NHS Highland

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Programme Board Members

Date:	29th June 2018
Our Ref:	
Your Ref:	HPC12_001 BSSLSWR
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Dear Programme Board Member,

OUTLINE BUSINESS CASE - MODERNISATION OF COMMUNITY AND HOSPITAL SERVICES FOR BADENOCH & STRATHSPEY AND SKYE, LOCHALSH AND SOUTH WEST ROSS

I am writing to update you on the Business Case Process and in particular on elements as they relate to Skye, Lochalsh and South West Ross.

Since our initial submission of the Outline Business Case to Scottish Government in 14th November 2017, NHS Highland commissioned Sir Lewis Ritchie to provide an external expert view on Urgent Care Out of Hours and in particular for North Skye. This work got underway in February and the recommendations here were published in May.

Some of his recommendations were already covered in the Outline Business Case, and therefore have funding identified, but related to assurances about delivery in particular around community beds.

Other elements, however, such as provision of 24/7 Urgent Care in Portree, and arrangements for Out of Hours cover in Raasay, Glenelg and Arnisadale are new, and therefore, will require additional resources.

Work is now underway to develop an implementation plan for these additional elements which will include looking at workforce and financial implications. This will be subject to separate business case. This will not hold up the submission of the Full Business Case, however, as we been advised to progress this as planned. Nevertheless we will be expected to show progress with implementing the recommendations his Report as part of our submission to support for the Full Business Case.

I trust this is helpful.

Yours sincerely,

Diane Forsyth
Acting Senior Project Manager

FINAL VERSION – Updated to reflect CIG feedback

13th June 2018

NHS Highland

OUTLINE BUSINESS CASE

The Modernisation of Community and Hospital Services

in

Badenoch & Strathspey (B&S)

and

Skye, Lochalsh and South West Ross (SLSWR)

CONTENTS

1. PROJECT TITLE AND SUMMARY OF PROPOSED INVESTMENT

The title of the project is: "The Modernisation of Community and Hospital Services in Badenoch & Strathspey and Skye, Lochalsh and South West Ross".

This document presents the Outline Business Case which has been developed by NHS Highland in accordance with the Scottish Government Health and Social Care Directorate Capital Investment Manual (July 2011, updated February 2017). It provides evidence that the proposed project is robust, affordable and deliverable.

Fundamentally, this redesign programme is seeking to deliver safe and sustainable services for the future and which are consistent with Scottish Government Policy, including their 2020 vision.

The whole locality budgets for both Badenoch & Strathspey (£15.6m) and Skye, Lochalsh & South West Ross (£28.3m) districts have been subject to redesign. Within these financial envelopes, disinvestments and investments have been identified which will both modernise and deliver more sustainable care and services for the respective communities.

The foundations of the redesign are around disinvesting in buildings and outdated models of care, and investing in staff, services and infrastructure to help more people to be independent at home or as close to home as possible. In doing so it will facilitate less reliance on hospital and institutional care, and provide greater choice for people at the end of their lives. The new and refurbished buildings will be fit for purpose for the delivery of modern health and social care.

In addition to this the redesign programme will deliver a reduction in recurring revenue costs overall by circa £506k.

It will see a combined investment of circa £700k in staffing to support enhanced front line community services, including: care-at-home, flexible use beds in care homes and greater choice for palliative/end of life care. There will also be a grant allocation of £35k for the local transport solution in Badenoch & Strathspey. Funding implications for a transport solution for Skye, Lochalsh and South West Ross will be clarified at Full Business Case.

Capital investment of £1.4m by the Highland Council has already been made to improve the Wade Centre in Kingussie, and further work is planned in 2018 at Grant House in Grantown-on-Spey including for the provision of step-up/step-down/flexible use beds.

Capital funding of £6.85m is required from the Scottish Government Health and Social Care Directorate to facilitate;

- upgrades of Grantown-on-Spey Health Centre and Kingussie Medical Practice to accommodate the services that will remain in existing locations when the two hospitals close (£2.15m);
- redesign of Portree Hospital as a 'Spoke'[1] facility and alterations to Broadford and Kyle Health Centres to fully utilise existing space (£2.65m);
- procurement of land in Aviemore for the Badenoch & Strathspey Hospital (£600k); and
- purchase of equipment for the 2 community hospitals (£700k for Badenoch & Strathspey and £750k for Skye, Lochalsh & South West Ross).

More generally opportunities to co-locate and integrate services will deliver a reduction in

[1] It will also act as a 'Hub' for North Skye

the footprint by four buildings and back-log maintenance costs by circa £11m.

Based on the changed configuration of services an investment of £30.58m is required to build the community hospital 'Hubs' in Aviemore and Broadford through a revenue financed solution. This investment will provide strategically located, modern facilities, which will enable NHS Highland to deliver community-based services which will better meet the future needs of these communities.

The new buildings will also provide improved working conditions for staff and a more therapeutic environment for patients and visitors.

Implementing the proposed investment will address a range of deficiencies which exist across the services and accommodation, the most crucial of which are:

- Replacement of Ian Charles Hospital in Grantown-on-Spey and St Vincent's Hospital in Kingussie with new facilities in Aviemore (Hospital and Health Centre), including co-location of Scottish Ambulance Service;
- Redesign of Portree Community Hospital as a Spoke[2] to accommodate Portree Medical Practice, Minor Injury Unit, Urgent Care Centre, Outpatients, Scottish Ambulance Service and day care services; and
- Replacement of Dr MacKinnon Hospital with a new Hospital Hub in Broadford continuing the co-location with the Scottish Ambulance Service.

[2] The wider redesign for the area has been termed 'Hub' and 'Spoke' however the Portree facility will act as a 'Hub' for North Skye

2. EXECUTIVE SUMMARY

2.1 Strategic Case

2.1.1 *Introduction and Purpose*

This Outline Business Case combines two Health and Social Care Redesign Projects which are located over two geographical areas within the NHS Highland board area: Badenoch & Strathspey and Skye, Lochalsh and South West Ross.

When approving the Initial Agreements the Capital Investment Group confirmed that the NHS Highland Board should progress both projects through a single Outline Business Case.

The redesign proposals will deliver the ambitions of the Scottish Government's 2020 Vision: "*Achieving sustainable quality in Scotland's Health Care*" and the "*Health and Social Care Delivery Plan"* which set out the transformation required for health and social care to make services sustainable for the future.

The document has been prepared in accordance with required guidance and includes programme's objectives, benefits, risks, costs and other relevant information.

It follows on from the preparation of Initial Agreement documents for each area which described the strategic case for change and the preferred service model options. Both proposals build on considerable work that has been ongoing since 2012 to integrate health and social care services in Highland. Working in an integrated system has been pivotal to supporting whole system redesign of health and social care services across both areas.

The purpose of the Outline Business Case therefore is to demonstrate that the chosen options are sustainable, represent value for money, and that appropriate procurement routes and robust management arrangements are in place in order to deliver the changes effectively. It also covers in more detail the necessary investment required as well as the significant progress to date with implementing the proposals.

2.1.2 Strategic Context and Case for Change

The work to redesign health and social care services in both areas will deliver the ambitions of 2020 Vision and is fully consistent with the actions highlighted in the Health and Social Care Delivery Plan published in 2016. One of the key objectives is to provide more care at home, or as close to home as possible in a homely environment.

The demographic challenges alone mean that the current configuration of services is not sustainable from a staffing perspective. Overall the focus of the redesign in both areas is on having strong primary care and community-based services that are integrated across health and social care. This is supporting a reduction in hospital admissions and length of stay as well less time spent in institutional care. The redesign of services builds on significant progress to integrate health and social care service as well making services safer and more efficient through the board's programme of quality improvement work.

In addition three of the four hospitals in scope (Dr Mackinnon, Ian Charles and St Vincents) are old and are in very poor physical condition and function. Inpatient facilities in all hospitals are not fit for purpose and do not meet modern standards. In Badenoch & Strathspey the hospitals are also not centrally located. Where hospital based care and services are required then they should meet modern standards and be centrally located for localities as well as strategic access to Raigmore Hospital, NHS Highland's only District General Hospital and New Craigs the District's Specialist Mental Health Hospital.

2.1.3 Preferred Solutions

The redesign of services in both areas will see a combined investment of circa £0.7 million to support enhanced front line community services, including: care-at-home, flexible use community beds in care homes and greater choice for palliative/end of life care. These enhanced community services are already being implemented and tested. The preferred solution also includes building two new hospital 'Hub' facilities (Broadford and Aviemore) through proposed investment of circa £30m.

Access to minor injury and urgent care in and out hours is not changing but there will be benefits from having Out of Hours and diagnostic services co-located with all inpatient services, which is not currently the case.

More generally opportunities to co-locate and integrate services as part of the redesign with a reliance on fewer buildings are part of the plans. Overall there will be a reduction in recurring revenue costs by circa £506k and a reduction in the footprint by four buildings and back-log maintenance costs by circa £11m.

Specifically in Badenoch and Strathspey, the Health Centres and Ambulance bases will remain in existing locations and investment is sought to refurbish Grantown Health Centre and Kingussie Health Centre. The preferred solutions also include a replacement Health Centre in Aviemore, to be co-located as part of the new 24 bed community hospital 'Hub' in Aviemore.

The existing community hospitals in Grantown-on-Spey and Kingussie will be closed once necessary alternative arrangements are in place.

For Skye, Lochalsh and South West Ross, community beds will be commissioned in North Skye and will include step-up/step down beds. These arrangements together with the wider investment in community services will support the re-provision of 24/7 community beds in Portree.

Portree Community Hospital will be redesigned as a 'Spoke' for Skye and a Hub for the North of Skye and will include services from Portree Medical Practice, integrated team, out patients and the Scottish Ambulance Service. The Practice will also provide a 'one stop shop' to support people to remain at home through early identification of frailty and care needs.

Access to minor injury, urgent care and accident & emergency is not changing. The location of GP Medical Practices / Health Centres and Ambulance Service are also not changing, with the exception of co-location of Portree Medical Practice and Scottish Ambulance Service in the 'Spoke' / North Skye Hub.

2.1.4 Implementation of Proposals and Change in Scope

Since the approval of the Initial Agreements, significant progress has been made to further develop and implement some of the proposals and these are summarised. There have also been slight changes in the scope including the decision not to build an endoscopy unit in the new hospital in Broadford. The rationale and benefits behind this change in scope is explained.

These exciting proposals are exemplar redesign of health and social care services across whole districts demonstrating the practical delivery of Scottish Government strategies and plans including delivery of their 2020 vision.

2.2 Economic Case

2.2.1 Background

The Economic Case presented, with agreement from Scottish Government Health and Social Care Directorate, is confined to analysis of the do-minimum/do-nothing option and the preferred options as described within the Initial Agreement documents. It is worth noting that the site option location appraisals, which were included as part of the formal Public Consultations, are not revisited.

2.2.2 Short List of Options

Through separate Options Development and Appraisal processes a short list of three options were developed for both areas. A preferred option was identified for both projects which were endorsed following public consultation, board and Scottish Government approvals. Different preferred solutions were identified for both projects (Table 1).

Table 1 – Short List and Preferred Options for both projects

Short List of Options	Preferred Option
Do Minimum (Option 1 in the Initial Agreement)	Neither
Community Resource Centre and Hospital Hub with Spoke (Option 2 in the Initial Agreement) (PREFERRED)	Skye, Lochalsh and South West Ross
Community Resource Centre and Hospital Hub (PREFERRED) (Option 3 in the Initial Agreement)	Badenoch & Strathspey

Following further analysis, as part of the economic case, the preferred options retained their superior performance in terms of Cost per Benefit Point in both optimistic and pessimistic scoring scenarios when compared with Do Minimum.

2.2.3 Costs

An overview of costs for revenue, capital and benefits for both projects comparing the preferred options with do minimum, and with the associated assumptions and sensitivity analysis, are set out in Tables 5 to 14.

2.2.4 Outcome

The results of the Economic Analysis consolidate the position of both preferred options, alongside that of the non-financial benefits. The proposals will deliver a redesign of services that is both affordable and sustainable.

2.3 Commercial Case

Both redesigns are fundamentally about the further development and strengthening of primary care and community services. Based on the changed configuration of services, however, there is a capital based element in both areas. This includes investment cost of £30.58m to build the community hospital 'Hubs' in Aviemore and Broadford, and £4.8m to reconfigure and refurbish the Portree 'Spoke'/North Skye Hub and Health Centres in Broadford, Kyle, Kingussie and Grantown-on-Spey.

The Commercial Approach recommended for the proposed investment is detailed in Section **6** of this document. The reconfiguration and refurbishment of existing facilities will

be procured as traditional capital works, with design element in-house. The Scottish Futures Trust hubCo Design Build, Finance and Maintain approach will be used to procure the new build hospital 'Hub' elements of the project. This approach is consistent with Scottish Capital Investment Manual guidance.

Funding arrangements for the elements to be procured through the hubCo Private Sector Development Partner route are described. NHS Highland submitted a New Project Request to hub North Scotland Ltd, the Private Sector Development Partner for the north, in May 2017 and this was accepted. This is a request to prepare a Stage 1 Submission, and detailed the affordability cap, specific requirements, and project brief.

The Private Sector Development Partner is responsible for providing all aspects of the design and construction of the new build facilities. hub North Scotland Ltd held a competition among its tier 1 supply chain and appointed Balfour Beatty PLC as Design and Build Contractor and Oberlanders/Rural Design as Architects for the project.

Facilities Management services, including planned and reactive property maintenance and lifecycle will be provided by the Private Sector Development Partner.

NHS Highland has appointed a number of external advisers to develop the commercial arrangements, including Technical, Legal, Financial and Insurance.

Risk Allocation, Payment Structures and contractual arrangements are also detailed.

There are no employees who are employed on services that will be transferred to the private sector under the proposals for this Project, and therefore the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) will not apply.

2.4 Financial Case

The Financial Case sets out all associated capital and revenue costs, assesses the affordability of the preferred options and the impact on NHS Highland's financial position.

2.4.1 Affordability

The affordability of this investment for NHS Highland has been assessed by the Finance department at NHS Highland, and the outcome is detailed in Section **7**. The proposed investment has been reviewed by the NHS Highland Asset Management Group and the NHS Highland Board and is deemed to be affordable to the organisation, and the financial consequences of NHS Highland investment will be managed as part of the revenue and capital planning process.

The capital investment (affordability cap) proposed at New Project Request Stage for the community hospital bundle is £30.58m, based on benchmarked costs and is detailed in the Financial Case (Section **7**).

2.4.2 Land Procurement

A capital allocation of £600k is required from the Scottish Government Health and Social Care Directorate to procure the land in Aviemore. The land procurement has been agreed subject to planning consent and Outline Business Case approval. There is no other land purchase required.

2.4.3 Existing Site Reconfiguration

Reconfiguration of existing hospital sites are required to deliver the key outcomes of the service model. Grantown-on-Spey and Kingussie Health Centres require reconfiguring to accommodate the services that will remain in existing locations when the two hospitals close. Portree Hospital requires reconfiguring to support the 'spoke' model including Portree Medical Practice and alterations are required to Broadford and Kyle Health Centres. Capital funding of £2.15m for Badenoch and Strathspey and £2.65m for Skye, Lochalsh and South West Ross is requested via approval of this document.

2.4.4 Disposal of Surplus Sites

Investment in the project will mean that five buildings will be declared as surplus for disposal: St Vincent's Hospital (Kingussie), Ian Charles Hospital (Grantown-on-Spey), Rathven Community Base (Aviemore), Health Centre (Aviemore) and Mackinnon Memorial Hospital (Broadford).

The financial case assumes that capital receipts will be allocated to Scottish Government in accordance with CEL 32 (2010) and no benefit to NHS Highland is assumed in the financial model.

2.4.5 Overall Affordability – Revenue

The current financial implications of the project in revenue terms confirm the projects affordability at New Project Request stage and will deliver a planned recurring revenue saving of £506k.

2.5 Management Case

2.5.1 Project Management Arrangements

NHS Highland has established a Programme Board, chaired by the Senior Responsible Officer. The Senior Responsible Officer provides assurance to the NHS Highland Board on key aspects of governance and internal control, and reviews progress reports on the delivery of key project milestones. The other members of the Programme Board include Project Directors, Clinical Director and public representatives for both areas. The Head of Estates, Head of Public Relations and Engagement, Director of Adult Social Care and a representative from Scottish Futures Trust are also members of the Programme Board.

The Project Directors are supported by a project team comprising Project Managers, Operational Managers, Clinical Advisor, Head of Finance, Staff-side representatives and supplemented by expert external advisors (Commercial, Economic, Technical, Legal, Financial and Insurance).

An Execution Plan outlines the plans in place for both current and future stages of the project, and this has been reviewed and approved by the Programme Board.

2.5.2 Benefits Realisation

A Benefits Realisation Plan has also been developed for each project (Appendix 1). This will enable NHS Highland to measure and manage the predicted benefits which this programme is intended to deliver and in particular the delivery of integrated services that are safe, sustainable both from staffing and resource point of view.

Alongside the Plan there is a Benefits Register (Appendix 2) which includes both financial and qualitative measures which are predicted to be realised and include:

- Greater numbers of people being cared for in their own home;
- Reduce length of stay in hospital;
- Co-location of multi-disciplinary teams, public sector partner and voluntary services;
- Equality of access to health and social care services;
- Dementia friendly inpatient facilities;
- More dignity and privacy for inpatients – 100% single rooms with en suite;
- End of Life Care – 60% of deaths to be in a homely setting;
- Increased use of telemedicine to support delivery of services closer to home;
- Reduction in building operating costs; and
- More sustainable and flexible staff cover.

This Plan and Register will be further developed through the Full Business Case process.

It is worth noting that many of the benefits are expected to be delivered in advance of the new hospitals being opened. The smooth transition to transfer older adult mental health services in St Vincent's hospital to more appropriate settings demonstrates early delivery of a key part of the plan in Badenoch and Strathspey.

2.5.3 Key Project Milestones

A summary of estimated key project milestones is provided in table 2 below:

Table 2 – Key project milestones

Milestone	Timeframe
Transfer of Older Adult Mental Health Services to New Craigs, Inverness	Complete March 2017
Stage 1 Approval	November 2017
OBC Approval by CIG	January 2018
FBC Approval by CIG / Stage 2 Approval	November 2018
Financial Close of hubCo contract	December 2018
Construction Complete	November 2020
Service change fully implemented / operational	December 2020
Existing site reconfiguration complete	March 2022
Final post project evaluation	December 2022

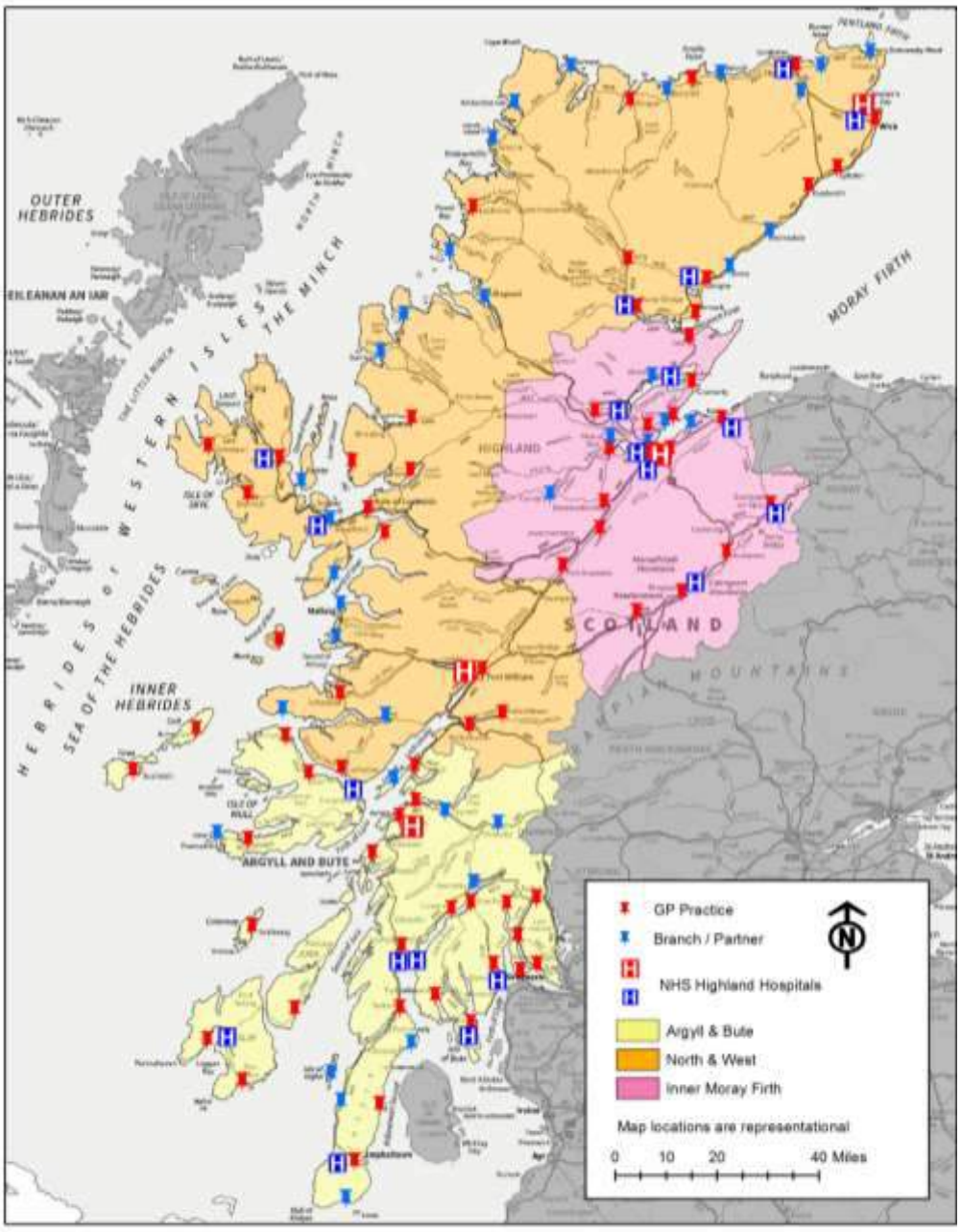
If the proposals are developed it will see the modernisation of health and social care services being fully delivered by 2020, consistent with the 2020 vision. This Outline Business Case is the culmination of a huge amount of effort from local communities, staff and partner agencies.

3 INTRODUCTION AND PURPOSE

This Outline Business Case combines two Health and Social Care Redesign Projects which will deliver the ambitions of the Scottish Government's 2020 Vision: "Achieving sustainable quality in Scotland's Health Care" and the *Health and Social Care Delivery Plan* which set out the transformation required for health and social care to make services sustainable for the future.

The projects are located over two distinct geographical areas within the NHS Highland board area: Badenoch & Strathspey and Skye, Lochalsh and South West Ross (Map 1).

Map 1 – NHS Highland geographical areas



NHS Highland Hospital locations and GP Practices

NHS Highland

Health IntelligenceTeam
Directorate of Public Health
Larch House, Inverness
Date: Mar 2017

The document has been prepared in accordance with the guidance given in the Scottish Government Health and Social Care Directorate's Scottish Capital Investment Manual (July 2011, updated February 2017) and HM Treasury Green Book.

It follows on from the preparation of Initial Agreements for each project with both Agreements being approved by the NHS Highland Board: 02/06/15 (Badenoch and Strathspey) and in 16/07/16 (Skye, Lochalsh and South West Ross) and subsequently endorsed by the Scottish Government Capital Investment Group on 28/09/15 and 01/11/16 respectively.

The Initial Agreement documents set out the strategic case for change and the preferred service model options.

3.1 Purpose and Compliance

Moving on the from the Initial Agreements the Outline Business Case summarises NHS Highland's thinking in terms of the most important issues that shape our strategic priorities and how these align nationally, regionally and across NHS Highland, including refreshing on any policy or other relevant documents since the submission of the Initial Agreements. Both initial agreements were forward thinking from the outset and in terms of the strategic case have required very little amendment to reflect the national or regional agenda.

The clear purpose is therefore to demonstrate that the chosen options presented in the Initial Agreements represent value for money, are sustainable and that a procurement route and robust management arrangements are in place. This is in order to deliver the changes effectively. It also sets out the investment required for the chosen options as well as associated costs.

The Outline Business Case leads to the presentation of the board's argument that the proposed investment is financially sound, within affordability constraints, demonstrates the way in which the preferred options can be taken forward and are fully consistent with national strategy.

NHS Highland recognised that both preferred options would require to be considered in greater detail as part of the Outline and Full Business Case process.

When approving the Initial Agreements the Capital Investment Group confirmed that the NHS Highland Board should progress both projects with a single Outline Business Case. This is for the specific purpose of getting best value for the community hospital build elements which are bundled under a single design, build, finance and maintain contract.

While there are benefits of bundling in general, being able to bundle two projects within the board area offers additional value for money for the board. However, it should be stressed that the redesign projects are quite separate with unique circumstances. Both Projects are predicated on a focus on primary care, anticipating care needs and with a redesign of community based services, where the build of the new hospital 'Hubs' are part of the solution of a much wider redesigns in each area..

During the sign-off processes The Cabinet Secretary for Health, Wellbeing and Sport and the Capital Investment Group also set out a number of conditions to be addressed as part of the business case process. These are described including our plans for mitigation of any such conditions.

3.2 Objectives of Outline Business Case and Structure of Document

This document defines what has to be done to meet the strategic objectives and preferred

solutions identified in the Initial Agreement documents. In doing so it prepares the way for the Full Business Case. Following the Outline Business Case Framework it allows the benefits, costs and risks to be identified and evaluated and presented in a structured and systematic manner. It is based on the need to justify the proposed decision making, demonstrate the expected outcome of the project and the expected benefits that will be delivered**.**

In summary, the objectives of the Outline Business Case are to:

- Review the Initial Agreement particularly the strategic case, and what may have changed;
- Analyse the shortlisted options presented and demonstrate how each best delivers the (non-financial) benefits;
- Undertake a financial and economic appraisal to demonstrate value for money;
- Confirm the preferred option for both geographical areas;
- Demonstrate the affordability of the preferred option in each area;
- Details the commercial arrangements; and
- Set out the management case.

Following the updated guidance in the Scottish Capital Investment Manual the document has been divided into the following sections below (Table 3).

Table 3 Summary of Document Structure for Outline Business Case

Section	Contents
Section 2	**Executive Summary** Summarises the Outline Business Case
Section 3	**Introduction and Purpose** Provides the background and the methodology followed in the preparation of this Outline Business Case.
Section 4	**The Strategic Case** Revisits the Initial Agreement and provides an overview of the organisation, case for change, its investment objectives, updates to current proposals, strategic risks and constraints on future service delivery.
Section 5	**The Economic Case** Provides detail on the costs of each of the shortlisted options, provides insight into the assessment of options, benefits and project risks.
Section 6	**The Commercial Case** Details the charging mechanisms, key contractual arrangements, implementation timescales and accountancy treatment.
Section 7	**The Financial Case** Examines the funding model, impact on the balance sheet and income and expenditure account and comments on the overall affordability.
Section 8	**The Management Case** Demonstrates the approach to procurement, project management, risk management, benefits realisation, post project evaluation and the project timetable.
Glossary	Provides reference for the technical terms and abbreviations used within this document.
Appendices	Provides additional detailed supporting information

A Glossary and supporting Appendices providing additional detail are also included.

4 STRATEGIC CASE

The strategic context and the case for change, as set out in both Initial Agreements approved in September 2015 (Badenoch and Strathspey) and November 2016 (Skye, Lochalsh and South West Ross), has been reviewed and refreshed to reflect the most up to date Scottish Capital Investment Manual (SCIM) guidance (February 2017) as well as other relevant strategic documents and any changes to the proposals.

Fundamentally the springboard for both redesign proposals was the Scottish Government's 2020 vision, to deliver "Safe, effective and person-centred care which supports people to live as long as possible at home or in a homely setting." It was also one of the key drivers behind NHS Highland's early move to integrate health and social care in partnership with the Highland Council in 2012.

This remains the underpinning philosophy of the redesign proposals however the case for change is further strengthened by the increasing challenges to sustain current models of health and social care services. This is true across the country, and indeed beyond, and is further reflected in The National Clinical Strategy for Scotland, published in February 2016; and the Health and Social Care Delivery Plan published in December 2016 by the Cabinet Secretary for Health and Sport.

In particular the delivery plan outlines the transformation required for health and social care in Scotland to make our care and services sustainable for the future. The plans identified are designed to help address the combination of rising demands being faced by services, the changing needs of an ageing population, increasing costs and staffing and financial pressures.

It also acknowledges the need to '*continue to evolve our health and care services to meet new patterns of care, demand and opportunities from new treatments and technologies'* Further it highlights the requirement to focus on actions around three key areas:

- r*educing inappropriate use of hospital services;*
- *shifting resources to primary and community care; and*
- *supporting capacity of community care.*

These key areas very much resonate with the objectives of the boards redesign proposal and serve to illustrate how forward thinking the board was when discussions to redesign services first got underway in 2012/13.

Other important publications since the submission of the Initial Agreement include The Chief Medical Officers Annual Report (2014/15) on Realistic Medicine (published in February 2016) which was followed up with her second Annual Report (2015/16) Realising Realistic Medicine (February 2017). These reports highlight the need to put the person receiving health and care at the centre of decision-making and encourages a personalised approach to their care. This is particularly relevant to the proposals for end of life care described in this business case. The key aims of reducing harm, waste and tackling unwarranted variation underpinning Realistic Medicine also are central to our philosophy and shape the proposals for communities and services Badenoch and Strathspey and Skye, Lochalsh and South West Ross,.

Two reports published by Audit Scotland 'NHS in Scotland 2016 (October 2016) and 'NHS in Scotland 2017 (October 2017) both clearly describe how the NHS is under pressure with the need for change and longer term planning. The proposals have also been reviewed in line with the emerging regional agenda and have been shown to be a good fit both on case for change and for the model of services being proposed.

It is within this national and regional context that NHS Highland has been redesigning services including the proposals set out in the Business Case and both were referenced in the boards three year Quality and Sustainability Strategy and Plan 2017/18 to 2019/20, published in May 2017 which set out a number of strategic goals including:

- ensure services are sustainable (workforce challenges);
- provide services and facilities to meet 21st century health and social care needs;
- provide high quality, integrated and cost-effective services; and
- reduce waste and inefficiency across services.

4.1 Conditions to be met as part of the Outline Business Case

Following the public consultations in 2014, the Cabinet Secretary for Health, Wellbeing and Sport, in her letters to the board highlighted a number of conditions to be met as part the redesign, as follows:

Badenoch and Strathspey

- Ensure that workable transport solutions are in place
- Step-up/step-down beds to be created in both local communities prior to the closure of the hospitals
- Community and care at home provision to be in place
- Continue to involve local stakeholders and make sure they are fully informed

Skye, Lochalsh and South West Ross

- Confirm arrangements for the necessary expansion of capacity for care at home and community services
- Further integration of health and social care
- Commitment for the provision of palliative and respite care
- The need for transport solutions
- New arrangements to be fully tested and up and running before any changes to the current service provision are made.

When the Capital Investment Group approved the Initial Agreement on 2nd November 2016, they highlighted two further specific areas which required clarification prior to the submission of the New Project Request (NPR);

- Confirm whether endoscopy services be included within the 'Hub' in Broadford; and
- Confirm confidence in the ability to commission an increase in care home capacity.

4.2 Overview of Proposals and Updates on Implementation

Since the submission of the Initial Agreement, significant work has been ongoing to implement the out of hospital elements of the redesign proposals. The focus has been on developing additional community services, infrastructure and improved communication and co-ordination across hospital and community.

The redesign of services in both areas will see a combined investment of circa £1 million to support enhanced front line community services, including: care-at-home, flexible use community beds and greater choice for palliative/end of life care with appropriate transport solutions. These enhanced community services are already being implemented and tested.

Access to minor injury and urgent care, in and Out of Hours, is not changing but there will be benefits of having Out of Hours and diagnostic services co-located with all inpatient services, which is not currently the case.

More generally opportunities to co-locate and integrate services will deliver a reliance on fewer buildings. Overall in addition to the reconfiguration of services there will be a reduction in recurring revenue costs by circa £506k and a reduction in the footprint by four buildings and back-log maintenance costs by circa £11m.

The proposals and key elements of the plan specific to each area are summarised. Any changes to the scope are also explained. The more detailed description of current services was set out in the Initial Agreement documents and only briefly covered here where relevant to do so.

4.2.1 Badenoch & Strathspey

4.2.1.1 Background and Summary of the Proposals

The district is covered by one Integrated Team which is made up of the range of health and social care professionals who work flexibly across all services. Currently, staff are located across a number of different bases but under the new arrangements it will allow them be co-located with a single point of access for service users and other partners.

In terms of investment in community services locally as a result of the whole service redesign, this will mean a:

- 85% increase in Community Nursing staff numbers (58% of this already in place following the transfer of older adult mental health beds);
- 62% increase in Community Mental Health staff numbers (28% of this already in place following the transfer of older adult mental health beds);
- 26% increase to Care at Home service resource;
- 26% increase in Out of Hours nursing staff numbers;
- 24% increase in the Allied Health Professional team; and
- Investment in community transport infrastructure will double.

In addition NHS Highland manages two care homes in the area: 20 bed Grant House in Grantown-on-Spey and 10 bed Wade Centre in Kingussie. The proposal includes creating step-up/step-down community bed(s) to avoid hospital admissions in these locations.

Health Centres and Ambulance bases will remain in existing locations and investment is sought to refurbish Grantown Health Centre and Kingussie Health Centre. The preferred solutions also include a replacement Health Centre in Aviemore, to be co-located as part of the new 24 bedded community hospital 'Hub' in Aviemore. Under the new arrangements The Scottish Ambulance base will also relocate to the new facility.

Ian Charles Dental unit (Grantown-on-Spey) and the Scottish Ambulance Service bases (Grantown-on-Spey and Kingussie) will remain in their existing locations.

All the community hospital inpatient care for the district will be provided from the new hospital in Aviemore. For the first time, this will allow 24/7 medical care to be co-located with inpatient services. Medical input will be provided by the local GPs through a Service Level Agreement.

The hospital will provide a range of services including X-ray, Minor Injury, Urgent Care, Outpatients, and Allied Health Professional Services. The integrated team will be co-located in the new facility. The Out of Hours centre for Badenoch and Strathspey will remain in Aviemore with staff based in the hospital.

4.2.1.2 Updates on Implementing Proposals

Re-provision of Consultant-Led Older Adult Mental Health Beds, Kingussie

The proposal to remove older adult mental health consultant-led beds from Lynwilg Ward (St Vincent's, Kingussie) was successfully completed in March 2017. This has brought significant benefits with patients being cared for in an appropriate environment with more people now being cared for at home or in their local community.

This has been achieved through a combination of increasing community services and slight increased beds capacity in New Craigs Mental Health Hospital (Inverness) in line with the clinical model and workforce plan. The new arrangements are safer, more sustainable and person-centred.

The staff from Lynwilg have now all been appropriately redeployed into interim positions until full redeployment process is completed. This has included moving staff into posts consistent with the new community based model and is working well (Case Study – page 19). It has also been a very important test of implementing our workforce and HR plans to transition services from hospital to community.

NHS Highland Managed Care Homes

Refurbishment of the Wade Centre in Kingussie is complete and now includes a step-up/step-down bed which became operational in January 2018. The Highland Council own the Wade Centre and funded the refurbishment work.

In Grant House (Grantown-on-Spey) a preferred option for the provision of two Heather beds has also been identified and drawings are being prepared. These are due to be operational by the end of 2018. This refurbishment has also been funded by the Highland Council.

The importance of these developments is that they will support the reduction of hospital admissions. Under the current arrangements there are people in community hospitals because alternatives do not exist. Moreover it means that there will be alternative community based options in place and tested in Grantown-on Spey and Kingussie in advance of the new hospital being built.

Care at Home

A redesign of care at home across the whole operational unit was completed in October 2017. The purpose was to increase both quality and capacity through greater use of independent providers for maintenance of ongoing packages of care. In doing so this will release the NHS Highland staff to provide a re-ablement service helping to get people back to being independent and stay independent. Additional financial investment of £105k is identified (Appendices 6 and 11) to further support this outcome.

A wider review of all care at home packages is also underway. This is to ensure all clients are receiving the right level of care and that the wider available options to support people at home are being considered. A move away from rigid, time-orientated scheduling is being tested to support a more person centred approach as well as more flexible use of care at home capacity. The expected benefits are that it will create additional time for caring to look after more people at home in general and more people with complex needs. These developments will support both a reduction in time spent in hospital and institutional care.

Case Study

The 35th President of the United States of America, John F. Kennedy, claimed that change is the law of life. He lamented that those who look only to the past or present are certain to miss the future.

And one NHS Highland community healthcare assistant has taken the late President's advice to heart. Dereck Rutter recently made a change in his career, moving from a working in a mental health unit at St Vincent's Hospital in Kingussie to a community-based role in Badenoch and Strathspey.

"I was redeployed in April this year and I have really embraced the change," he explained. "I really enjoy my new role as it allows me to use the skills I was trained for.

"Personally, I was ready for the change and I think that has helped me adapt to the shock of a new way of working. I was previously based on the Lynwilg ward in St Vincent's and working in the community is completely different.

"I now work as part of a team and I feel really involved in the care we deliver. We have handovers every day where we discuss the patients we have seen and any issues they may have. I also feel that it gives me a chance to reflect on the work I have done that day. It's nice to work closely in a team, but at the same time have the independence to visit patients across the area."

Dereck is a perfect example of an NHS Highland employee who has embraced a new way of working to improve the services we provide and also develop and nurture his own career development.

And he said it's not only his working life that has improved since starting in his new role. "My health has improved since I moved to the community team and I feel much more relaxed and les stressed," he explained. "I feel that my mental health has improved and I'm happier than I've ever been – at work and in my personal life.

"My colleagues in the community nursing team have played a big part in my redeployment and they all have been very supportive of my personal development and training.I know that change can be daunting, but it doesn't have to be. We have a responsibility to deliver the best possible care to the patients we serve, and if making little changes to how we work helps us achieve that then we must embrace it."

Palliative[3] / End of Life Care[4]

This is another important area where the redesign proposals will bring significant benefits to local communities by providing more person-centred and flexible end of life care for people based on their choice as far as possible.

Badenoch & Strathspey is the first site in Highland to pilot the new End of Life Care framework, encompassing joint working between hospital, care homes and community teams. This is progressing in partnership with Marie Curie, MacMillan Cancer Care, Highland Hospice and Independent Care Home and Care at Home providers. A local project group has been set up and a successful application has been made to MacMillan Cancer Care to secure additional project leadership resource. Our vision and strategy document is available if required.

The redesign will improve the required community support, raise awareness of the issues, improve multi-disciplinary approaches and arrange necessary education and training well in advance of 2020.

It is worth noting that historically across B&S, approximately 55% of expected deaths currently occur in a hospital rather than the persons own home or a homely setting. Currently, a significant number of people die in acute hospital setting some distance from their family and community. The data consistently demonstrates that people dying in their own home in B&S is lower than the Scottish average. Our proposals will reverse this trend so that being at home in one's final days is a high quality deliverable option.

Health Centres

A final drawing for Grantown Health Centre (owned by NHS Highland) has been agreed with the Practice. This reconfiguration is necessary in order to have a workable solution to de-couple the Health Centre from the hospital and accommodate Outpatient, Physiotherapy and Minor Injury services that will be retained in Grantown once Ian Charles Community Hospital closes. Funding is requested from Scottish Government as part of this OBC.

Options to accommodate additional services within Kingussie Medical Practice (which the Practice own) or elsewhere in Kingussie are also being considered. This is to support the local relocation of Physiotherapy and Outpatient services in Kingussie once the St Vincent's Hospital closes. Work is progressing positively.

Hospital Bed Numbers

The information at Initial Agreement stage indicated 20-25 beds. Since then a demographic study has been carried out by St Andrew's University, based on newly available small scale statistics. NHS Highland has now concluded bed modelling work and has confirmed that there shall be 24 beds in the new facility. Within this bed complement we are seeking to make maximum use of flexible-use resources where possible with four of the hospital beds being available for wider community use. This will include having two 'step-up/step-down beds which would function in the same way as those in Grant House and the Wade Centre. This approach will provide flexibility and recognises that there are no care home facilities in Aviemore to provide similar step-up/step-down care. The hospital beds are accessed direct by GPs and it is a tried and tested model in Highland.

[3] Palliative care refers more broadly to the care of those with a life limiting condition which is advancing towards the last year of life;

[4] End of life care refers to the time when the person's expected death is imminent and is expected to happen within the next few months, weeks or days.

Transport & Access

A local group has been set up to oversee the development of a Transport and Access Plan. Aberdeen University carried out an Independent Assessment and as a result, solutions have been identified and funding included as part of the OBC. This includes an agreement in principle with the B&S Transport Company to complement commercial transport by transporting patients/relatives where required during the in hours period. The new facility will act as a 'hub at the hospital' for both commercial and community transport providers and will include a bus stop, live timetabling, and provision for walking and cycling.

4.2.2 Skye, Lochalsh & South West Ross

4.2.2.1 Summary of the Proposals

The location of GP Medical Practices / Health Centres and Ambulance Service is not changing, although Portree Medical Practice and the Ambulance Service will be co-located within the Portree 'Spoke'. Whilst there are three fully integrated teams in place there is a need to further invest to increase capacity and also support greater co-location.

This will include;

- 670% increase in generic health and social care support worker establishment to support community health and social care services;
- 5% increase in Allied Health Professionals; and
- flexible use of care homes for community beds for step up / step down and end of life care.

The 'Spoke' in Portree will house the Urgent Care Centre and outpatient services that are currently provided from Portree Hospital.

It will also be the main base for the North Skye Integrated Teams and the Portree Medical Practice. The GP practice will be working closely with the integrated team and geriatrician to provide a 'one stop shop' to support people to remain at home through early identification of frailty and care needs.

A range of other services will be provided including intravenous therapies and rehabilitation. It is proposed to co-locate the Scottish Ambulance Service (north Skye) team to further support integrated working, sharing workload, skills maintenance and professional support.

NHS Highland is in the process of commissioning care home capacity in Portree including to provide step-up/step-down care. This together with the changes to community services will reduce the need for hospital admissions and time spent in hospital.

In the new model the new hospital 'Hub' which will be built in Broadford will provide all inpatient care (24 beds). The 24/7 medical input to the inpatients will be by Rural Practitioners (RPs). There will be some specialist input from visiting consultant surgeon and geriatrician.

It will also host the main diagnostics, A&E and Out of Hours centre for the area. It will be staffed and equipped to provide stabilisation, assessment, initial management and treatment 24/7. This will bring overall benefits for inpatient services.

