible. Feedback from the National Treatment Centre Programme Board has indicated that appropriate time is required to be included within project programmes for completion of the NHS Assure process and should not be underestimated. The impact of Net Zero requirements announced in November 2021 are also reflected in the programme.

The project team are developing options for potential enabling works (stripping out works, ground works and foundations) to be undertaken in Autumn 2022, to reduce the overall site programme after approval of the FBC. These would be subject to approval by the CIG. The project team are reviewing further opportunities to de-risk the programme and accelerate activities where practicable.

The target date for completion of the FBC is December 2022, based upon the critical path drivers outlined above. A detailed programme for the FBC is being prepared to allow completion of the other non-critical path elements as soon as possible. This will allow earlier consultation with the CIG on these particular items, to minimise the risk of challenge, additional information requirements or rejection when the full business case is submitted for approval, reducing the risk of delay at that stage.

The public announced operational date for the NTC has referred to completion by 2025, however the project team are working diligently to prepare a programme to complete the facility earlier. This will be crystallised and reported within the FBC once the building design and contractors programme have been completed.

It is highlighted that due to the scale of refurbishment and extension works at Carrick Glen Hospital, it would not be appropriate or practical to operate the facility whilst construction works are being undertaken and therefore any interim use would be limited to the period prior to commencement of site works. However, to conclude any feasible option to undertake any activity during this time, the project team are assessing the potential interim use of Carrick Glen Hospital, following the exit of Circle Healthcare on 13 May 2022 until the commencement of construction works. This would be dependent upon what would be required to recommission and resource the facility, and ensure that the facilities are provided in compliance with NHS Scotland standards.

2.3.3 Community Wealth Building

The NTC is one of the first new build projects being developed under Caring for Ayrshire and will involve a significant capital investment in the refurbishment and extension of Carrick Glen Hospital. NHS Ayrshire & Arran are an anchor institution in the Ayrshire Community Wealth Building strategy and it is proposed that capital investment and procurement of projects offers a tremendous opportunity to create

wider economic, social, health and wellbeing benefits to the citizens of Ayrshire. The appointment of the contractor and design team was through a Health Facilities Scotland Framework which included Community Benefits requirements and it is intended that this will be widened to maximise potential opportunities under Ayrshire's Community Wealth Building strategy. Discussions are ongoing with the project team to identify how this can be maximised and tangible positive benefits delivered.

2.3.4 Quality/patient care

Patient and staff representatives have been engaged in the options appraisal of the shortlisted options listed above. The Full Business case will further develop the quality and patient care benefits of the recommended option along with the costs and timescales.

2.3.5 Workforce

The project team are members of and engaging with the National Treatment Centres workforce groups to develop and share the NTCs recruitment strategy. Although NHS Ayrshire & Arran's NTC was one of the last to be announced, its accelerated programme should place it closer to the front of the recruitment programme which has been identified as a primary risk to the national programme.

Relevant Health Board staff have been communicated with regarding the project through newsletters and briefing sessions.

2.3.6 Financial

The Economic Case set out the capital and revenue costs for each of the shortlisted options, including equipping, lifecycle and cash-flow. The costs for the preferred option will be further developed through the preparation of the Full Business Case, which will be subject to approval by CIG.

2.3.7 Risk assessment/management

The risk of project creep in terms of the schedule of accommodation requested by clinical staff and financial benefit for contractor to maximise the size will need to be mitigated by tight management of expectations. The preferred option of CGH is likely to require some derogations be accepted against the Scottish Health Technical Memorandum (SHTM) guidance.

Key project risks being proactively managed include:

Table 1: Key Risks

No	Risk	Proposed Mitigation	Risk Rating
1	Interaction with NHS ASSURE and NDAP Processes	Potential delay due to external processes. Early engagement with NHS Assure & NDAP to reduce risk.	Medium
2	Scope Creep	Potential impact upon programme and costs. Schedule of Accommodation to be finalised and fixed to ensure certainty.	Medium
3	Construction Costs Inflation	Construction costs subject to high levels of construction sector inflation pressures. Monitor and utilise PSCP expertise.	Medium
4	Programme Slippage	Programme to be proactively managed – change management to consider programme implications before instruction.	Medium

2.3.8 Equality and diversity, including health inequalities

An impact assessment has been prepared for inclusion in the Full Business case at the next stage.

2.3.9 Other impacts

- Best value
 - Governance and accountability
 - Use of resources

2.3.10 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage external stakeholders where appropriate:

- There are regular meetings with Scottish Government officials through the NHS Ayrshire & Arran NTC Programme Board and the National Treatment Centre Programme Board.
- Staff and patient engagement sessions have taken place through the options appraisal.
- A clinical forum continues to meet regularly to develop the clinical strategy.
- The team attend national NTC technical forums.

2.3.11 Route to the meeting

The following groups have been consulted through the development of the project and this paper was considered by the following groups prior to submission to Scottish Government. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- National Treatment Centre Project Board
- Infrastructure Programme Board Advisory Group
- Infrastructure Programme Board
- Corporate Management Team
- Performance Governance Committee

The NHS Board were consulted and engaged through updates in private session and had approved the capital cost for the purchase of Carrick Glen Hospital should this be agreed by Scottish Government.

2.4 Recommendation

For decision. Members to be assured of progress for the National Treatment Centre and support the planned purchase and redevelopment of Carrick Glen Hospital. Members to support next steps to prepare the Final Business Case.