The Scottish Ambulance Service will be co-located, as they currently are. The hospital 'Hub' campus will also be the main base for integrated health and social care teams in the area. The preferred site for the 'Hub' is owned by NHS Highland and is adjacent to the new Broadford Health Centre.

4.2.2.2 Updates to current proposals

Care Homes

A statement of intent has been agreed with a local care home provider to work collaboratively to increase capacity and develop flexible use community beds in Portree for north of Skye. It is proposed that the care home capacity will be increased by 10 beds with four beds initially to be commissioned for step up/down and end of life care. Block and spot purchasing for respite care will also be negotiated.

Options to make NHS Highland's An Acarsaid 10-bed residential home in Broadford dual registered with increased capacity are being considered. This would enable nursing level care to be provided in the home and overall support more people being cared for locally.

Care at Home

A redesign of care at home is underway and this will lead to embedding care at home in the local teams to improve responsiveness and professional supervision. The philosophy as described for B&S (section **4.2.1.2**) similarly applies for Skye, Lochalsh and South West Ross (SLSWR).

Palliative / End of Life Care

A common approach to the delivery of palliative and end of life care is also being taken across both proposals. It is focussed on how choice will be delivered including greater support in people's own homes. This is part of a Highland-wide approach.

Transport & Access

Aberdeen University carried out an Independent Assessment of Transport and Access and in particular looking at the impact of having all inpatient beds located in Broadford. NHS Highland is also carrying out surveys of patients, families and visitors. The final report was shared with the reconvened Transport and Access Working Group which includes local transport providers and voluntary organisations. Work is now being progressed with key partners.

Transport and access needs are also being considered in the infrastructure for the hospital site. This includes car parking, walking and cycling paths, the potential for a bus stop and provision of a drop off zone to accommodate any future community or voluntary transport solutions. Any costs associated with this will be included within the hospital 'hub' affordability cap.

Portree 'Spoke' Facilities / Hub for North Skye

The Board has now confirmed that Portree Medical Practice will move into Portree facility. As part of the new arrangements, they will develop day assessment services for the North of Skye. This will provide access to the multidisciplinary team (GP, nurse, social work, physiotherapist, and occupational therapist) to address any patients' medical and social care needs in a single visit. This will reduce the likelihood of the patient having to be admitted to a hospital in-patient bed in Broadford or to travel to see different people at separate appointments.

Hospital Bed Numbers, Broadford

Further work on bed modelling including a demographic study carried out by St Andrews

University has supported confirmation of hospital bed numbers. The original plan set out a range of 19-27 beds. NHS Highland has now confirmed 24 beds.

Bed occupancy taken across both community hospital sites on a daily basis generally indicates that we currently have more hospital beds than required. In addition a number of patients are delayed in hospital who do not have a medical need. The model will address this by having a focus on further strengthening primary care and community services with less reliance on hospital beds.

The layout of the current hospitals is also challenging, with some beds kept empty due to gender mix or infection control reasons. The new facility will have single en-suite rooms enabling more flexible use.

Community Integrated Team

Considerable progress has been made recently in the transition towards the new model of care. Acute staffing issues in Portree Hospital resulted in the teams having to think differently and led to a shift in care being delivered in the inpatient setting to care being delivered in the person's own home. This was achieved within existing community resource and demonstrates the ability of the integrated team to successfully deliver the new model of care. This is in line with NHS Highland's evolving vision for independent living accommodation for older people, which has less reliance on care homes and more focus on care being delivered a person's own home.

Reconfiguration of Existing Facilities

NHS Highland's Estates Department has agreed a programme of work to convert the current attic space at Broadford Health Centre as a base for the Integrated Care Team. The third floor of Kyle Health Centre will also be converted as an events space. In the original proposal, space was going to be built in the 'Hub', however, providing the base in the co-located health centre is a more effective solution and will still support co-locating and greater integration.

4.2.2.3 Change in Scope

Endoscopy Service

In 2014 the service was suspended on grounds of safety. The original proposals included endoscopy services which were provided from Dr MacKinnon Memorial Hospital in Broadford. As part of the business case process further work has been carried out to determine if reinstating the service in the new hospital represented the best solution or whether there are better alternatives.

A review conducted by Mr James Docherty, Colorectal Surgeon and NHS Highland Clinical Lead for Endoscopy has recommended an alternative and more innovative solution for diagnostic endoscopy. The trial of PillCam (capsule endoscopy), underway in Skye, offers a solution that allows more patients to be investigated locally, which is less invasive, more sustainable and will reduce travel.

4.3 Case for Change

NHS Highland has previously described some of the compelling reasons why services need to change to make them more sustainable for communities in B&S and SLSWR. These were set out in public consultation materials and covered in more detail in the Initial Agreement documents. In summary the original drivers underpinning the proposals remain the same:

- the population is ageing
- workforce and resources are not matching need
- community based services must be strengthened with less reliance on hospital beds
- lack of choice and flexibility for palliative and end of life care
- current arrangements are not optimising the benefits of integration and co-location
- better use of technology to reduce the need for travel
- medical support is not co- located with some inpatient services
- better use of resources and sustainability by consolidating services across fewer sites and in particular 24/7 locations
- significant back-log maintenance for buildings
- assets not strategically located

There have been no changes to these key drivers and the current challenges particularly around staffing only serve to further highlight the pressing need to bring in sustainable models of care.

4.3.1 Operational Issues

Since the submission of the Initial Agreements there have been a number of staffing pressures further highlighting why the models need to change.

Specifically in Skye, Portree Hospital closed to new admissions in August 2017 and currently there are only four beds open. In recent months staffing challenges have been particularly acute across nursing, catering and auxiliary staff. This is making it extremely difficult to staff the current model and again illustrate the need to co-locate inpatient services.

While there continues to be part-time X-Ray in Ian Charles Hospital the equipment is obsolete and it is unlikely to continue until the new hospital is open and will not be replaced.

4.4 External Factors

Construction of a new 40-bedded Private Care Home in Grantown-on-Spey by Parklands is nearing completion and the facility is expected to open in 2018.

The privately owned 12-bed Care Home ‘The Haven’ in Uig closed at the end of June 2017. At the time of closure there were 10 residents living in the home. Nine of the ten residents were all found places on Skye which demonstrated flexibility within the local system and arrangements reflecting progress on delivering community based solutions.

NHS Highland is carrying out a strategic overview of Care Homes to look at requirements across the board area. This will include an updated review of number, type and location of care home beds versus actual capacity and demand. The findings of the review will be available for Full Business Case. It is not expected to alter the proposed models in both redesign areas but it may an impact on precise numbers required especially in the more medium and long term.

4.5 Investment Objectives

To address the issues outlined above, our Investment Objectives were agreed to underpin the proposed new model of service provision shown in table 4:

Table 4 Summary of objectives and business need

Objective	Business need: changes required
1. Integrated health and social care	▪ Further development of anticipatory care to avoid hospital admissions ▪ Whole-system working to ensure more people cared for in the most appropriate environment ▪ Further investment in community services including care at home and create step-up/step-down beds in care homes. ▪ Further development of integrated teams and single point of contact ▪ Further developing multi-disciplinary and multi-agency approach to support end of life care ▪ Co-location of staff and partner agencies in new purpose built hospital 'Hubs' in Aviemore and Broadford. ▪ Re-design of Portree Hospital as 'Spoke' to facilitate greater co-location.
2. Improve user experience	▪ Enhanced community services to reduce reliance on institutional care. ▪ Create greater flexibility to allow more people to die at home or in a homely setting. ▪ Purpose built modern hospitals with user input to design of clinical areas and outdoor space. ▪ A dedicated infusion suite in new facility in Broadford 'Hub' will improve quality of care, experience and overall better use of facilities. ▪ Develop appropriate clinical areas for infusion service and recovery post minor-surgery. ▪ Better use of technology to reduce the need for travel for outpatient appointments, including Pillcam diagnostic endoscopy on Skye and NHS Near Me.
3. Improve access to services and care	▪ Enhanced care at home and choice for end of life/palliative care. ▪ Better use of technology to support remote access to specialist input. This would benefit from access to fast broadband ▪ Implement transport solutions
4. Flexible, responsive and preventative care	▪ Increased responsive community services ▪ Maintain locations of GP Practices in towns / villages. ▪ Flexible workforce across hospital and community. ▪ Create greater flexibility to allow more people to die at home or in a homely setting. ▪ Promote health and wellbeing. ▪ Initiatives to support independence and more resilient communities
5. Make best use of resources	▪ People cared for in most appropriate environment ▪ Review of care at home services ▪ Patient safety work and quality improvement to deliver safer, more person centred care ▪ Build new hospital Hub in Aviemore and co-locate inpatient services, Heath Centre, Ambulance ▪ Close two existing hospitals, one health centre and one office in Badenoch & Strathspey. ▪ Build new hospital 'Hub' in Broadford and provide all inpatient care from one site. ▪ Co-locate staff at 'Hub' in Broadford and 'Spoke' in Portree ▪ Reduce backlog maintenance by £11m (across both projects).

Objective	Business need: changes required
6. Improve quality of accommodation	▪ Build new hospital 'Hub' and health centre in Aviemore ▪ Build new hospital 'Hub' in Broadford ▪ All inpatient beds to be single rooms. ▪ Refurbish Care Homes (Wade Centre in Kingussie, Grant House in Grantown-on-Spey, An Arcasaid). ▪ Alterations and refurbishment of health centre premises in Broadford, Kyle, Kingussie and Grantown.
7. Improve safety of service delivery	▪ Clear clinical pathways so patients get directed to the right place of care first time. ▪ People cared for in the most appropriate environment ▪ Improved 24/7 access to medical care for inpatients. ▪ 100% single en-suite bedrooms in hospital. ▪ Aligning diagnostic and tests with inpatient care.

4.6 Conclusion on the Strategic Case for Change

The demographic challenges alone mean that the current configuration of services are not sustainable. The work to redesign health and social care services in both areas will deliver the ambitions of 2020 Vision and is fully consistent with the actions highlighted in the Health and Social Care Delivery Plan published in 2016.

More recently the report published by Audit Scotland ''NHS in Scotland 2017 (October 2017) clearly describe how the NHS is under pressure with the need for change and longer term planning.

Both redesigns are fundamentally about the further development and strengthening of primary and anticipatory care and community based services as close to home as possible. This will support a reduction in hospital admissions and length of stay as well less time spent in institutional care.

The redesign of services builds on significant progress made by NHS Highland to date to integrate health and social care service as well making services safer and more efficient through the board's programme of quality improvement work. The collaborative approach to co-design solutions for end of life and palliative care has the potential to be pioneering. The work on redesigning care at home and developing step-up / step down community beds in care homes is also well advanced.

An enhanced strategic solution for diagnostic endoscopy on Skye has emerged through technological developments and testing of diagnostic Pillcam. This is less invasive, will reduce travel and is more sustainable. Similarly plans to introduce NHS Near Me will also reduce travel for some outpatient appointments.

The proposals also include capital investment cost of £30.58m to build two community hospital 'Hubs'. These will support an overall reduction in the number of hospitals and location of inpatient facilities making services a lot more sustainable as well as modernising key assets providing more suitable environments for patients, staff and visitors.

All the national publications and reports continue to promote models of care that support more people at home or in a homely environment with less reliance on hospital inpatient care.

The NHS Highland Board firmly believes that the exciting and innovative proposals outlined within this Business Case, which are scheduled to be completed in 2020, demonstrate the practical delivery of the Scottish Governments 2020 vision and will be exemplar redesigns of health and social care at scale.

5 ECONOMIC CASE

5.1 Overview

The Economic Case presented within this Outline Business case (OBC) with agreement from Scottish Government Health and Social Care Directorate, is confined to analysis of the do-minimum/do-nothing option and the preferred options (as described within the Initial Agreements). It is worth noting that the OBC does not seek to re-run the site option appraisals which were included as part of the formal Public Consultations.

5.2 Initial Agreement Options

The options considered and outcomes obtained at Initial Agreement for each of the projects is described in 5.2.1 (Badenoch & Strathspey) and 5.2.2 (Skye, Lochalsh & South West Ross) below. Weighted benefit scores were compared with Net Present Costs to help assess trade-offs between costs and benefits. This enabled options to be compared in terms of value for money.

5.2.1 Badenoch and Strathspey (B&S)

The results from the Initial Agreement analysis are shown in table 5 below:

Table 5	**B&S**		
Option	Weighted Benefits Score	Net Present Cost (NPC) over 60 years £million	Cost (NPC) per Benefit Point £000
Do Minimum (Option 1 in Initial Agreement)	250	83.1	332
Community Resource Centre and Hospital Hub with Spoke (Option 2 in Initial Agreement)	463	68.4	148
Community Resource Centre and Hospital Hub (PREFERRED) (Option 3 in Initial Agreement)	913	65.2	71

The “Community Resource Centre and Hospital Hub” option was expected to provide best overall value for money. It has a very high Weighted Benefit Score, indicating that it is expected to perform well in terms of delivering the benefits required from the project. Furthermore, the adoption of optimistic or pessimistic scoring scenarios did not change the ranking of options which further indicated a robust result.

It was also recognised at that stage in the development of the options that the capital and revenue costs used in the calculation of Net Present Costs could only be indicative. Therefore, further sensitivity analysis was undertaken by examining the increase or decrease in costs that would be needed to bring about a change in the ranking of options.

It was clear that even if the “Do Minimum” option could be significantly reduced in terms of its capital and revenue costs, due to its very poor non-financial weighted benefit score it would remain poor value for money compared to the other two options. Furthermore, the Net Present Cost of the “Community Resource Centre and Hospital Hub with Spoke” option would need to reduce by around 50% for it to compete with the “Community Resource Centre and Hospital Hub” option in terms of its Cost per Benefit Point. Notwithstanding the preliminary nature of the current capital and revenue cost estimates this was not considered a realistic or plausible assumption.

5.2.2 Skye, Lochalsh and South West Ross (SLSWR)

The results from the Initial Agreement analysis are shown in table 6 below:

Table 6	**SLSWR**		
Option	Weighted Benefits Score	Net Present Cost over 60 years £million	Cost (NPC) per Benefit Point £000
Do Minimum (Option 1 in Initial Agreement)	400	106.6	267
Community Resource Hub and Spoke (PREFERRED) (Option 2 in Initial Agreement)	800	94.2	118
Community Resource Hub (Option 3 in Initial Agreement)	788	106.4	135

The "Community Resource Hub and Spoke" option was expected to provide best overall value for money. It had a very high Weighted Benefit Score, indicating that it is expected to perform well in terms of delivering the benefits required from the project.

As per the B&S analysis the preferred option retained its superior performance in terms of Cost per Benefit Point in both optimistic and pessimistic scoring scenarios.

5.3 Short-list of implementation options for OBC

The short list of options for OBC is restricted to the following:

Badenoch & Strathspey:

- Do Minimum – Now referenced as Option 1 for OBC
- Community Resource Centre and Hospital Hub (PREFERRED) – Referenced Option 2 for OBC

Skye, Lochalsh and South West Ross:

- Do Minimum – Referenced as Option 1 for OBC
- Community Resource Hub and Spoke (PREFERRED) –Referenced Option 2 for OBC

5.4 Monetary costs and benefits of OBC options

5.4.1 Change in emphasis from the Initial Agreement

Revenue costs presented in Table 8 are for the full service re-design model whereas at Initial Agreement the costs of care were indicative of the step changes that were considered at that time.

Significant work has taken place since the Initial Agreement to develop the service model and workforce plan for both projects

At Initial Agreement stage, financial focus was directed at the main areas likely to be affected by the redesign i.e. the hospitals, estates infrastructure and community infrastructure investment.

At OBC stage, greater financial focus has been directed across the whole locality with key financial changes being defined by the service model and workforce plans along with more

detailed analysis of asset costs.

5.4.2 Initial Capital Costs

The initial capital costs attributable to each of the options are set out in table 7 below:

Table 7	B&S		SLSWR	
INITIAL COSTS	**Option 1 £**	**Option 2 £**	**Option 1 £**	**Option 2 £**
Opportunity Cost	Nil	Nil	Nil	Nil
Land	Nil	600,000	Nil	Nil
Reconfiguration existing estate	Nil	2,150,000	Nil	2,650,000
Capital Backlog	5,544,000	250,000	5,457,912	250,000
Capital New Build	Nil	15,433,341	Nil	15,146,842
Equipment/ICT	Nil	700,000	Nil	750,000
Transition Period Costs	Nil	85,000	Nil	30,000
Costs of Embedded Accommodation	Nil	Nil	Nil	Nil
Total	**5,544,000**	**19,218,341**	**5,457,912**	**18,826,842**

Assumptions:

- All costs above are based upon 1st Quarter 2017.
- Capital costs are based upon NPR values and will be updated to Stage 1 when received.
- The analysis of risk retained by NHS Highland is ongoing. However, a value of 10% has been applied across all capital (including fees), equipment, and transition period costs for the purposes of economic analysis.
- The Capital New Build Cost is inclusive of hubCo risk currently estimated to be 5%.
- It is assumed that some backlog maintenance will be required on the existing properties until the new facilities become operational. A nominal value of £250k is assumed across both projects.

5.4.3 Revenue costs

The revenue costs attributable to each of the options for both projects are summarised in table 8 below:

Table 8	B&S		SLSWR	
REVENUE COSTS	**Option 1 £**	**Option 2 £**	**Option £**	**Option 2 £**
LCC estimated annual value	111,298	103,840	96,925	125,150
Facilities Management PPM	75,885	94,236	65,909	103,912
Clinical services	15,094,814	14,839,994	27,874,797	27,688,465
Hotel services	497,820	422,166	560,087	507,544
Transport	17,000	35,000	TBC	TBC
Building running costs	399,975	431,636	247,935	332,282
Net income contribution	Nil	-111,800	Nil	-46,925
Transition period revenue	Nil	Nil	Nil	Nil
Embedded accommodation	Nil	Nil	Nil	Nil
Displacement costs (externalities)	Nil	Nil	Nil	Nil
Total recurring revenue	**16,009,609**	**15,616,996**	**28,682,819**	**28,481,367**

Assumptions:

- The revenue values for each option 2 is the value in the first full year of operations which in 2021/22.
- Transport costs for SLSWR project are indicative. They will be costed once the independent study is completed early next year.
- Building running costs include estimates for hard FM associated with both new build and retained estate.
- The area of the new build associated with the hubCo new build projects is 7,041m^2. Comprising 3,906m^2 for B&S and 3,135m^2 for SLSWR.
- The area of retained estate for B&S within the services redesign model is 814m^2, thus the revised model has an overall estate of 4,720m^2
- The area of retained estate for SLSWR within the services redesign model is 1,871 m^2, thus the revised model has an overall estate of 5,006m^2

In summary the area of the facilities retained and new build for the options is as follows in table 9 below:

Table 9	B&S		SLSWR	
AREA ANALYSIS	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Area of New Build facilities (hubCo)	Nil	3,906	Nil	3,135
Area of Existing facilities disposed (m2)	Nil	4,245	Nil	2,006
Area of Existing facilities retained (m2)	5,059	814	3,877	1,871
Total GIFA of Redesign model	5,059	4,720	3,877	5,006

5.4.4 Costed Benefits

The Cash-Releasing Benefits (CRB) associated with each project are provided in table 10 below:

Table 10	B&S		SLSWR	
BENEFITS	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Cash releasing benefits (CRB)	Nil	289,000	Nil	217,000
Financial non-CRB	Nil	Nil	Nil	Nil
Societal Benefits	Nil	Nil	Nil	Nil
Quantifiable benefits (QB)	**0**	**330,473**	**0**	**238,874**

The cash releasing benefits on each project is the saving released in revenue terms and is the value attributable in the first year of operations. These cost benefits are captured in the clinical costs within the Generic Economic Model (GEM) and are not double counted.

The analysis of non-cash releasing and societal benefits and their relative kick-in period is ongoing.

5.5 Non-Financial Appraisal

The Non-Financial Appraisal conducted at Initial Agreement stage has been carried forward for the OBC and is as follows in table 11 below:

Table 11	B&S		SLSWR	
Benefits Scores from Initial Agreement	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Benefits Scores from Initial Agreement Consensus	250	913	400	800

5.6 Net Present Cost (NPC) and Equivalent Annual Cost (EAC) of Options

The inputs noted in the sections above have been applied over a 60 year operational period and applied to the basic GEM in table 12 below:

Table 12	B&S		SLSWR	
Net Present Costs (60yrs)	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Net Present Costs (£m')	439.6	439.0	776.5	785.94
Equivalent Annual Costs (£m)	16.41	16.39	28.99	29.34

In each case the NPC and EAC is similar for the “do minimum” and the proposed new services re-design models of care.

5.7 Cost Benefit Analysis (cost per benefit point)

To establish the best performing option in terms of both cost and benefit the NPC and EAC are divided by the consensus benefits score in table 13 below:

Table 13	B&S		SLSWR	
Cost per Benefit Point	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Net Present Costs £m per Benefit Point	1.758	0.481	1.941	0.982
Rank	2	1	2	1
Equivalent Annual Costs £m per BP	0.066	0.018	0.072	0.037
Rank	2	1	2	1

In each case the new model of care is significantly better value for money than the do-minimum.

5.8 Sensitivity Analysis

Table 14, below shows the optimistic, pessimistic and consensus scores obtained at Initial Agreement Stage.

Table 14	B&S		SLSWR	
Benefits Scores from Initial Agreement	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Benefits Scores from Initial Agreement Consensus	250	913	400	800
Benefits Scores from Initial Agreement Optimistic	313	913	438	838
Benefits Scores from Initial Agreement Pessimistic	188	825	363	763

The outcome of the cost benefit analysis (Table 14 above) is tested in Tables 15 and 16 below using both the optimistic and the pessimistic scores to establish whether the outcomes are sensitive to the range of benefits scores.

Table 15	B&S		SLSWR	
Sensitivity on Benefits Score Optimistic	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Net Present Costs £m per Benefit Point	1.404	0.481	1.773	0.938
Rank	2	1	2	1
Equivalent Annual Costs £m per BP	0.052	0.018	0.066	0.035
Rank	2	1	2	1

Table 16	B&S		SLSWR	
Sensitivity on Benefits Score Pessimistic	**Option 1**	**Option 2**	**Option 1**	**Option 2**
Net Present Costs £m per Benefit Point	2.338	0.532	2.139	1.030
Rank	2	1	2	1
Equivalent Annual Costs £m per BP	0.087	0.020	0.080	0.038
Rank	2	1	2	1

In summary, the ranking remains unchanged and the preferred option for both geographic areas is OBC Option 2 services re-design model.

5.9 Conclusion Identifying the Preferred Option (each project)

The results of the Economic Analysis consolidate the position of both preferred options, alongside that of the non-financial benefits. The proposals will deliver a redesign of services that is both affordable and sustainable. The preferred options remain consistent with the Initial Agreement and are as follows:

Badenoch & Strathspey:

- Community Resource Centre and Hospital Hub.

Skye, Lochalsh and South West Ross:

- Community Resource Hospital Hub and Spoke

6. THE COMMERCIAL CASE

6.1 Overview

This section outlines the commercial arrangements and implications for the Project bundle and includes responding to the following questions:

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

6.2 Procurement Strategy

6.2.1 *Procurement Route*

The service re-designs are quite separate projects with unique elements; they are bundled because of the procurement benefits for the new build community hospitals. It is proposed that the hospital 'hub' elements (circa £30m) will be revenue funded under the hub initiative, by way of a Design, Build, Finance and Maintain (DBFM) hubCo agreement, supported by The Scottish Futures Trust (SFT). The Scottish Government has confirmed indicative funding support for a revenue financed project and the bulk of this commercial case focuses on these arrangements.

The project bundle also comprises of alteration and refurbishment works to existing premises in order to support the redesign and reconfiguration of services outlined in sections **2.4.3** and **2.4.4**. Table 17 below shows the procurement route for these dependency projects which require an investment of £4.8m.

Table 17 Procurement Route for Dependency Projects

Project	Procurement Route	Description	Timing	Dependency
Grantown Health Centre	In-house design, traditional capital	Refurbishment of health centre and separation from Ian Charles Hospital.	2021/22	Retain outpatient, physiotherapy and minor injuries services in Grantown when inpatient facility (Ian Charles Hospital) closes
Kingussie Health Centre	Capital grant	Refurbishment of health centre and small extension.	2021/22 – potential to expedite	Retain services in Kingussie when inpatient facility (St Vincents Hopsital) closes, e.g. physiotherapy, outpatients

Broadford Health Centre Kyle Health Centre	In-house design, traditional capital	Refurbishment of upper floor / attic space to provide integrated team office accommodation and meeting rooms. Utilisation of capacity within existing estate, reducing GIFA required for new hospital.	2018/19	Provision of office and meeting accommodation currently located in Mackinnon Memorial Hospital and adjacent bungalow. Allows demolition of bungalow prior to hospital new build.
Staff accommodation	To be confirmed – in-house design, traditional capital OR agreement with Local Housing Authority	Provision of overnight and on-call accommodation for visiting clinicians.	2020/21	This accommodation is currently provided in Mackinnon Memorial Hospital. Initially this was to be relocated to the refurbished bungalow. Currently exploring other options to re-provide this
Portree 'Spoke'	In-house design, traditional capital	Refurbishment of Portree Hospital to provide "Spoke" facility and to accommodate GP practice (GP building currently leased).	To be confirmed	GP practice lease due to finish in 2019. Refurbishment of space currently occupied by inpatient ward.

6.2.2 EU Rules and Regulations

Under hubCo there is no need to advertise in the Official Journal of the European Union (EU) (OJEU). SFT has carried out the procurement for the Private Sector Development Partner (PSDP) in each of the five hubCo Territories across Scotland compliant with EU Procurement Rules, including advertising in OJEU. Provided that the work to be procured is within the scope of the OJEU Notice, procurements are thereafter conducted via the hubCo process as described at 6.2.3.1 below.

6.2.3 Procurement Plan

The hubCo Procurement process for a Private Sector Development Partner (PSDP) was conducted by SFT in conjunction with teams representing the public sector Participants in each of the (5) hubCo Territories. Alba Community Partnerships was selected as PSDP for the North Territory, which includes the whole of the NHS Highland operational area. Alba Community Partnerships is a consortium comprising Galliford Try PLC and Sweett Equitix.

hubCo held a competition amongst its tier 1 supply chain and has appointed Balfour Beatty PLC as Design and Build Contractor for the project. A separate procurement is under way to appoint an FM Provider.

6.2.3.1 hubCo Procurement Process

The hubCo Procurement Process is described on the Flow Chart (Appendix 3). In summary, this comprises the following stages:

The bundled project was included as a Qualifying Project following acceptance of an Initial Agreement prepared and approved under Scottish Capital Investment Manual (SCIM) by the Scottish Government Capital Investment Group (CIG), and a review by The Scottish Futures Trust.

NHS Highland prepared and submitted a New Project Request (NPR) (Appendix 4) to hubCo. The NPR is a request to hubCo to prepare a Stage 1 Submission for the project, and detailed the Affordability Cap, specific requirements, and a detailed Project Brief.

The Project Brief consists of a description of the facilities and services to be provided, Design Statements, Schedules of Accommodation, and detailed Authority Construction Requirements (ACRs). HubCo has reviewed and accepted the NPR and submitted their Stage 1 on 13th October 2017. An addendum was submitted on 16th January 2018 and this was accepted by NHS Highland on 29th January 2018 (Appendix 17).

The Stage 1 submission includes option appraisal, outline design solution to RIBA Stage C, providing a Project Development Fee and costs to:

- demonstrate that the Relevant Participant's requirements are likely to be met;
- establish that the New Project is likely to provide value for money; and
- enable a cost estimate to be prepared with sufficient accuracy to establish whether the New Project can be delivered within the Affordability Cap (which may be subject to the inclusion of identified contingencies). The Board will have two months or a longer period as may be agreed to review and accept or reject the Stage 1 submission. When this is approved, the Stage 1 Development Fee is payable by the Board to hubCo, and hubCo then proceeds to prepare a Stage 2 submission.

The Stage 2 submission includes the design, plans and drawings, a draft Project Agreement, financial model, commitment letters and a programme from Stage 2 Approval to Financial Close. The Board has 60 Business Days (effectively three months) to review the submission and approve or reject it. Approval is determined by achievement of Approval Criteria although the Board can reject on other specified grounds including failure of the Track Record Test.

Following Stage 2 approvals, hubCo and the Board will work together to conclude the project contract in accordance with the timetable for execution of the Project Agreement which was submitted at Stage 2. The Stage 2 Project Management Fee for an approved hubCo will be paid in the service charge or lease payment.

6.2.3.2 Advisors

A Technical Advisor has been appointed to assist the Project Teams with predicting the costs of construction but also in providing estimated figures on the future (life cycle) costs the building will incur and other services. The procurement was separately carried out through a High Level Information Pack (HLIP) under the Health Facilities Scotland (HFS) Framework Scotland 2 (FS2) Lead Advisor Framework Contract, and was carried out in collaboration with HFS, through the Quick Quote facility on the Public Contracts Scotland portal.

HLIPs were sent to all those on the Lead Advisor Framework list, and responses were evaluated in accordance with the criteria described in the mini-competition invitation. Evaluation was done by a panel comprising two experienced representatives of the Board, and an external member.

Currie & Brown was duly appointed Technical Advisor for the project.

Legal, Financial and Insurance Advisors have been procured to assist the Project Team with the specific legal, financial and insurance arrangements comprised in the hubCo process and in the HUBCO Agreement. These procurements were conducted by the Board through the preparation of Invitations to Tender based on a scope of works informed by experience on recent hub projects, and was sent to consultants who were experienced in the hub process. The terms of the engagements were adapted from the now lapsed SFT Framework for consultants, and SFT's terms of engagement for consultants.

Pinsent Masons PLC have been appointed as legal advisor, and Caledonian Economics Ltd have been appointed as financial advisor.

The Board has also appointed Clark Thomson (Willis) Limited as Insurance Advisors in respect of the various insurance requirements described within the hubCo Agreement.

6.3 Scope and Content of Proposed Commercial Arrangements

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.

6.3.1 Scope of Works/Services

The PSDP is responsible for providing all aspects of the design and construction of the facilities.

Hard Facilities Management (FM) services, including planned and response property maintenance and lifecycle will be provided by the PSDP.

The Board will retain responsibility for the named Authority Maintenance Obligations, including soft FM such as cleaning, catering, portering and external grounds maintenance, but also maintenance and replacement of floor, wall and ceiling finishes, and portable appliance testing of the Board's own equipment.

- Group 1 items of equipment, which are generally large items of permanently installed plant or equipment, will be supplied, installed, maintained and replaced by hubCo;
- Group 2 items of equipment will be supplied and installed by hubCo, and maintained and replaced by the Board;
- Group 3 items of equipment, which require to be fixed to the building structure, will be supplied by the Board, installed by hubCo and maintained and replaced by the Board; and,
- Group 4 items of equipment are supplied, installed, maintained and replaced by the Board.

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' will be prepared, detailing all equipment by description, group reference, location and responsibility between the Board and hubCo in terms of supply, installation, maintenance and replacement over the course of the 25 year operational period. To facilitate joint working arrangements between NHS Highland Board and the hard FM services provider an 'Interface Responsibility Matrix' will articulate responsibility at a practical operational level and supplements the hubCo Agreement.

NHS Highland is in the process of confirming a Service Level Agreement with Health Facilities Scotland to manage the procurement of group 3 and 4 equipment.

6.4 National Design Assessment Process

6.4.1 Project Information

The design has been developed to RIBA stage C as required for hub stage 1 and stage 2 design development is underway to take the design to RIBA stage E. Table 18 provides a checklist of information requirements at this stage of the Project's development. Please refer to the Glossary in Section **9** for description of terms.

Table 18 Checklist of Project information requirements

Design Information Requirements	Confirmation that information is available (Yes, No, n/a)
Site Feasibility Studies or Master plan (≥ 1:1000).	Yes. Supplementary Planning Guidance to Local Development Plan.
Analysis of site option(s)	Yes. See site options appraisal.
List of relevant design guidance to be followed – SHPNs, SHTMs, SHFNs, HBNs, HTMs, HFNs, Including a schedule of any key derogations.	Yes. Referenced within Authority Construction Requirements.
Evidence that Activity Data Base (ADB) use is fully utilised.	Yes. Used for room data sheets and equipment lists.
Geometric models. Proprietary 3D Building Information Modelling (BIM) with 2D pdfs cut from the models to the above noted levels of definition / scales	No. To be developed in stage 2. Key requirements are set out in the ACRs.
Design Statement, with any updates in benchmarks highlighted.	Yes. OBC Design Statement assessments undertaken for both projects in Feb 2018.
Evidence of completion of self-assessment on design in line with the procedures set out in the design statement.	Yes.
Completed Achieving Excellence Design Evaluation Toolkit (AEDET) review at current stage of design development.	Yes, undertaken in Feb (B&S) and April (SLSWR) 2018.
Evidence of Local Authority Planning consultation on their approach to site development and alignment with Local Development Plan.	Yes. Discussions with Highland Council and CNPA informed site option appraisal
Risk Register detailing benefits and risks analysis.	Yes. Refer to Appendix 14.
Photographs of site showing broader context.	Yes.
Building Research Establishment Environmental Assessment Method (BREEAM) Healthcare pre-assessment. Refer to Appendix 16.	Yes.

Table 18 Checklist of Project information requirements	
Design Information Requirements	**Confirmation that information is available (Yes, No, n/a)**
Evidence that relevant Equality Act, Dementia, Health Promotion and Equality commitments are incorporated.	Yes. See Authority Construction Requirements. Local access panels involved in design stakeholder meetings.
Developed brief	Yes. See Authority Construction Requirements.
Outline Design study should be coordinated and include relevant multi-discipline input, including but not limited to: Architecture, Building Services, Structural, Fire, Landscape design concepts; including diagrams and sketches demonstrating the key proposals to assess alignment with brief.	Yes, most aspects complete to RIBA stage 2. Outline specifications and agreed sustainability strategy to be coordinated early stage 2. Stakeholder engagement described under Management Case (section 8.2.3).

6.4.2 Recommendations

Health Facilities Scotland and Architecture & Design Scotland have assessed the project as part of the National Design Assessment Process (NDAP) and advised in their report dated 27th February 2018 that they consider it to be of a suitable standard to be supported. This was subsequently verified on 21st March 2018. The report and NHS Highland's response is attached (Appendix 18).

The essential recommendations of the report and the Board's response are summarised in **Table 19** below:

Table 19 NHS Highland response to NDAP Recommendations	
NDAP Recommendation	**NHS Highland response**
Design of the wider landscape to be developed to better support accessibility, way finding to the entrance and community use of the grounds for health promotion.	Detailed site design is being progressed as part of hub stage 2 development and will be available by the end of March. Key stakeholders being consulted on the design include the local access panels, community and voluntary groups. Space will be identified at both sites for therapy and/or community use gardens and the paths on the site will be designed to link with local walking and cycling routes.

Table 19 NHS Highland response to NDAP Recommendations	
NDAP Recommendation	**NHS Highland response**
Internal layouts to be developed to bring cohesion and quality to the user experience; • Waiting areas to provide a range of environments to cater for different needs • Arrival and circulation routes to provide appropriate welcome with informal accessible spaces • Check design location and capacity of sanitary and changing facilities • Develop circulation strategy to better enable safety, security, privacy/dignity and resilience • Develop mortuary facilities as per SHPN16-01	The internal layouts have progressed since the initial meeting on 18th December 2017 and have been developed to incorporate much of the feedback received. The detail of this is now being developed, appropriate to this point in the hub stage 2 process. We are seeking to develop reception and waiting areas that sensitively manage the variety of groups that will use the space. We have visited Eastwood Health and Care Centre (EHCC) which is an excellent example; however in the B&S and SLSWR designs we do need to take into consideration that the scale of the waiting area is similar to the AMH waiting area only in EHCC. A changing places WC will be provided in the new SLSWR facility as there are none available locally. As discussed in relation to the B&S facility, further information shall be provided on the current changing places WC in Aviemore Community Centre. The mortuary facilities at both sites will include a body store, viewing room and nearby accessible WC in line with SHPN16-01.
Ensure the facilities for service and support areas are not decreased in material quality and do not impact the initial impression of the service for all.	We are developing the design to ensure the material quality and impression is consistent throughout. This will ensure all building users will experience the arrival and progression through the building in a similar manner regardless of which form of arrival or departure is taken.
Ensure the design of timber cladding is developed to ensure a robust case for its use and that any risks are managed through detailing and operational procedures	Noted. Although the decision to wrap the building in timber has been based on a number of factors, one factor why we have specified the timber is that it offers the material lifespan that is required by the ACRs and there is a limited material palette that can achieve the lifespan required.
Technical design to be developed to better support the safety, sustainability and engineering requirements	The design team will take account of NDAP feedback during stage 2 design development. NHS Highland are in the process of considering the recommendations made in respect of technical design and will agree a joint strategy with NDAP and hNSL.

NHS Highland are pleased to note the potential to deliver good practice in respect of the massing and external articulation of the developments such as these provide a welcome and non-institutional impression that responds to local traditions, landscape and climate in a creative manner. We will strive to ensure that this is enhanced during stage 2 design development.

6.5 Risk Allocation

6.5.1 Key Principles

The risk allocation shown in **Table 20** shows the potential allocation of risk between the parties. This is shown as percentage allocation.

Table 20 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 and contamination risks remain with public]	10%	90%	✓
Transition and Implementation [commissioning, migration Board responsibility]	75%	25%	✓
Availability and Performance	0%	100%	
Operating	100%	0%	✓
Revenue	100%	0%	✓
Termination	50%	50%	✓
Technology and Obsolescence	50%	50%	✓
Control	100%	0%	
Financing	0%	100%	
Change in Law	100%	0%	✓
Other Project risks	100%	0%	

6.6 Payment Structure

The Board will pay for the construction of the facilities by way of an annual service payment (ASP) also known as the unitary charge.

A standard contract form of payment mechanism will be adopted within the hubCo Agreement with specific amendments to reflect the relative size of the facilities at Aviemore and Broadford, 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.

The Board will pay the ASP to hubCo 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 hubCo.

Where any payment is in dispute then the Board will pay only parts or sums which are not in dispute. The Board has a contractual right to set-off any sum due to it under the HubCo Agreement. The ASP is subject to indexation as set out in the HubCo Agreement by reference to the retail prices index published by the Government's National Statistics Office. Indexation will be applied to the ASP on an annual basis. The base date will be the date on which the project achieves Financial Close.

Costs such as utilities usage charges (heating, water and electrical power) and operational insurance premiums are to be treated as pass through costs and, as such, are arranged by hubCo but added to the Monthly Service Payment as applicable. In addition, the Board 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 the Board.

HubCo is obliged to monitor its own performance and maintain records documenting its service provision both in terms of the HubCo Agreement and the Territory Partnering Agreement. The Board will carry out performance monitoring on its own account and will audit hubCo's performance monitoring procedures in terms of the HubCo Agreement. Arrangements for this are detailed in section 8.1.3.

6.7 Contractual Arrangements

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.

6.8 Type of Contract

The Contract will be based on the hub standard HubCo Contract version 2.4 December 2016, with amendments and derogations agreed and approved by SFT.

6.8.1 Key Contractual Issues

- HubCo 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. hubCo will also enter into a separate agreement with a FM Service Provider to provide hard FM service provision.
- Following NHS Highland and hubCo entering into the project agreement (PA), the Board will also enter into occupancy agreements with Aviemore Medical Practice, The Highland Council and the Scottish Ambulance Service relevant to their occupation of space within the facility. Statements of 'Agreement in Principle' have been signed by

these organisations and copies of these statements are included as Appendix 5.

- NHS Highland's Asset Management Group (AMG) has approved that NHS Highland will provide its share of participant subordinate debt equity to support the development. This investment will be provided for through a Scottish Government Health and Social Care Directorate (SGHSCD) capital allocation at Financial Close.
- The NHS Highland Board will procure the grant of a license from the Scottish Ministers to hubCo in line with the standard contract position.
- The contract term will be 25 years.
- 'Termination of Contract' - as NHS Highland will own both the Aviemore site and the site at Skye then both buildings will remain in ownership of the NHS Highland throughout the term, but be contracted to hubCo to allow them to construct and operate the building for the duration of this contract. On expiry of the contract each of the facilities will revert to NHS Highland on behalf of The Scottish Ministers. Compensation on termination generally follows the standard contract position.
- The Aviemore site is in the final stages of being acquired by NHS Highland. A detailed Masterplan for the development will be prepared along with the planning application. Detailed planning consent will be sought by hubCo during their design development works. This is currently at pre-planning stage.
- The site for the Hospital 'Hub' in Broadford is currently in the ownership of NHS Highland. A detailed Masterplan for the site will be prepared along with the planning application. Detailed planning consent will be sought by hubCo during their design development works.
- The Service Level Specifications will detail the standard of output services required and the associated performance indicators. hubCo will provide the services in accordance with its method statements and quality plans which indicate the manner in which the services will be provided.
- NHS Highland will be responsible for the costs to hubCo 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.
- NHS Highland (the Authority's) 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 Highland is responsible for inspection and testing of electrical appliances. Failure by NHS Highland to carry out the authority's maintenance obligations would result in a breach of the agreement and entitle hubCo to carry out the works and be reimbursed.
- Not less than two 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.
- hubCo 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). HubCo 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.
- NHS Highland has set out its construction requirements in a series of documents termed authority's construction requirements. hubCo is contractually obliged to design and construct the facilities in accordance with the ACR's.
- 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.
- NHS Highland and hubCo 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.

- The Board will work closely with hubCo 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.
- The PA details the respective responsibilities towards malicious damage or vandalism to the facilities during the operational term. NHS Highland has an option to carry out a repair itself or instruct hubCo to carry out rectification.
- Compensation on termination and refinancing provisions generally follows the standard contract position.

6.9 Personnel Implications

There are no employees who are wholly or substantially employed on services that will be transferred to the private sector under the proposals for this Project, and therefore the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) will not apply.

7 FINANCIAL CASE

7.1 Introduction

The Financial Case for the Outline Business Case (OBC) sets out all associated capital and revenue costs, assesses the affordability of the preferred option and assesses the impact on NHS Highland's financial position.

The preferred options are:

- Badenoch & Strathspey (B&S) – OBC Option 2 Community resource centre and hospital hub Aviemore.
- Skye, Lochalsh and West Ross (SLSWR) – OBC Option 2 Community resource hospital hub in Broadford and 'Spoke' in Portree.

As described it is proposed that the B&S and SLSWR schemes will be bundled together to form the B&S & SLSWR hubCo Design, Build, Finance and Maintain (DBFM) project.

The financial case for the preferred options is split into the following key sections.

- Capital costs and associated funding
- Revenue costs and associated funding
- Statement on overall affordability
- Financing and Subordinated debt
- Risks
- The agreed accounting treatment and ESA10 implications

7.2 Capital Costs and Associated Funding

The total capital cost of the project includes the cost of the building, land procurement (Aviemore), equipment and subordinated debt.

At New Project Request (NPR) stage, the agreed affordability cap based on benchmarked costs totals £30.58m.

The affordability cap is assessed on the total cost of the project bundle. Building costs have been apportioned to each project on the basis of gross internal floor area (GIFA).

The capital costs and associated funding are identified (Table 21).

Table 21: Capital Costs and Associated Funding

Capital Costs	B&S £000's	SLSWR £000's	Total £000's
Costs			
Build Cost	15,433	15,147	30,580
Fees Stage 1 & 2	772	619	1,391
Risk Allowance	1,856	1,490	3,346
Equipment	700	750	**1,450**
Subdebt	170	136	**306**
Land	600		**600**
Existing site reconfiguration	2,150	2,650	**4,800**
Total Capital Cost	**21,680**	**20,792**	**42,473**
Sources of Funding			
Hubco DBFM Funding	15,433	15,147	**30,580**
SGHSCD - Capital allocation	3,450	3,400	**6,850**
SGHSCD - Risk Allowance	1,856	1,490	**3,346**
SGHSCD - ODEL Capital	941	755	**1,697**
Total Funding Sources	**21,680**	**20,792**	**42,473**

7.2.1 *Build Costs*

Although the project is planned to be financed as a hubCo scheme and therefore revenue funded, the cost of construction and associated infrastructure are shown as capital costs.

7.2.2 Fees

Prior to financial close, the Board is required to fund the stage 1 and 2 development fees. These costs will be reimbursed to the Board at financial close. The cost of the development fees are calculated at £475k for stage 1 and £916k for stage 2.

It has been agreed that the Scottish Government Health and Social Care Directorate (SGHSCD) will provide an Out of Delegated Expenditure Limit (ODEL) capital allocation to the Board that will finance the stage 1 and 2 fees and this allocation will be returned to SGHSCD at financial close.

7.2.3 Land Procurement

A capital allocation of £600k is required from SGHSCD in 2018/19 to procure the land in Aviemore for the B&S project. The land procurement has been agreed subject to planning consent. There is no land purchase required for the SLSWR project.

7.2.4 *Equipment*

A capital allocation of £700k for B&S and £750k for SLSWR including VAT is required from SGHSCD for procurement of group 3 and 4 equipment. Group 1 and 2 equipment will be funded through the hubCo model (section **6.3.1**).

7.2.5 Existing Site Reconfiguration

Reconfiguration of existing sites is required to deliver the key outcomes of the service model. Portree Hospital requires reconfiguring to support the 'spoke' model, Broadford Health Centre requires conversion of attic space to be used as a base for the Integrated Care Team. This will

also accommodate the admin teams currently based in the "bungalow" adjacent to Mackinnon Memorial Hospital, allowing the "bungalow" to be demolished as part of the hospital hub works. Kyle Health Centre third floor will be converted and used as an events and meeting space. Grantown and Kingussie Health Centres require reconfiguring to accommodate the services that will remain in existing locations when the two existing hospitals close.

A capital sum of £4.8m (£2.15m for B&S and £2.65m for SLSWR) is required from SGHSCD to fund this.

7.2.6 Subordinated debt investment

HubCo projects are funded via 90% senior debt (the lender) and 10% subordinated debt (the participants).

The relevant shares of subordinated debt finance across the participants are shown (Table 22).

Table 22: Analysis of Subordinated Debt

	Senior debt	**Sub debt**	**£'000**
	90%	10%	
Affordability Cap			30,580
Costs funded by senior debt 90%			27,522
Costs funded by sub debt 10%			3,058
Participant	**Sub debt**		**£'000**
HubCo	60%		1,835
NHS Highland	10%		306
Scottish Futures Trust	10%		306
Hub Charitable Foundation	20%		611
Total Sub debt	100%		3,058

Subordinated debt will be invested at financial close and SGHSCD has agreed to provide a non core capital allocation (ODEL) totalling £306k to fund NHS Highland subordinated debt commitment.

7.2.7 Disposal of Surplus Sites

Investment in the project will mean that a number of buildings and associated land will be declared as surplus sites for disposal. These will be disposed of in accordance with the Property Transactions Handbook and Community Empowerment Act.

The financial case assumes that capital receipts will be allocated to SGHSCD in accordance with CEL 32 (2010) and no benefit to NHS Highland is assumed in the financial model.

Table 23 identifies the land and buildings that will be subject to the disposal process.

Table 23: Existing Sites Earmarked for Disposal

Site	**Land/Buildings**	**Net Book Value**
St Vincent's Hospital Kingussie	Both	£876k
Aviemore Health Centre	Both	£988k
Ian Charles Hospital Grantown	Partial Land and Building	£683k
Rathven Community Base, Aviemore	Building	Leased (£35k per annum)

The Ian Charles Hospital site contains both the hospital and the health centre and work is planned to separate the two buildings and reconfigure the health centre (see **section 6.2.1**). Once complete the hospital land and buildings can be allocated for disposal either by accelerated depreciation or by impairment.

In addition to the buildings identified in table 23 the Mackinnon Memorial Hospital building in Broadford will become surplus to requirements once services transfer to the adjacent new hospital 'Hub' in Broadford. The old building is in poor condition and has limited value due to likely demolition costs. Options for re-use are being explored with the local housing association and the local community and these discussions are at an early stage. Some land may be retained for overflow car parking for the new facility.

7.2.8 Statement on Overall Affordability – Capital

The current financial implications of the project in capital terms as presented in the above tables confirm the projects affordability. The position will continually be monitored and updated as we progress towards hubCo stage 2 and Full Business Case (FBC).

The capital costs identified have corresponding capital allocations identified either through hubCo revenue funding, SGHSCD capital funding or SGHSCD ODEL funding.

NHS Highland is fully committed to the project and has incorporated the necessary capital consequences in both the five year capital plan and the Local Development Plan (LDP).

An assessment of risk has been applied to the capital financial model (Table 24). Group 1 and 2 Equipment is included in the Capital Expenditure Limit (CAPEX).

Table 24: CAPEX and Associated Costs

		Change to OBC (FBC only)	
Capital Costs	**Total £000s**	**Total at OBC £000s**	**Movement from OBC £000s**
Construction Cost	30,580		
Additional itemised costs			
Total Construction Costs	**30,580**		
Fees	1,391		
Additional itemised costs			
Total fees and other costs	**1,391**		
Furniture			
IT			
Medical Equipment			
Additional itemised costs			
Total furniture and equipment	**-**		
Risk Allowance (Quantified Risk)	3,346		
Total Estimated costs within hub/NPD contract	**35,317**		
Reduction to financing requirements from capital contributions			
Total estimated cost net of capital contributions	**35,317**		

7.3 Revenue Costs and Funding

The strategic aims of both the B&S and SLSWR projects are district-wide redesign of health

and social care services supported by redevelopment of the estate infrastructure in each locality.

The service model for each project is slightly different, however the estate infrastructure for the two proposed new hospitals are a single hubCo 'bundle' project.

The financial model will describe the individual service models for each project with one underpinning hubCo model showing associated charges allocated to each project.

Significant work has taken place since the Initial Agreement to develop and start to implement the service models and workforce plans.

At Initial Agreement stage, high level financial focus was directed at the main areas likely to be affected by the redesign i.e. the hospitals, estates infrastructure and community infrastructure investment.

At OBC stage, greater financial focus has been directed across the whole locality with key financial changes being defined by the service model and workforce plan along with more detailed analysis of asset costs.

NHS Highland is fully committed to the projects and has incorporated the necessary capital consequences in both the five year capital plan and the Local Development Plan (LDP).

7.3.1 Recurring Funding Requirements – hubCo Contract

The preferred way forward is procured through a revenue solution by way of a hubCo contract then a unitary charge will be payable. The unitary charge is the amount of money paid by the public sector procuring body to Hub North Scotland Ltd over the duration of the contract. Unitary charge payments begin once the project is fully operational. The total unitary charge payment will comprise some or all of the following components:

- Construction costs (including VAT where applicable)
- Private sector development costs (including staffing, advisory and lender's advisory fees)
- Financing interest (which is necessary to fund the project through construction)
- Financing fees
- Running costs for the project's Special Purpose Vehicle (SPV) during construction including insurance costs and management fees.
- SPV running costs during operations, including insurance costs and management fees
- Lifecycle maintenance costs
- Hard facilities maintenance costs

Current guidance describes availability of funding from SGHSCD to fund certain elements of the unitary charge as follows:

- 100% of construction costs
- 100% of private sector development costs
- 100% of SPV costs during the construction phase
- 100% of SPV running costs during the operational phase
- 50% of lifecycle maintenance costs

The unitary charge for the B&S and SLSWR bundle has been provided by hubCo based on the NPR affordability cap of £30,580,000.

The unitary charge is calculated on the total bundle affordability cap. There is therefore a requirement to split out the various components of the unitary charge across both projects. The method of allocating unitary charge costs between the two projects is shown in table 25.

The unitary charge, lifecycle and Hard Facilities Management (FM) costs are calculated on the basis of the information provided by hubCo at NPR stage. These costs will be further developed at Stage 1 and Stage 2. HubCo is currently tendering for an FM provider that will further inform Hard FM and Lifecycle costs.

Table 25: Allocation of Unitary Charge Components to Bundled Projects

Contributions to Unitary Charge	Allocation Method	B&S	SLWR
CAPEX	Gross Internal Floor Area (GIFA at NPR)	3,906 sq m	3,135 sq m
SPV Costs	Gross Internal Floor Area (GIFA at NPR)	3,906 sq m	3,135 sq m
Lifecycle costs	Stage 1 contract rate (at NPR)	£21 per sq m + vat	£23 per sq m + vat
Hard FM costs	Stage 1 contract rate (at NPR)	£22 per sq m + vat	£25 per sq m + vat

An analysis of the unitary charge funding breakdown by organisation and project is shown (Table 26).

Table 26: Analysis of Funding Support

Contributions to Unitary Charge	Unitary Charge £000's	SGHSCD Support %	SGHSCD Support £000's	NHSH Cost B&S Project £000's	NHSH Cost SLWR Project £000's
Capex	2,800	100	2,800	0	0
SPV Costs	598	100	598	0	0
Lifecycle Costs	185	50	92	49	43
Hard FM Costs	197	0	0	103	94
TOTAL	**3,780**		**3,490**	**152**	**137**
			92.3%	**4.0%**	**3.6%**

7.3.2 Badenoch & Strathspey Project

7.3.2.1 Recurring Funding Requirements

The recurring revenue costs are shown (table 27) and a detailed table of workforce costs in Appendix 6. This shows that the project can be funded within the existing budget for locality services and will deliver a recurrent saving of £289k.

Table 27 – Recurring Revenue Costs – Badenoch & Strathspey Model

Revenue Costs	Badenoch & Strathspey			
	Option 1 Do minimum		Option 2 New Build Aviemore Site	
	£000's	WTE	£000's	WTE
Total Service Model Costs	**15,618**	**209**	**15,239**	**199**
Unitary Charge Costs				
Cap Ex	0	0.00	1,553	0.00
SPV	0	0.00	332	0.00
Hard FM	0	0.00	103	0.00
Lifecycle costs	0	0.00	98	0.00
Total Unitary Charge Costs	**0**	**0**	**2,087**	**0**
Total Asset Related Costs	**696**	**0**	**867**	**0**
Income				
NHSH Depreciation	(406)		(540)	0
SGHSCD Capital	0		(1,885)	0
SGHSCD - Lifecycle	0		(49)	0
Income from Partners	0		(100)	0
Total Income	**(406)**	**0**	**(2,574)**	**0**
Total Recurring Revenue Costs	**15,907**		**15,618**	

7.3.2.2 Income from Public Sector Partners

The building will be occupied by other public sector partners in addition to NHS Highland. At OBC stage, partners are required to formally agree their share of relevant costs. The 'Statements of in Principle Agreement' for each public sector partner can be found in Appendix 5.

All public sector partners are hubCo participants and therefore entitled to a share of unitary charge contributions.

Charges to partners are on the basis of Gross Internal Floor Area (GIFA) adjusted for 24 hour operation where appropriate.

An analysis of costs set against each partner is shown in Table 28. The costs for NHS Highland have been included for completeness.

Table 28 - Allocation of Costs to Public Sector Partners

Badenoch & Strathspey	NHS Highland	Public Dental Service	Aviemore HC	Scottish Ambulance	Highland Council	Total
	£000's	£000's	£000's	£000's	£000's	£000's
GIFA (sqm)	3,080	55	519	139	112	3,906
Percentage (GIFA)	78.86%	1.42%	13.29%	3.57%	2.87%	100%
Unitary Charge						
Heat, Light and Power	97	1	9	6	2	115
Rates	140	2	- 0	5	4	152
Waste Services	6	0	1	0	0	8
Insurance	9	0	2	0	0	12
Telecoms	10	0	3	1	1	15
Hard FM	81	1	14	4	3	103
Lifecycle	39	1	7	2	1	49
Grounds Maintenance	16	0	3	1	1	20
Soft FM (Cleaning)	231	1	17	4	3	256
TOTAL	**631**	**7**	**55**	**23**	**15**	**730**

7.3.2.3 Non Recurring Funding Requirements

There will be non recurring revenue costs in the form of removal/commissioning costs. These costs total £185k and have been identified in the Board's revenue financial plan (Table 29).

Table 29: Non Recurring Costs

Non Recurring Costs	B&S £000's
Decant costs	50
Non Capital Costs	100
Removal costs	30
Insurance during construction	5
Total of Non Recurrent Revenue costs	**185**

7.3.2.4 Statement on Overall Affordability – Revenue

The current financial implications of the project in revenue terms as presented in the above tables confirm the projects affordability at NPR stage and will deliver a planned recurring revenue saving of £289k. The position will continually be monitored and updated as stage 1 and 2 as information becomes available and we progress towards Full Business Case (FBC).

7.3.2.5 Summary of Cashflow of All Costs and Funding

Tables 30 and 31 show a consolidated capital and revenue statement across the lifespan of the project and first year of operation. The project plan assumes that construction works will be complete by December 2020 and occupancy will commence in February 2021.

Table 30 – Costs of Preferred Option - Cashflow

Costs	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	2022-23 £000's	2023-24 £000's	2024-25 £000's
Capital								
Equipment				700				
Subdebt		170						
Land	600							
Existing Site Reconfiguration					1,075	1,075		
Total Capital Cost	**600**	**170**	**0**	**700**	**1,075**	**1,075**	**0**	**0**
Recurring Revenue								
Service Model	15,618	15,618	15,618	15,239	15,239	15,239	15,239	15,239
Unitary Charge				1,755	1,755	1,755	1,755	1,755
Asset Related	696	696	696	837	867	867	867	867
Total Recurring Revenue	**16,314**	**16,314**	**16,314**	**17,831**	**17,861**	**17,861**	**17,861**	**17,861**
Non Recurring Revenue								
Stage 1 & 2 Fees		772						
Asset Related Costs				185				
Redeployment Costs				100	50			
Backlog Maintenance	83	83	83					
Total Non Recurring Revenue	**83**	**855**	**83**	**285**	**50**	**0**	**0**	**0**
Total Costs	**16,997**	**17,338**	**16,397**	**18,816**	**18,986**	**18,936**	**17,861**	**17,861**

Table 31: Sources of Funding Cashflow

Sources of Funding	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000
Existing Budgets	15,907	15,907	15,907	15,907	15,907	15,907	15,907	15,907
Estates Maintenance Budget	83	83	83					
Formula Capital - NHSH	1,006	406	406	1,210	1,616	540	540	540
ODEL Capital - SGHSCD		941						
Unitary Charge - SGHSCD				1,553	1,553	1,553	1,553	1,553
Unitary Charge Lifecycle SHGSCD				49	49	49	49	49
Public Sector Partners				100	100	100	100	100
Total Sources of Funding	**16,997**	**17,338**	**16,397**	**18,820**	**19,226**	**18,150**	**18,150**	**18,150**
Rec Benefit to Board Savings Plan				**4**	**240**	**-786**	**289**	**289**

7.3.3 Skye, Lochalsh & South West Ross Project

7.3.3.1 Recurring Funding Requirements

The recurring revenue costs for the SLSWR model are shown in Table 32. A detailed table of workforce costs can be found in Appendix 6.

Table 32 – Recurring revenue Costs – Skye, Lochalsh & South West Ross Model

Revenue Costs	Skye, Lochalsh & West Ross			
	Option 1 Do minimum		Option 2 New Build	
	£000's	WTE	£000's	WTE
Total Service Model Costs	**28,368**	**365.08**	**28,002**	**363.02**
Unitary Charge Costs				
Cap Ex	0	0.00	1,247	0.00
SPV	0	0.00	266	0.00
Hard FM	0	0.00	94	0.00
Lifecycle costs	0	0.00	87	0.00
Total Unitary Charge Costs	**0**		**1,694**	
Total Asset Related Costs	**336**	**0**	**874**	**0**
Income				
NHSH Depreciation	(154)	0	(646)	0.00
SGHSCD Capital	0	0	(1,513)	0.00
SGHSCD - Lifecycle	0	0	(43)	0.00
Income from Partners	0	0	(33)	0.00
Total Income	**(154)**		**(2,235)**	
Total Recurring Revenue Costs	**28,550**		**28,334**	

In conclusion the project can be funded within the existing budget for locality services and will deliver a recurrent saving of £216k.

7.3.3.2 Income from Public Sector Partners

The building will be occupied by Scottish Ambulance Service in addition to NHS Highland. At OBC stage, partners are required to formally agree their share of relevant costs. The 'Statements of In Principle Agreement' for the Scottish Ambulance Service can be found in Appendix 5.

All public sector partners are hubCo participants and therefore entitled to a share of unitary charge contributions.

All charges to partners are on the basis of Gross Internal Floor Area (GIFA).

An analysis of costs set against each partner is shown (Table 33). The costs for NHS Highland have been included for completeness.

Table 33 - Allocation of Costs to Public Sector Partners

Skye, Lochalsh & West Ross Hub	NHS Highland	Portree Med	Scottish Ambulance	Total
	£000's	£000's	£000's	£000's
GIFA (sqm)	4,163	537	307	5,006
Percentage (GIFA)	83.16%	10.72%	6.12%	100%
Unitary Charge				
Heat, Light and Power	60	7	3	70
Rates	37	2	2	40
Waste Services	1	0	0	1
Insurance	32	-	2	33
Telecoms	3	-	0	3
Hard FM	89	-	5	94
Lifecycle	41	-	2	43
Grounds Maintenance	19	-	1	20
Soft FM (Cleaning)	178	5	5	188
TOTAL	**460**	**14**	**20**	**493**

7.3.3.3 Non Recurring Funding Requirements

There will be non recurring revenue costs in the form of removal/commissioning costs. These costs total £246k and have been identified in the Board's revenue financial plan (Table 34).

Table 34: Non Recurring Costs

Non Recurring Costs	SL & WR £000's
Decant costs	50
Non Capital Costs	161
Removal costs	30
Insurance during construction	0
	5
Total of Non Recurrent Revenue costs	**246**

7.3.3.4 Statement on Overall Affordability – Revenue

The current financial implications of the project in revenue terms as presented in the above tables confirm the projects affordability at NPR stage and will deliver a planned recurring revenue saving of £217k. The position will continually be monitored and updated as stage 1 and 2 as information becomes available and we progress towards Full Business Case (FBC).

7.3.3.5 Summary of Cashflow of All Costs and Funding

Table 35 and 36 show a consolidated capital and revenue statement across the lifespan of the project and first year of operation. The project plan assumes that construction works will be complete by December 2020 and occupancy will commence in February 2021.

Table 35 – Cost of Preferred Option – Cashflow

Costs	**2017-18 £000's**	**2018-19 £000's**	**2019-20 £000's**	**2020-21 £000's**	**2021-22 £000's**	**2022-23 £000's**	**2023-24 £000's**	**2024-25 £000's**
Capital								
Equipment				750				
Subdebt		136						
Land								
Existing Site Reconfiguration				2,650				
Total Capital Cost	**0**	**136**	**0**	**3,400**	**0**	**0**	**0**	**0**
Recurring Revenue								
Service Model	28,368	28,368	28,368	28,002	28,002	28,002	28,002	28,002
Unitary Charge				1,427	1,427	1,427	1,427	1,427
Asset Related	336	336	336	874	874	874	874	874
Total Recurring Revenue	**28,704**	**28,704**	**28,704**	**30,303**	**30,303**	**30,303**	**30,303**	**30,303**
Non Recurring Revenue								
Stage 1 & 2 Fees		619						
Asset Related Costs				246				
Redeployment Costs			50	100				
Backlog Maintenance								
Total Non Recurring Revenue	**0**	**619**	**50**	**346**	**0**	**0**	**0**	**0**
Total Costs	**28,704**	**29,460**	**28,754**	**34,049**	**30,303**	**30,303**	**30,303**	**30,303**

Table 36 – Sources of Funding – Cashflow

Sources of Funding	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000
Existing Budgets	28,550	28,550	28,550	28,550	28,550	28,550	28,550	28,550
Estates Maintenance Budget								
Formula Capital - NHSH	154	154	154	4,046	646	646	646	646
ODEL Capital - SGHSCD		755						
Unitary Charge - SGHSCD				1247	1,247	1,247	1,247	1,247
Unitary Charge Lifecycle SHGSCD				43	43	43	43	43
Public Sector Partners				33	33	33	33	33
Total Sources of Funding	**28,704**	**29,460**	**28,704**	**33,919**	**30,519**	**30,519**	**30,519**	**30,519**
Rec Benefit to Board Savings Plan				**-130**	**216**	**216**	**216**	**216**

7.3.3.6 Accounting Treatment and ESA10

This section sets out the following:

- The accounting treatment for the B&S and SLSWR project for the purposes of NHS Highland's accounts under the International Financial Reporting Standards; and
- How the scheme will be treated under the European System of Accounts 2010.

Accounting Treatment

The project will be delivered under a hubCo service concession contract over a 25 year term with NHS Highland retaining the assets for no additional financial consideration at the end of the contract term.

The hubCo contract is defined as a service concession under the International Financial Reporting Interpretation Committee 12 (IFRIC 12) and will be 'on balance sheet' in NHS Highland's accounts.

This position will be confirmed by NHS Highland's auditors prior to submission of the final business case.

The main accounting treatment required for the hubCo contract will be in line with the Capital Asset Accounting Manual.

As the facility will appear on NHS Highland's balance sheet, the building asset will incur capital charges. NHS Highland anticipates that it will receive an additional ODEL allocation from SGHSCD to cover the cost of capital charges.

European System of Accounts 2010 (ESA10)

The service concession contract follows the hubCo standard form to ensure that it delivers a 'non government asset' classification within the national accounts under ESA10 rules.

This classification ensures that the operator is bearing most of the risk attached to the scheme, including construction, availability and demand.

The standard hubCo legal documentation has been drafted so that construction and availability risk are transferred to hubCo. NHS Highland will retain the demand risk.

There are no capital contributions being allocated to the project that may affect the ESA10 classification.

7.3.3.7 Stakeholder Support

Both B&S and SLSWR projects have been subject to major service change consultation and stakeholders have been involved in the programmes since inception and this is ongoing.

There are a number of public sector organisations and independent contractors that will occupy space within the new buildings and therefore are liable for a share of the cost associated with their occupancy. All occupants have been involved in design development and have defined the floor space that they require to deliver their services.

Specifically, the public sector bodies and independent contractors occupying space in the new buildings are:

- B&S – Highland Council, Scottish Ambulance Service, Aviemore Medical Practice.
- SLSWR – Scottish Ambulance Service.

The OBC guidance asks Boards to confirm that all participant bodies have been involved in developing the scheme, that they accept the strategic aims and investment objectives, that they have made reasonable financial provision to agree the indicative costs and provision has been made for unforeseen affordability pressures.

Agreement in Principle' letters have been received from all participants (Appendix 5).

8 MANAGEMENT CASE

The Management Case sets out the governance arrangements in place to deliver this programme of major service change and associated infrastructure. It evidences the appropriate leadership, senior management, project management and internal governance structures.

8.1 Project Management Proposals

8.1.1 Reporting Structure and Governance Arrangements

At Initial Agreement the two service redesign projects were managed by separate Project Boards, but chaired by the same Senior Responsible Officer (SRO), as the need to bundle the projects as a single procurement under the Scottish Futures Trust (SFT) hub initiative was anticipated.

In January 2017 in advance of the submission of the New Project Request (NPR) to hubCo a single Joint Programme Board was formed.

The governance arrangements for the Programme bundle are set out (Figure 1).

Further information on the role, remit and membership of the Programme Board and Project Teams is provided (Appendix 7). This remains largely unchanged from the two Initial Agreements with the exception of some of the membership.

Most notably the membership of the Programme Board now reflects that this is a joint board for the two service redesigns, and the Project Team membership has expanded slightly in view of more detailed work associated with Outline Business Case (OBC).

The project work streams and arrangements for the management of the hubCo contract are included (Appendix 8). There is a joint NHS Highland / hub North Scotland Project Board responsible for delivery of the two community hospital new builds. NHS Highland membership of this Project Board includes the Senior Estates Lead, Lead Project Manager, Project Managers, Commercial Lead and a Senior Project Lead from each of the service redesign Project Teams. This ensures that the delivery of the new build community hospitals is embedded in to the overall service redesign programme.

The designation of Senior Responsible Officer, Project Directors, Senior Estates Lead and Lead Project Manager is identified (Figure 2).

Figure 1 – Governance Arrangements

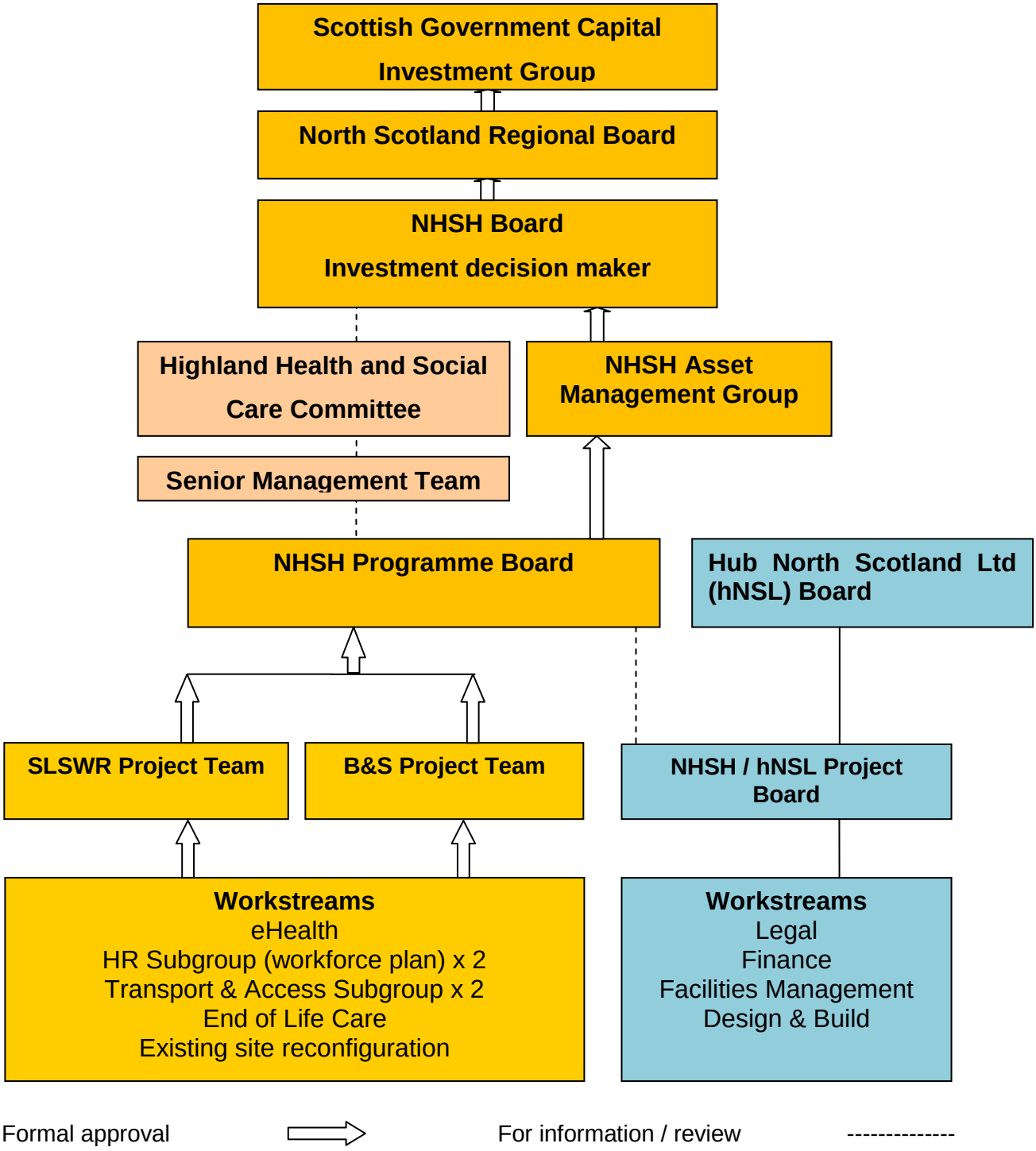
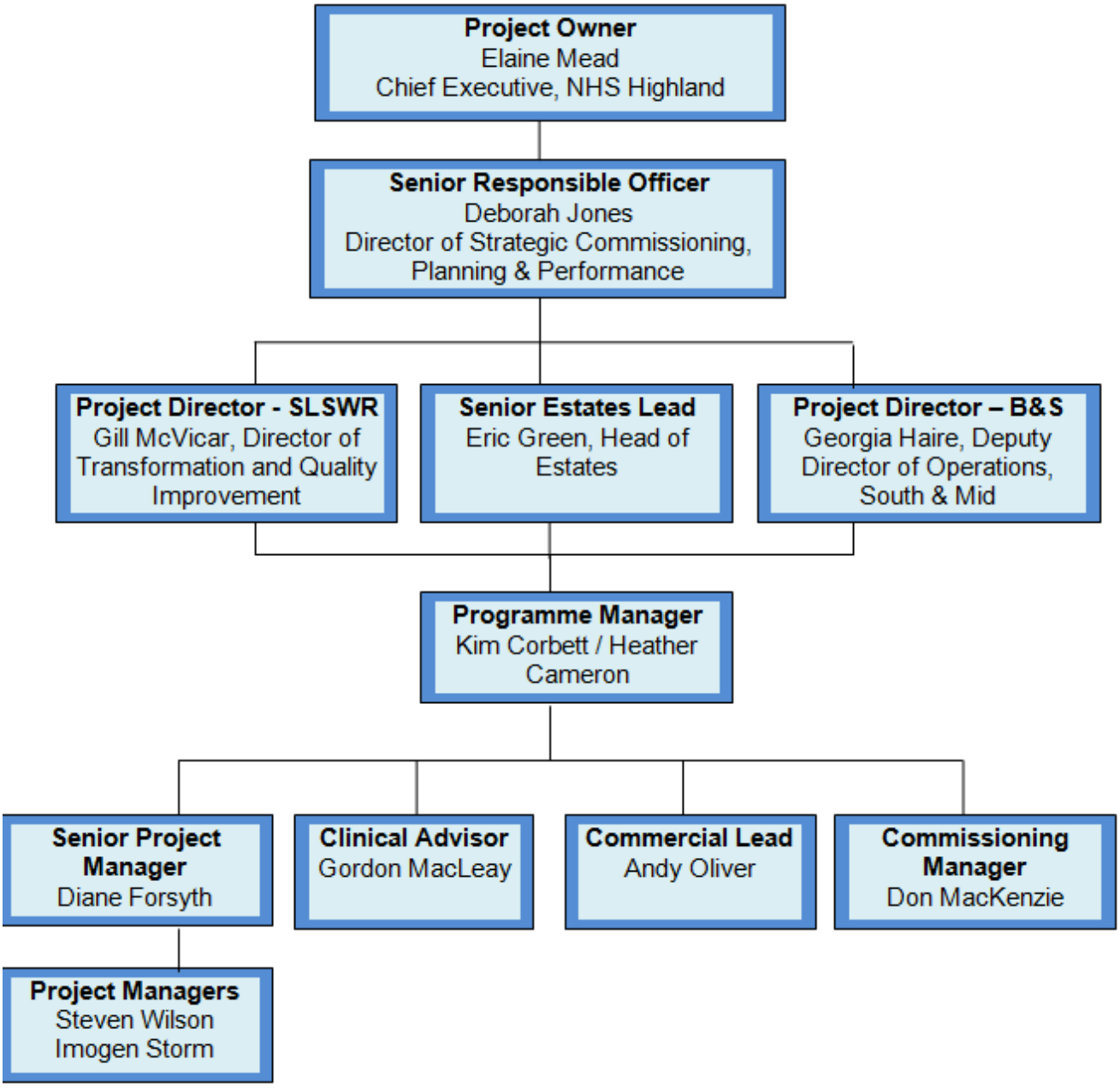


Figure 2 – Reporting Structure within NHS Highland



8.1.2 Key roles and responsibilities

In line with the Scottish Government's Programme and Project Management Approach (PPM) the project's complexity was determined as Level 4, as evidenced in Table 37.

Table 37: Assessment of Project Complexity

Project Complexity Criteria:	Level	Rationale
Value:	Level 4 – Any (> £15m)	£30M CAPEX
Number of Organisations:	Level 1 – 1	Single Authority – NHS Highland
Number of User Consultees	Level 4 – Any (>12)	More than 12 different user consultee groups
Number of Tier 1 Contractors	Level 1 - 1	Single contractor
Number of Design Teams	Level 1 - 1	Single design team
Degree of Technical Complexity and/or Operational Risk	Level 4 – High	Mission critical for NHS Highland

A skills assessment has been carried out on project leads and details relevant experience of key individuals (Appendix 9).

This is primarily a programme of major service change and the governance arrangements are reflected in the reporting structure. The SRO and Project Directors have significant experience in governance, development and stakeholder management which is crucial to the success of the redesign of services.

The construction and contract management expertise expected for delivery of an infrastructure project (which is the focus of the Scottish Futures Trust baseline skillset guidance) sits with Senior Estates Lead Eric Green, and Programme Managers Kim Corbett / Heather Cameron.

In line with SFT recommendations at Key Stage Review 1 we appointed a Commercial Lead for the programme bundle in June 2017. Our Commercial Lead has significant experience of hubCo and NPD contract management in NHS Grampian and Moray Council.

SFT also recommended that we progress the appointment of Participant Advisors and these are now in place (Table 38). Details of the procurement process are included in the Commercial case (section 6.2.3.2).

An independent economic advisor was appointed to validate or challenge the work carried out at Initial Agreement stage.

Looking ahead to the construction phase, NHS Highland recognises the importance of client monitoring in DBFM construction projects and already employs a full time project supervisor. This was put in place as a direct result of the Cole report. This post will be allocated to these developments when construction begins.

Table 38 – Independent Client Advisors

Independent Client Advisors:	
Project role:	**Organisation & Named lead:**
Technical advisor:	Currie & Brown – Denise Kelly
Financial advisor	Caledonian Economics – Martin Finnigan
Legal advisor	Pinsent Masons – Stuart Barr
Insurance advisor	Clark Thomson (Willis) – Beverley Bracey
Economic advisor	Currie & Brown - Alan Harrison

8.1.3 Project Recruitment Needs

Contracts Manager: NHS Highland recently strengthened their contract management arrangements and we are working through a proposal to partner with Highland and Argyll & Bute Councils to further reinforce capacity in this area. Full details will be provided in the Full Business Case (FBC).

8.1.4 Project plan and key milestones

A project master programme is provided (Appendix 10). A summary is detailed below (Table 39);

Table 39 – Summary of Key Project Milestones[5]

Milestone	**Timeframe**
Transfer of Older Adult Mental Health Services to New Craigs, Inverness	Complete March 2017
Stage 1 Approval	November 2017
OBC Approval by CIG	January 2018
Operational & service transition planning	December 2017 – August 2018
FBC Approval by CIG / Stage 2 Approval	November 2018
Financial Close of hubCo contract	December 2018
Implementation of service transition plan	January 2019 – November 2020
Construction & Commissioning complete	November 2020
Service change fully implemented / operational	December 2020
Existing site reconfiguration complete	March 2022
Final post project evaluation	December 2022

[5] Estimated milestones at time of submission of Outline Business Case (October 2017). The master programme in Appendix 10 is the updated position (May 2018).

8.2 Change Management Arrangements

8.2.1 Operational and Service Change Plan

The operational managers in both areas are overseeing the redesign proposals and progress is already being made to implement some of the changes where required. NHS Highland's organisational change process is being followed. There has been significant staff involvement and awareness to prepare staff for changes within the proposed new ways of working.

Work commenced early in 2018 to develop operational and service change transition plans. This is being overseen by the deputy directors of operations with progress reported to the respective Project Teams (figure 1). Key to the service change is the implementation of the workforce plan which outlines the change in staffing required in order to deliver the new service model. The two operational Area Managers are responsible for delivering this workforce change and are core members of the respective Project Teams, supported by the Clinical Advisor. The work is managed through the HR subgroup (HRSG), supported by the Operational Unit's HR Managers and progress is reported to the Project Team.

The workforce plans for each service change are included (Appendix 11) and have informed the staffing costs in the Financial case (section 7.3).

A HRSG was established in B&S at an early stage to manage the transfer of Older Adult Mental Health Services. This has agreed terms of reference and a framework of an implementation plan, which has been shared with the Project Team. In order to successfully implement the workforce plan the HRSG has built a clear picture of current staffing as well as what is projected for the future. The workforce plan underpins this intention and this will be translated into specific arrangements regarding management structure and leadership, clarity on roles, skill mix, capacity and required working patterns.

A Staff Profile reflecting the current and the future skills mix of staff by whole time equivalent and headcount for each role has been prepared and regular updates provided to the Project Team. A training and development plan is also being designed. Implementation will be overseen by the HRSG to ensure that all induction and orientation needs are addressed; development of any key skills as a consequence of changes to roles; and team working.

Depending on the detail of this the HRSG will clarify when appropriate use of NHS Highland Policies on Use of Fixed Term Contracts; Redeployment Process or Organisational Change Policy are required to be implemented. Throughout this there will be involvement with staff impacted to provide clarity, assurance and information.

The successful transfer of older adult mental health consultant-led beds from Lynwilg Ward in St Vincent's Hospital, Kingussie to New Craigs Hospital in Inverness has been an important test of implementing our workforce and HR plans to transition services from hospital to community. This process worked well and has brought significant benefits with patients being cared for in a more appropriate environment with more people now being cared for at home or in their local community (section 4.2.1.2).

A formal HRSG for SLSWR will be set up as a priority early in the FBC process and will follow the same approach.

Technologies and eHealth have a significant role to play and a joint eHealth working group was formed in May 2017 to explore how technology can support the changing service. This reports to each Project Team and thereafter feeds in to the NHS Highland's eHealth Delivery Group via the Project Directors. Specifically in terms of eHealth, key actions identified to be progressed for FBC are:

- Scanning of patient records in order to reduce requirement for storage of paper records;
- Introduction of a community system which is currently in early implementation phase for Inverness community teams; and
- Confirmation of current systems used and agreement on technology to support functions in new build e.g. shared reception.

8.2.2 Facilities Change Plan

It has been recognised by SFT, Hub North Scotland Limited (hNSL) and NHS Highland that facilities management (FM) will be a challenge for the new facility in Broadford due to its size, rural location and type of clinical services which require cover 24 hours a day, 7 days a week. The resulting FM costs will potentially be significantly higher in comparison to a similar facility located in a more central location.

A series of discussions have taken place between NHS Highland, hNSL, SFT and potential FM service providers to develop a solution for procurement of FM services.

A dual provider proposal route is being taken forward whereby two FM providers have been invited to submit their proposals for FM service delivery, comprising operational structure for service delivery, indicative cost per sqm and their strategy for delivering a robust and sustainable service. Following evaluation of the submissions and interview, hNSL will appoint a preferred FM and Lifecycle (LC) Tier 1 Service Provider to work collaboratively with NHS Highland to:

- provide most relevant FM and LC service for the concession period;
- arrive at and fully demonstrate the best Value for Money proposition;
- fully input and contribute to the development stages of the project; and
- provide a continuously developing experience which incorporates lessons learnt.

It is envisaged that an FM provider will be in place by December 2017 to enable a full value for money solution to be developed.

To facilitate this collaborative, partnering approach, a Building Information Modelling (BIM) Execution Plan will be developed with the Design Team to ensure regular structured data exchanges throughout the design process. BS1192:2007 collaborative production of architectural, engineering and construction information will be used in relation to production of information for this project, ensuring good quality information and data is available at handover for the efficient use of ongoing maintenance of the new facilities for the whole lifecycle. This method takes into consideration the use of Government Soft Landings Principles.

The process for transition to FM provider will be managed through the “collaborative partnering approach” and part of the solution development as described above, to ensure a smooth transition with appropriate service continuity.

Under the proposed new arrangements, laundry facilities will not be re-provided in either hospital, and the laundering service for the hospital will take place at other NHS Highland sites.

The preferred catering option for B&S is traditional production. The option appraisal tool used was developed by the NHS Highland Catering Services Project Board and involved public, patient and staff in a full option appraisal, which included taste testing. The final outcome was 79% for Traditional Production and 72% for Delivered Meals and was ratified by the B&S and SLSWR Programme Board noting the following;

- Both Traditional and Delivered Meals production methods were considered suitable for use in NHSH hospitals;

- Both options are affordable;
- In terms of future flexibility it is easier to convert a Traditional Production kitchen to Delivered Meals solution, but the reverse would be more difficult and costly;
- The outcome is in accordance with NHS Highland strategic direction; and
- A post-evaluation review has been undertaken to ensure the robustness of the assessment tool and the process used.

The preferred option for catering facilities in SLSWR is a regeneration kitchen. This approach has been used successfully in SLSWR for some time and was adopted due to significant difficulties in recruitment and retention of trained catering staff.

8.2.3 Stakeholder Engagement and Communication Plan

A description of the communications and engagement included in the Initial Agreement documents focussed on options development, appraisal and public consultations required for a major service change.

Both projects have undergone significant engagement including formal public consultation in 2014. During this period over 100 meetings and events took place. These were underpinned by detailed plans. Four out of five people who took part in the consultations supported the proposed new arrangements.

Although the projects were managed separately the same approach was followed for both. The Scottish Health Council (SHC) has endorsed the approach taken by NHS Highland to options, developments, options appraisal and public consultation and there continues to be ongoing input from SHC.

Our communications and engagement approach and plans have been reviewed at key stages including: post public consultation, prior to submission of the Initial Agreements and as part of the preparation for this OBC. This includes stakeholders, a review of activities to date and outline of future plans (Appendices 12, 12a and 12b).

The plan also takes account of engagement and sign off required from internal stakeholders, particularly in relation to the development of the new build community hospitals.

Monthly stakeholder engagement workshops continue to take place to understand the clinical requirements and to progress from concept to detailed design. Internal stakeholders, public sector partners and external advisors all have an input and early workshops outlined the process and key decision points where sign off is required. Further details are provided (Appendix 12).

Joint technical meetings also take place monthly with NHS Highland and hubCo in order to finalise the Authority Construction Requirements which were well developed at NPR stage. In addition to the Participant Technical Advisor, NHS Highland has identified a Design Lead who is responsible for co-ordinating feedback from internal technical stakeholders on design verification. This includes mechanical, electrical, water, fire safety, environment and sustainability, health and safety, control of infection and eHealth. A copy of the hubCo project meeting scheduled is attached (Appendix 13).

8.3 Benefits Realisation

Benefits registers were developed by holding multi-stakeholder workshops in the first half of 2016. At these workshops the benefits of the projects were agreed and prioritised, and participants identified potential measures for each benefit. Attendees included Project Managers, Operational Unit Managers, Community representatives (service users), Clinical Leads, Service Planning and Control of Infection.

The resulting Benefits Registers were presented to the respective Project Boards in July 2016, grouping the project benefits under the 7 project objectives identified at Initial Agreement (Table 4 Section 4.5).

During the development of the OBC a Benefits Realisation Plan was developed for each project which identifies who is responsible for the delivery of each benefit and what actions are necessary to realise them (Appendix 1).

Alongside the Plan there is a Benefits Register (Appendix 2) which includes both financial and qualitative measures which are predicted to be realised and include:

- Greater numbers of people being cared for in their own home;
- Reduce length of stay in hospital;
- Co-location of multi-disciplinary teams, public sector partner and voluntary services;
- Equality of access to health and social care services;
- Dementia friendly inpatient facilities;
- More dignity and privacy for inpatients – 100% single rooms with en suite;
- End of Life Care – 60% of deaths to be in a homely setting;
- Increased use of telemedicine to support delivery of services closer to home;
- Reduction in building operating costs; and
- More sustainable and flexible staff cover.

The measures identified in the early workshops have been reviewed against available data and the benefits register was adjusted accordingly, for example if data is unavailable or numbers are low.

A baseline has been recorded for each measure where possible, and an action plan is in place to collect remaining data. The majority of data to support measuring benefits is routinely collected so is available retrospectively.

The Benefits Plan and Register will be further developed through the Full Business Case process.

It is worth noting that many of the benefits are expected to be delivered in advance of the new hospitals being opened. The smooth transition to transfer older adult mental health services in St Vincent's hospital to more appropriate settings demonstrates early delivery of a key part of the plan in Badenoch and Strathspey.

The testing of the PillCam endoscopy is another example of implementing a solution that is meeting our objectives of being more person-centred and reducing the need for travel. Many of the benefits will be realised in advance of the proposed new builds.

8.4 Risk Management

The risk registers developed by each Project Team at Initial Agreement stage have been regularly monitored at each monthly Project Team and adjusted as required. With the move to a single Programme Board, a risk register has been developed which identifies high level risks across the bundle.
Through this process the risk registers have been expanded, reviewed and updated on an ongoing basis since Initial Agreement approval. The appropriate Programme Board and Project Team level risks have been included in hub North Scotland's risk register which was reviewed with the hubCo and NHSH joint team in early October.

A quantified risk register has been produced in line with latest SCIM guidance and the output

has informed the financial and economic cases for this OBC.

The complete risk register (Appendix 14) and quantified risk register (Appendix 15) were ratified by the Programme Board on 26th October 2017 as part of this OBC.

The key risks for the programme bundle are summarised in table 40.

Table 40 – Key risks for programme bundle

Risk Rating	Risk	Mitigation
20 Red	Delays in NHS Highland / Scottish Government approval process	Ensure adequate project management support is in place so that all stages are fully completed to required level, clear programming. Continued engagement with SGHSCD and be proactive in delivery of outputs and provision of additional information
20 Red	Construction costs may exceed the likely funding allocation for the bundle, which is £30m.	Ensure service model is well defined prior to NPR. Challenge brief to ensure it is realistic, manage stakeholder expectations and involve them in the solution. Maximise flexible use of space in order to reduce footprint and therefore costs. Robust challenge of accommodation requirements. Ensure project is kept to time to minimise impact of inflation
20 Red	Inflation costs rise above those projected	Ensure that this is taken into account in the financial case
20 Red	Unable to recruit in traditional manner to support enhanced community and care-at-home plan	Progress the workforce plan, use of self directed support, explore all options consistent with NHSH Care Strategy
20 Red	Insufficient capital and revenue funding to support reconfiguration of existing estate	Define scope of services in detail to inform level of refurbishment required, work up cost to include within OBC / FBC. Ensure sufficient amount is identified and SGHSCD funding agreed

8.5 Commissioning

The Commissioning process will follow the SCIM 'Commissioning a Healthcare Facility Guidance (March 2009)'.

NHS Highland appointed a Commissioning Manager in October 2017 to lead the commissioning process for all new healthcare facilities. They will report to the NHS Highland Project Directors who will report to the SRO (Project Owner) as appropriate.

Reporting will include;

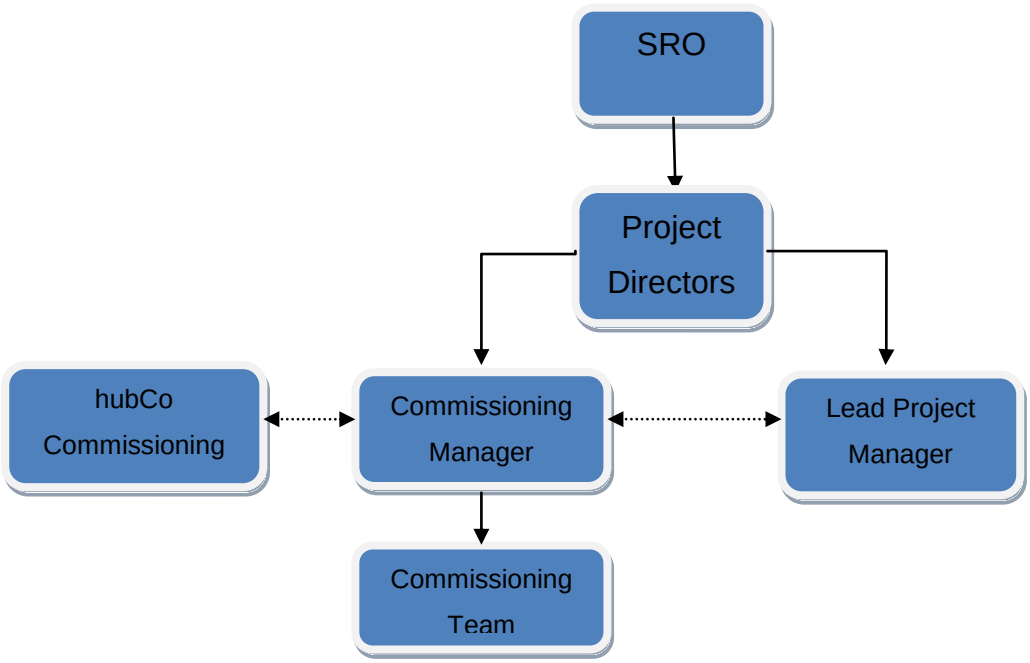
- Progress on commissioning the new healthcare facilities against the project implementation plan;
- Cost reports against planned expenditure for budgets allocated to the commissioning phase;
- Progress against the commissioning master plan; and
- Risk register reports.

The Commissioning Manager will establish a good working relationship with hubCo Tier 1 Contractor and will attend join NHS Highland / hubCo technical and site meetings.

The Commissioning Manager will be required to follow the formal Change Control approval process.

The commissioning project structure is detailed below (figure 3).

Figure 3 - Commissioning Project Structure



The key stages of the commissioning process are set out below (table 41):

Table 41 – Commissioning Key Stages

Stage	Key Activities
Operational Procedures	▪ Staff development ▪ Workforce plan ▪ Management responsibilities ▪ Adjacencies and interaction ▪ Support services delivery ▪ Environmental management strategy ▪ Stakeholder engagement ▪ Partner Organisation relationships ▪ Staff training and orientation
Revenue Budgets	▪ Baseline budget costs ▪ Regular reviews ▪ Double running costs
Full Business Case	▪ FBC assumptions review ▪ Consideration of national, regional or local policy changes and their effect on the project.
Integrated Processes	▪ Integration with the overall business planning process
Transfer of facilities	▪ Migration plan
Partner Organisations	▪ To be established by FBC
Phased/Stages Occupation	▪ Phased handover ▪ Security ▪ Staff induction
Decanting	▪ To be detailed in the operational procedures and commissioning master plan
Equipping Strategy	▪ Procurement strategy ▪ Security strategy ▪ Asset tagging and recording policy
Equipping	▪ Room Data sheets ▪ Transferred items identified ▪ Equipment grouping ▪ Procurement process
Selection of Equipment	▪ Infection Control ▪ Commissioning Master Plan to consider lead in times for procurement, specifications, delivery.
Delivery of Equipment	▪ Phased approach
Storage of Furniture & Equipment	▪ Identify safe areas for storage ▪ Security ▪ Cleaning and decontamination ▪ Medical Physics checks ▪ Asset tagging
Removals	▪ Equipment transfer planning

Placing of Equipment	▪ Equipment labelling (rooms number/location) ▪ Testing (i.e fridges) ▪ PAT testing ▪ Cleaning and infection control ▪ Management of key/user manuals
Equipping a Room	▪ Room numbering/ADBs ▪ Equipment tagging procedure
Equipping Contingency	▪ Equipment contingency sum
Site Visits	▪ Staff H&S training on site orientation and new equipment and systems etc ▪ Planning of staff visits ▪ Controlled process for site visit requests
Technical Commissioning	▪ Programme for technical commission ▪ Testing witness ▪ H&S File/CDM/Technical manuals
Artwork/Internal Design	▪ Programme of work with external artists etc. ▪ Design standards agreed
Signage	▪ Agree name of new facilities (as early as possible) ▪ Signage compliance with NHS Scotland Identity Guidance ▪ Internal signage schedule ▪ Agree room title with departments ▪ Planning permission for external signage ▪ Policies for car parking, access and delivery points ▪ Temporary signage (if required) ▪ H&S, Fire and statutory signage
Snagging	▪ Agree rules governing security and access with contractor to enable snagging ▪ Snagging schedule
Post-handover	▪ Security plan ▪ Signing in book ▪ Schedule for cleaning etc. prior to occupation ▪ Floor protection for the removal of heavy equipment ▪ Post contract works assessment ▪ Additional works outside of scope –change control process
Decommissioning Redundant facilities	▪ Surplus equipment policy ▪ Identify storage for surplus equipment ▪ Surplus Assets Inventory ▪ Temporary signage ▪ Lift/plant security ▪ Disposal of hazardous materials/clinical waste ▪ Amend/phase out of all contracts on maintenance and utilities
Closed Facilities	▪ Secure and signpost ▪ Contingency plan for sale or disposal ▪ Risk asses
Public Relations	▪ Detailed in Appendix 12
Handover to Operational Management	▪ Process for day to day queries or problems of an operation nature via the commissioning Manager/team (at least 3 months post

	occupation) ▪ Formal handover process with appropriate sign off ▪ FM Provider contact details
Official Openings	▪ Identify official opening date on Commissioning Master Plan ▪ Agree invitation list ▪ Publicise and communicate date to all well in advance. ▪ Identify appropriate person(s) to undertake official openings ▪ Protocols for official visits to be checked and timescales for arrangement to be scheduled in the Commissioning Master plan month in advance.

8.6 Project Evaluation

8.6.1 Objectives of the Evaluation

The objective of the evaluation is to learn from the project with the aim of resolving issues as they arise and where possible to learn retrospectively about what did not go well and what did go well. This is to ensure that issues are avoided or good practice repeated where appropriate in future projects. In doing so, this will contribute to the body of learning and the quality of project and risk management, both within NHS Highland and across Scotland.

Additionally the Post Project Evaluation (PPE) will be linked with the Benefits Realisation Plan review, to assess whether the objectives of the project have been achieved.

8.6.2 Scope of the Evaluation

A number of dimensions will be explored during the project evaluation stages by NHS Highland, as set out below (Table 42).

Table 42 Timescales to be adopted with respect to project evaluation

Activities	Indicative time-scale
Research, briefing and familiarisation of the evaluation	1 week
Appoint research team (take into consideration time for tendering external expertise)	3-4 weeks
Study design, identification of sample frame, selection of sample	2-4 weeks
Questionnaire design	2-4 weeks
Piloting and revision of questionnaire	2-3 weeks
Conduct fieldwork	4-6 weeks

Activities	Indicative time-scale
Data collection and processing	3-4 weeks
Data analysis and report writing	4-6 weeks
Consultation and revision of report	4-6 weeks
Publication and dissemination of findings	2-4 weeks

Work has already been undertaken by the project team sub groups to commission data analysis, audit and survey work to provide a baseline against which specific elements of the project will be evaluated.

8.6.3 Methodology

The PPE will be undertaken using the "Logical Framework Approach" as recommended in the Scottish Capital Investment Manual (SCIM) Project Evaluation Guide.

This will focus on an evaluation of the project life cycle, in particular the procurement process and the lessons to be learned, though it is emphasised that this a wider service redesign with a procurement element.

The evaluation will use a number of quantitative and qualitative methods to gather information to include for example, questionnaires, interviews, team workshops and retrospective audit of project records.

The benefit realisation plan which will be further developed during the FBC stage will be used to assess project achievement.

The project evaluation report will review the success of the projects against the original objectives, its performance in terms of time, cost and quality outcomes and whether it has delivered value for money. It will also provide information on key performance indicators.

The project evaluation will be led by the Lead Project Manager (figure 2) as part of an Evaluation Team made up of key members of the project team and stakeholders groups.

On completion of the Project Evaluation a report will be submitted to the Programme Board for consultation and revision and the final report will be submitted to the Scottish Government Capital Planning and Asset Management Division.

8.6.4 Evaluation Teams and Evaluation Plan (Stage 1)

The evaluation team will include Clinical Advisor, Service Planning Analyst and operational team members, together with appropriate administration support.

The Benefits Realisation Sub-Group will support the project evaluation through design, construction, commissioning and operation.

The membership may change over the life of the project but includes:

- Project Directors (2)
- Lead Project Manager
- Project Managers (2)

- Area Managers (2)
- Clinical Advisor
- Clinical Lead (2)
- AHP Lead (2)
- Nurse Lead (2)
- Public Representative (2)
- Estates Representative
- Finance Manager (2)
- Head of Public Relations & Engagement
- Administrative support

Using the "Logical Framework Approach" an Evaluation plan will be developed setting out the scope, resources requirement and cost of the project evaluation work to be undertaken. The Project Framework Matrix will set out the objectives, performance indicators, methods of measurement and assumptions and risks to be used in the evaluation.

In accordance with current SCIM guidance and good practice the project will be evaluated in stages. Areas that will be explored at the stages 2-4 of evaluation are detailed below (table 43). This will be subject to change and refinement throughout the project.

Table 43 - Post Project Evaluation Dimensions

Stage 2	▪ Evaluation of time, cost and service performance ▪ Adherence to management procedures ▪ Adherence to the procurement process ▪ Review of the design solution ▪ Review of the Contractor's performance
Stage 3	▪ Have the benefits outlined in the Benefits Realisation Plan been achieved? ▪ Is the building functionally suitable? ▪ Has the NHS Backlog Maintenance register been reduced as planned? ▪ What did stakeholders feel about involvement and communication throughout the different stages of the project? ▪ Was the correct equipment specified and procured? ▪ Was the project completed on time? ▪ Was the project completed on budget? ▪ Was the commissioning process, smooth, organised and co-ordinated? ▪ What were the reasons for delay? ▪ What actions should be taken to prevent future problems?
Stage 4	▪ Have the benefits outlined in the Benefits Realisation Plan been achieved? ▪ Is the building functionally suitable? ▪ Has the NHS Backlog Maintenance register been reduced as planned? ▪ Have the operating costs outlined in the FBC been achieved or improved? ▪ Have the maintenance costs outlined in the FBC been achieved or improved? ▪ What has been the impact of the risk allocation on NHS?

8.6.5 Stage 2 – Monitoring Progress

An evaluation of the procurement process will be undertaken following Financial Close to assess the effectiveness of the procurement process in meeting the project objectives and identify any issues and lessons to be learned. This stage will also enable the project team to review its performance and aid in future development of skills

During the construction period progress will be monitored to ensure delivery of the project to time, cost and quality to identify issues and actions arising.

On completion of the construction phase the actual project outputs achieved will be reviewed and assessed against requirements to ensure these match the project's intended outputs and deliver its objectives.

In addition the Programme Board will undertake an evaluation workshop at 12 monthly intervals throughout the project to allow for reflection, learning and improvement as the project progresses through its various phases. The timeframe for this will be set from approval of OBC.

8.6.6 Stage 3 – Initial Project Evaluation of the Service Outcomes

This will be undertaken six to 12 months after the new facilities have been commissioned. The objective is to determine the success of the commissioning phase and the transfer of services into the new facilities and what lessons may be learned from the process.

8.6.7 Stage 4 – Follow-up Project Evaluation

This will be undertaken two years into the operational phase by the Evaluation Team to assess the longer term service outcomes and ensure that the project's objectives continue to be delivered.

In each stage the following issues will be considered:

- To what extent relevant project objectives have been achieved.
- To what extent the project went as planned.
- Where the plan was not followed, why this has happened.
- How plans for future projects should be adjusted, if appropriate

9 GLOSSARY

The following Glossary of Terms is listed in alphabetical order, and seeks to provide a basic explanation of terms which have been used throughout this Outline Business Case.

Term	Definition
2020 Vision	Scottish Government document "Achieving sustainable quality in Scotland's Health Care" which set out the transformation required for health and social care to make services sustainable for the future.
A&E	Accident & Emergency
A&DS	Architecture & Design Scotland
AEDET	Achieving Excellence Design Evaluation Toolkit
ACR	Authority Construction Requirements. A series of documents that set out the technical, clinical and non-clinical requirements for the facility
Affordability Cap	Maximum cost cap for the infrastructure project, based on benchmark costs, as set out in the New Project Request.
AMG	NHS Highland's Asset Management Group
ASP	The Annual Service Payment for a facility delivered through hubCo. Covers the cost of lending the finance and running the facility. Sometimes known as the 'unitary charge'
Authority	The public sector 'client' within the hubCo contract, in this case NHS Highland
B&S	Badenoch & Strathspey
BCR	Benefit/Cost Ratio
Benefits	Benefits can be defined as the positive outcomes, quantified or unquantified, that a project will deliver.
The Board	The NHS Highland Board
BREEAM	Building Research Establishment Environmental Assessment Method
BIM	Building Information Modelling
CAPEX	Capital Expenditure Limit
CEL	Chief Executive's Letter - issued by the Scottish Government
CIG	The Scottish Government Capital Investment Group – decision making body for the business case process
CNPA	Cairngorm National Park Authority

Term	Definition
Cost Benefit Analysis	Method of appraisal which tries to take account of both financial and non-financial attributes of a project and also aims to attach quantitative values to the non-financial attributes.
CRB	Cash Releasing Benefits
DBFM	Design, Build, Finance and Maintain – a type of revenue financed procurement contract
Design and Development Phase	The stage during which the technical infrastructure is designed and developed.
Design Statement	Developed by a multi-stakeholder group this sets out the non-negotiable performance objectives in relation to the 'softer' aspects of the design, e.g. approach, arrival routes, views to nature
Discounted Cash Flows	The revenue and costs of each year of an option, discounted by the respective discount rate. This is to take account of the opportunity costs that arise when the timing of cash flows differ between options.
EAC	Equivalent Annual Cost. Used to compare the costs of options over their lifespan. Different lifespans are accommodated by discounting the full cost and showing this as a constant annual sum of money over the lifespan of the investment.
Economic Appraisal	General term used to cover cost benefit analysis, cost effectiveness analysis, investment and option appraisal.
EPC	Energy Performance Certificate
Equality Act	Equality Act 2010
End of Life Care	The time when the person's expected death is imminent and is expected to happen within the next few months, weeks or days
ESA10	European System of Accounts 2010
FBC	The Full Business Case explains how the preferred option would be implemented and how it can be best delivered. The preferred option is developed to ensure that best value for money for the public purse is secured. Project Management arrangements and post project evaluation and benefits monitoring are also addressed in the FBC.
FS2	Frameworks Scotland 2
GEM	Generic Economic Model
GIFA	The Gross Internal Floor Area of a building
Hard FM	'Hard' Facilities management - the repair and maintenance of the building fabric and component parts (e.g. boiler, roof)

Term	Definition
HFS	Health Facilities Scotland
HLIP	High Level Information Pack – the 'brief' used in Frameworks Scotland procurement
'Hub'	Community Hospital and Resource Centre for the district; integrated services, inpatient beds, x-ray
hubCo	A joint venture company formed by a private sector development partner appointed by the public sector bodies in a specific geographical area of Scotland.
IA	Initial Agreement. Stage before Outline Business Case, containing basic information on the strategic context changes required overall objectives and the range of options that an OBC will explore.
IFRIC 12	International Financial Reporting Interpretation Committee 12
LC	Life Cycle – the cost of replacing the component parts during the life time of the contract
LDP	Local Delivery Plan
NBV	Net Book Value. The current book value of an asset or liability; its original book value net of any accounting adjustments such as depreciation.
NHS Near Me	A new service which aims to provide consultations as close as possible to patients' homes. These are telehealth appointments via a video link with a consultant or other specialist.
NPC	Net Present Cost. The net present value of costs.
NPD	Non-Profit Distributing – a form of infrastructure procurement
NPR	New Project Request. A request to hubCo to prepare a Stage 1 Submission for the project. It details the Affordability Cap, specific requirements, and a detailed Project Brief
NPV	Net Present Value. The aggregate value of cashflows over a number of periods discounted to today's value.
OBC	The Outline Business Case is a detailed document which identifies the preferred option and supports and justifies the case for investment. The emphasis is on what has to be done to meet the strategic objectives identified in the Initial Agreement. A full list of options will be reduced to a short list of those which meet agreed criteria. An analysis of the costs, benefits and risks of the shortlisted options will be prepared. A preferred option will be determined based on the outcome of a benefits scoring analysis, a risk analysis and a financial and economic appraisal.

Term	Definition
ODEL	Out of Delegated Expenditure Limit
OJEU	Official Journal of the European Union
Optimism Bias	Optimism bias refers to the known tendency for the costs of projects to be underestimated, particularly in the early stages of developing and costing projects.
PA	Project Agreement
Palliative Care	The care of those with a life limiting condition which is advancing towards the last year of life
PCS	Public Contracts Scotland
Pillcam	A less invasive form of diagnostic endoscopy which involves swallowing a pill
PPE	Post Project Evaluation
PPM	Scottish Government guidance - Programme and Project Management Approach
PSCP	The Principal Supply Chain Partner (Contractor) offers and manages a range of services (as listed in this document) from the Initial Agreement stage to FBC and the subsequent conclusion of construction works.
PSDP	Private Sector Development Partner – a private sector company appointed by the public sector
RDD	Reviewable Design Data
RDS	Room Data Sheet
Re-ablement	Supporting people back to being independent and helping them to stay independent
RIBA	Royal Institute of British Architects
Risk	The possibility of more than one outcome occurring and thereby suffering harm or loss.
Risk Workshop	Held to identify all the risks associated with a project that could have an impact on cost, time or performance of the project. These criteria should be assessed in an appropriate model with their risk being converted into cost.
RPs	Rural Practitioners are GPs with enhanced skills in emergency, resuscitation and anaesthetics allowing the hospital to function at a higher level than most community hospitals.
Schedule of Accommodation	Details the number, type and size of rooms required

Term	Definition
SCIM	Scottish Capital Investment Manual. Business case guidance produced by the Scottish Government (updated February 2017)
Scope	For the purposes of this document, scope is defined in terms of any part of the business that will be affected by the successful completion of the envisaged project; business processes, systems, service delivery, staff, teams, etc.
Sensitivity Analysis	Sensitivity Analysis can be defined as the effects on an appraisal of varying the projected values of important variables.
SFT	Scottish Futures Trust – an infrastructure delivery company owned by the Scottish Government that works with private and public sector partners
SGHSCD	Scottish Government Health and Social Care Directorate
SHC	Scottish Health Council
(S)HPN	(Scottish) Health Planning Note
(S)HTM	(Scottish) Health Technical Memorandum
(S)HFN	(Scottish) Health Facilities Note
'Spoke'	Health and care facility housing outpatient services, community integrated team and GP services. No inpatient beds or x-ray.
SPV	Special Purpose Vehicle – this runs the hubCo project during the construction and operational phases
Soft FM	'Soft' facilities management – e.g. cleaning, portering, grass cutting, snow clearing
(hub) Stage 1 / Stage 2	Refers to the stages in the hubCo procurement process. Stage 1 develops a concept design and cost envelope. Stage 2 develops the detailed design and market tested costs.
Step up / step down beds	Community beds which are used a) flexibly over short periods to support patients and prevent them from being admitted into hospital, or b) as part of a planned discharge from hospital to provide further rehabilitation / enablement / assessment of independence before going home. They may also be used at times of social crisis to avoid being admitted to hospital.
Subordinated debt	hubCo projects are funded via 90% senior debt (the lender) and 10% subordinated debt (the public sector participants).
Tier 1 contractor	The main contractors on the hubCo's supply chain, e.g. main building contractor
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 1981

Term	Definition
VfM	Value for money is defined as the optimum solution when comparing qualitative benefits to costs.

10 APPENDICES

Appendix 1 – Benefits Realisation Plans

Identification		Realisation					
Ref No.	Main Benefit	Who Benefits?	Who is responsible?	Investment Objective	Dependencies	Support Needed	Date of Realisation
BI01	Greater numbers of people being cared for in their own home	Public / patients	Area Manager	Integrated Health and Social Care	Increase in community staffing / resource released from current buildings	Implementation of workforce plan	2021/22
BI02	Reduced length of stay in hospital	Public / patients	Area Manager	Integrated Health and Social Care	Robust community services	Implementation of workforce plan	2021/22
BI03	Reduced length of stay in care homes	Public / patients	Area Manager	Integrated Health and Social Care	Robust community services	Implementation of workforce plan	2021/22
BI05	Flexible use of step up / step down beds to meet patient need. Increased choice for patient to access care locally. Flexible use of staff with enhanced skills	Public / patients	District Manager	Integrated Health and Social Care	Increase in community staffing / beds being in place before 2020	Agreed clinical pathway and referral criteria	2021/22
BI06	Reduced number of hospital admissions (unscheduled care)	Public / patients	Area Manager	Integrated Health and Social Care	Robust community services	Implementation of workforce plan	2021/22
BI07	Service users have a single point of access making it easier to contact and access services	Public / patients	District Manager	Integrated Health and Social Care	Staffing in place	Telecomms in place	2017/18
BI08	Co-location of multi agency district team; less duplication, greater responsiveness to need; right person / time / place	Staff / Public / patients	Project Director	Integrated Health and Social Care	Completion of new build facility		2020/21
BI09	Co-location of NHS / social care services with 3rd sector partners, promoting joint working	Staff / Public / patients	Project Director	Integrated Health and Social Care	Completion of new build facility	Agreement from public and 3rd sector partners	2020/21
BI10	Enabling technology supporting people to stay in their own home for longer	Public / patients	Deputy Head of eHealth	Integrated Health and Social Care	Funding, availability of technology	eHealth working group, agreed roll out of eHealth / TEC improvements	2021/22
BU01	Improved privacy and dignity for inpatients	Public / patients	Estates Senior Project Mger	Improve user experience	Completion of new build facility	Stakeholder input to design	2020/21
BU02	More positive experience of health and social care	Public / patients	Project Director	Improve user experience	Resources in place	Service redesign	2021/22
BU03	Delivery of services closer to home	Public / patients	Project Director	Improve user experience	Completion of new build, secondary care support	Workforce plan, secondary care	2021/22
BU04	All inpatient care / treatment delivered in one room; less disruption to service users, reduced infections and outbreaks	Public / patients	Project Director	Improve user experience	Completion of new build facility	Stakeholder input to design (CofInf)	2020/21
BU05	Dementia friendly inpatient facilities	Public / patients	Estates Senior Project Mger	Improve user experience	Completion of new build facility	Dementia expert input to design	2020/21
BU07	Enhanced visiting arrangements for families (inpatients) - less restriction on visiting hours & number of visitors	Public / patients	Lead Nurse	Improve user experience	Completion of new build	Public engagement	2021/22
BU08	End of life care; service users will have greater choice over where to die	Public / patients	Lead Nurse	Improve user experience	More patients choosing end of life care at home	Increased community staffing, flexible use / "Heather" beds in place	2021/22

Identification		Realisation					
Ref No.	Main Benefit	Who Benefits?	Who is responsible?	Investment Objective	Dependencies	Support Needed	Date of Realisation
BU09	Accessible WiFi for service users in hospital improving connection to the outside world and providing entertainment	Public / patients	Deputy Head of eHealth	Improve user experience	Completion of new build	eHealth input in ACRs	2021/22
BU10	Reduced number of inpatients travelling for x-ray services	Public / patients	Project Director	Improve user experience	Completion of new build / co-location of x-ray and inpatient services	Secondary care	2021/22
BA01	Increased capacity for access to specialist outpatient clinics locally	Public / patients	Estates Senior Project Mger	Improve access to services and care	Completion of new build and health centre refurbs	Secondary care	2021/22
BA02	Redesign of space to support increased use of telemedicine for patient consultations, reducing travel	Public / patients	Estates Senior Project Mger	Improve access to services and care	Completion of new build and health centre refurbs	Secondary care	2021/22
BA03	Redesign of space to support increased use of telemedicine for staff support & training	Staff	Estates Senior Project Mger	Improve access to services and care	Completion of new build and health centre refurbs		2021/22
BA04	Increased access to on site specialist mental health input for older adults (New Craigs). Easier for service users / families from other localities to access services	Public / patients	Project Director	Improve access to services and care	Capacity at New Craigs	Transfer of services from St Vincents to New Craigs, Inverness	2017/18 - complete
BA05	Equality of access to services across all patient groups (physical access)	Public / patients	Estates Senior Project Mger	Improve access to services and care	Completion of new build and health centre refurbs	Input from local access panel	2021/22
BA06	Improved access for service users who have a disability	Public / patients with a disability	Estates Senior Project Mger	Improve access to services and care	Completion of new build and health centre refurbs	Input from local access panel	2021/22
BA07	Improved transport infrastructure for B&S community	Public / patients	Head of Finance	Improve access to services and care	Completion of new build, buy- in from independent transport providers	Transport working group. Additional funding for community transport	2021/22
BP01	Improved anticipatory care planning and collaboration; development of 'virtual ward', increased knowledge and improved communications through co-location	Staff / Public / patients	Area Manager	Maximise preventative approaches	Suitable VC facilities across B&S	Primary care and integrated teams	2021/22
BR01	Reduction in estate and co-location of teams and services, incl third sector, will result in reduced operating costs (utilities bills, maintenance, rent, equipment costs etc)	NHSH Board	Estates Senior Project Mger	Make best use of resources	Completion of new build		2021/22
BR02	Design of new facility will result in energy savings, reduced operating and maintenance costs	NHSH Board	Estates Senior Project Mger	Make best use of resources	Completion of new build	Energy strategy agreed	2021/22
BR03	Community empowerment allowing the community to have greater influence in decision on old (surplus to requirement) NHS buildings / community resource	Community	Property Manager	Make best use of resources	Community interest in surplus facilities	Community planning partnership	2022/23
BR04	A workforce skilled for the new model of service delivery	NHSH Board / Staff / Public / patients	Area Manager	Make best use of resources	Ability to recruit & retain suitable staff	Workforce plan implementation	2021/22

BR05	Locally delivered services will reduce cost for service user making it more economical to access services	Public / patients	Project Director	Make best use of resources	Staffing and suitable facilities in place	Agreed approach with acute services	2021/22
Identification		Realisation					
Ref No.	**Main Benefit**	**Who Benefits?**	**Who is responsible?**	**Investment Objective**	**Dependencies**	**Support Needed**	**Date of Realisation**
BQ01	Improved quality of accommodation	Staff / Public / patients	Estates Senior Project Mger	Improve quality and safety of accommodation	Completion of new build and health centre refurbs	Stakeholder involvement in design	2021/22
BQ02	Fully compliant facility, allows a greater range of clinical needs to be managed locally	Public / patients	Estates Senior Project Mger	Improve quality and safety of accommodation	Completion of new build and health centre refurbs	Stakeholder involvement in design	2021/22
BQ03	Improved physical environment for service users with sensory / cognitive impairment	Public / patients	Estates Senior Project Mger	Improve quality and safety of accommodation	Completion of new build and health centre refurbs	Stakeholder involvement in design	2021/22
BQ04	Improvement in business continuity due to environment	NHSH Board	Estates Senior Project Mger	Improve quality and safety of accommodation	Completion of new build and health centre refurbs	Stakeholder involvement in design	2021/22
BQ05	Facilities adaptable to new technology	Staff / Public / patients	Estates Senior Project Mger	Improve quality and safety of accommodation	Completion of new build and health centre refurbs	eHealth input in ACRs	2021/22
BS01	Improved infection prevention and control due to fully compliant facilities	Public / patients	Control of Infection Mger	Improve safety of service delivery	Completion of new build and health centre refurbs	Stakeholder involvement in design (CofInf)	2021/22
BS02	Improved and more efficient cleaning regimes	Staff / Public / patients	Hotel Services Manager	Improve safety of service delivery	Suitable built environment	Stakeholder involvement in design (Hotel Services, CofInf)	2021/22
BS03	More sustainable and flexible hospital staff cover	Op Unit / Staff / Patients	Area Manager	Improve safety of service delivery	Ability to recruit & retain suitable staff	Workforce plan	2021/22
BS04	Improved compliance with radiation safety guidance	Staff / public / patients	Head of Radiation Protection	Improve safety of service delivery	Completion of new build	Stakeholder involvement in design (radiation protection)	2021/22
BS05	On site access to modern x-ray facilities for all inpatients and minor injuries	Patients / Staff	Project Director	Improve safety of service delivery	Completion of new build		2021/22
BS06	Co-location of inpatient and out of hours services allowing staff ease of access to advice and support	Staff / patients	Project Director	Improve safety of service delivery	Completion of new build		2021/22
BS07	Modern new facility attracting new staff to the area, promoting economic development in B&S area	Community	Area Manager	Improve safety of service delivery	Completion of new build	HR / employment services	2021/22

Identification		Realisation					
Ref No.	**Main Benefit**	**Who Benefits?**	**Who is responsible?**	**Investment Objective**	**Dependencies**	**Support Needed**	**Date of Realisation**
1	Greater numbers of people being cared for in their own home	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Promotion of home support, support moved from hospital to care in the community	2020/21
2	Reduced length of stay in hospital	Patients	District Mgr - SLWR	Integrated Health and Social Care	No delay in discharges	Promotion of home support, support moved from hospital to care in the community	2020/21
3	Reduction in unmet need for community services	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Available staff in care in the community	2020/21
4	Admission to care home later in life (as able to stay in own home for longer)	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Available staff in care in the community	2020/21
5	Increased range of options for patient to access care locally	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Available staff in care in the community	2020/21
6	Reduced number of over 65s hospital admissions (unscheduled care)	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on level of care received at home.	Available staff in care in the community	2020/21
7	Service users able to access services quickly and easily	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Available staff in care in the community	2020/21
8	Co-location of multi agency district teams in Hub and Spoke and opportunities for co-location with 3rd sector and partner organisations leads to less duplication, greater responsiveness to need; right person / time / place	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Available staff in care in the community	2020/21
9	Redesign provides opportunities for flexible work patterns for community based staff, minimising travel	Patients	District Mgr - SLWR	Integrated Health and Social Care	Dependant on the number of care staff available.	Available staff in care in the community	2020/21
10	Improved privacy and dignity for patients attending Hub and Spoke facilities	Patients	Estates Senior PM	Improve user experience	Completion of new build facility	Stakeholder input to design	2020/21
11	Improved experience of health and social care	Patients	District Mgr - SLWR	Improve user experience	Resources in place		2020/21
12	Delivery of services closer to home	Patients	District Mgr - SLWR	Improve user experience	Resources in place	Workforce Plan	2020/21
13	Reduced number of inpatients travelling for x-ray services	Patients	Estates Senior PM	Improve user experience	Inpatient Services		2020/21
14	All inpatient care / treatment able to be delivered in one room; less disruption to service users, reduced infections and outbreaks	Patients	District Mgr - SLWR	Improve user experience	Completion of new build facility	Stakeholder input to design	2020/21
15	Use of step up / step down beds provides more homely experience and increase patient choice	Patients	District Mgr - SLWR	Improve user experience	Completion of new build facility and inclusion of beds	Stakeholder input to design	2020/21
16	End of life care; service users will have greater choice over where to die	Patients	District Mgr - SLWR	Improve user experience	More patients choosing end of life care at home	Increased commnuity staffing	2021/22
17	Accessible WiFi for service users improving connection to the outside world and providing entertainment	Patients	e-Health	Improve user experience	Quality of national IT infrastructure	eHealth programme roll out of wifi to all B&S facilities	2020/21
18	Improved environment and facilities allowing greater access to specialist outpatient clinics locally	Patients	District Mgr - SLWR	Improve access to services and care	Resources in place	Stakeholder input to design	2020/21
19	Redesign of space to support increased use of telemedicine for patient consultations, reducing travel	Patients	District Mgr - SLWR	Improve access to services and care	Resources in place		2020/21
21	Equality of access to services across all patient groups	Patients	Hd Estates	Improve access to services and care	Completion of new build facility	Stakeholder input to design	2020/21
22	Improved anticipatory care planning and collaboration, including maximising independence through support for self care	Staff / Patients / Public	District Mgr - SLWR	Maximise preventative approaches	Completion of new build facility		2020/21
23	Shift in balance of care from hospital to community	Patients	District Mgr - SLWR	Maximise flexible, responsive preventative care			2020/21
24	Reduction in estate and co-location of teams and services, incl third sector, will result in reduced operating costs (utilities bills, maintenance, rent, equipment costs etc)	NHSH Board	Head of Finance N&W	Make best use of resources	Completion of new build facility		2020/21
25	Design of new hospital Hub will result in energy savings, reduced operating and maintenance costs	NHSH Board	Hd of Finance N&W	Make best use of resources	Completion of new build facility	Energy strategy agreed	2020/21
26	A workforce skilled for the new model of service delivery	Staff / Public / Patients	Area Manager - WEST	Make best use of resources	Able to recruit and retain suitable staff	Workforce Plan	2020/21
27	Access to technology (e.g. WiFi) allows staff to work more effectively and efficiently	Staff / Public / Patients	eHealth	Make best use of resources	Suitable IT infrastructure available to staff	Agreed aproach with eHealth	2020/21
28	Improved quality of accommodation	Staff / Public / Patients	Estates	Improve quality and safety of accommodation	Completion of new build facility		2020/21
29	Fully compliant facility	Staff / Public / Patients	Estates Senior PM	Improve quality and safety of accommodation	Completion of new build facility	Stakeholder input to design	2020/21
30	Improved physical environment for service users with sensory / cognitive impairment	Staff / Public / Patients	Estates Senior PM	Improve quality and safety of accommodation	Completion of new build facility	Stakeholder input to design	2020/21
31	Improvement in business continuity due to environment	NHSH Board	Project manager	Improve quality and safety of accommodation	Completion of new build facility		2020/21
32	Facilities adaptable to new technology	Patients	Hd Estates	Improve quality and safety of accommodation	Completion of new build facility	eHealth input with ACR's	2020/21
33	Improved infection prevention and control due to fully compliant facilities	Staff / Public / Patients	Hd estates	Improve safety of service delivery	Completion of new build facility	Stakeholder input to design	2020/21
34	Improved and more efficient cleaning regimes	Staff / Public / Patients	Hotel Services Manager	Improve safety of service delivery	Able to recruit and retain suitable staff	Workforce Plan	2020/21
35	More sustainable and flexible hospital staff cover	Staff / Public / Patients	Area Manager - WEST	Improve safety of service delivery	Able to recruit and retain suitable staff	Workforce Plan	2020/21
36	Modern new facility attracting new staff to the area, improving staff morale and retention, promoting economic development in SLWR area	Staff / Public / Patients	Area Manager - WEST	Improve safety of service delivery	Completion of new build facility		2020/21

Appendix 2 - Benefits Registers

Badenoch and Strathspey Service Redesign
Benefits Register - updated March 2018

1. Identification							2. Prioritisation
Benefit Ref no	**Benefit**	**As measured by:**	**Baseline year**	**Baseline value**	**Target year**	**Target value**	**Relative importance**
	Objective 1: Integrated Health and Social Care						
BI01	Greater numbers of people being cared for in their own home	Number of care at home users / hours	2016	83 clients, 690 hours	2021	128 clients, 1265 hours	5
BI02	Reduced length of stay in hospital	Average Length of Stay	2016/17	Ian Charles - 27.3 days, St Vincents (GP) - 17.1 days	2021/22	12 days	4
		Delayed discharges ANNUAL	2016/17	Ian Charles - 24 patients, St Vincents - 22 patients	2021/22	20 patients	
BI03	Reduced length of stay in care homes	Average Length of Stay. HIGHLAND - not available at district level	2016	2.5 years stay	2021	1.5 years stay	4
BI05	Flexible use of new step up / step down beds to meet patient need. Increased choice for patient to access care locally. Flexible use of staff with enhanced skills	Number of step up / step down / flexible use "Heather" beds	2016/17	0	2021/22	5	5
BI06	Reduced number of hospital admissions (unscheduled care)	Emergency hospital admission rates (per 1000) by hospital	2016/17	Ian Charles 8.49 per 1000, St Vincents 10.22 per 1000	2021/22	7 per 1000	5
BI07	Service users have a single point of access making it easier to contact and access services	Presence of single point of	2015/16	No	2017/18	Yes	5
BI08	Co-location of multi agency district team; less duplication, greater responsiveness to need; right person / time / place	Number of staff "bases" in B&S. Staff base / location (on same site) - see BI09	2015/16	11 sites	2021/22	8 sites	5
BI09	Co-location of NHS / social care services with public and 3rd sector partners, promoting joint working	Service base / location	2015/16	OOH / GP / inpatients / SAS / community teams located over 7 sites	2021/22	OOH / GP / inpatients / SAS / community teams co-located on 1 site	5
BI10	Enabling technology supporting people to stay in their own home for longer	Number of registered users with telecare	2016	167 (154 basic, 13 enhanced)	2021	500 for all enabling technology	5

Badenoch and Strathspey Service Redesign
Benefits Register - updated March 2018

1. Identification							2. Prioritisation
Benefit Ref no	**Benefit**	**As measured by:**	**Baseline year**	**Baseline value**	**Target year**	**Target value**	**Relative importance**
	Objective 2: Improve user experience						
BU01	Improved privacy and dignity for inpatients	% of single rooms	2015/16	47%	2021/22	100%	5
BU02	More positive experience of health and social care	Patient experience questionnaire / user feedback *(Questionnaire issued April 2018)*	2018/19	TBC	2021/22	Improvement	4
		Number of complaints	01/04/2014 - 31/03/2017	33	01/04/2021 - 31/03/2024	Decrease	4
BU03	Delivery of services closer to home	Outpatient clinic planned attendance by B&S residents (consultant / nurse / other, excl AHPs)	2016/17	11,087 Raigmore Hospital, 1,333 other Highland, 863 in B&S	2021/22	Reduction in Raigmore / other, increase in B&S or NHS Near Me	5
		Community staff budget (nursing, community mental health and care @ home)	2016/17	£1,296k	2021/22	30% increase	5
BU04	All inpatient care / treatment delivered in one room; less disruption to service users, reduced infections and outbreaks	% of single rooms, see BU01. % of rooms with en-suite	2016/17	4% with en	2021/22	100% with en suite	5
BU05	Dementia friendly inpatient facilities	Dementia champions / staff training / audit, dementia audit tool, access panel audit	2016/17	0 dementia champions	2018/19	2 dementia champions	5
BU07	Enhanced visiting arrangements for families (inpatients) - less restriction on visiting hours & number of visitors	Visiting hours	2016/17	Restricted due to shared rooms	2021/22	Open visiting	3
BU08	End of life care; service users will have greater choice over where to die	% of deaths of B&S residents in a homely setting (at home, in a care home, in hospice)	2015	46% of deaths at home or in homely setting	2021	60% of deaths at home or in a homely setting	5
BU09	Accessible WiFi for service users in hopsital, improving connection to the outside world and providing entertainment	Presence / absence of WiFi	2015/16	No accessible WiFi	2021/22	Full access to WiFi for service users	4
BU10	Reduced number of inpatients travelling for x-ray services	Co-location of x-ray with inpatient services	2015/16	Not co-located	2021/22	Co-located	

Badenoch and Strathspey Service Redesign
Benefits Register - updated March 2018

1. Identification							2. Prioritisation
Benefit Ref no	**Benefit**	**As measured by:**	**Baseline year**	**Baseline value**	**Target year**	**Target value**	**Relative importance**
	Objective 3: Improve access to services and care						
BA01	Increased capacity for access to specialist outpatient clinics locally	% of patients seen in clinics in the locality % of specialist clinics held locally, Number / % of B&S patients seen in Raigmore, number of VC consultations	2016/17	See BU03, BI10	2021/22	See BU03, BI10	4
BA02	Redesign of space to support increased use of telemedicine for patient consultations, reducing travel	% of treatment / consult / interview rooms in hospital with telemedicine capability	2017/18	0%	2021/22	100%	5
BA03	Redesign of space to support increased use of telemedicine for staff support & training	Number of staff meeting spaces with teleconf equipment	2017/18	3	2021/22	8	3
BA04	Increased access to on site specialist mental health input for older adults (New Craigs). Easier for service users / families from other localities to access services	Co-location of specialist consultant with mental health beds	2015/16	7 beds no 24/7 on site medical cover	2018/19	7 with 24/7 cover	5
BA05	Equality of access to services across all patient groups (physical access)	Commmunity feedback, access audits, compliance with building standards. Design statement / AEDET - ref BQ01	2017/18	Ref Access Audit	2021/22	Hospital buildings meet requirements of Equality Act	5
BA06	Improved access for service users who have a disability	Access audits. Design statement /	2017/18	Ref Access Audit	2021/22	Fully accessible hospital facilities	5
BA07	Commissioning and increased investment in local transport	Presence of transport hub (bus stop) on hospital site. Funding grant per annum for community transport	2016/17	No transport hub on site. £17k per annum community transport grant	2021/22	Transport hub (incl bus stop) on hospital site. 100% increase in community transport grant	4
	Objective 4: Maximise preventative approaches						
BP01	Improved anticipatory care planning and collaboration; development of 'virtual ward', increased knowledge and improved communications through co-location	Readmission data (% within 28 days)	2016/17	28 days; Ian Charles 16.1%, St Vincents 28.87%	2021/22	one third reduction	5

Badenoch and Strathspey Service Redesign
Benefits Register - updated March 2018

1. Identification							2. Prioritisation
Benefit Ref no	**Benefit**	**As measured by:**	**Baseline year**	**Baseline value**	**Target year**	**Target value**	**Relative importance**
	Objective 5: Make best use of resources						
BR01	Reduction in estate and co-location of teams and services, incl third sector, will result in reduced operating costs (utilities bills, maintenance, rent, equipment costs etc)	Life Cycle, FM, hotel services, running costs, minus income received (per annum) for all B&S buildings Backlog maintenance	2016/17	£1,085k per annum. Backlog maintenance £5,544k	2021/22	12% reduction in operating costs. Backlog maintenance £250k	5
BR02	Design of new facility will result in energy savings, reduced operating and maintenance costs	Utilities, operating & maintenance costs (per annum) - see BR01	2016/17	See BR01	2021/22	See BR01	4
BR03	Community empowerment allowing the community to have greater influence in decision on old (surplus to requirement) NHS buildings / community resource	Have the local community been consulted with / invited to make a bid for surplus buildings. Number of surplus buildings in community / public sector use	2016/17	N/A	2022/23	Community consulted on use of surplus buildings. At least 1 building in community / public sector	3
BR04	A workforce skilled for the new model of service delivery	Staff budget Staff skill mix (did we achieve what we set out to do in workforce plan), Number of staff with enhanced skills	2016/17	As per workforce plan	2021/21	As per workforce plan	5

Badenoch and Strathspey Service Redesign
Benefits Register - updated March 2018

1. Identification							2. Prioritisation
Benefit Ref no	**Benefit**	**As measured by:**	**Baseline year**	**Baseline value**	**Target year**	**Target value**	**Relative importance**
	Objective 6: Improve quality and safety of accommodation						
BQ01	Improved quality of accommodation	NHS Scotland Design Assessment Process	2015	N/A	2021	Supported NDAP status. Average design statement score of 4 or above	5
		Achieving Excellence Design Evaluation Toolkit (AEDET).	2015	Ref AEDET baseline	2021	Target as per weightings; Weighting of 2 = target 5-6, Weighting of 1 = target 3-4	5
BQ02	Fully compliant facility, allows a greater range of clinical needs to be managed locally	Compliance with SHTMs and relevant legislation, HAIscribe, infection control report	2016/17	Ref separate infection control sheet	2021/22	Ref separate infection control sheet	5
BQ03	Improved physical environment for service users with sensory / cognitive impairment	Access panel audit. Design Statement / AEDET - see BQ01	2017	Ref Access Audit	2021/22	Ref Access Audit	5
		DATIX incidents (falls in patient areas) - QI team	1/4/2014-31/03/2017	374 falls (102 with harm)	1/4/2021-31/03/2024	25% reduction in falls, 20% reduction falls with harm	5
BQ04	Improvement in business continuity due to environment	Cost per annum for reactive maintenance. *Note - no DATIX on business continuity*	2016/17	£61,113.55	2021/22	Reduction	5
BQ05	Facilities adaptable to new technology	Allowance in design strategy for future adaptation e.g. spare duct space, capacity for additional plant, accessible service routes.	2016/17	No spare capacity	2021/22	25% spare capacity (Ref ACRs)	4

Badenoch and Strathspey Service Redesign
Benefits Register - updated March 2018

1. Identification							2. Prioritisation
Benefit Ref no	**Benefit**	**As measured by:**	**Baseline year**	**Baseline value**	**Target year**	**Target value**	**Relative importance**
	Objective 7: Improve safety of service delivery						
BS01	Improved infection prevention and control due to fully compliant facilities	Infection control data. HAI-SCRIBE (Healthcare Associated Infection Sysyem for Controlling Risk in the Built Environment) assessment	2016/17	Ref separate infection control sheet	2021/22	Ref separate infection control sheet	5
BS02	Improved and more efficient cleaning regimes	National cleaning standards audit - average % over 12 months	2016/17	Ian Charles 96.7%, St Vincents 94%	2021/22	100%	5
BS03	More sustainable and flexible hospital staff cover	Supplementary staff use (hospital) £ per annum	2016/17	£138,812	2021/22	50% reduction in use of supplementary staff	5
BS04	Improved compliance with radiation safety guidance	Compliance with radiation protection standards	2017	Patient dose DAP pelvis 194, Lumber spine AP & lateral 435. Table bucky AEC - 30% to +21%	2021/22	Patient dose DAP pelvis tbc, lumbar spine tbc. Table bucky AEC +/-20%	4
BS05	On site access to modern x-ray facilities for all inpatients and minor injuries	Co-location of x-ray with inpatient services - see BU10	BU10	BU10	BU10	BU10	5
BS06	Co-location of inpatient and out of hours services allowing staff ease of access to advice and support	Are services co-located?	2016/17	Inpatient & OOH not co-located	2021/22	Inpatient & OOH co-located	4
BS07	Modern new facility attracting new staff to the area, promoting economic development in B&S area	Vacancies	2016/17	TBC	2021/22	Reduction in vacancies	5

1. Identification									2. Prioritisation
Ref no	Benefit	Assessment (Quant / Qual / Financial)	As measured by:	Baseline Year	Baseline value	Target Year	Target value	Relative importance	Benefit Owner
	Objective 1: Integrated Health and Social Care								
1	Greater numbers of people being cared for in their own home	Quantitative	Hospital Admission Rates Care at home users / hours (client group, town / postcode, type of provision) ANNUAL, District nurse referral numbers, Number of persons with remote consultations, Number of registered users with telecare	2016/17	Admission rates Portree - 53, MMH - 944. Care at Home users 267; District Nurse numbers - Alison Hudson; remote consultations; telecare numbers - 442	2021/22	Admission rates reduce , Care at home / DN / remote / telecare increase.	5	District Mgr - SLWR
2	Reduced length of stay in hospital	Quantitative	Average Length of Stay (by type) combined Portree / Broadford, Readmission rates, Delayed discharges ANNUAL	2016/17	Readmission 28 day - Portree 7.55%, MMH 16.74%	2021	1/3 reduction.	5	District Mgr - SLWR
3	Reduce unmet need for community services		Number on waiting list and/or length of wait for care at home / home help / care home bed	2016/17	Unmet need/waiting lists from local teams - TBC	2021/22	Reduction	5	District Mgr - SLWR
4	Admission to care home later in life (as able to stay in own home for longer)	Quantitative	Average Length of Stay (by type, annual measure) Average age of admission, decrease in number of admissions at residential rate 5-YRLY MEASURE	2016	2.5years stay. 76 years old.	2021	1.5years stay. Age of admission increase 15%.		District Mgr - SLWR
5	Increased range of options for patient to access care locally	Quantitative	Flexible bed use and why, admission rates by village / town	2016/17	New service, no baseline (0 flexible use beds)	2021/22	10 additional beds - 4 will be flexible	4	District Mgr - SLWR
6	Reduced number of over 65s hospital admissions (unscheduled care)	Quantitative	Emergency hospital admission rates by hospital and GP Practice	2016/17	MMH - 70.86 Portree - 3.98		Portree - 0	5	District Mgr - SLWR
7	Service users able to access services quickly and easily	Quantitative	Number of contacts via single point of access		Data from Single Point of Access locally		Need target	4	District Mgr - SLWR
8	Co-location of multi agency district teams in Hub and Spoke and opportunities for co-location with 3rd sector and partner organisations leads to less duplication, greater responsiveness to need; right person / time / place	Quant & Qual	Staff base / location (on same site), staff questionaire	2016/17	Current number of bases		Future number of bases	4	District Mgr - SLWR
9	Redesign provides opportunities for flexible work patterns for community based staff, minimising travel	Quant & Qual	Mileage claims, staff questionnaire		Travel costs from finance; imatter action plans references to travel/working patterns			3	District Mgr - SLWR

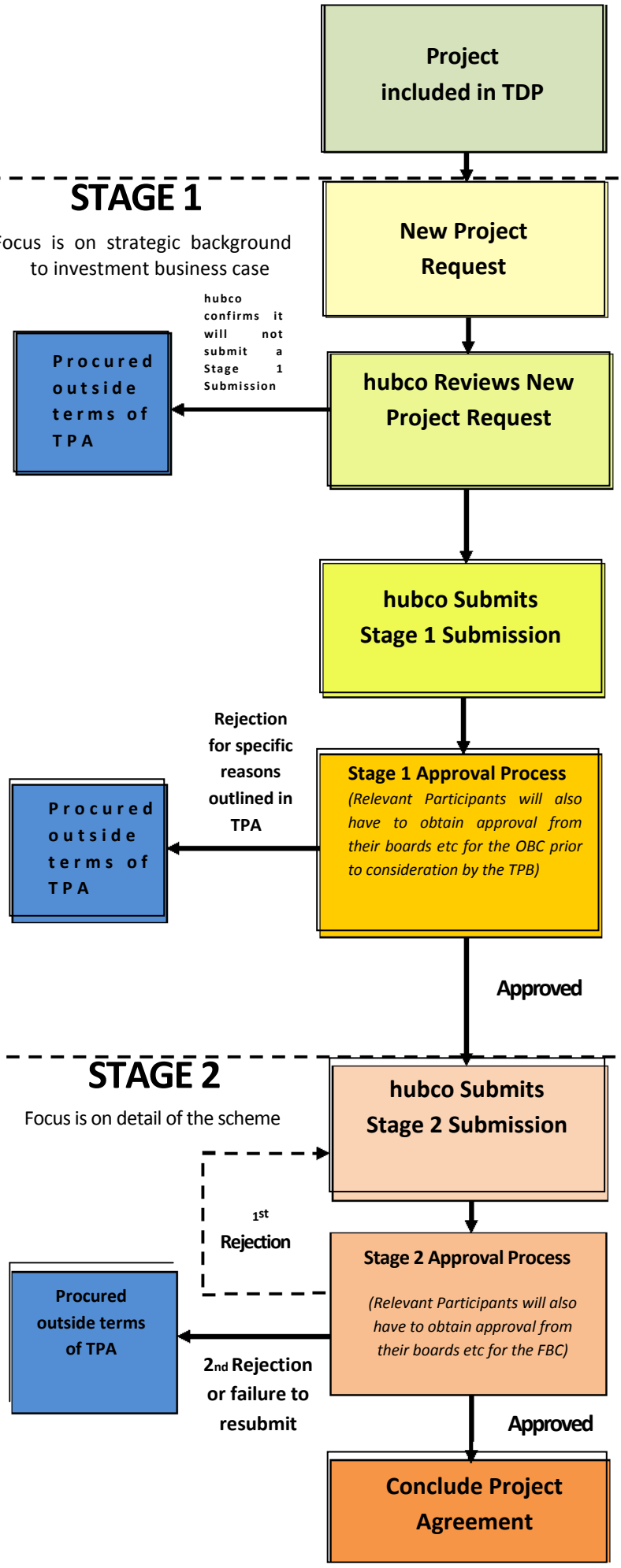
1. Identification									2. Prioritisation
Ref no	Benefit	Assessment (Quant / Qual / Financial)	As measured by:	Baseline Year	Baseline value	Target Year	Target value	Relative importance	Benefit Owner
	Objective 2: Improve user experience								
10	Improved privacy and dignity for patients attending Hub and Spoke facilities	Quant & Qual	Number of single rooms, Inpatient experience questionnaire, Day attender patient experience questionnaire (new), separation of waiting area from treatment area	2016/17 - single rooms. 2018/19 - questionnaire	33 % single rooms (25% single with en suite). Monthly inpatient questionnaires - 20 per month		100% single rooms with en suite. Improvement in patient experience as per questionnaire	4	Hd Estates
11	Improved experience of health and social care	Qualitative	User experience questionnaires, number of compliments, number of complaints	2014-2017	DATIX Complaints - MMH - 7, Portree - 5.		reduction in complaints	4	District Mgr - SLWR
12	Delivery of services closer to home	Quantitative	Care at home users / hours (client group, town / postcode, type of provision) ANNUAL, Number of outpatient attendances provided locally and at Raigmore. Number of "near me" / attend anywhere consultations	2016/17	Care at Home users - 191. CAH IH hrs - 1040.36. CAH IS Hrs - 42.5. See benefit no.18 for outpatient figures		Decrease in outpatient attendances out of area, increase in NHS near me / local outpatients. Increase in care at home	4	District Mgr - SLWR
13	Reduced number of inpatients travelling for x-ray services	Quantitative	Number of patients transferred for x-ray services	2016/17	Not all inpatients are co-located with full time x-ray service	2021/22	All inpatient facilities co-located with full time x-ray	3	District Mgr - SLWR
14	All inpatient care / treatment able to be delivered in one room; less disruption to service users, reduced infections and outbreaks	Quantitative	Infection control data e.g norovirus, C. difficile, SABs, number of times patients are moved between rooms, Suspension of services e.g. ward/bed closures		Infection rates data available centrally. Ref 10 re: single rooms		Reduction in infection rates. 100% single rooms	4	District Mgr - SLWR
15	Use of step up / step down beds provides more homely experience and increase patient choice	Qualitative	Presence of step up step down beds	2016/17	Zero	2021	4	4	District Mgr - SLWR
16	End of life care; service users will have greater choice over where to die	Quantitative	Death stats (place of death i.e. Home, hospital, care home), last 6 mths of life quality indicator, local audit, Use of Hospice by postcode, use of end of life funding packages	2015/16	Data requested - TBC	2021/22	60% at home or homely setting	4	District Mgr - SLWR
17	Accessible WiFi for service users improving connection to the outside world and providing entertainment	Quantitative	Presence / absence of accessible WiFi	2015/16	No accessible WiFi	2021/22	Accessible WiFi throughout	3	Hd e-Health

1. Identification									2. Prioritisation
Ref no	Benefit	Assessment (Quant / Qual / Financial)	As measured by:	Baseline Year	Baseline value	Target Year	Target value	Relative importance	Benefit Owner
	Objective 3: Improve access to services and care								
18	Improved environment and facilities allowing greater access to specialist outpatient clinics locally	Quantitative	Number of patients seen in clinics in the locality, Number of specialist clinics held locally, Number of SLWR patients seen elsewhere (Raigmore/Belford etc), number of VC consultations. Link to transforming outpatients	2016/17	2792patients seen in Skye. 17 clinics. 5842 Seen at Raigmore, 3841 seen in other locations.		Increase clinics numbers across SLWR	4	District Mgr - SLWR
19	Redesign of space to support increased use of telemedicine for patient consultations, reducing travel	Quantitative	Number of clinical rooms (consult / treat / interview) in Hub and Spoke facilities with telemedicine capability	2017/18	10	2021/22	100% of clinical consult / treat / interview rooms	4	District Mgr - SLWR
20	Redesign of space to support increased use of telemedicine for staff support & training	Quantitative	Number of staff meeting / office spaces in Hub (incl Broad HC) and Spoke facilities with VC	2017/18	11	2021/22	100%	4	District Mgr - SLWR
21	Equality of access to services across all patient groups	Quant & Qual	Commmunity feedback, access audits	2018/19	Service user questionnaire as above (10, 11)		100% access for all patient groups	5	Hd Estates
	Objective 4: Maximise flexible, responsive preventative care								
22	Improved anticipatory care planning and collaboration, including maximising independence through support for self care	Quantitative	Number of patients being cared for through virtual wards. Number of anticipatory care plans. Number of contacts through "lets get on with it together", Staff skill mix in community services, SPARRA readmission data		Virtual wards - 7 per week.			5	District Mgr - SLWR / Hd Integrated Teams
23	Shift in balance of care from hospital to community	Quant & Financial	Hospital and community service budgets, occupied bed days, Care at home users / hours (client group, town / postcode, type of provision)	2016/17	Inpatient nursing £1,740k, Community nursing / CMHT £2,724K. Care at Home information as per (1) above.		17% decrease in inpatient nursing budget, 7% increase in community nursing / CMHT.	5	District Mgr - SLWR / Hd Integrated Teams

1. Identification									2. Prioritisation
Ref no	Benefit	Assessment (Quant / Qual / Financial)	As measured by:	Baseline Year	Baseline value	Target Year	Target value	Relative importance	Benefit Owner
	Objective 5: Make best use of resources								
24	Reduction in estate and co-location of teams and services, incl third sector, will result in reduced operating costs (utilities bills, maintenance, rent, equipment costs etc)	Financial	Operating costs; Life Cycle, FM, hotel services, running costs, minus income received (per annum) for all buildings Expenditure on backlog maintenance (annual)	2016/17	Backlog maintenance £5,458k	2021/22	Backlog maintenance £250k	4	Head of Finance N&W
25	Design of new hospital Hub will result in energy savings, reduced operating and maintenance costs	Financial	Operating costs - see benefit no.24	2016/17	See no.24	2021/22	See no.24	4	Hd of Finance N&W
26	A workforce skilled for the new model of service delivery	Quant / Financial	Staff skill mix (did we achieve what we set out to do in workforce plan), Number of staff with enhanced skills	2016/17	As per workforce plan	2021/22	As per workforce plan	5	Area Manager - WEST
27	Access to technology (e.g. WiFi) allows staff to work more effectively and efficiently	Qualitative	WiFi access	2016/17	No wi-fi access	2021/22	WiFi throughout	4	Hd eHealth
	Objective 6: Improve quality and safety of accommodation								
28	Improved quality of accommodation	Quant & Qual	NHS Scotland Design Assessment Process. Design Statement self assessment. Achieving Excellence Design Evaluation Toolkit (AEDET).	2015	As per AEDET assessment	2021	Supported NDAP status. Average design statement score of 4 or above. AEDET weighting of 2 = target 5-6, weighting of 1 = target 3-4	4	Hd Estates
29	Fully compliant facility	Quant & Qual	Compliance with SHTMs and relevant legislation, HAIscribe, infection control report		TBC	2021	Fully Compliant	4	Hd Estates
30	Improved physical environment for service users with sensory / cognitive impairment	Quant & Qual	Access panel audit, DATIX incidents (falls - 1/4/14-31/3/17), OPAH audit, Dementia champions / staff training / audit, dementia audit tool	1/4/2014-31/03/2017	Falls - 282, 58 with harm. 2 dementia champions	2021	25% reduction in falls, 20% reduction in falls with harm	4	Hd Estates
31	Improvement in business continuity due to environment	Quantitative	Reactive maintenance - £ per annum	2016/17	£46,351.48	2021/22	Reduction	4	Hd Estates
32	Facilities adaptable to new technology	Quantitative	Allowance in design strategy for future adaptation e.g. spare duct space, capacity for additional plant, accessible service routes - new hospital	2016/17	0	2021/22	25% spare capacity	4	Hd Estates

1. Identification									2. Prioritisation
Ref no	Benefit	Assessment (Quant / Qual / Financial)	As measured by:	Baseline Year	Baseline value	Target Year	Target value	Relative importance	Benefit Owner
	Objective 7: Improve safety of service delivery								
33	Improved infection prevention and control due to fully compliant facilities	Quantitative	Infection control data. HAI-SCRIBE (Healthcare Associated Infection Sysyem for Controlling Risk in the Built Environment) assessment, domestic monitoring, HAI audits		Data requested from Infection control centrally			4	Hd estates
34	Improved and more efficient cleaning regimes	Qualitative	National cleaning standards audit, domestic monitoring, HAI audit (walk round x1 per year, team of staff)	2017	HAI Audit Annual Average - Broadford 92.5%, Portree 91.5%.	2021	100%	4	Hotel Services Manager
35	More sustainable and flexible hospital staff cover	Quantitative	DATIX incident reports, use of bank staff / locums	2014-2017 (staff) Confirm year for bank staff use	19 DATIX for staff availability (2014-2017). Bank staff used in the North & West accounted for 140.84 hrs / £155,513. Agency - £68,284.00	2021/22	Reduction	4	
36	Modern new facility attracting new staff to the area, improving staff morale and retention, promoting economic development in SLWR area	Quantitative	Staff retention / turnover, staff satisfaction, sickness absence, staff survey, iMatter	Sep-17	11.21% Annual Turnover. 86.56% Stability. 4.91% sickness absence.	Sep-21	Reduction in turnover / slight reduction in sickness absence - by how much	4	Hd estates

Appendix 3 - Hub Procurement Process



Territory Development Plan

Territory Development Plan outlines a programme of service needs and projects derived from local hub development plans. Projects will generally be needs which have been subject to an initial appraisal as part of an Initial Agreement prepared and approved in accordance with SCIM and LA's standing orders. Process for inclusion of a Project as a "Qualifying Project" in the TDP will be as set out in the Territory Partnering Agreement ("TPA")

New Project Request

Written request by Relevant Participant for hubco to produce a Stage 1 Submission supported by information appropriate to amount of prior development:

- Affordability Cap
- Specific Requirements e.g. funding approvals or grant conditions.
- Initial Agreement required under SCIM or its successor.
- Clear and objective Project Brief and indication of design work stage but may also include, design, tenant's requirements, business case or more.

If project has had significant prior development, the hubco and the Relevant Participants agree the adjustments to the 2 Stage process to reflect prior development work.

hubco Review

hubco seeks clarification as necessary to enable meaningful response, then confirms in writing within twenty (20) Business Days of receipt of a New Project Request whether or not it will submit a Stage 1 Submission to the Relevant Participant(s). If hubco confirms it will not submit a Stage 1 Submission or fails to respond in accordance with the Territory Partnering Agreement, Relevant Participant(s) can procure project by other means unless the grounds are an unrealistic Affordability Cap, in which case hubco and the Relevant Participant(s) to work together in good faith to seek to agree appropriate changes. If that does not result in agreement within 6 months, the Relevant Participants can procure the project by other means. If hubco accepts it, it develops a Stage 1 Submission.

Stage 1 Submission

Stage 1 Submissions is produced within three (3) months (or longer period agreed between hubco and the Relevant Participant). It includes option appraisal, outline design solution to RIBA Stage C (or such lesser work stage as the Relevant Participant may require), providing a Project Development Fee and costs to:

- demonstrate that the Relevant Participant's requirements are likely to be met;
- establish that the New Project is likely to provide value for money; and
- enable a cost estimate to be prepared with sufficient accuracy to establish whether the New Project can be delivered within the Affordability Cap (subject to the inclusion of identified contingencies not yet known)

Stage 1 Approval

Relevant Participant(s) have 2 months from the date of receipt of the Stage 1 Submission (or a longer period where agreed with hubco in writing) in which to notify hubco of approval or rejection of Stage 1 Submission. The TPB will provide a forum for the discussion of the Stage 1 Submission. If following the date of the New Project Request, hubco has failed the Track Record Test then the Relevant Participants are entitled to reject the Stage 1 Submission.

hubco meets its own development costs except where:

- The New Project is subsequently approved
- The Relevant Participants neither approve nor reject the Submission within the period above, or
- The sole reason for rejection is the failure of the Track Record Test

Stage 1 Project Development Fee payable at this stage for Stage 1 Approved Projects

Stage 2 Submission

Stage 1 Approved Project developed by hubco to RIBA Stage D within the maximum time period for submission indicated in the Stage 1 Submission. The submission to the Relevant Participant(s) includes the design, plans and drawings, a draft Project Agreement, financial model, commitment letters and a programme from Stage 2 Approval to Financial Close.

Stage 2 Approval

Relevant Participant(s) approve or reject on specific grounds within 60 Business Days of the later of submission date and the date on which hubco provided them will all reasonable further information. Approval is determined by achievement of Approval Criteria although the Relevant Participant(s) can reject on other specified grounds including failure of the Track Record Test.

A submission failing one or more Approval Criteria may be resubmitted within 30 days of rejection. A rejected project may be procured outside the terms of the TPA. In cases other than failure of a Track Record Test, hubco has the option of dispute resolution first.

Incurred development costs are recoverable only for approved Stage 2 Projects or where rejection is solely due to failure of track Record Test or is not due to failure to satisfy Approval Criteria. In certain circumstances the Relevant Participant(s) can procure the project by other means.

Conclude Project Agreement

Following Stage 2 approvals hubco and the Relevant Participant(s) work together to conclude the project contract in accordance with the timetable for execution of the Project Agreement which was submitted at Stage 2.

Stage 2 Project Management Fee for an approved D&B will be paid on signing of the project agreement and for an approved DBFM will be paid in the service charge or lease payment.

Appendix 4 - New Project Request

V8 - DRAFT New Project Request - 11 May 2017
Replacement Community Hospital Facilities in Badenoch & Strathspey and Skye, Lochalsh & South West Ross
Design, Build Finance & Maintain Agreement

This New Project Request is issued under the terms of the Territory Partnering Agreement (TPA) entered into by Hub North Scotland Ltd (HNSL) and NHS Highland (NHSH). HNSL is asked as part of its Project Development Partnering Services to develop a new project in accordance with the following information:

New Project Request issue date	11 May 2017
New Project Request issued by	Kim Corbett, Programme Manager, NHS Highland
Signature	

Section	Requirement
1. Relevant Participant and single point of contact:	NHS Highland Kim Corbett, Programme Manager, Estates, John Dewar Building, Inverness IV2 3UJ 01463 706867 07973695072 kim.corbett3@nhs.net
2. Project Title:	Replacement Community Hospital, Health and Care facilities in Badenoch & Strathspey and Skye, Lochalsh & South West Ross, hereafter to be known as *"The Facilities"*
3. The maximum Unitary Charge which can be committed to the New Project (the 'Affordability Cap'):	The affordability cap for this project should be based on: 1) Total Capital Cost £30,580,183 excluding VAT, comprising: a) The Total Capital Cost is split on the basis of - Badenoch & Strathspey £15,433,341 - Skye, Lochalsh & South West Ross £15,146,842 b) Construction costs: indexed to current day 4Q 2016 (inflation excluded and to be assessed through Stage 2 development) and inclusive of provisional allowances for site specific issues that is only to be expended against each specific cost head as required (breakdown appended to NPR).

c) The lump sum for on cost prelims/OH&P/fees and other survey costs to be tendered through the supply chain selection procedure and demonstrated to provide Value for Money (VfM).

d) Design Development allowances 7.5% of capital cost excluding VAT.

e) HNSL fee portion: capped at 0.9%. HNSL are required to confirm the aggregated turnover at Financial Close, and where appropriate offer a blended portion rate or reduction in line with their business plan.

f) HNSL 0.4% annual management fee for the entire construction phase with a pro-rata calculation for any part years on a monthly basis.

g) HNSL management fee: capped at 0.7%.

A further breakdown of the capital cost affordability cap is included within documentation accompanying this NPR.

2) <u>Revenue funded unitary charge components</u>

a) Hard Facilities Management: excluding VAT, priced on the best value achievable and at no more than the costs shown below, with a base date set as financial close Q4 2016:
- Aviemore £22/m2 per annum
- Broadford £25/m2 per annum

b) Lifecycle: excluding VAT, priced on the best value achievable and at no more than the costs shown below with a base date set as financial close Q4 2016:
- Aviemore £21/m2 per annum
- Broadford £23/m2 per annum

c) Funders- £152,000
- Legal Advisor
- Insurance Advisor
- Due Diligence Advisor

d) DBFMCo – £348,000
- Financial Adviser
- Legal Advisor
- Independent Tester
- Financial Modeller

e) Financial Close costs (items c & d above) based on a two location bundle are not to exceed £500,000 excluding VAT with a base date of Q4 2016

f) Construction Phase SPV costs based on a two location bundle are not to exceed £422,000 excluding VAT with a base date of Q4 2016

g) Operational Phase SPV costs based on a two location bundle, £176,000 with a base date of Q4 2016

h) Insurances to be confirmed; budget figure £75,000.

i) Life cycle modelling is to be included in line with 2b above.

Recognising the benefits from continuous improvement and collaborative procurement approaches, there is an obligation on HNSL to obtain the best overall value for money that it can on the bundle capped and uncapped elements. The savings must be clearly detailed in Stage 1 and Stage 2 submissions, and incorporated in the final offer at each Stage.

In accordance with Schedule Part 5, paragraph 3.4 “Specific Requirements”, the Participant requires HNSL

	to comply with the SFT guidance notes "Amendment to payment provision at Stage 1 & 2" and demonstrate this delivers value for money. Once approved by the Participant at Stage 1, HNSL should implement the revised payment terms and conditions. Refer to the attached "Revised Development Fee Payment Process".
4. The project brief:	These two replacement community hospital, health and care facilities are the main infrastructure elements of wider health and care service redesign in Badenoch & Strathspey (B&S) and Skye, Lochalsh & South-West Ross (SLWR). The purpose of this New Project Request (NPR) is to initiate the development of these two facilities, thus informing the Outline Business Case (OBC) and Full Business Case (FBC) for the wider redesign of health and care services. The OBC and FBC will be bundled submissions incorporating B&S and SLWR. A description of each facility is outlined below. **1. Badenoch and Strathspey (Aviemore)** The Initial Agreement for the modernisation of community and hospital services in B&S has been developed by NHSH following lengthy informal engagement and a formal public consultation process with service users, staff, the wider public, community planning partners, third and independent care sectors and partner agencies. The Initial Agreement was approved by The Scottish Government on 28 September 2015 and covers a whole scale redesign of health and care services in the area. The population of B&S is currently served by two ageing community hospitals situated at either end of the valley in Grantown and Kingussie. Aviemore is geographically central within B&S and has a growing population, which is expected to increase further due to planned housing development in the area. The proposed new build in Aviemore will replace the two existing hospitals, the Aviemore Health Centre building, the Scottish Ambulance Service building in Aviemore, and will provide a base for the integrated health and care teams. This will allow the co-location and integration of teams who currently operate from a number of different premises and will enable health and social care to be delivered from a modern, fit for purpose

	environment. As a key element of the proposed new model of service, the following health and care services will be brought together and integrated in a hospital "Hub": • Inpatient and Day Case Services • Minor Injuries Unit • Out of Hours Service • X-Ray Department • Scottish Ambulance Service base • GP Practice (Aviemore Medical Practice) • Allied Health Professional services • Outpatient services • Public Dental Service • Integrated Community Health and Care Team base The Gross Internal Floor Area (GIFA) of the proposed hospital building will be circa 3906 sq m and the development will include the external works of roads, footpaths, landscaping, dedicated bays for Scottish Ambulance Service vehicles and sufficient car parking spaces. The current care facilities in the B&S region will continue to operate and function throughout the duration of the project term. Subsequent service relocation, closures and site disposals are the responsibility of NHS Highland. The planning authority (Cairngorms National Park Authority) has been fully consulted to date and is supportive of the proposals and the development of the preferred site. A preferred site has been identified and purchase negotiations are underway with the site owner, who has confirmed in principle that they are willing to sell the land to NHSH. It is expected that a legal purchase agreement will be secured within the 2017/18 financial year, with ownership transferring to NHSH once planning permission and OBC approval are obtained. The associated risk to programme sits with NHSH.

The preferred site is a Greenfield site with adjacent office building and access road to the north (under separate ownership but a right of access is in place) and is bordered to the east and west by railway lines. A number of site investigations have been undertaken to inform site selection and due diligence, however HNSL should carry out further surveys and assessments as required by the planning authority and/or planning for construction work. Due to its location within a national park there are likely to be significant planning requirements including ecology mitigation measures.

2. **Skye, Lochalsh and South West Ross (Broadford)**

The Initial Agreement (IA) for the modernisation of community and hospital services for communities in SLWR has been developed by NHSH, and is supported by community planning partners, third and independent care sectors, carers and representatives of the local communities. The IA was approved by The Scottish Government on 2 November 2016.

This proposal supports a planned redesign of health and care services delivered to the communities of SLWR. There are 14,680 registered patients in the region served by ten general practices and three Integrated teams each of which include social workers, care at home workers, physiotherapists, occupational therapists, community nurses, and community mental health teams, working out of a number of different locations. There are also community hospitals located in Broadford (20 beds) and Portree (12 beds).

NHSH has an aspiration to increase the number of people who can be cared for at home or in a homely setting. To meet this aim, the proposed re-design would see all inpatient care provided from one new purpose built facility in Broadford. By co-locating inpatient services it will provide a safer and more sustainable model of care including allowing an expansion of community services, co-location of integrated teams and some further provision of palliative and respite care.

The new community hospital, which will replace the ageing Dr MacKinnon Memorial Hospital building, will be supported by a small team of Rural Practitioners (RPs). RPs are trained as GPs but with enhanced skills in

	emergency, resuscitation and anaesthetics and thus the facility will offer a higher level of care than is typical of a community hospital, including a 24-hour Accident and Emergency service. The preferred site for this new facility, which has been agreed with stakeholder groups, is to the south of the existing hospital in Broadford and is under NHSH ownership. The site is on fallow land and can be accessed from the existing hospital access road. It is a 2.2 hectare site, increasing to 4.1 hectares when including the existing Broadford Health Centre and Dr Mackinnon Memorial Hospital. It slopes approximately 14m from its highest to lowest point, with a maximum gradient of around 1 in 7, and is adjacent to the Sound of Skye. The existing hospital and health centre will continue to operate throughout the construction period, and consideration must be given to this in respect of associated road and utilities networks. For the avoidance of doubt, the new facility will replace the current Dr MacKinnon Memorial Hospital building but not the adjacent Broadford Health Centre which was constructed in 2013. The integrated hospital hub facility in Broadford will provide: • Inpatient & Day Case Services • Accident and Emergency (A&E) • Out of Hours • Outpatient Services • Chemotherapy • Endoscopy (TBC) • Midwifery • X-Ray Department • Physiotherapy • Occupational Therapy • Pharmacy (internal not dispensing) • Lab Testing • Integrated Care Team office accommodation (TBC) • Scottish Ambulance Service accommodation

The Gross Internal Floor Area (GIFA) of the proposed building (excluding the SAS vehicle garage / shelter) will be circa 3135 sq m and the development will include the external works of roads, footpaths, landscaping and up to 100 car parking spaces (subject to review).

3. Project Bundle

For the avoidance of doubt, the capital affordability cap incorporates construction costs, including all site works. To reduce programme related risk some "elements" of site work associated may be carried out in advance of the main construction elements, e.g. early site clearance, ecological offset measures. The Stage 1 submission should review the programme and also identify any benefits of carrying out advance works including an appraisal of risk and a proposal on how any warranties, surveys, continuation works and the like can be carried into the Phase 2 DBFM project agreement.

In terms of design development, the following requirements are to be completed prior to financial close:

- all 1:50 drawings and room data sheets to be prepared and signed off by NHS Highland.
- all systems e.g. security, equipment and IT to be fully detailed for review by NHS Highland.

For the purposes of the schedule of material amendments at Stage 1, HNSL should assume that authorities retained services and maintenance obligations will be similar to the Forres / Tain / Woodside bundle.

The project should be design developed to achieve the equivalent of a BREEAM Healthcare Excellent rating (BREEAM 2014). Any reduction in this aspiration is to be agreed on an item-by-item basis with NHSH. HNSL are required to undertake a BREEAM pre-assessment at an early stage to allow NHSH to set a BREEAM target for each facility.

For the avoidance of doubt all utility connections are to be arranged and supplied by HNSL.

5. Programme or other requirements comprise:	**Joint Programme** The planned programme for delivery of the NHSH infrastructure bundle is as follows: Sep 15: B&S Initial Agreement (IA) approved by the Capital Investment Group (CIG) of the Scottish Government (SG). Oct 16: NHSH issue draft NPR to HNSL for comment. Nov 16: SLWR IA approved by CIG (SG). Dec 16: NHSH issue provisional NPR to HNSL. Dec 16: Provisional NPR reviewed by HNSL. Apr 17: Conditions satisfied / NPR formally accepted by HNSL. Sep 17: Stage 1 submission by HNSL. Oct 17: Key Stage Review 2 by SFT / Stage 1 Approval by NHSH*. Jan 18: OBC approval by CIG. Jun 18: Stage 2 submission by HNSL. Jul 18: Key Stage Review 3 by SFT / Stage 2 Approval by NHSH*. Nov 18: FBC approval by CIG. Feb 19: Financial Close. Mar 19: Commence construction works. Dec 20: Completion of construction works. Dec 21: Post-Project Evaluation. * Assumes proceed at risk in advance of CIG approval of OBC / FBC, to be confirmed. HNSL are to be cognisant of the potential for a phased approach for the Broadford works (e.g. possible requirement to demolish old hospital building to provide additional car parking). HNSL are to review requirement during stage 1 development and advise NHSH of any impact to programme.

	It is vital that the design development incorporates the key elements of the Design Statement, and provides an environment to support and enhance the clinical service provision. Stakeholder involvement has been a key feature of the service modernisation to date. It is important that this is continued during stage 1 design development. In particular service user involvement will be required, and the design team will be expected to participate in stakeholder engagement. Authority's Construction Requirements (ACR) will be developed during stage 1 to ensure that the stage 1 submission meets those requirements.
6. Preparatory work already undertaken comprises:	**1. Bundle:** a) Affordability Cap Breakdown version 8 dated 11 May 2017 b) High level Risk Register dated 11 May 2017. **2. Badenoch & Strathspey (Aviemore site) specific:** c) Schedule of accommodation version 8 dated 2 May 2017. d) Adjacency matrix version 4 dated 6 April 2017. e) Initial Agreement version 25 dated 5 October 2015. f) Design Statement version 7 dated 5 August 2015. g) Initial Site Appraisal; Quantitative Assessment (Hub North Scotland Ltd, v3 4 May 2015) h) Civil, Structural and Environmental Engineering appraisal (Waterman Structures Ltd, June 2016, ref. STR13320) i) Archaeological Desk Based Assessment (AOC Archaeology Group, 28 October 2015, ref. 70066) j) Topograhical Survey (Property and Land Surveys Highlands Ltd, February 2016)

	2. Skye, Lochalsh & South West Ross (Broadford site) Specific: k) Schedule of accommodation version 24 dated 2 May 2017 l) Adjacency matrix version 5 dated 27 Feb 2017 m) Initial Agreement version 26 dated 10 Oct 2016. n) Design Statement version 7 dated 10 Dec 2015. o) Site Plan version A dated 23 August 2016 p) Site Utilities information zip file dated August 2016 q) Topographical Survey (before construction of Broadford Health Centre) dated 4 August 2011
7. Details of any designers/advisors currently retained:	No designers/advisors are currently retained, however NHSH wish to propose Austin-Smith:Lord LLP and Oberlanders as Qualifying Partners to be invited to tender for architect selection if they meet the PQQ and other supply chain requirements to be evaluated by HNSL.
8. Are any current designers/advisors able to be novated to Hubco:	None

A Stage 1 Submission shall be prepared and include in respect of Clause 4.2 of Schedule Part 5 of the TPA the following:	
9. A detailed option appraisal (4.2.1)	Detailed option appraisals, together with public consultation exercises, have been undertaken by the Authority to arrive at the proposed service model, locations and sites for the proposed new Facilities. NHSH Board has approved the outcomes of these processes. Further formal option appraisal process is required in regard to the optimal site layout and affordability. In accordance with the Scottish Capital Investment Manual (SCIM), or any subsequent SFT / SG guidance, and having consulted with the Relevant Participant(s), HNSL are to identify the option they consider to be most likely to provide the best available VfM solution taking into consideration all relevant factors at each site.
10. A value for money assessment (4.2.2)	Required for inclusion in the OBC and FBC. A Value for Money Assessment is required in accordance with the requirements of the TPA (4.2.2) and supporting Method Statements. VFM should be clearly demonstrated within each stage 1 & 2 submission based on the comparators and benchmarking agreed during stage 1
11. A description and outline design to RIBA stage C (4.2.3)	Required for both hospitals as part of Stage 1 development.
12. A desktop geotechnical / environmental study and where applicable (4.2.4):	A Civil, Structural and Environmental Engineering appraisal has been commissioned by the Authority and completed by HNSL in respect of Aviemore. This should be incorporated with no duplication of effort and cost unless unavoidable. HNSL are required to review and utilise where appropriate previous studies carried out at the Broadford site in relation to the adjacent health centre development, and will carry out further studies as required as part of Stage 1 development.

a. Topographical survey	Required for both hospitals as part of Stage 1 development. HNSL are to review, and utilise where possible, the survey work already undertaken at both sites, in particular those pertaining to land purchase at Aviemore.
b. Site investigation studies	HNSL will carry out site investigation studies for the **Broadford** site as part of Stage 1 development. An Archaeology desk based assessment, ecological and arboricultural site studies of the **Aviemore** site have been undertaken by the Authority, with scope informed by HNSL and the planning authority. HNSL will carry out an NVC survey and, if site clearance is likely to be during Spring / Summer, a breeding bird survey. HNSL are to review, and utilise where possible, the survey work already undertaken at both sites, in particular those pertaining to land purchase at Aviemore.
c. Geotechnical report	A Civil, Structural and Environmental Engineering appraisal of the Aviemore site was commissioned by the Authority and completed by Hub North Scotland Ltd in June 2016. HNSL will carry out site investigation studies for the Broadford site as part of Stage 1 development. HNSL are to review, and utilise where possible, the survey work already undertaken at both sites, in particular those pertaining to land purchase at Aviemore.
d. Asbestos report	N/A
e. Condition report	N/A
f. Traffic study	HNSL shall, in association with the Planning Authority, review any available transport studies as part of Stage 1 design development. HNSL are to undertake a gap analysis and advise any further investigations to be carried out by HNSL. Agreed on-site and regional transport studies are to be carried out if agreed with the Authority.

	HNSL must also take into account that the Broadford site is adjacent to live operational sites; the Dr Mackinnon Memorial Hospital and the Broadford Health Centre.
g. Environmental impact report	HNSL shall carry out Environmental Impact Assessments on both sites as part of stage 1 if required by the planning authority. In Aviemore, the development studies produced as part of the site selection and procurement process should be incorporated where applicable and with no duplication of effort and cost unless unavoidable.
13. The transfer of properties by Participant(s) to Hubco or to Project Service Providers (details required) (4.2.5)	N/A
14. A schedule of material amendments/benefits required to the standard terms of the relevant Template Project Agreement (4.2.6)	Required with a statement of benefit made available to the Relevant Participant(s) by such amendments.
15. Names of the Participant(s) and/or other parties who will become Project Agreement Counterparties. Also tenants (4.2.7)	**Aviemore site:** Aviemore Medical Practice, the Scottish Ambulance Service and the Highland Council will become **tenants** of NHS Highland under a separate occupation agreement. **Broadford site:** The Scottish Ambulance Service will become **tenants** of NHS Highland under a separate occupation agreement.
16. How the New Project fits into the service delivery strategy as set out in the TDP and evidence of how the New Project meets the Relevant Participant(s)' requirements including	Required. Refer to Initial Agreements (Sep 15 for Aviemore and Oct 16 for Broadford). HNSL to include in the Stage 1 submission, statements on the alignment of the project to the service

the Specific Requirements (4.2.8)	strategy in the Territory Delivery Plan. In addition, HNSL are to produce a narrative to explicitly link the proposed solution to: 1. Any specific requirements 2. The objectives of the project
17. The effect on any employees of the Relevant Participant(s) or relevant third party service providers, including any potential transfer of any such employees (TUPE) (4.2.9)	This is covered under the specific care service redesign programmes.
18. An equipment strategy and risk transfer assumptions (4.2.10)	HNSL to include supply, installation and maintenance of all Group 1 equipment; supply and installation of group 2 equipment; and an allowance for fixing only of Group 3 equipment, within the stage 1 submission. HNSL will also take responsibility for the space planning of all Group 2, 3 & 4 equipment which the Authority requires to be installed in the Facilities. NHSH will develop Group 3 & 4 equipment schedules.
19. What land (including Participant land) is required and where appropriate, an indicative value of that land (4.2.11)	Land requires to be purchased in Aviemore. A preferred site was agreed by the NHSH Board in September 2016 and purchase negotiations are underway. The NHSH Board agreed to purchase the full 10 acre site which will provide more flexibility in design and allow land of ecological value to be set aside to offset the impact of construction. The indicative purchase price is affordable and deemed value for money. The access road through the adjacent site is under separate ownership and a general right of access is in place. This road is close to adoptable standard and discussions are underway with the Highland Council to ask for the road to be adopted in order to eliminate any risk that the right of access could be challenged. Initial discussions with the Highland Council and the owner of the road have been positive. The associated risk to programme sits with NHSH. The Broadford site is already owned by the Authority and ownership and access rights have been authenticated against the Land Register of Scotland documentation.

	For both sites HNSL are to substantiate details of access rights for Services, boundaries and title burdens and include in the Stage 1 submission confirmation that the project can be developed and connection to Services made within the Site and Ancillary Rights areas.
20. The appropriate contractual route to deliver the New Project (4.2.12)	The bundle project will be revenue funded adopting the Standard Form DBFM Project Agreement issued by Scottish Futures Trust.
21. Evidence of planning permission in principle (outline) including a report on any conditions attached setting out NHSL's recommended strategy (4.2.13)	In consultation with the Authority, HNSL is required to develop the planning application for each site in collaboration with the Planning Authority during Stage 1. They are also required to apply for formal pre-planning advice, assess planning risks and include a report detailing proposed mitigation measures in their Stage 1 submission. HNSL will subsequently be required to submit a detailed planning application, including a drainage impact assessment during Stage 2 and will be expected to discharge planning conditions within HNSL's areas of responsibility prior to Stage 2 submission. Prior to commencing construction HNSL shall ensure that any pre-commencement planning conditions are discharged to the satisfaction of the relevant Planning Authority.
22. A maximum time period for submission of a Stage 2 Submission on the assumption that the New Project achieves Stage 1 Approval (and indicating alternative time periods to accommodate market testing if required) (4.2.14)	The maximum time period for Stage 2 submission will in the first instance be influenced by the milestone dates to FBC which have been developed by the Authority for governance purposes. This programme will be subsumed into a HNSL master programme which will be included within the Stage 1 submission subject to agreement by the Authority.

23. The proposed Project Development Fee referred to in paragraph 1.2 of schedule Part 4 (Partnering Services Costs) (4.2.15)	HNSL to include in Stage 1 submission after consultation and agreement with SFT and the Authority.
24. A Site Waste Management Plan (incorporating design stage waste reduction actions). (4.2.16)	Not required at Stage 1 but this will be required at Stage 2.
25. Most recent HNSL Performance Report and confirmation whether or not the Track Record Test has been passed at the date of submission of the Stage 1 submission. (Not referenced)	HNSL to provide most recent HNSL performance report and confirm whether or not the Track Record Test has been passed. Should the Track Record Test not be satisfactory, HNSL are required to demonstrate to the Authority the steps that are being put in place to achieve a satisfactory result for the next performance report. Stage 1 submission to set out proposed project-specific KPI's for each phase of the project. The KPIs that HNSL is to be measured against are as stated in the Territory Partnering Agreement.
Addendums	Addendum A – NPR Affordability Cap and Detailed cost plan Addendum B - Project brief; Schedule Part 6 Section 3 draft Authority Construction Requirements subsections A to E Addendum C – Initial Agreement Addendum D – Revised Development Fee Payment Process Addendum E – Civil, Structural and Environmental Engineering Desk Study (Aviemore), includes appendices: a) Site location plan; e) Initial foundation schemes; f) Initial superstructure schemes; g) Scottish water record drawings; and h) SEPA flood map. Addendum F – Envirorisk siteplan (Aviemore site) Addendum G – Ground Investigation report (Aviemore site) Addendum H – Utilities; Strategic Services Report (Aviemore site) and Site Utilities (Broadford site)

	Addendum I – Topographical surveys; Aviemore and Broadford sites Addendum J - Site Plan (Broadford site) Addendum K – High Level Risk Register

Appendix 5 – Agreement in Principle Letters

Aviemore Medical Practice

Muirton, Aviemore, Inverness-shire, PH22 1SY

Telephone 01479 810258 Fax 01479 810067

www.aviemoremedical.co.uk ***Email: info@aviemoremedical.co.uk***

Agreement in Principle

We, Aviemore Medical Practice ("The Practice"), in respect of the proposed facility development at Badenoch and Strathspey Community Hospital and having regard to the NHSH paper "Independent GP Practice Occupation within hub Facilities" version 1/2017 confirm that we:-

- have reviewed the schedule of accommodation as emailed at 9:50am on 27 September 2017 by Kenny Rodgers, Interim Head of Financial Planning, for the facility as detailed within the attached costs schedule.

- have reviewed the extent of accommodation, as indicated on the attached costs schedule as designated for the sole use of the Practice.

- have reviewed the extent of further accommodation, as indicated on the attached costs schedule and understand the Practice will be responsible for a share of appropriated cost.

- have seen, but are not at this point in time in a position to agree that the same are either reasonable or affordable, the indicative annual cost of the Practice occupying space within the facility both in terms of its designated area and responsibility for communal/shared/split area and having regard to cost reimbursements under the GMS scheme, as such indicative costs and indicative reimbursements are set out in the costs schedule annexed hereto.

- 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 NHSH to progress the facility development with hubCo and in particular to facilitate the approval of an Outline Business Case by NHSH Board, NHSH 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:-

a. agreement of the terms and conditions upon which we will occupy the new facility;

b. agreement on 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 subject to all professional fees incurred by us being met, we will as soon as reasonably practicable, and once the details of the facility have been further developed by NHSH and HubCo and agreed with us, we, the Practice, will accept the terms

of an Offer (with an Agreement attached) on behalf of NHSH, such Offer and Agreement to be on terms entirely acceptable to us (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 Aviemore Medical Group (The Practice)

Iain Gray

Dated 10/11/2017

Scottish Ambulance Service
Taking Care to the Patient

NHS SCOTLAND

Chair David Garbutt QPM
Chief Executive Pauline Howie OBE

By E-mail

Date: 1 November 2017

Helen Emery
Property Team
NHS Highland
1st Floor, Assynt House
Beechwood
Inverness IV2 3BW

Dear Helen,

Badenoch and Strathspey Community Hospital - Agreement in Principle

We, Scottish Ambulance Service ("SAS"), in respect of the proposed facility development at Badenoch and Strathspey Community Hospital confirm that we:-

- have reviewed the schedule of accommodation as emailed at 9:50am on 27 September 2017 by Kenny Rodgers, Interim Head of Financial Planning, for the facility as detailed within the attached costs schedule.
- have reviewed the extent of accommodation, as indicated on the attached costs schedule as designated for the sole use of SAS.
- have reviewed the extent of further accommodation, as indicated on the attached costs schedule and understand SAS will be responsible for a share of appropriated cost.
- understand and agree the indicative annual cost of SAS occupying space within the facility both in terms of its designated area and responsibility for communal/shared/split area.
- understand and agree that any changes to the proposed accommodation or the services instigated by SAS may have implications on the costs payable by the SAS.

We, SAS, acknowledge that in order for NHSH to progress the facility development with hubCo and in particular to facilitate the approval of an Outline Business Case by NHSH Board, NHSH require the SAS to fully confirm their intention in principle to occupying the agreed space within the new facility.

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

a. agreement of the terms and conditions upon which we will occupy the new facility;

b. agreement on the costs payable by us in connection with and/or arising out of such occupation, the indicative costs provided being agreed.

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 NHSH and hubCo, we, SAS, will accept the terms of an Offer (with an Agreement) on behalf of NHSH, such Offer and Agreement 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 SAS) 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 Scottish Ambulance Service (SAS)

GERRY O'BRIEN, DIRECTOR OF FINANCE AND LOGISTICS

Dated: 1ST November 2017

Scottish Ambulance Service
Taking Care to the Patient

NHS SCOTLAND

Chair David Garbutt QPM
Chief Executive Pauline Howie OBE

By E-mail

Date: 3 November 2017

Helen Emery
Property Team
NHS Highland
1st Floor, Assynt House
Beechwood
Inverness IV2 3BW

Dear Helen,

Boradford (Hub) - Agreement in Principle

We, Scottish Ambulance Service ("SAS"), in respect of the proposed facility development at Broadford (hub) confirm that we:-

- have reviewed the schedule of accommodation as emailed at 14:29 on 2nd November by Imogen Storm, Project Manager, for the facilities as detailed within the attached costs schedule.
- have reviewed the extent of accommodation, as indicated on the attached costs schedule as designated for the sole use of SAS.
- have reviewed the extent of further accommodation, as indicated on the attached costs schedule and understand SAS will be responsible for a share of appropriated cost.
- understand and agree the indicative annual cost of SAS occupying space within the facilities both in terms of its designated area and responsibility for communal/shared/split area.
- understand and agree that any changes to the proposed accommodation or the services instigated by SAS may have implications on the costs payable by the SAS.

We, SAS, acknowledge that in order for NHSH to progress the facility development with hubCo and in particular to facilitate the approval of an Outline Business Case by NHSH Board, NHSH require the SAS to fully confirm their intention in principle to occupying the agreed space within the new facility.

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

a. agreement of the terms and conditions upon which we will occupy the new facility;

b. agreement on the costs payable by us in connection with and/or arising out of such occupation, the indicative costs provided being agreed.

c. the completion of the new facilities 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 facilities have been further developed by NHSH and hubCo, we, SAS, will accept the terms of an Offer (with an Agreement) on behalf of NHSH, such Offer and Agreement, subject to project specific drafting being included (including as to the matters referred to in the preceding paragraph). Cont.../

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 SAS) 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 Scottish Ambulance Service (SAS)

GERRY O'BRIEN, DIRECTOR OF FINANCE AND LOGISTICS

Dated: 3 November 2017

The Highland Council
Comhairle na Gàidhealtachd

Helen Emery
Property Manager
Estates
NHS Highland
Assynt House
Beechwood Park
Inverness
IV2 3BW

Please ask for:
Direct Dial:
E-mail:
Your Ref:
Our Ref:
Date:

Dear Ms Emery

Agreement in Principle

We, The Highland Council ("THC"), in respect of the proposed facility development at Badenoch and Strathspey Community Hospital confirm that we:-

- have reviewed the schedule of accommodation as emailed at 9:50am on 27 September 2017 by Kenny Rodgers, Interim Head of Financial Planning, for the facility as detailed within the attached costs schedule.
- have reviewed the extent of accommodation, as indicated on the attached costs schedule as designated for the sole use of THC.
- have reviewed the extent of further accommodation, as indicated on the attached costs schedule and understand THC will be responsible for a share of appropriated cost.
- understand and agree the indicative annual cost of THC occupying space within the facility both in terms of its designated area and responsibility for communal/shared/split area.
- understand and agree that any changes to the proposed accommodation or the services instigated by THC may have implications on the costs payable by the THC.

We, THC, acknowledge that in order for NHSH to progress the facility development with hubCo and in particular to facilitate the approval of an Outline Business Case by NHSH Board, NHSH require the THC to fully confirm their intention in principle to occupying the agreed space within the new facility.

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

a. agreement of the terms and conditions upon which we will occupy the new facility;

b. agreement on the costs payable by us in connection with and/or arising out of such occupation, the indicative costs provided being agreed.

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 NHSH and hubCo, we, THC, will accept the terms of an Offer (with an Agreement attached) on behalf of NHSH, 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). Cont.../

The Highland Council
Comhairle na Gàidhealtachd

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 THC) 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 The Highland Council (THC)

S. Campbell

Sandra Campbell
Head of Children's Services

Dated 3/11/2017

Appendix 6 - Recurring revenue Costs: Workforce

Revenue Costs Analysis

Revenue Costs	Badenoch & Strathspey					Revenue Costs	Skye, Wester Ross & Lochalsh			
	Option 1	Do	Option 2 New Build				Option 1		Option 2 New Build	
	£000's	WTE	£000's	WTE			£000's	WTE	£000's	WTE
Service Model Costs						**Service Model Costs**				
Allied Health Professionals	563	13.40	689	16.60		Allied Health Professionals	772	16.43	788	17.03
Community Nursing	327	6.86	515	12.66		Community Nursing	2,172	46.84	2,351	54.41
Inpatient	2,019	50.03	1,304	34.54		Inpatient	1,740	45.81	1,442	38.81
Medical	265	0.00	285	0.00		Medical	1,560	11	1,487	10.54
Administration	85	4.14	91	4.14		Administration	180	8.07	180	8.07
Community Mental Health	270	5.26	366	7.36		Community Mental Health	552	14.58	552	14.58
Hotel Services	498	19.21	373	13.81		Hotel Services	512	18.04	460	15.76
Other Healthcare	1,328	22.75	1,228	22.75		Other Healthcare	577	10.14	527	10.14
Care at Home	699	25.29	804	25.29		Care at Home	0	0.00	0	0.00
Other Adult Social Care	4,658	61.96	4,658	61.96		Other Adult Social Care	11,456	172.90	11,456	172.90
General Medical Services	4,889	0.00	4,889	0.00		General Medical Services	8,847	20.78	8,759	20.78
Transport	17	0.00	35	0.00		Transport	0	0.00	0	0.00
Total Service Model Costs	**15,618**	**208.90**	**15,239**	**199.11**		**Total Service Model Costs**	**28,368**	**365.08**	**28,002**	**363.02**
Unitary Charge Costs (Table x)						**Unitary Charge Costs (Table x)**				
Cap Ex	0	0.00	1,553	0.00		Cap Ex	0	0.00	1,247	0.00
SPV	0	0.00	332	0.00		SPV	0	0.00	266	0.00
Hard FM	0	0.00	103	0.00		Hard FM	0	0.00	94	0.00
Lifecycle costs	0	0.00	98	0.00		Lifecycle costs	0	0.00	87	0.00
Total Unitary Charge Costs	**0**	**0**	**2,087**	**0**		**Total Unitary Charge Costs**	**0**	**0**	**1,694**	**0**
Asset Related Costs						**Asset Related Costs**				
Depreciation	406	0.00	540	0.00		Depreciation	154	0.00	646	0.00
Rates	99	0.00	152	0.00		Rates	51	0.00	74	0.00
Utilities	182	0.00	120	0.00		Utilities	111	0.00	104	0.00
Telecommuniations	8	0.00	15	0.00		Telecommuniations	0	0.00	0	0.00
Insurance (incl. 6% IPT)	0	0.00	12	0.00		Insurance (incl. 6% IPT)	0	0.00	31	0.00
Waste	0	0.00	8	0.00		Waste	0	0.00	0	0.00
Maintenance	0	0.00	20	0.00		Maintenance	20	0.00	20	0.00
Total Asset Related Costs	**696**	**0.00**	**867**	**0.00**		**Total Asset Related Costs**	**336**	**0.00**	**874**	**0.00**
Income						**Income**				
NHSH Depreciation	(406)		(540)	0		NHSH Depreciation	(154)	0	(646)	0.00
SGHD Capital	0		(1,885)	0		SGHD Capital	0	0	(1,513)	0.00
SGHD - Lifecycle	0		(49)	0		SGHD - Lifecycle	0	0	(43)	0.00
Aviemore Medical Practice	0		(55)	0		Portree Medical Practice	0	0	(14)	0.00
Public Dental Service	0		(7)	0		Public Dental Service	0	0	0	0.00
Highland Council	0		(15)	0		Highland Council	0	0	0	0.00
Scottish Ambulance Service	0		(23)	0		Scottish Ambulance Service	0	0	(20)	0.00
Total Income	**(406)**	**0**	**(2,574)**	**0**		**Total Income**	**(154)**	**0**	**(2,235)**	**0**
Total Recurring Revenue Costs	**15,907**		**15,618**			**Total Recurring Revenue Costs**	**28,550**		**28,334**	

Appendix 7 – Membership, Role and Remit of Programme Board

MEMBERSHIP, ROLE AND REMIT OF PROGRAMME BOARD (BADENOCH & STRATHSPEY AND SKYE, LOCHALSH & SOUTH WEST ROSS BUNDLE)

A proposed remit and membership of the Programme Board is set out below. The overall project structure is shown in Figure 1 and a summary of the remit for the other key groups and committees is summarised in table 1.

Remit

The Programme Board will supervise the specification and delivery of the project, including:

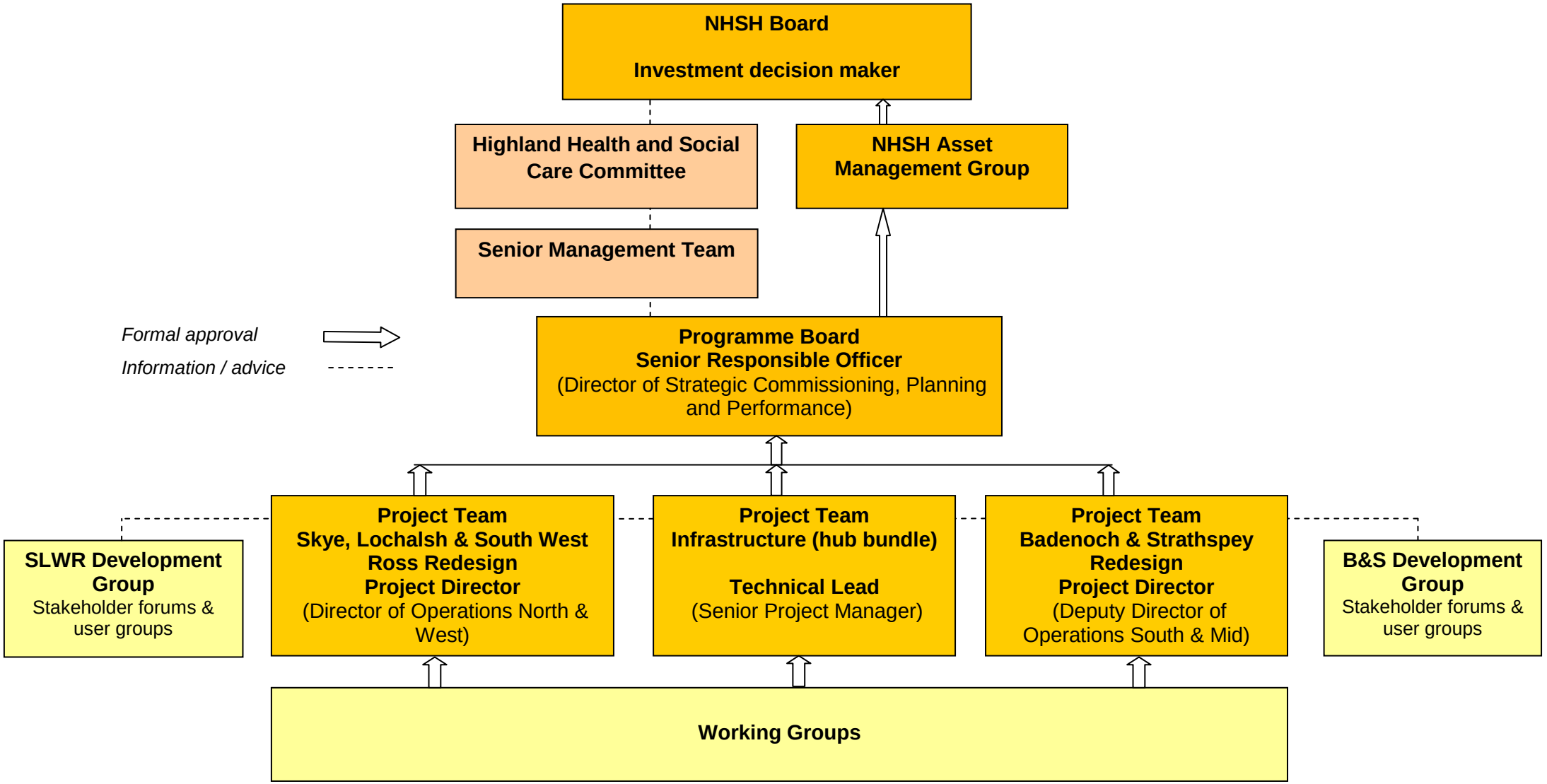
- To agree the scope of the project and supervise development and delivery of the service model consistent with NHSH strategy;
- To ensure that an appropriate, adequately resourced project management structure is in place to deliver the project objectives;
- To agree the Project Initiation Document, Plan and budget for the project, for approval by NHSH Board;
- To ensure the project is delivered to agreed time, quality, and budget;
- To approve all changes to the scope of the project and the approach to delivery;
- To agree and oversee the implementation of the Project Execution Plan;
- To review the Risk Management Plan, ensuring all risks are identified; that appropriate mitigation strategies are actively applied and managed, and escalated as necessary, providing assurance to the NHSH Board that all risks are being effectively managed;
- To ensure appropriate stakeholder identification, analysis, engagement and communication; and
- In respect of the hub infrastructure project;
    - To successfully conclude Contract Close in partnership with relevant stakeholders; and
    - To supervise the functional commissioning and bring the facilities into operation in respect of the elements for which the NHS is responsible.

Membership

Name	Role	Organisation / Group
Deborah Jones	Senior Responsible Officer (Chair)	NHS Highland
Eric Green	Technical Advisor (Deputy Chair)	Estates, NHSH
Georgia Haire	Project Director (Badenoch & Strathspey Redesign)	South & Mid, NHSH
Gill McVicar	Project Director (Skye, Lochalsh & South West Ross Redesign)	North & West, NHSH
Heather Cameron/Kim Corbett	Technical Lead (Infrastructure)	Estates, NHSH
Stewart MacPherson	Clinical Advisor (B&S)	South & Mid
Kath Jones	Clinical Advisor (SLWR)	North & West
Kenny Rodgers	Finance Lead (B&S)	South & Mid
Ros Philip	Finance Lead (SLWR)	North & West
To be confirmed	Commercial Lead	*To be confirmed*
Joanna MacDonald	Adult Social Care Advisor	NHS Highland
Maimie Thompson	PR and Public Engagement	NHS Highland
Alastair Nicol	SFT Advisor	Scottish Futures Trust
Ward Member, B&S	Locality representative (Elected member)	B&S Development Group
Mairi Palmer	Locality representative	B&S Development Group
Alex Murray	Locality representative	B&S Development Group
Ward Member, Isle of Skye	Locality representative (Elected member)	SLWR Development Group
Caroline Gould	Locality representative (Skye & Lochalsh Access Panel)	SLWR Development Group
Vacant	Locality representative	SLWR Development Group
Proposed	*Staff-side representative*	*To be confirmed*

Programme Board members are required to provide deputies to maintain continuity.

Figure 1 - Project management and reporting structure



Updated 10 February 2017

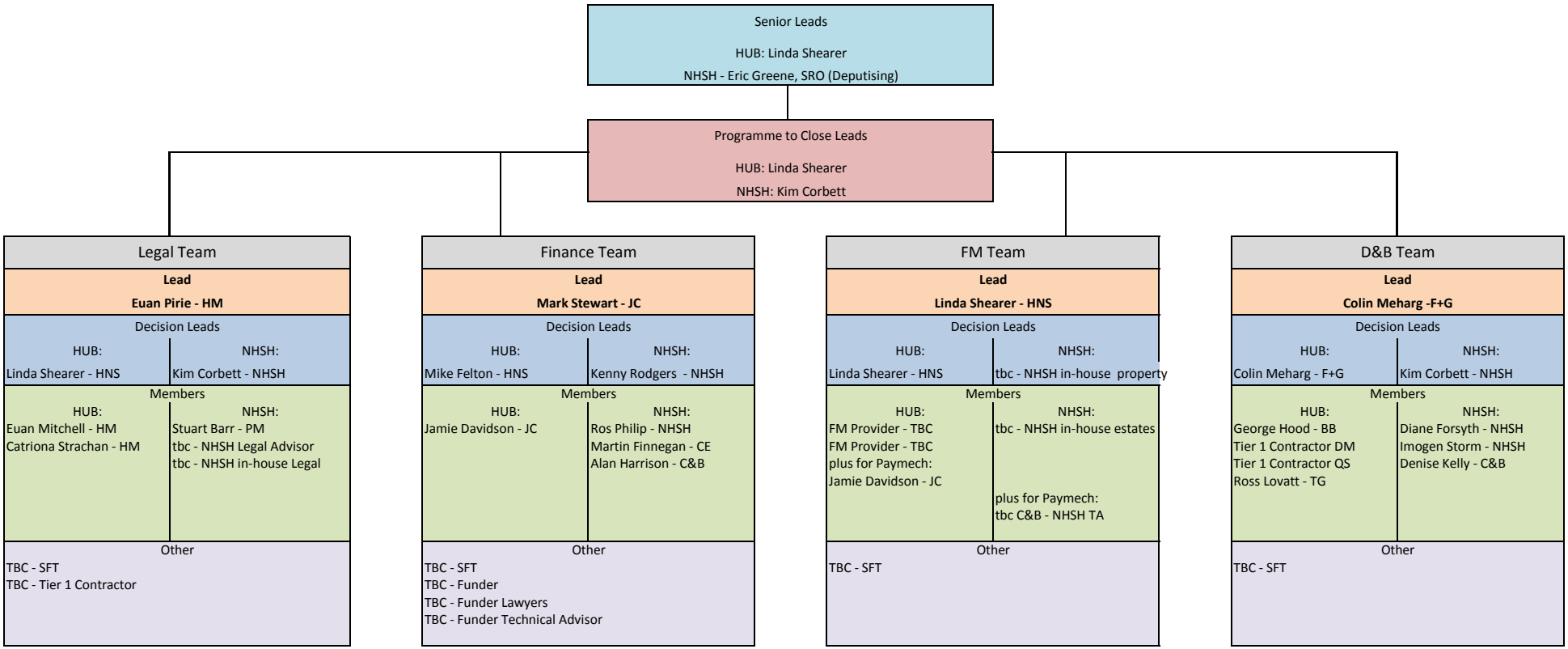
Table 1 Summary of remit for relevant groups / committees

Each group will have a chair, specified membership, clear remit with frequency of meetings specified (below). Actions agreed at the various meetings will be specified setting out owners and time-scales.

Groups	Remit
NHS Highland Board	• Ensure that a valid, viable and affordable business case exists for the project; • Authorise allocation of funds to the project; • Oversee programme board performance. • *Meets bi-monthly*
Asset Management Group (AMG)	• Ensure board-wide co-ordination and decision making of proposed asset investment / disinvestment ensuring consistency with policy and the strategy; • Agree allocation of funds to the project within delegated limits. • *Meets monthly*
Highland Health and Social Care Committee	• To ensure board-wide co-ordination of implementation of ten year strategy and operational plan; and to internally assure major service change process • *Meets bi-monthly*
Programme Board	• Supervise the specification and procurement of the project; • Make decisions on the project, manages risks and allocates actions as required; • Ensures the programme bundle is delivered on time and budget; • Provide strategic overview for the programme bundle. • *Meets quarterly / more frequently as required*
Development Group	• To represent stakeholders across all elements of the re-design and business case process; • To comment on and influence proposals; • To advise on communications and engagement with stakeholders. • *Meets quarterly*
Project Team (Service Redesign x 2 and Infrastructure)	• To oversee the successful delivery of the service / infrastructure change and supporting business case process; • To co-ordinate and deliver on all the actions required to meet the specification and delivery of the project; • To supervise the working groups, manage risks and escalate as required; • To oversee ongoing communications and engagement with stakeholders. • *Meets monthly / more frequently as required*

Appendix 8 – hubCo Project Workstreams

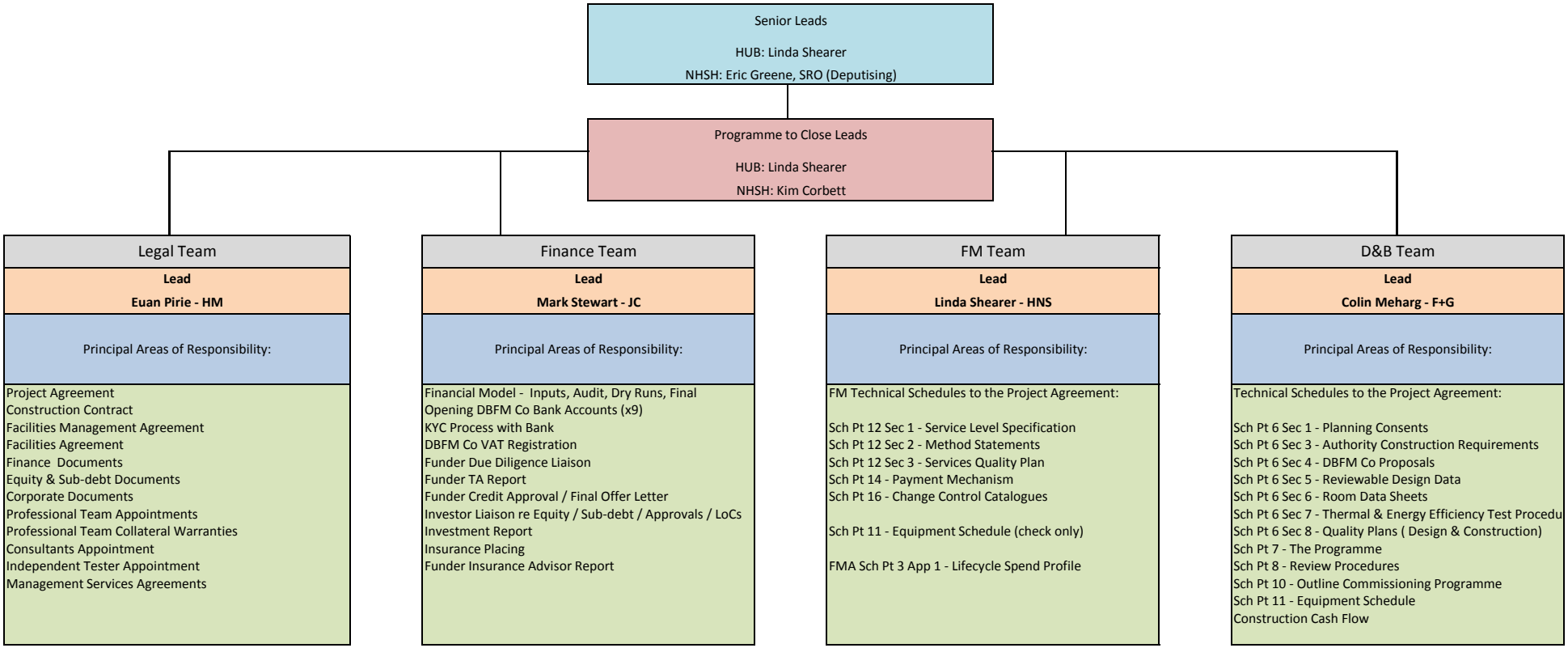
Badenoch, Strathspey and Skye - Workstream / Close Teams



Key:

HM - Harper Macleod
PM - Pinsent Masons
BB - Balfour Beatty
NHSH - NHS Highland
HNS - hub North Scotland
C&B - NHSH Technical Advisor
?? - FM Provider
F+G - Faithful + Gould
TG - Thomson Gray
JC - Johnston Carmichael
CE - Caledinian Economics

Badenoch, Strathspey and Skye Workstream / Close Teams - Responsibilities



Notes:

1. The above lists of principal areas of responsibility are not exhaustive
2. There are various crossovers between work streams and all have crossover with the Legal work stream
3. A detailed master project programme will be developed for each stage
4. Work stream leads are responsible for developing programmes for their works to align with master project programme
5. A detailed master document tracker will be developed for each stage

Appendix 9 - Skills Assessment

Baseline Skillset and Relevant Experience of Key Personnel

Senior Responsible Officer: Deborah Jones		
Main responsibilities:	The business sponsor who has ultimate responsibility at Board/Executive level for delivery of the project's benefits and the appropriate allocation of resources to ensure its success.	
	Skillset Expected:	Skillset of Individual:
Development Management:	**Experienced**	Experienced
Governance:	**Expert**	Expert
Commercial Acumen:	**Expert**	Experienced
Project Management:	**Experienced**	Experienced
Stakeholder Management:	**Experienced**	Experienced
Procurement Management:	**Previous Involvement**	Experienced
Contract Management:	**Experienced**	Experienced

Project Directors		
Main responsibilities:	Responsible for the ongoing day to day management and decision making on behalf of the SRO to ensure that the desired project objectives are delivered. They are also responsible for the development, maintenance, progress, and reporting of the business case to the SRO.	
Georgia Haire		
	Skillset Expected:	Skillset of Individual:
Development Management:	**Experienced**	Experienced
Governance:	**Expert**	Expert
Commercial Acumen:	**Expert**	Previous involvement
Project Management:	**Experienced**	Experienced
Stakeholder Management:	**Experienced**	Experienced
Procurement Management:	**Previous Involvement**	Experienced

Contract Management:	**Experienced**	Experienced
Gill McVicar		
	Skillset Expected:	Skillset of Individual:
Development Management:	**Experienced**	Expert
Governance:	**Expert**	Experienced
Commercial Acumen:	**Expert**	Previous involvement
Project Management:	**Experienced**	Experienced
Stakeholder Management:	**Experienced**	Expert
Procurement Management:	**Previous Involvement**	Previous experience
Contract Management:	**Experienced**	Previous experience

	Programme Manager		**Senior Project Manager**
	Kim Corbett	**Heather Cameron**	**Diane Forsyth**
Development Management:	Previous Involvement	Expert	Experienced
Governance:	Previous Involvement	Previous Involvement	Previous Involvement
Commercial Acumen:	Previous Involvement	Experienced	Experienced
Project Management	Expert	Expert	Experienced
Stakeholder Management:	Experienced	Experienced	Experienced
Procurement Management:	Previous Involvement	Experienced	Experienced
Contract Management:	Good awareness	Experienced	Previous Involvement
Allocation of resource:	50%	50%	100%

COMPETENCY	**LEVEL**	
	Imogen Storm	**Steven Wilson**
Development Management:	Previous Involvement	Previous Involvement
Governance:	Previous Involvement	Previous Involvement
Commercial Acumen:	Previous Involvement	Previous Involvement
Project Management	Previous Involvement	Experienced
Stakeholder Management:	Previous Involvement	Previous Involvement
Procurement Management:	Good Awareness	Previous Involvement
Contract Management:	Previous Involvement	Previous Involvement
Allocation of Resource:	100%	100%

Project role & main responsibilities:	**Named person:**	**Experience of similar project roles:**
Organisation's senior business / finance representative - Representing the organisation's business & financial interests.	Kenny Rodgers, Head of Financial Planning	B&S Project Lead since 2011 Head of Finance for South & Mid Op Unit since 2007 Project Manager for Nairn Hospital development Project Board member for Health Centre developments in Dingwall, Drumnadrochit and Tain.
Senior Technical / Estates / Facilities representative - Representing the technical aspects of the project	Eric Green, Head of Estates	Over 20 years construction project experience in nuclear and health care. Operational responsibility for NHSH Estates service since 2009, including Acute and Primary Care project teams. Technical Lead for Migdale and Nairn Hospitals, Tain Health Centre and Critical Care Upgrade at Raigmore Hospital.
Clinical Advisor	Gordon MacLeay, Clinical Advisor,	Over 20 years nursing experience, 9 years at a senior level. Redesign Facilitator for Planning and Performance; service redesign, process

Project role & main responsibilities:	Named person:	Experience of similar project roles:
	Estates	mapping, quality and application of 5S and redesign and quality methodology. Facilitated service improvement application and change on a number of sites across NHSH.
Communications and Engagement	Maimie Thompson, Head of PR and Engagement	NHSH Head of PR and Engagement since 2011 Has specific responsibility for overseeing major service change programme for NHSH. Oversees board-wide communications and engagement including designing and leading public consultation process for major service redesign since 2012 including B&S and SLWR. Works closely with Scottish Government, elected members and Scottish Health Council Previously Programme Manager for three board-wide national initiatives
Commercial Lead	Andy Oliver	15 years experience in Aberdeen City Council, NHS Grampian & Moray Council working on hNSL and NPD projects. Commercial Lead for Inverurie & Foresterhill hub DBFM and Baird & Anchor.
Programme Manager	Kim Corbett (covering maternity leave until March 2018)	Senior Project Manager at NHS South Central Strategic Health Authority responsible for the delivery and implementation of service improvement and patient safety improvement projects across the region. Project Manager/Commissioning Officer for eight-year project to move the Battle Hospital services onto the Royal Berkshire Hospital site. Included re-provision of wards, theatres,

Project role & main responsibilities:	Named person:	Experience of similar project roles:
		therapy services, A&E and Radiology to enable the decant, closure of services and decommissioning old site. Day to day project management of contractors on site, stakeholder management and devolved budgets. Commissioning of all operational areas, including transfer of facilities to final operational handover.
Programme Manager	Heather Cameron (on maternity leave until March 2018)	Senior Project Manager in Estates, managing the Primary Care Project Team for 4 years. Prior to this 5 years experience as Project Manager / Architect. In-house design and management of new build and major refurbishments of Broadford, Drumnadrochit and Dingwall Health Centres plus other minor projects e.g. upgrading accommodation at Mackinnon Memorial Hospital and patient accommodation at Raigmore Hospital. Procured and managed contracts using NEC3 and JCT. Qualified registered architect, APM Introductory certificate , NEC3: ECC accredited Project Manager
Senior Project Manager	Diane Forsyth	Eighteen years experience in NHS Highland; 6 years in Operational Management, 10 years Project Management: • Delivered programme of new build and refurbished primary care dental premises including dental refurbishment / extensions at Dunbar Hospital and Robertson Health Centre, new builds Tain Health Centre, Nairn Hospital, Ian Charles Dental Clinic and Portree

Project role & main responsibilities:	Named person:	Experience of similar project roles:
		Dental Clinic. • Project Manager on B&S and SLWR bundle since 2015. • Experience includes Frameworks D&B, hub DBFM, equipment procurement, stakeholder management, co-ordinating multiple projects. Previously Operational Manager for NHSH Primary Care Dental Services and Assistant General Manager in acute setting supporting medical / surgical directorates. This included preparing the business case for the Highland Breast Unit. MA (Hons) Psychology, Diploma in Management, APM Introductory certificate, NEC3: ECC accredited Project Manager
Project Managers	Imogen Storm	8 years management experience, Diploma in Management, CMI Level 3 Cert, APM PFQ Project managed refurbishment and opening of new retail venues for Nant Distilling Co. Day to day project management of contractors on site, commissioning, design team, staffing model, refurbishment of existing venue in compliance with Heritage Victoria (listed building), managing expectations and complaints from neighbouring businesses, budget monitoring and control, managing risk, sourcing and purchasing all equipment, furniture, textiles and products within budget, complying with all relevant legislation – including safe sale of alcohol, noise restrictions, venue capacity, health and safety (food and cleanliness), security

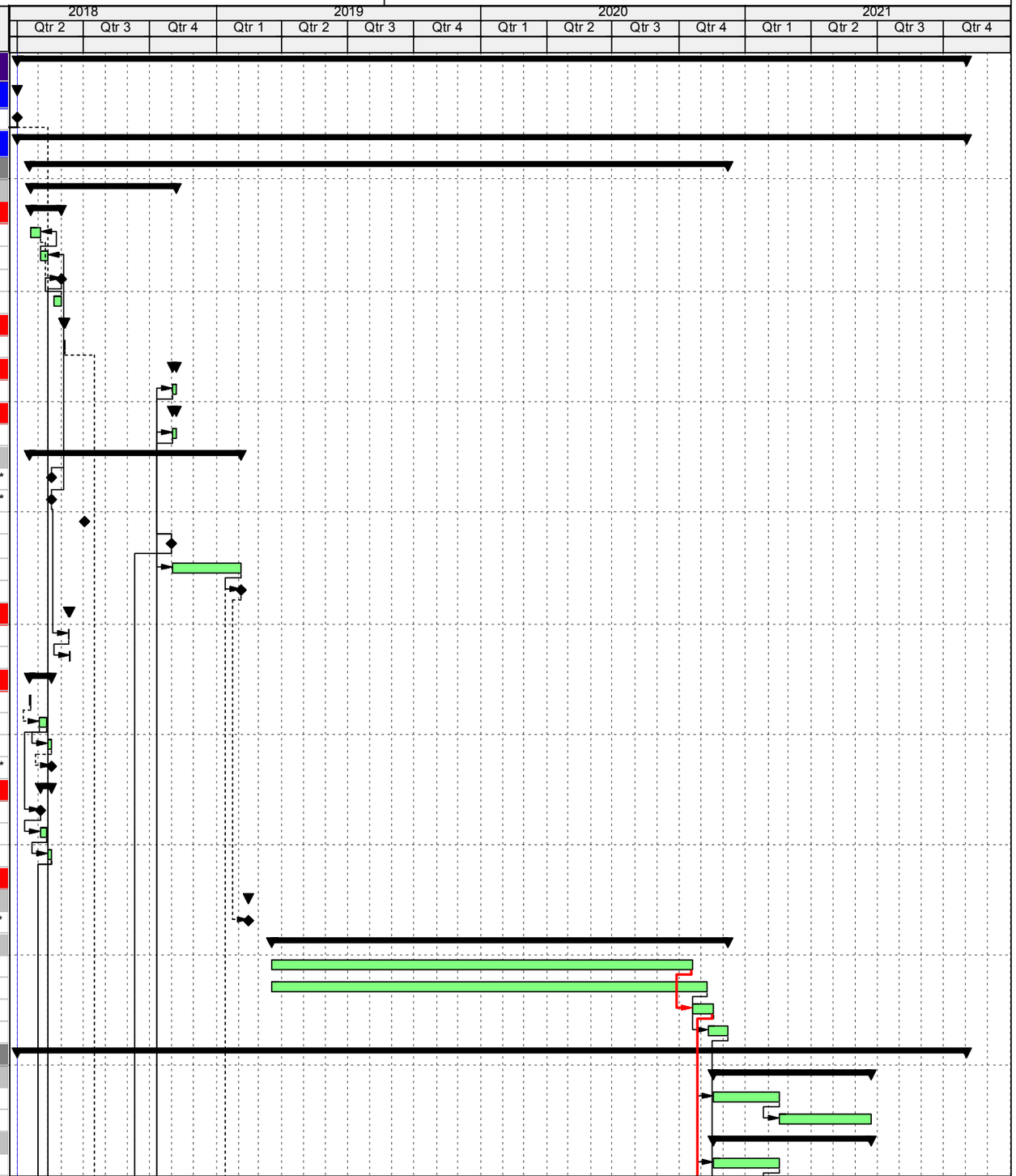
Project role & main responsibilities:	Named person:	Experience of similar project roles:
		and lease conditions. Reporting on progress of project. Worked alongside project team in global IT sales company to ensure successful international roll out of IT equipment to Thomas Cook holiday destinations – managing logistics and delivery schedules, pricing, sales commission, managing customer expectations, ensuring staff were on site as per delivery and installation schedule, ensuring customer needs were met as per contract agreed.

	Steven Wilson	Lead Project Engineer on several medium to high value projects in the Oil & Gas / heavy manufacturing industry; • **Planning** - Review of technical design information/drawings, development of comprehensive build method and other project specific documentation in line with project specifications, tendering and the compilation/maintaining of project programmes. Take off of materials as well as RFQ and procurement. • **Communications** - Point of contact for both internal personnel and stakeholders throughout the project, relay any potential issues, costs etc. to stakeholders, provide weekly progress reports and hold regular meetings (e.g. regarding progress, quality and status of documentation) • **Project Management** - Expediting activities as per project programmes, ensuring all resources are available on site to carry out scheduled tasks, manage sub-contractors and monitor costs throughout. Mitigating any issues which may arise during planning or production.

Appendix 10 – Project Programme

BSSLWR - FBC TO COMPLETE
Draft Full Schedule

Activity ID	Activity Name	Start	Finish
BSSLWR - FBC TO COMPLETE		02-Apr-18	02-Nov-21
FBC Start		02-Apr-18	02-Apr-18
A2700	FBC Start	02-Apr-18	
Buildings		02-Apr-18	02-Nov-21
Hub Community Hospital Bundle		18-Apr-18	07-Dec-20
FBC Elements		20-Apr-18	07-Nov-18
NDAP		20-Apr-18	01-Jun-18
A1450	NDAP Architectural Assesment	20-Apr-18	04-May-18
A1470	AEDET/Design Statement Workshop	04-May-18*	14-May-18
A2070	NDAP Process Complete		01-Jun-18
A2150	NDAP Engineering Assessment	21-May-18*	01-Jun-18
Programme		05-Jun-18	05-Jun-18
A1480	Review and Approve hub Programme	05-Jun-18*	05-Jun-18
Cost		01-Nov-18	07-Nov-18
A1490	Review hub Cost Information from Stage 2 Submission	01-Nov-18	07-Nov-18
Procurement/Commerical		01-Nov-18	07-Nov-18
A1500	Review hub Information from Stage 2 Submission	01-Nov-18	07-Nov-18
Stage 2		18-Apr-18	04-Feb-19
A1440	Planning Application B&S		18-May-18*
A1880	Planning Application SLWR		18-May-18*
A2770	hNSL Design Freeze RIBA Stage E		02-Jul-18*
A1280	HUB Stage 2 Submission		31-Oct-18*
A1410	NHSH Highland Review of Stage 2	01-Nov-18	04-Feb-19
A1420	Stage 2 Acceptance by NHSH		04-Feb-19
Related Events		11-Jun-18	12-Jun-18
A2330	Public Information Event - Portree	11-Jun-18	11-Jun-18
A2340	Public Information Event - Lochcarron	12-Jun-18	12-Jun-18
1:50 Room Drawings		18-Apr-18	18-May-18
A2250	1:50 Round Three	18-Apr-18*	19-Apr-18
A2270	1:50 Mop Up Sessions	01-May-18*	11-May-18
A2310	NHSH 1:50's Review Period	14-May-18	18-May-18
A2280	1:50 Sign Off		18-May-18*
Equipment Schedule		04-May-18	18-May-18
A2290	hub Issue Draft Equipment Schedule	04-May-18	
A2300	NHSH Review Equipment List	04-May-18	11-May-18
A2410	Equipment Groups Confirmed	14-May-18	18-May-18
Stage 2 Submission			
Financial Close		14-Feb-19	14-Feb-19
A1430	Financial Close Stage 2		14-Feb-19*
Construction		18-Mar-19	07-Dec-20
A1770	Construction of B&S Community Hospital	18-Mar-19*	19-Oct-20
A1830	Construction of Skye Community Hospital	18-Mar-19*	09-Nov-20
A1980	Occupation Period B&S	20-Oct-20	16-Nov-20
A1900	Occupation Period Skye	10-Nov-20	07-Dec-20
B&S		02-Apr-18	02-Nov-21
Decommissioning St Vincents		17-Nov-20	22-Jun-21
A2710	Decommission Building Services	17-Nov-20	16-Feb-21
A2720	Disposal of Asset	17-Feb-21	22-Jun-21
Decommissioning Aviemore Health Centre		17-Nov-20	22-Jun-21
A2730	Decommission Building Services	17-Nov-20	16-Feb-21



Remaining Level of Effort
Remaining Work
Summary
Actual Work
Milestone

Created by Chris Ford

BSSLWR - FBC TO COMPLETE
Draft Full Schedule

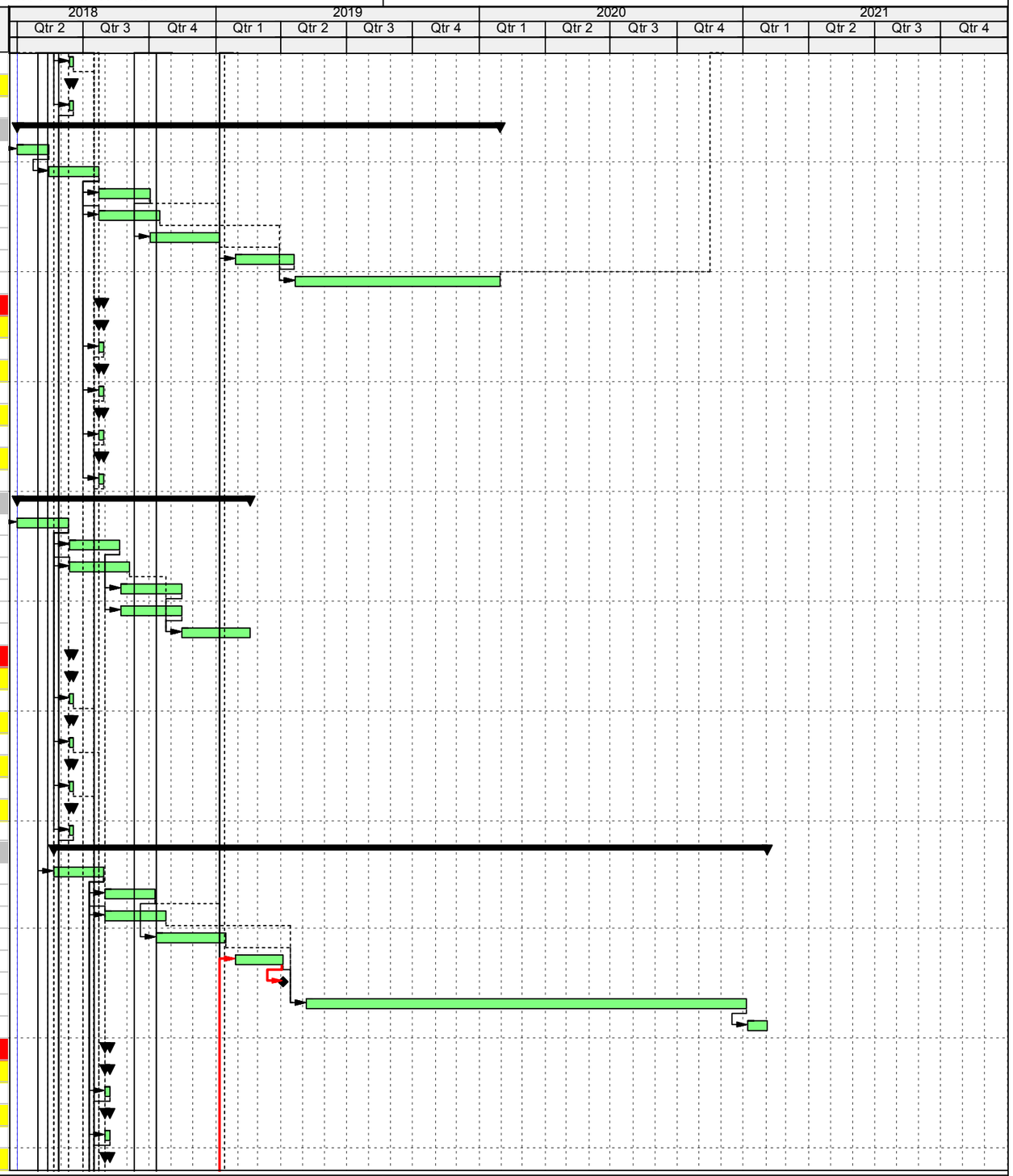
Activity ID	Activity Name	Start	Finish
A2740	Disposal of Asset	17-Feb-21	22-Jun-21
Ian Charles Site		02-Apr-18	02-Nov-21
A1750	Concept Design	02-Apr-18	11-Jun-18
A1760	Detailed Design	12-Jun-18	21-Aug-18
A1810	Planning Consents Complete	12-Jun-18	04-Sep-18
A1820	Building Warrants Finalised & Complete	22-Aug-18	14-Nov-18
A1780	Tender	28-Jan-19	19-Apr-19
A1790	Construction (Inc. Decants, Commissioning & Decommissioning)	17-Nov-20	24-Aug-21
A1800	Disposal of Hospital Building	25-Aug-21	02-Nov-21
FBC Elements		12-Jun-18	18-Jun-18
Scope		12-Jun-18	18-Jun-18
A1510	Final Confirmation & Agreement on Scope	12-Jun-18	18-Jun-18
Programme		12-Jun-18	18-Jun-18
A1520	Completion of Programme	12-Jun-18	18-Jun-18
Cost		12-Jun-18	18-Jun-18
A1530	Confirm Budget Costs	12-Jun-18	18-Jun-18
Procurement/Commerical		12-Jun-18	18-Jun-18
A1540	Confirmation of Preferred Procurement Route	12-Jun-18	18-Jun-18
SLWR		02-Apr-18	13-Jul-21
Decommission MacKinnon Memorial		08-Dec-20	13-Jul-21
A2750	Decommission Building Services	08-Dec-20	09-Mar-21
A2760	Disposal of Asset	10-Mar-21	13-Jul-21
Helipad		02-Apr-18	28-Jun-19
A2060	Feasibility	02-Apr-18	21-May-18
A1840	Concept Design	22-May-18	02-Jul-18
A1860	Detailed Design	03-Jul-18	11-Sep-18
A1850	Statuatory Consents	03-Jul-18	25-Sep-18
A1870	Tender	28-Jan-19	19-Apr-19
A1890	Construction	22-Apr-19	28-Jun-19
FBC Elements		03-Jul-18	09-Jul-18
Scope		03-Jul-18	09-Jul-18
A1550	Final Confirmation & Agreement on Scope	03-Jul-18	09-Jul-18
Programme		03-Jul-18	09-Jul-18
A1560	Completion of Programme	03-Jul-18	09-Jul-18
Cost		03-Jul-18	09-Jul-18
A1570	Confirmation of Budget Costs	03-Jul-18	09-Jul-18
Procurement/Commerical		03-Jul-18	09-Jul-18
A1580	Confirmation of Preferred Procurement Route	03-Jul-18	09-Jul-18
Kyle Health Centre		02-Apr-18	18-Feb-19
A1920	Concept Design	02-Apr-18	11-Jun-18
A1940	Detailed Design	12-Jun-18	21-Aug-18
A1950	Tender	22-Aug-18	14-Nov-18
A1960	Building Warrants Finalised & Complete	22-Aug-18	14-Nov-18
A1970	Kyle Health Centre Alterations	15-Nov-18	18-Feb-19
FBC Elements		12-Jun-18	18-Jun-18
Scope		12-Jun-18	18-Jun-18
A1590	Final Confirmation of Agreement on Scope	12-Jun-18	18-Jun-18
Programme		12-Jun-18	18-Jun-18
A1600	Completion of Programme	12-Jun-18	18-Jun-18
Cost		12-Jun-18	18-Jun-18

Remaining Level of Effort
Remaining Work
Summary
Actual Work
Milestone

Created by Chris Ford

BSSLWR - FBC TO COMPLETE
Draft Full Schedule

Activity ID	Activity Name	Start	Finish
A1610	Confirm Budget Costs	12-Jun-18	18-Jun-18
Procurement/Commerical		12-Jun-18	18-Jun-18
A1620	Confirmation of Preferred Procurement Route	12-Jun-18	18-Jun-18
Staff Accommodation		02-Apr-18	29-Jan-20
A2080	Option Selection	02-Apr-18	14-May-18
A2000	Concept Design	15-May-18	23-Jul-18
A2020	Detailed Design	24-Jul-18	02-Oct-18
A2010	Planning Consents Complete	24-Jul-18	16-Oct-18
A2040	Building Warrants Finalised & Complete	03-Oct-18	07-Jan-19
A2030	Tender	28-Jan-19	19-Apr-19
A2050	Construction	22-Apr-19	29-Jan-20
FBC Element		24-Jul-18	30-Jul-18
Scope		24-Jul-18	30-Jul-18
A1630	Final Confirmation & Agreement on Scope	24-Jul-18	30-Jul-18
Programme		24-Jul-18	30-Jul-18
A1640	Completion of Programme	24-Jul-18	30-Jul-18
Cost		24-Jul-18	30-Jul-18
A1650	Confirm Budget Codes	24-Jul-18	30-Jul-18
Procurement/Commerical		24-Jul-18	30-Jul-18
A1660	Confirmation of Preferred Procurement Route	24-Jul-18	30-Jul-18
Broadford Health Centre Refurb		02-Apr-18	18-Feb-19
A2090	Concept Design	02-Apr-18	11-Jun-18
A2110	Detailed Design	12-Jun-18	21-Aug-18
A2100	Planning Consents Complete	12-Jun-18	04-Sep-18
A2120	Tender	22-Aug-18	14-Nov-18
A2130	Building Warrants Finalised & Complete	22-Aug-18	14-Nov-18
A2140	Construction	15-Nov-18	18-Feb-19
FBC Elements		12-Jun-18	18-Jun-18
Scope		12-Jun-18	18-Jun-18
A1670	Final Confirmation & Agreement on Scope	12-Jun-18	18-Jun-18
Programme		12-Jun-18	18-Jun-18
A1680	Completion of Programme	12-Jun-18	18-Jun-18
Cost		12-Jun-18	18-Jun-18
A1690	Confirm Budget Codes	12-Jun-18	18-Jun-18
Procurement/Commerical		12-Jun-18	18-Jun-18
A1700	Confirmation of Preferred Procurement Route	12-Jun-18	18-Jun-18
North Skye Hub		22-May-18	02-Feb-21
A2170	Concept Design	22-May-18	30-Jul-18
A2190	Detailed Design	31-Jul-18	09-Oct-18
A2180	Planning Consents Complete	31-Jul-18	24-Oct-18
A2210	Building Warrants Finalised & Complete	10-Oct-18	14-Jan-19
A2200	Tender	28-Jan-19	04-Apr-19
A2780	Contract Award		04-Apr-19*
A2220	Construction	06-May-19	05-Jan-21
A2230	GP Practice Move In	06-Jan-21	02-Feb-21
FBC Element		31-Jul-18	07-Aug-18
Scope		31-Jul-18	07-Aug-18
A1710	Final Confirmation & Agreement on Scope	31-Jul-18	07-Aug-18
Programme		31-Jul-18	07-Aug-18
A1720	Completion of Programme	31-Jul-18	07-Aug-18
Cost		31-Jul-18	07-Aug-18

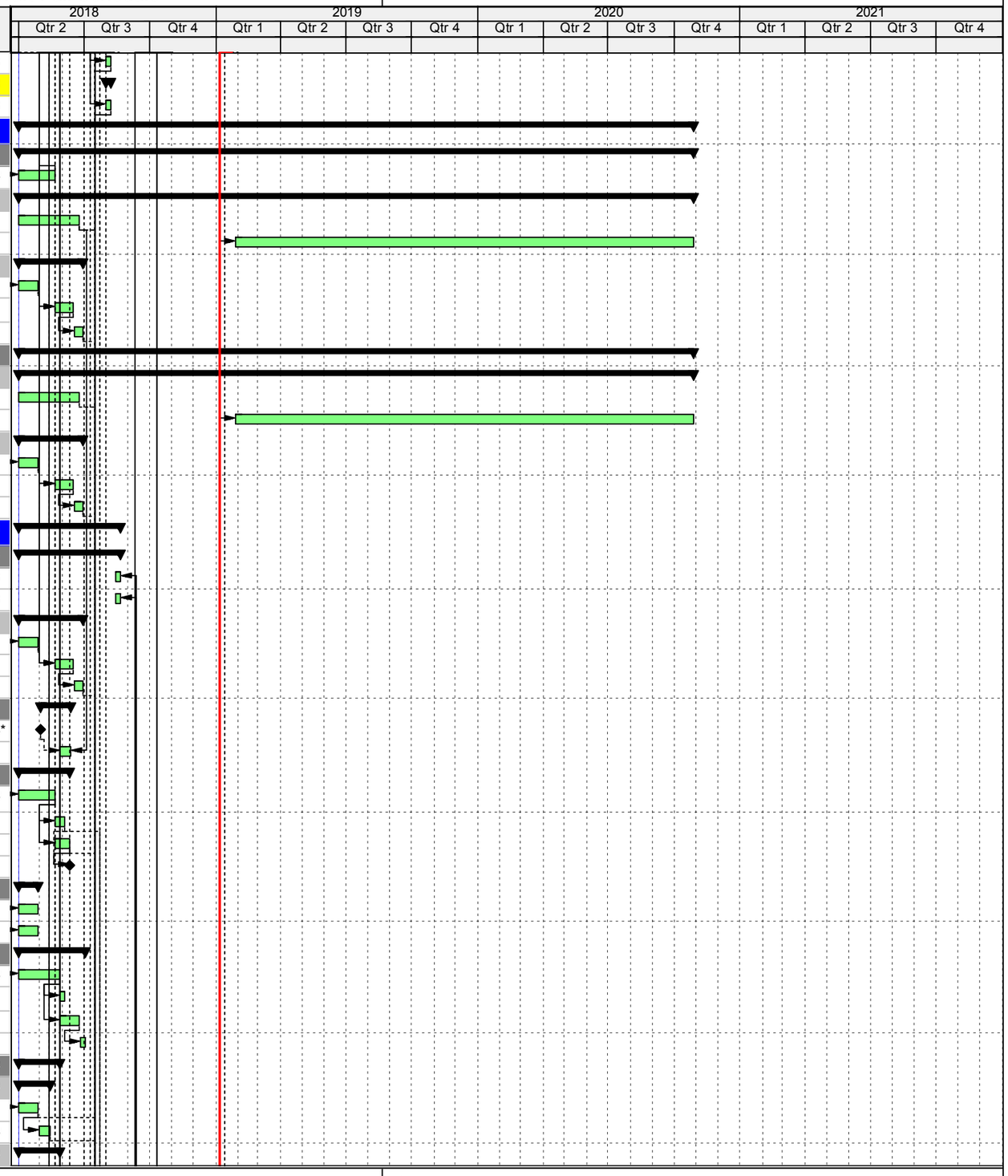


Remaining Level of Effort
Actual Work
Remaining Work
Milestone
Summary

Created by Chris Ford

BSSLWR - FBC TO COMPLETE
Draft Full Schedule

Activity ID	Activity Name	Start	Finish
A1730	Confirm Budget Costs	31-Jul-18	07-Aug-18
Procurement/Commerical		31-Jul-18	07-Aug-18
A1740	Confirmation of Preferred Procurement Route	31-Jul-18	07-Aug-18
Service Redesign		02-Apr-18	28-Oct-20
SLWR Service Redesign		02-Apr-18	28-Oct-20
A2360	Confirm Service Model for North Skye Hub	02-Apr-18	21-May-18
Workforce Plan		02-Apr-18	28-Oct-20
A2370	Workforce Implementation Plan/HR Meetings	02-Apr-18	25-Jun-18
A2650	Workforce Transition	28-Jan-19	28-Oct-20
Equipment		02-Apr-18	29-Jun-18
A2380	Confirm Existing Equipment	02-Apr-18	27-Apr-18
A2390	Confirm Equipment to be Procured	21-May-18	15-Jun-18
A2400	Confirm Equipment Budget	18-Jun-18	29-Jun-18
B&S Service Redesign		02-Apr-18	28-Oct-20
Workforce Plan		02-Apr-18	28-Oct-20
A2800	Workforce Implementation Plan/HR Meetings	02-Apr-18	25-Jun-18
A2810	Workforce Transition	28-Jan-19	28-Oct-20
Equipment		02-Apr-18	29-Jun-18
A2420	Confirm Existing Equipment	02-Apr-18	27-Apr-18
A2430	Confirm Equipment to be Procured	21-May-18	15-Jun-18
A2440	Confirm Equipment Budget	18-Jun-18	29-Jun-18
Dependent Projects		02-Apr-18	21-Aug-18
E-Health - Records and Systems		02-Apr-18	21-Aug-18
A2450	Progress Update on MORSE Community System	15-Aug-18	21-Aug-18
A2460	E-Health Delivery Plan EPR/Notes Scanning	15-Aug-18	21-Aug-18
Equipment		02-Apr-18	29-Jun-18
A2470	Confirm Existing Equipment	02-Apr-18	27-Apr-18
A2480	Confirm Equipment to be Procured	21-May-18	15-Jun-18
A2490	Confirm Equipment Budget	18-Jun-18	29-Jun-18
Capsule Endoscopy		01-May-18	12-Jun-18
A2510	Publish of Trial Report Outcome		01-May-18*
A2500	Confirm Workforce Plan Impact	29-May-18	12-Jun-18
Kingnussie Health Centre		02-Apr-18	11-Jun-18
A2520	Confirm Scope of Agreement with GP Practice	02-Apr-18	21-May-18
A2530	Confirmation of Programme	22-May-18	04-Jun-18
A2540	Agree NHSH Financial Contribution	22-May-18	11-Jun-18
A2600	Signed Agreement with Practice		11-Jun-18
Grant House		02-Apr-18	27-Apr-18
A2550	Confirm Scope	02-Apr-18	27-Apr-18
A2560	Confirmation of Programme	02-Apr-18	27-Apr-18
Skye Care Homes		02-Apr-18	02-Jul-18
A2570	Confirm Scope of Agreement with Care Home Provider	02-Apr-18	28-May-18
A2580	Confirmation of Programme	29-May-18	04-Jun-18
A2590	Agree NHSH Financial Contribution	29-May-18	25-Jun-18
A2610	Signed Agreement with Care Home Provider	26-Jun-18	02-Jul-18
Transport		02-Apr-18	28-May-18
B&S Transport Plans		02-Apr-18	14-May-18
A2620	Confirm B&S Transport Implemenation Plan	02-Apr-18	27-Apr-18
A2640	Confirm B&S Implementation Cost	30-Apr-18	14-May-18
Skye Transport Plans		02-Apr-18	28-May-18

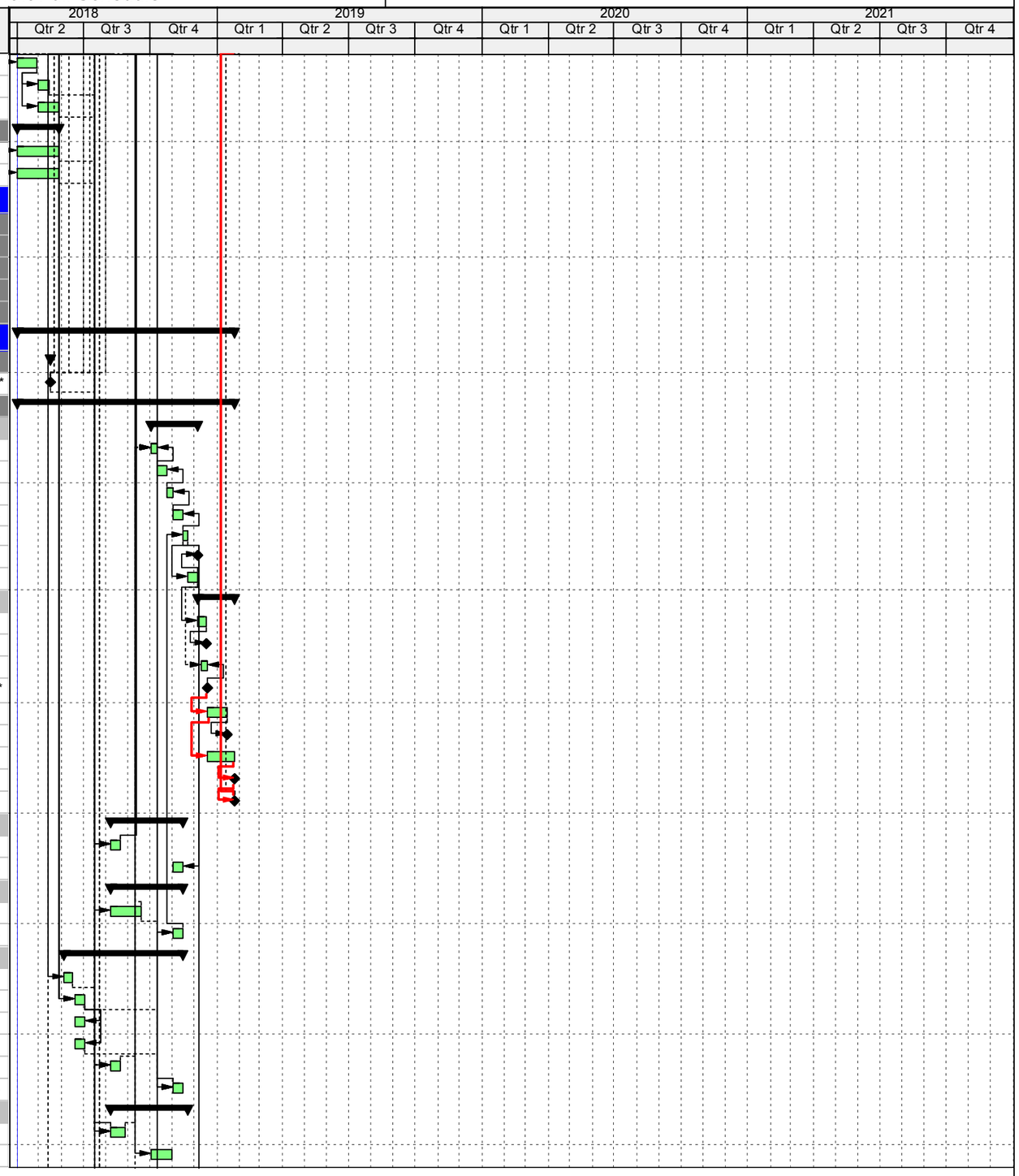


Remaining Level of Effort | Remaining Work | Summary
Actual Work | Milestone

Created by Chris Ford

BSSLWR - FBC TO COMPLETE
Draft Full Schedule

Activity ID	Activity Name	Start	Finish
A2630	Agree Skye Transport Implemenation Strategy	02-Apr-18	27-Apr-18
A2670	Confirm Skye Implementation Cost	30-Apr-18	14-May-18
A2660	Confirm Skye Transport Implemenation Plan	30-Apr-18	28-May-18
End of Life		02-Apr-18	28-May-18
A2680	B&S Confirmation of Implementation Plan	02-Apr-18	28-May-18
A2690	Skye Confirmation of Implementation Plan	02-Apr-18	28-May-18
Awareness			
GP Contacts			
TEC Services			
NHS Near Me			
Modernisation Out-Patients			
Care at Home			
Full Business Case		02-Apr-18	25-Jan-19
OBC Final Approval		16-May-18	16-May-18
A2350	OBC Approved by Scottish Government		16-May-18*
FBC Draft		02-Apr-18	25-Jan-19
NHSH FBC Stage		03-Oct-18	05-Dec-18
A1210	FBC First Draft	03-Oct-18	10-Oct-18
A1220	FBC First Draft Review	10-Oct-18	25-Oct-18
A1230	FBC Second Draft	25-Oct-18*	01-Nov-18
A1240	FBC Second Draft Review	01-Nov-18	15-Nov-18
A1250	FBC Final Draft Collation	15-Nov-18	21-Nov-18
A1010	NHS Completion of FBC for Approval		05-Dec-18
A1260	FBC Final Draft Review	22-Nov-18	05-Dec-18
FBC Approvals		06-Dec-18	25-Jan-19
A1290	Submit Papers for Programme Board	06-Dec-18	17-Dec-18
A1310	Programme Board Meeting		17-Dec-18
A1340	Submit Final Papers for AMG Meeting	10-Dec-18	18-Dec-18
A1350	AMG Meeting		18-Dec-18*
A1360	Submit Papers for NHSH Board Meeting	19-Dec-18	15-Jan-19
A1370	NHSH Board Meeting		15-Jan-19
A1380	Submission of Papers to CIG	19-Dec-18	25-Jan-19
A1390	CIG Meeting		25-Jan-19
A1400	CIG Formal Approval of FBC		25-Jan-19
Strategic		08-Aug-18	15-Nov-18
A1020	Review & Update Strategic First Draft	08-Aug-18	21-Aug-18
A1130	Review & Update Strategic Case Final Draft	01-Nov-18	15-Nov-18
Economic		08-Aug-18	14-Nov-18
A1030	Review Economic Appraisal against Updated Cost Information	08-Aug-18	18-Sep-18
A1040	Economic Case Final Draft For Submission	01-Nov-18	14-Nov-18
Commercial		04-Jun-18	14-Nov-18
A1060	NDAP Process & Approvals	04-Jun-18	15-Jun-18
A1050	Summarise Selection Process	19-Jun-18	02-Jul-18
A1070	Outine Main Contractual Arrangements	19-Jun-18	02-Jul-18
A1080	Review & Update of Key Contracts	19-Jun-18	02-Jul-18
A1300	Commercial Case First Draft for Submission	08-Aug-18	21-Aug-18
A1090	Commercial Case Final Draft For Submission	01-Nov-18	14-Nov-18
Financial		08-Aug-18	21-Nov-18
A1100	Update Financial Case for First Draft	08-Aug-18	28-Aug-18
A1110	Confirmation of Stakeholders Support	03-Oct-18	31-Oct-18

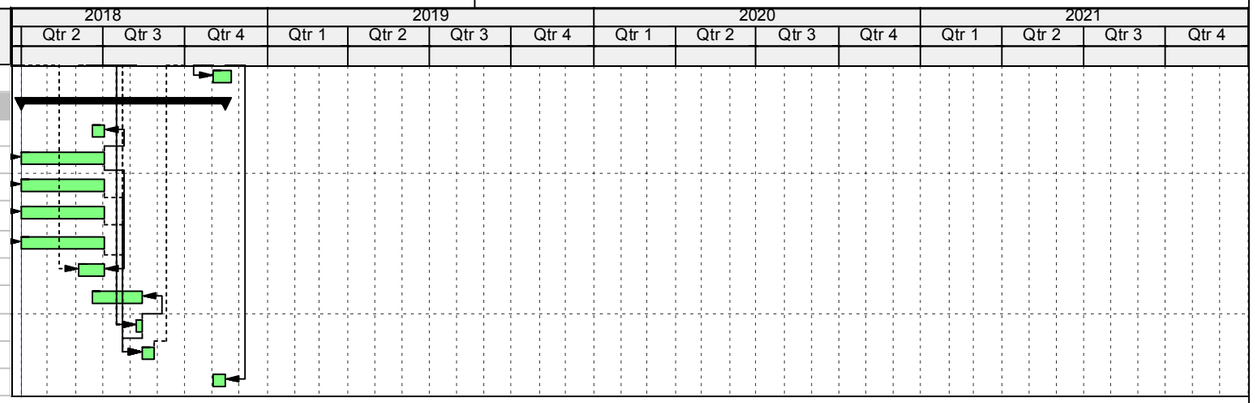


Remaining Level of Effort | Remaining Work | Summary
Actual Work | Milestone

Created by Chris Ford

BSSLWR - FBC TO COMPLETE
Draft Full Schedule

Activity ID	Activity Name	Start	Finish
A1120	Financial Case Final Draft for Submission	01-Nov-18	21-Nov-18
Management		02-Apr-18	15-Nov-18
A1140	Project Management Review & Update	19-Jun-18	02-Jul-18
A1150	Project Monitoring Report	02-Apr-18	02-Jul-18
A1160	Benefits Realisation Plan Review & Update	02-Apr-18	02-Jul-18
A1180	Transition Plan	02-Apr-18	02-Jul-18
A1190	Risk Register Review & Update	02-Apr-18	02-Jul-18
A1200	Project Monitoring and Service Benefits Evaluation Plan	05-Jun-18	02-Jul-18
A1170	Commissioning Master Plan	19-Jun-18	14-Aug-18
A1910	Programme Management	08-Aug-18	14-Aug-18
A1990	Management Case First Draft for Submission	15-Aug-18	28-Aug-18
A1930	Management Case Final Draft for Submission	01-Nov-18	15-Nov-18



Remaining Level of Effort
Remaining Work
Summary
Actual Work
Milestone

Created by Chris Ford

Appendix 11 - Workforce Plans

Badenoch and Strathspey Redesign

Workforce Plan. Version 2 – 22 September 2017

The workforce plan for Badenoch and Strathspey Redesign outlines the service changes required associated with the a new clinical services model and identifies the workforce changes required to deliver the new model. Costings for the model are attached in Appendix 2.

The "Six Steps to Workforce Integrated Planning" methodology (Skills for Health) was used to develop the workforce plan with stakeholders including Badenoch and Strathspey clinical staff, staff side, Professional Leads, Managers and the Workforce Planning and Development Manager. Two workshops were held in the locality followed by internal scrutiny by teams and professions led by the Area Manager. External scrutiny was provided by Norman Sutherland, Director (Health), Higher Ground Health Care Planning Ltd.

The Plan

The Badenoch and Strathspey Redesign Service Model (Appendix 1) defines the high level clinical and care specification to underpin the future model for health and social care services across Badenoch and Strathspey. In summary there will be a community hospital based in the geographical centre of Badenoch and Strathspey, in Aviemore. The hospital will provide Inpatient Care, Outpatient and Day Case services, Minor Injuries and Out of Hours services, Dentistry and Allied Health Professional (AHP) services. It will also provide accommodation for Aviemore Medical Practice, the integrated Community Adult Health and Social Care Team, the Community Mental Health Team, a local base for the Scottish Ambulance Service and for the Children's Care and Learning Services.

Currently there are seven specialist elderly mental health beds in Kingussie, part of a wider NHS Highland resource, which will be reprovided in New Craigs Hospital, Inverness.

Community Services will be enhanced enabling care closer to home with specific elements including Dementia and Older Adult Services, End of Life Care, Care at Home, Community Nursing and AHPs. Integrated systems and co-location will support multidisciplinary decision making ensuring an efficient and appropriate response to need. In addition, flexible use beds will be introduced to the two NHS Care Homes in the District enabling a greater flexibility of response.

Community outpatient services will continue to be delivered in Grantown and Kingussie if they are currently provided there.

This workforce plan is a working document and will continue to be refined. Some parts of the plan will also be implemented ahead of the new hospital opening.

Service Change and Required Workforce

Inpatient services

Currently there are two inpatient wards in Badenoch and Strathspey which will be reprovided as one ward in the new hospital. The inpatient ward will have 24 single bedrooms. Medical services will be provided by GPs. Registered nursing staffing will be a mixture of general nurses and mental health nurses supported by multidisciplinary members of the co located integrated community team.

Inpatient Nursing

A reduction in establishment is expected as a result of providing the inpatient beds in one location rather than two as currently. The model for providing inpatient nursing mental health skills will be developed in conjunction with the Community Mental Health Team and has been included in the workforce planning exercise. 20 September 2017 – bed complement and workforce establishment revised from 24 inpatient beds to 20 inpatient beds and 4 flexible use beds. Medical input will be provided by GPs and will focus on providing acute, rehabilitative and palliative care to people in Badenoch and Strathspey preventing admission to Raigmore where possible, and ensure timely transfer from Raigmore where required. The flexible beds will provide day or short term care enabling people to remain at home as long as possible and will be provided as a part of a wider suite of flexible beds across the District being supported by the community integrated health and social care team.

	Ian Charles	St Vincents (Gynack)	Total Current Establishment	Proposed Establishment 24 beds	Difference (+ / -) 24 beds	Proposed Establishment 20 Beds	Difference (+/-)
Registered							
Band 7 Senior Charge Nurse supernumerary	1.00 wte	1.00 wte	2.00 wte	1.00 wte	-1.00 wte	1.00 wte	-1.00 wte
Band 6 Senior Staff Nurse	1.00 wte	1.00 wte	2.00 wte	1.00 wte	-1.00 wte	1.00 wte	-1.00 wte
Band 5 Staff Nurse	9.60 wte	8.20 wte	17.80 wte	16.66 wte	-1.14 wte	13.47 wte	-4.33 wte
Total registered	***11.60 WTE***	***10.20 WTE***	***21.80 WTE***	***18.66 WTE***	***-3.14 WTE***	***15.47 wte***	***-6.33 wte***
Band 2 Health Care Support Worker				12.65 wte		13.42 wte	+0.77 wte
Total unregistered	**7.06 WTE**	**7.19 WTE**	**14.25 WTE**	**12.65 WTE**	***-1.60 WTE***	***13.42 wte***	***+0.77 wte***

Ratio registered: unregistered	62:38 %	60:40 %		60:40%		53.55:46.45 %	
TOTAL	**18.66 WTE**	**17.39 WTE**	**36.05 WTE**	**31.31 WTE**	**-4.74 WTE**	**28.89 wte**	**-7.16 wte**

***Inpatient Medical Staffing*:**

Inpatient medical services will be provided by GPs. The model is in the final stages of development with the 3 GP practices who are very committed to delivering the service and are working out how to best engage with each other and with NHS Highland.

Specialist Mental Health Beds for Older People:

Seven inpatient mental health beds for older people in Kingussie will be reprovided in New Craigs, Inverness. In New Craigs they will form a part of a wider redesign on site and a reduction in nursing establishment is expected. This will help finance additional community infrastructure. There is no workforce impact on psychiatric medical services.

20th September 2017 update, the Lynwilg beds have been reprovided on the New Craigs site and staff redeployed.

Nursing Establishment:

	Original St Vincents (Lynwilg)	**20th September 2017**
Registered	6.9wte	0
Unregistered	6.9wte	0
Ratio Registered : Unregistered	50:50%	
Total	**13.8wte**	**0**

An agreed sum transferrd to contribute to staffing the service at New Craigs totalling 6.6 wte.

Housekeeping, laundry, portering, catering

Housekeeping

The traditional Domestic Assistants will be generic “Hotel Services Assistants” in the future to increase flexibility in terms of the areas in which they work. All would be on a rotational contract working 5/7 days again to increase flexibility of the workforce. The ward area would require cover 7 days per week from approx 8am to 7pm. The majority of the other areas within the unit would be predominantly cleaned in the evenings from 5pm – 8pm. Supervisors usually work on a Monday to Friday basis.

The establishment is not expected to reduce.. The proposed establishment is based on the building floor space being approximately 3,700 m².

It is also anticipated that approx 2WTE of the housekeeping staff will be funded by partners occupying space in the new building.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 3 Domestic Supervisor	1.76 wte	1.76 wte	0 wte
Band 2 Domestic Assistant / Hotel Services Assistant	9.96 wte	9.96 wte	0 wte
TOTAL	**11.72 WTE**	**11.72 WTE**	**0 WTE**

Laundry

This will be provided within establishment at an alternative NHS Highland site.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 1	1.15 WTE	0.0 WTE	-1.15 WTE

Portering

It is anticipated that the new hospital design will alter the requirement for a portering function.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 2	1.85WTE	Nil	-1.85 WTE

Catering

The catering model is yet to be confirmed, for the purposes of this plan a production kitchen serving the hospital only has been assumed.

20th September 2017. The plan for a full production kitchen has been confirmed.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 3 Cook	1.0WTE	1.00 wte	0 wte
Band 2 Assistant Cook	1.60WTE	1.94 wte	+0.34 wte
Band 1 Catering Assistant	1.83WTE	0 wte	-1.83wte
TOTAL	**4.43WTE**	**2.94WTE**	**-1.49 WTE**

Minor Injury Unit (MIU) (in hours)

It is expected that MIU will be delivered in the same way as it is now**.**

Grantown – provided by the practice

Kingussie / Laggan – provided by the practice

Aviemore – provided by practice. Nursing = 2 practice nurses and 1 NHS H nurse on rota. The NHSH nurse post will transfer to the practice.

Out of Hours (OOH)

The Out of Hours service will continue to be delivered by local GPs as this works well and is sustainable. Flexibility will be built in to the nursing model in line with the NHS Highland strategy. The establishment below relates to the OOH Service, not including medical input.

	Current WTE	**Proposed WTE**	**Difference (+ / -)**
Band 6 Nurse	3.14 wte	5.00 wte	+1.86 wte
Band 3 Driver / Admin	3.84 wte	3.84 wte	0 wte
TOTAL	**6.98 WTE**	**8.84 WTE**	**+1.86 WTE**

Community Services

Community Mental Health Team (CMHT)

An enhanced CMHT for older people will provide:-

- Health Promotion
- Early detection and diagnosis.
- Assessment and treatment.
- Support for carers.
- Specialist old age psychiatry services, which will include access to acute admission and rehabilitation beds, day care and memory clinics, domiciliary and outreach care, and out-patient / community clinics.

Educational initiatives to the family of people with dementia have been shown to lessen carer stress and reduce admission to care homes (Brodaty et al, 1997). A partnership with Alzheimer Scotland in the area could increase the reach of family support.

Additionality:

Emphasis will be on providing the local use of expertise to provide enhanced approaches to community care of patients with dementia. Around 80% of care home residents may have dementia in the future. Support to all locality staff in delivering quality care would be provided by the enhanced CMHT. Staff qualified to train others in the management of stress and distress in dementia, cognitive stimulation therapy and the use of assistive technology will form part of the role of the CMHT.

Closer working with the new community hospital will be a key function of the CMHT. The team will ensure that all hospital staff are adequately trained to work with people with mental health problems including dementia, and that adequate training resource is available to facilitate such learning.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**	**In post 20th September 2017 following reprovision of Lynwilg beds**
Clinical				
Band 6	1.46 wte	2.46 wte	+1.00 wte	2.46 wte

Band 6 OT	0.30 wte	0.50 wte	+0.20 wte	0.30 wte
Band 5	0.00 wte	0.40 wte	+0.40 wte	0.00 wte
Band 3	0.80 wte	1.30 wte	+0.50 wte	0.80 wte
Band 3 Admin	1.00 wte	1.00wte	0	1.00 wte
TOTAL	**3.56 WTE**	**5.80 WTE**	**2.20 WTE**	**4.56 wte**

Care at Home

The focus for service delivery will change from longer term support to an enablement model of short term intervention and support but the staff group will still be working to the same National Care Standards and principles. Care at home is currently subject to a redesign which as it progresses will result in the in-house staffing reducing as mainstream hours are transferred to the Independent Sector (IS) and corresponding budget is moved to the IS cost centre. IS presence in parts of Badenoch and Strathspey is not complete so an element of mainstream staffing will remain in the NHS Care At Home service until the IS is able to provide the full mainstream service. Resource to enhance Occupational therapy resource for reablement is also being identified through the Care at Home redesign.

Add risks

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Care At Home Officer	1.00 wte	1.00 wte	0 wte
Senior Care at Home Worker[1]		3.60 wte	+3.60 wte
Care At Home Worker Mainstream	20.14 wte	2.00 wte	-18.14 wte
Care At Home Worker Enablement	3.65 wte	8.30 wte	+4.65 wte
Scheduler	0.50 wte	1.00 wte	+0.50 wte
Clerical support [2]	0.50 wte	0.50 wte	0 wte
TOTAL	**25.79 wte**	**16.40 wte**	**-9.39 wte**

Independent Sector

More staff will be required over and above that currently funded to support the independent sector to take account of the predicted demography changes. There is a potential for referral rates to increase significantly and current data indicates that 25% of people supported through enablement require longer term support at the end of enablement. Based on current weekly hours 543.50 (scheduled plus hours to be transferred) and predicting 25% increase of 136 weekly hours, additional resource of approx. **£105,000** would be required.

Social Work

The Social Work workforce will not change as a result of the redesign however the single point of access to adult community services will be developed ahead of other work and new roles will be developed as a part of this. As this does not form part of the Badenoch and Strathspey redesign this is not captured within this workforce plan.

	Original Establishment	**20th September 2017**	**Proposed Establishment following**	**Difference (+ / -)**

[1] 40% supervisory, 60% direct care (enablement)
[2] Clerical support team 2.5wte currently based in Inverness supporting all of South Area

		establishment following establishment of Single Point of Access for B and S Integrated Community Team	**Redesign**	
Social Work Service Manager Grade HC 10	1.00 wte	1.00 wte	1.00 wte	0 wte
Social Workers Grade HC 09	4.00 wte	4.00 wte	4.00 wte	0 wte
Referral and Assessment Officers and Health and Social care Coordinator Grade HC06	1.00 wte	2.00 wte	2.00 wte	0 wte
Admin Assistant Grade HC03	1.00 wte	2.20 wte	2.20 wte	0 wte
TOTAL	**6.00 wte**	**9.20 wte**	**9.20 wte**	**0 wte**

Community Nursing

Investment in community nursing is required to enable the following anticipated developments:

- As people are being discharged from hospital earlier in their journey and options are available to support people at home as an alternative to admission to hospital, the nursing service needs to flex up to ensure that there is an ability to provide a rapid response. The community nursing service will increase its hours of service from 9-5 to 8-10 7 days a week.

- An anticipated shift from the current position where many people choose to die in Community Hospitals to choosing to die in their own home or a homely environment such as a care home.

- Developments in cancer care and survival rates mean that community nurses are dealing with more and more complex technical care in the community. It is anticipated that with a more structured and planned approach to reviewing the type of treatment that is currently delivered in Raigmore and both existing Community Hospitals, that more people could with the right support, have their care delivered out with the inpatient setting and ideally, closer to home.

- There will be a focus on supporting self management, particularly for those with long term health conditions and an increase in the use of telemedicine given the geography of the area.

- The introduction of enhanced care beds in both Grant House and the Wade Centre will necessitate formal links between the Care staff and the community Nursing team to ensure that carers have the appropriate knowledge, skills, support and supervision to care for people with increased and or complex health care needs.

	Current Establishment	Proposed Establishment	Difference (+ / -)	20th September 2017 posts filled following Lynwilg reprovision
Band 7 Advanced Level Nurse / Specialist Practitioner District Nurse	1.00 wte	1.00 wte	0 wte	1.00 wte
Band 6 Senior Level Nurse / Specialist Practitioner District Nurse	1.00 wte	2.00 wte	+1.00 wte	2.00 wte
Band 5 Community Staff Nurse	4.33 wte	6.13 wte	+1.80 wte	4.33 wte
Band 3 Health Care Support Worker	0.53 wte	3.53 wte	+3.00 wte	3.53 wte
Total	**6.86 wte**	**12.66 wte**	**+5.80 wte**	**10.86 wte**

Allied Health Professionals

Radiology

Current staffing provides plain film imaging services and will remain as established. The service model identifies a local sonography service and discussions are ongoing with the radiology service as to how this is provided.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Band 6	0.60 wte	0.60 wte	0 wte

Physiotherapy and Occupational Therapy

The workforce plan will reflect the following developments:

- The overall focus will be on supporting self management and support at home.
- The new service model will see more outreach into the community with joint working between Physiotherapy and Occupational Therapy (joint assessment/goal setting/paperwork). There will be greater utilisation of health care support workers with a move to a more generic Physio/OT assistant. Band 4s will continue with non complex assessments at home and there will be more involvement of Band 2s and Band 3s. They will be able to assess for basic aids at home reducing the requirement for qualified staff visits.
- There is potential for a short term intervention team, led jointly by Occupational Therapists and Physiotherapists working closely with GPs/Community Nurses/Social workers, and support from Reablement to avoid admission/facilitate earlier discharge from hospital. Greater use and upgrading of Health Care Support Workers to enable them to manage simple caseloads will free time for qualified staff to focus on higher level assessments and activities.

- There will be Increased involvement with care homes and increased involvement with community e.g. sports centres, walking groups
- Seven day a week working will be introduced to provide seamless care as patients are transferred from Raigmore to the Community Hospital and then home. Patients admitted to the Community Hospital over the weekend will have AHP intervention as soon as required and not have to wait until Monday for an assessment.
- Flexible use beds are to be introduced in Grantown and Kingussie and Physiotherapists and OTs will provide input to assist patients to prevent admission. This will run alongside greater input into the Care Homes.

The physiotherapy establishment as detailed below provides a mixed service of rehabilitation and musculoskeletal therapy. Musculoskeletal therapy is a part of a wider redesign and any changes in establishment in this paper are within the rehabilitation element of the service.

The increase in establishment associated with 7 day working has been identified separately as this is a national AHP strategy and therefore may be out of the scope of this plan.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Physiotherapy			
Band 7	0.80 wte	0.80 wte	0 wte
Band 6	3.98 wte	4.48 wte	+0.50 wte
Band 3	1.09 wte	1.09 wte	0 wte
Band 2	0.40 wte	0.40 wte	0 wte
Total Physiotherapy	**6.27 wte**	**6.77 wte**	**+0.50 wte**
Occupational Therapy			
Band 6	2.90 wte	2.90 wte	0 wte
Band 4	1.00 wte	1.00 wte	0 wte
Band 3	1.00 wte	1.00 wte	0 wte
Total Occupational Therapy	**4.90 wte**	**4.90 wte**	**0 wte**
Generic - Band 4 AHP Assistant Practitioner		**1.00 wte**	**+1.00 wte**
Enhanced Hours (7 day working)			
Band 6 Physiotherapist		0.20 wte	+0.20 wte
Band 6 Occupational Therapist		0.20 wte	+0.20 wte
Band 3 Health Care Support Worker		0.20 wte	+0.20 wte
Total Enhanced Hours	**0 wte**	**0.60 wte**	**+0.60 wte**
TOTAL	**11.17 WTE**	**13.27 WTE**	**+2.10 WTE**

An additional 1.0wte Band 5 Occupational Therapist has been identified as a requirement to support the Care at Home reablement service, funding for this will be released from the Care at Home redesign.

Podiatry

Podiatry will continue to deliver from existing sites using the existing model.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 6	1.30 wte	1.30 wte	No change

Dietetics and Speech and Language Therapy

The new service model will impact on the current service provision in the following ways:

- Increasing complexity of patients receiving care in the community setting.
- Emphasis on Care at Home and Reablement with a requirement for the delivery of training.
- The emphasis on early transfer of patients from Raigmore Hospital to Community Hospitals for rehabilitation will.
- The development of dementia services will impact on Speech and Language Therapy.

Speech and Language Therapy across the Operational Unit is undergoing an internal redesign which identifies the senior staff as a pooled advisory resource for the whole service, hence the change in skill mix.

	Total Current	Proposed Establishment	Difference (+ / -)
Speech & Language Therapy			
Band 7	0.20 wte	0 wte	0.20 wte
Band 6	0 wte	0.40 wte	+0.40 wte
Total Speech & Language Therapy	**0.20 wte**	**0.40 wte**	**+0.40 wte**
Dietetics Band 6	**0.20 wte**	**0.40 wte**	**+0.20 wte**
Shared Post Band 4	**0 wte**	**0.50 wte**	**+0.50 wte**
TOTAL	**0.40 WTE**	**1.30 WTE**	**+1.10 WTE**

Midwifery

It is not anticipated that the midwifery workforce will be affected by this redesign.

	Current WTE	Proposed WTE	Difference (+ / -)
Midwifery	**2.60 WTE**	**2.60 WTE**	No change

Learning Disability Nursing

It is not anticipated that the Learning Disability Nursing service workforce will be affected by this redesign.

	Current WTE	Proposed WTE	Difference (+ / -)
Learning Disability Nursing	**2.00 WTE**	**2.00 WTE**	No change

Administrative Support

All services expressed a need for increased administrative support. Current administrative posts are managed in different teams on different sites with little collaboration and no oversight of demand or capacity. A Business Support Manager would add capacity and provide management and leadership to create an effective and efficient administrative resource for the district in a single base including the systems, skills and staffing required to support a single point of access for the district. The posts identified below are generic posts based on the current hospital sites. All administrative posts included those identified in community teams will be co located on the one site in the new hospital.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 5 Business Support Manager	1.00 wte	1.00 wte	0 wte
Band 2 Admin	1.80 wte	1.80 wte	0 wte
Band 3 Admin	0.91 wte	0.91 wte	0 wte
Total Administrative Support	**3.71 WTE**	**3.71 WTE**	**0 WTE**

Delivering the Workforce Plan

The Badenoch and Strathspey workforce plan will be achieved largely through organisational change. This will be supported by a Human Resources subgroup for the entire redesign, members of which will support the individual elements of the change as they occur and ensure fairness to the entire staff group in the application of the NHS Highland Organisational and Service Change policy (August 2003). Staff training and development needs will be identified through this process, as will additional skills not available in the current workforce. A core work stream of this group will be the development of an action plan for the workforce plan with timescales and risk status.

Implementation of the plan has begun where change is not dependent on the new hospital building and does not adversely destabilise current service provision. Examples of this include the Care at Home Redesign and the proposed re-provision of specialist mental health beds for older people in New Craigs. This will ensure service continuity at the time of the hospital opening.

Rhiannon Pitt

Area Manager, Inverness and Badenoch and Strathspey

Skye, Lochalsh and South West Ross Redesign

Workforce Plan: Version 8 – 28th October 2017

The workforce plan for Skye, Lochalsh and South West Ross (SLSWR) outlines the changes in workforce required to support the agreed clinical services model.

The plan has been developed in line with the "Six Steps to Workforce Integrated Planning" methodology (Skills for Health). Four separate workshops have been held with local teams to translate the high-level clinical model into a service-by-service plan. Engagement from colleagues across all three integrated teams within the wide scope of the redesign has been extremely positive.

This plan represents a live document. Two workshops have been held to provide 'clinical challenge' both facilitated by Norman Sutherland, Director (Health), Higher Ground Health Care Planning Ltd, however additional work is needed to further refine requirements, some of which is dependent on wider reviews underway in NHS Highland.

The Plan

The SLSWR service redesign will see all inpatient beds in the area consolidated in a single "Hub" facility in Broadford, and the Community Hospital in Portree re-designed as a "Spoke" to accommodate outpatients, Portree Medical Practice and day hospital services.

The revised facilities model will ensure co-location of community care specialists and will engender multi-disciplinary decision-making between community teams. This integration informs the overall strategy for the amendments to the workforce. Broadly, resource released from the consolidation of inpatient beds on one site will be re-deployed as generic health and social care support within the integrated teams. However, it is important to recognise that the buildings are only part of the wider redesign which represents the continuation of a process of integration ongoing since April 2012, including continuing revised working practices among the Integrated Care Teams, the Care at Home Redesign and the appointment of a trainee ultrasound radiologist.

The final workforce plan will be achieved largely through this organisational change. It will be supported by a Human Resources subgroup for the entire redesign, members of which will support the individual elements of the change as they occur and ensure fairness to the entire staff group in the application of the NHS Highland Organisational and Service Change policy (August 2003). Staff training and development needs will be identified through this process, as will additional skills not available in the current workforce. A core work stream of this group will be the development of an action plan for the workforce plan with timescales and associated risk status.

A further key strand of the redesign not detailed here is the development of step up/step down/flexible use beds to enhance access to appropriate bed provision in the community and reduce unnecessary inpatient stays. Collaborative work with the Independent Sector care homes in Skye is ongoing to support this.

Overall the plan shows a net decrease in staffing of 1.11 wte as a direct result of this redesign. There is an increase as a result of the move towards more generic health and social care support workers with an additional 7.57 wte. In addition, there is a further increase in AHPs (0.6 wte) to hold part of the case load. There is a reduction in catering staff (4.09 wte) due to the changes in catering model and an increase in the cleaning staff (1.81 wte) due to larger overall footprint. The financial consequences are a saving of £176,880.

Outwith this redesign there are other developments already being taken forward within the area. Although these are not dependant on this redesign they are important and underpin the move to more community based activity. The development of a multi disciplinary Rural Support Team to support both in hours (scheduled) and out of hours (unscheduled) care within primary acre is ongoing. This team will see an increase of 3.3wte and is being taken forward now as part of NHS Highland's reprovision of unscheduled care and is partly funded from savings made in the historic GP lead out of hours provision. Further analysis is required to identify the savings to other budgets e.g. GP Locums costs resulting from the implementation of the Rural Support Team. This work is currently ongoing.

Assumptions and co-dependencies

Attention is drawn to the following:

- A formal establishment review has been undertaken to fully evidence the required establishment as per national best practice. The inpatient nursing requirements have been calculated based on 24 beds using the nationally validated Professional Judgment Tool (PJT) and calculated on the professional judgement of nurses currently working with patients in both hospitals. Further triangulation with other available workforce tools such as the Acute Adult Tool was undertaken; however the professional judgement tool best takes account of the requirements of the new Hub. The proposed establishment also includes a skill mix of ratio of 60 RN: 40 NRN which is in line with NHS Highland skill mix recommendation.
- The required catering workforce is dependent on an options appraisal around the proposed meal provision in SLSWR, which will be carried out following an NHS Highland wide review of catering strategy. The staffing of the chosen model will be determined by the catering shift planner currently in development across Highland. For the purpose of this plan it is assumed that a cook freeze kitchen will be situated within the Broadford facility.
- Domestic staffing will be calculated in line with the domestic workforce planner. For the purpose of this plan the staffing requirement assumes a building of 2,775m2.This workforce plan is a working document and will continue to be refined. Some parts of the plan will also be implemented ahead of the new hospital opening.

Service Change and Required Workforce: Inpatient services

The Inpatient clinical team is currently divided across the two sites (Portree Hospital and the Dr Mackinnon Memorial Hospital at Broadford). Portree hospital has 12 in-patient beds and the Dr Mackinnon Memorial Hospital has 20 in-patient beds. A reduction in establishment is anticipated as a result of rationalising all in-patient care at the new-build hospital Hub in Broadford with out-patient and day hospital facilities at Portree.

Details of inpatient Midwifery Services are described in the Community section below as the majority of the midwifery workload is community based.

Inpatient Nursing

The Inpatient staffing team is currently divided over the two sites of Portree Hospital and the Dr Mackinnon memorial Hospital at Broadford. Portree hospital has12 inpatient beds and the Dr Mackinnon memorial Hospital has 20 inpatient beds. As a result of the consolidation of inpatient beds to a single facility in Dr Mackinnon Hospital Broadford, a reduction in the establishment is anticipated. Outpatient facilities will be based at Portree and Broadford. The total nursing establishment proposed will provide safe staffing for up to 24 inpatients, A and E, chemotherapy and surgical pre assessment services. The medical model provided at the Dr Mackinnon Memorial hospital is unique in Highland as a high level of acute care is provided on site. The overall reduction of the Nursing is -7.00 WTE, however refinement of the establishment may be required should any key assumptions change.

Further embedding of reablement philosophy will ensure inpatient stays are focussed and appropriate to need while enhanced community care and step up/step down beds will support a greater range of options. Development of more robust triage is proposed along with further improvements in discharge planning. The SCN will continue to have supervisory status in line with NHSH Principles for N&M Establishment Setting.

	Dr Mackinnon Broadford WTE	**Portree Hospital WTE**	**Total Current Establishment WTE**	**Proposed Establishment WTE**	**Difference (+ / -)**
Registered					
Band 7 Senior Charge Nurse supernumerary	1.00	1.00	2.00	1.00	- 1.00
Band 6 Senior Staff Nurse	2.00	0	2.00	1.00	- 1.00
Band 5 Staff Nurse	14.35	10.86	25.21	21.29	-3.92
Total registered	***17.35***	***11.36***	***29.21***	***23.29***	***- 5.92***
Band 1,2,3 Health Care Support Worker	8.29	8.31	16.60	15.52	-1.08
Total unregistered	**8.29**	**8.31**	**16.60**	**15.52**	***- 1.08***
Ratio registered: unregistered	67.67%	57.75%		60.00%	
TOTAL	**25.64**	**19.67**	**45.81**	**38.81**	**- 7.00**

Current Budget	**Proposed Budget**	**Difference (+/-)**
£1,739,842	**£1,442,034**	**- £297,808**

Medical Workforce

The medical workforce establishment remains unchanged. A separate exercise calculates a requirement for 6.75 wte to safely cover the hospital. This is required regardless of the redesign and has already been put in place.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Consultants	6.00 wte	6.00 wte	
Total	**6.00 wte**	**6.00 wte**	**Nil**

Current Budget	Proposed Budget	Difference (+/-)
£781,152	**£781,152**	**Nil**

Minor Injury Unit (MIU) / Out of Hours (OOH)

The Portree "spoke" facility will provide a consulting area and treatment room for assessment of minor illness and minor injury patients both in and out of hours. This is consistent with the existing minor injuries and illness services provided at present. There will be no change to current provision. The minor injuries services will be available from 0800-2300 as is currently the case.

Mackinnon Memorial Hospital also provides minor injury and minor illness services alongside its Accident and Emergency role, this is a 24hr service. There are no barriers to any patient in the district attending either Portree Hospital or Mackinnon Memorial Hospital whichever is more convenient and appropriate to their care needs.

Staffing of MIU and OOH services are included within the medical and inpatient nursing establishments above (where this service is not staffed by GPs.)

In addition, some of the more remote GP practices provide a weekday minor injuries service in the district. These include Dunvegan Practice, Carbost Practice, Sleat Practice, Kyle Practice, Lochcarron Practice, Applecross Practice and Torridon Practice.

Radiology & Diagnostics

Current staffing provides plain film imaging services in both hospital locations and this service delivery will be centralised in the Hub. Move to single site for inpatients will allow the provision of an improved service on one site due to less single-handed working.

The service model identifies a local sonography service and discussions are ongoing with the radiology service as to how this is provided. A further quality improvement will involve the addition of 1 TE B2 to provide Radiology Assistant to support chaperoning and admin.

A workstream is in progress in conjunction with Raigmore to provide a reporting radiographer locally, decentralising reporting and improving access to urgent reporting. This work is ongoing and resource will move between units, hence not shown here.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Band 7	1.0 wte	1.0 wte	
Band 6	2.5 wte	2.5 wte	
Band 5	0 wte	0 wte	
Band 2	0 wte	0wte	
Total	**3.5 wte**	**3.5 wte**	**Nil**

Current Budget	**Proposed Budget**	**Difference (+/-)**
£184,094	**£184,094**	**Nil**

Service Change and Required Workforce: Community services

Community services will be delivered through multi-discipline Integrated Care Teams which include specialists in midwifery, district nursing, social workers, care at home, community mental health, AHPs (physiotherapy, OT, podiatry etc) and community learning disabilities nurses. These teams should provide a single point of access for all community services within each area including:

- Skilled multidisciplinary team assessment and intervention
- Assessment for domiciliary (at home) therapy
- Liaising with GPs to manage effective clinical/social care at home
- Sign posting to community services and advice
- One-off nursing or care interventions
- Day Care
- Telecare and assisted technologies (basic and enhanced)
- Handyperson scheme for home adaptations
- Provision of urgent equipment to avoid acute hospital admissions

Generic Health & Social Care Support Workers

The use of generic support workers has been identified by all teams as an efficient and high quality way of ensuring professionals can work to the top of their skill set and that patients receive continuity of care rather than having to deal with multiple professionals. Less a change in philosophy than an embedding of practice which has developed since integration, these workers are central to the direction of travel in the provision of care in the area and will work across all community based teams. The role also reduces the reliance on highly trained staff in recognition of recruitment difficulties faced locally.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Band 3	1.13 wte	8.70 wte	+7.57 wte
Total	**1.13wte**	**8.70 wte**	**+7.57 wte**

Current Budget	**Proposed Budget**	**Difference (+/-)**
£24,019	**£203,425**	**+ £179,406**

Rural Support Team

New and innovative model involving a multidisciplinary approach to the provision of primary care, especially OOH, involving GPs, Advanced Practitioners, H&SC support workers and Rural Practitioners. Currently funded through Being Here initiative to transform remote and rural primary case, the team currently provides OOH services. The next step is to extend this cover to in-hours primary care, supporting salaried practices from within the local team instead of external locums. This will require further recruitment but will show some savings on locum costs. Extensive work on recruitment, training and lessons learned around role

design and governance will support development of this team. Although current establishment shows 6.4 wte these posts are not supported with a budget but costs are offset by a reduction in Locum Doctor requirement. This change is already in place and is independent of this wider Skye redesign.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Band 8a	1.8 wte	1.0 wte	-0.8wte
Band 7	3.0wte	7.5 wte	+4.5wte
Band 6	0.4 wte	0.0 wte	-0.4wte
Band 4	1.0 wte	1.0 wte	
Band 3	0.2 wte	0.2wte	
Total	**6.4wte**	**9.7wte**	**+3.3wte**

The increase in the rural support team will be partly funded through savings in locum costs.

Current Budget	Proposed Budget	Difference (+/-)
£ 0	**£438,761**	**+ £438,761**

Care at Home

Currently Care at Home is undergoing significant change (restructure and redesign) following recommendations and requirements from the Care Inspectorate. Integrated working is essential for taking forward the HQA and is considered paramount for future sustainability of service delivery.

The focus for service delivery will change from longer term support to an enablement model of short term intervention and support with the staff group working to identical National Care Standards and principles. Staff will be able to support patients and clients through an episode of assessment or indeed admission so as not to fracture care packages and to ensure that the knowledge of the individual that these staff build is available to the wider health and care team. This will mean a more flexible use of staff and will require additional training. Embedding Care at Home into the Integrated Care Teams will facilitate this flexibility and simplify early supported discharge. This includes making better use of an expanded B3 support worker cohort and re-profiling of admin support within the integrated team.

Central to the redesign is improvement in scheduling and resource allocation, using tools rooted in the Highland Quality Approach. Co-location should facilitate a timely response to the changing community care needs of service users and support community pull.

Restructuring will be possible within existing resources.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Band 3 Care At Home Worker	59.39wte	59.39 wte	
TOTAL	**59.39 wte**	**59.39 wte**	

Current Budget	Proposed Budget	Difference (+/-)
£1,734,916	**£1,734,916**	**Nil**

Social Work

Further integration (a process already commenced) is seen as central to the successful shift in philosophy of the SLWR team. The team is moving from a crisis-led service to one which anticipates emergencies through care planning, and responds proactively to need. Participation in team huddles, use of the single point of contact, and sharing of work with generic support workers are already realising capacity release. Greater flexibility across geographical boundaries is seen as necessary to resolve some disparity in provision between areas, as well as a refocusing of resource based in areas of high demand. Co-location of Social Workers with community teams is seen as an important next stage in the strengthening of integrated working. Co-location will aid the assessments and provision of care and the sharing of work with other competent professionals.

The provision of step up/step down/flexible use beds, central to the SL&WR redesign is seen as providing a better service for clients from a Social Work perspective. Similarly, the direction of travel outlined in this plan around Day Care services is seen as complementary to fostering the shift away from crisis management in Social Care.

Analyses of the client group in SL&WR show a need for some specialisation within the team, namely around upskilling Social Workers to work more closely with (a) Learning Disabilities and (b) Community Mental Health. These specialism's would also assist with transitions, another identified area of need.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Band 7	1.0 wte	1.0 wte	
Social Workers Grade HC 09	7.66 wte	7.66 wte	
Band 4	1.0 wte	1.0 wte	
Admin Assistant Grade HC02	1.86 wte	1.86 wte	
Band 1 Support Worker	0.83 wte	0.83 wte	
TOTAL	**12.35 wte**	**12.35 wte**	

Current Budget	**Proposed Budget**	**Difference (+/-)**
£484,336	**£484,336**	**Nil**

Day Care Services

Currently Day Care Services at Tigh na Drochaid and Aird Ferry are defined by the buildings in which they take place. The ambition is to become a single outreach service, working more closely with ITLs, Care at Home and care homes. No increase in professionals is required. Instead, increased demand is to be met by greater utilisation of B3 generic workers as part of a fully integrated community team. This will free up professionals to

provide a tailored outreach service. Ambition is to move towards a 7 day service by providing outreach services in partnership with care homes.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Band 2	0.35 wte	0.35 wte	
HC2	3.03 wte	3.03 wte	
HC3	4.54 wte	4.54 wte	
HC5	3.81 wte	3.81 wte	
HC8	2.0 wte	2.0 wte	
HC12	1.80 wte	1.80 wte	
Total	**15.53 wte**	**15.53 wte**	**0**

Current Budget	Proposed Budget	Difference (+/-)
£406,533	**£406,533**	**Nil**

Community Nursing

No significant change in workforce is planned other than natural resolution of protected pay issues however increase in community based care will be supported by increased utilisation of generic support workers as part of an integrated approach, particularly in relation to the provision of flexible use beds in care homes.

Ongoing integration of community nursing with wider community teams, especially Care at Home and care homes will continue, further assisted by co-location. Renewed focus on reablement and outcomes-focussed anticipatory care planning carried out in partnership with patients.

Future ambition to deliver Hospital at Home service and extend the Community Nurse rota into evenings requires further developmental work but it is anticipated that this could be done according to patient need, with shifts staggered, within existing resources.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Band 7 Advanced Level Nurse / Specialist Practitioner District Nurse	1.0 wte	1.0 wte	
Band 6 Senior Level Nurse / Specialist Practitioner District Nurse	10.63 wte	10.63 wte	
Band 5 Community Staff Nurse	16.75 wte	16.75 wte	
Band 3 Health Care Support Worker	4.01 wte	4.01 wte	
Total	**32.39wte**	**32.39 wte**	**0**

Current Budget	Proposed Budget	Difference (+/-)
£1,268,856	**£1,268,856**	**Nil**

Palliative/End of Life Care (MacMillan)

Further integration of Macmillan nursing with District Nursing and wider community teams is planned. Demographic changes mean demands on the service will increase, so Macmillan nurses will further become providers of specialist advice, supporting and supported by community teams. Co-location of Macmillan nurses with District Nurses and other Integrated Team professionals will foster improved multi-disciplinary working. Purpose-build Hub will include fully compliant chemotherapy suite, with VC for remote advice and support. Marie Curie service will continue to be provided from Inverness.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Band 7	2.13 wte	2.13 wte	
TOTAL	**2.13 wte**	**2.13 wte**	

Current Budget	**Proposed Budget**	**Difference (+/-)**
£108,696	**£108,696**	**Nil**

Community Mental Health

A significant shift in philosophy from a medical model to one focussed around Integrated Teams, moving away from silo service to one that supports and is supported by other community services as part of a multidisciplinary and focussed therapy. Gradual change is underway from single to dual role CPNs, working with generic support workers and also 3rd sector services. No requirement evidenced for increased numbers of professionals. Rather, there is a requirement for change resulting in closer working between professionals and integrated team. This has begun with involvement in community huddles, and will continue with co-location of CMH and community teams. Application has been made to Primary Care Transformation Fund for a Mental Health Liaison Social Worker (1WTE, HC09, 2 yr FTC) to support and embed this transformation.

	Current Establishment	**Proposed Establishment**	**Difference (+ / -)**
Band 7	0.4 wte	0.4 wte	
Band 6	7.1 wte	7.1 wte	
Band 5	0.59 wte	0.59 wte	
Band 2	3.15 wte	3.15 wte	
TOTAL	**11.24 wte**	**11.24 wte**	

Current Budget	**Proposed Budget**	**Difference (+/-)**
£397,037	**£397,037**	**Nil**

Physiotherapy and Occupational Therapy

Physiotherapy and occupational therapy are already the biggest users of B3 generic support workers as part of an integrated service. This will continue to develop.

No significant change in terms of location and clinics for physiotherapy is planned. Under the new model, Physiotherapy would retain bases in Kyle, Portree, Broadford and Lochcarron, though greater co-location with Integrated Teams in Broadford and Portree will improve integration. The physiotherapy establishment as detailed below provides a mixed service of rehabilitation and musculoskeletal therapy. Musculoskeletal therapy is a part of a wider redesign and any changes in establishment in this paper are within the rehabilitation element of the service. Additional 0.6 wte band 4 to hold part of the case load.

Physiotherapy	**Current Establishment**	**Proposed Establishment**	**Difference (+ / -)**
Band 7	0 wte	0 wte	
Band 6	2.9 wte	2.9 wte	
Band 5	0.6wte	0.6 wte	
Band 4	0 wte	0.6 wte	+ 0.6 wte
Band 3	0.72 wte	0.72 wte	
Total	**4.22wte**	**4.82 wte**	**+ 0.6 wte**

Move to single site for inpatients will enable a five day in hospital OT service within existing resources. Current contract for handyperson/aid fitting to remain as is.

Occupational Therapy	**Current Establishment**	**Proposed Establishment**	**Difference (+ / -)**
Band 7	1.0 wte	1.0 wte	
Band 6	2.4 wte	2.4 wte	
Band 5	0.67 wte	0.67 wte	
Band 4	0.4 wte	0.4 wte	
Total	**4.47 wte**	**4.47 wte**	**Nil**

Current Budget	**Proposed Budget**	**Difference (+/-)**
£355,823	**£371,12**	**+£15,297**

Podiatry

Podiatry will continue to deliver from existing site at Portree using the existing model. No change to establishment is anticipated although ongoing integration will continue with Care at Home Service providing basic foot care.

	Current Establishment	Proposed Establishment	Difference (+ / -)
Band 6	2.62 wte	2.62 wte	
Total	**2.62 wte**	**2.62 wte**	

Current Budget	Proposed Budget	Difference (+/-)
£125,752	**£125,752**	**Nil**

Dietetics and Speech & Language Therapy

The new service model will impact on the current service provision in the following ways:

- Increasing complexity of patients receiving care in the community setting.
- Emphasis on Care at Home and Re-ablement with a requirement for the delivery of training.
- The emphasis on early transfer of patients from Raigmore Hospital to Community Hospitals for rehabilitation will increase patient numbers.
- The development of dementia services will impact on Speech and Language Therapy.

Speech and Language Therapy across the Operational Unit is provided as a cradle to grave service through Highland Council.

	Total Current	Proposed Establishment	Difference (+ / -)
Speech & Language Therapy			
Dietetics Band 6	**1.62 wte**	**1.62 wte**	
TOTAL	**1.62 WTE**	**1.62 WTE**	

Current Budget	Proposed Budget	Difference (+/-)
£60,624	**£60,624**	**Nil**

Community Midwifery

No significant change to philosophy of care. The team will retain 1:1 caseload holder model of care and delivery of care in Hub, Spoke, GP practices and women's homes as appropriate. Further embedding of ongoing changes will continue, in particular the use of centralised triage OOH, development of "Florence" system for text check-in with patients, testing remote monitoring and use of VC to consultant obstetricians in Raigmore.

Recruitment of B5 development posts as opposed to direct B6 intake has already begun. National review of midwifery may change the model of care significantly, particularly around OOH midwifery. A key question concerns whether 2nd on call can be provided from within the wider community or inpatient team. A national steer is awaited.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 6	7.06 wte	7.06 wte	
Band 5	0.0 wte	0.0 wte	
Band 7	2.0 wte	2.0 wte	
Total	**9.06 wte**	**9.06 wte**	0

Current Budget	**Proposed Budget**	**Difference (+/-)**
£520,862	**£520,862**	**Nil**

Learning Disability Nursing

It is not anticipated that the Learning Disability Nursing service workforce will be affected by this redesign.

Learning Disability Nursing	Current WTE	Proposed WTE	Difference (+ / -)
Band 6	1.40 wte	1.40 wte	
Band 3	1.07 wte	1.07 wte	
Total	**2.47 wte**	**2.47 wte**	

Current Budget	**Proposed Budget**	**Difference (+/-)**
£85,320	**£85,320**	**Nil**

Support Services

Hotel Services

The traditional Domestic Assistants will be generic "Hotel Services Assistants" in the future to increase flexibility in terms of the areas in which they work. All would be on a rotational contract working 5/7 days again to increase flexibility of the workforce. The ward area would require cover 7 days per week from approx 8am to 7pm. The majority of the other areas within the unit would be predominantly cleaned in the evenings from 5pm – 8pm. Supervisors usually work on a Monday to Friday basis.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 3	1.47 wte	0.80 wte	-0.67 wte
Band 2	2.21 wte	7.45 wte	+5.24wte
Band 1	2.76 wte		-2.76 wte
TOTAL	**6.44 wte**	**8.25 wte**	**+1.81 wte**

Current Budget	Proposed Budget	Difference (+/-)
£167,419	**£210,133**	**+£42,714**

Catering

The removal of inpatient beds from Portree will result in the closure of the production kitchen on that site. An options appraisal has been completed which recommends cook freeze in the new hospital in Broadford. Staffing has been calculated according to the Highland shift calculator. Savings in staffing will be offset by a need to increase the provisions budgets by approximately £8,500 per annum. In addition one off setup costs will be required amounting to £61,300. The catering model includes 0.46 wte for retail catering staffing.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 3	1.67 wte	0.25 wte	-1.42 wte
Band 2	5.53 wte	2.86 wte	-2.67 wte
TOTAL	**7.20 wte**	**3.11 wte**	**-4.09 wte**

Current Budget	Proposed Budget	Difference (+/-)
£197,738	**£81,249**	**-£116,489**

Portering

The new hospital design along with the removal of inpatient beds and reduction in operating hours at Portree is likely to reduce the requirement for the traditional portering role, however portering staff currently undertake a number of other roles including deliveries and driver duties and maintenance at other sites including retained health centres. A full review of portering services across NHS Highland is programmed for 2017 and the outcome of this will inform the workforce plan in this area. In general, it is expected that the portering requirement will reduce, or the role will expand to take on additional duties (for example

deep cleaning) which will impact on other staff groups currently carrying out these tasks. The final soft facilities management agreement may have an impact on portering and will be clarified once contractual arrangements are confirmed.

	Current WTE	**Proposed WTE**	**Difference (+ / -)**
Band 2 Porter	4.40 WTE	4.40 WTE	

Current Budget	**Proposed Budget**	**Difference (+/-)**
£115,641	**£115,641**	**Nil**

Administrative Support

All services expressed a need for increased administrative support. Current administrative posts are managed in different teams on different sites with little collaboration and no oversight of demand or capacity. The posts identified below are generic posts based on the current hospital sites. All administrative posts included those identified in community teams will be co located on the one site in the new hospital. New ways of working including electronic patient records will have an impact on the requirement for administrative staff. Pilot projects to deliver elements of the electronic record are underway elsewhere in Highland and the results will inform a further redesign in this area.

	Current WTE	Proposed WTE	Difference (+ / -)
MMH Band 2	3.13 wte	3.13 wte	
MMH Band 3	1.00 wte	1.00 wte	
Portree Band 2	3.34 wte	3.34 wte	
Portree band 3	0.60 wte	0.60 wte	
Total Administrative Support	**8.07 WTE**	**8.07 WTE**	

Current Budget	**Proposed Budget**	**Difference (+/-)**
£179,501	**£179,501**	**Nil**

District Management

No changes to the current management arrangements are proposed as a result of this redesign.

	Current WTE	Proposed WTE	Difference (+ / -)
Band 8b	1.00 wte	1.00 wte	
Band 7	2.00 wte	2.00 wte	
Band 5	1.00 wte	1.00 wte	
Band4	0.63 wte	0.63 wte	
Band 3	1.00 wte	1.00 wte	
Band 2	1.33 wte	1.33 wte	
Total	**6.96 WTE**	**6.96 WTE**	**-1**

Current Budget	**Proposed Budget**	**Difference (+/-)**
£298,195	**£298,195**	**Nil**

Appendix 12 – Stakeholder Engagement & Communication Overview

Stakeholder Engagement and Communications Overview and Plans

Background

The strategic case for change remains the same for both proposals. The key messages will be framed within the following context:

Nine out of ten of all local health services that people use are through their GP, dentist or pharmacy and access to these services are not changing. The number of people aged 75 or over is set to double. At the same time the workforce required to look after them will significantly decrease This combined with rising costs and old buildings mean the way we currently provide services are not sustainable and need to be change.

The changes will be facilitated through capital investment to build two new hospitals 'Hub' (Broadford and Aviemore) and a new health centre (Aviemore) as part of wider redesign and investment into community services. Additional investment will go into other key assets and the redesign will free up resource to be invested in the community.

This section of the documents sets out our key messages, objectives, audiences, approach, summary of outputs and further planned activities.

Key Messages

The case for change

- The need to look after more older people but with fewer people to provide the care
- To need to invest more resources into care at home and other out of hospital community based services
- To bring in sustainable models of care that can be staffed safely without relying on bank and agency
- Splitting inpatient services across two sites in both areas is not sustainable
- The cost of backlog maintenance alone for the buildings is £11million
- Three of the four hospitals do not meet modern standards for inpatient services

Feed-back from Consultation

- Most people recognised that the service needed to be modernised and accepted the case for change
- People want to be looked after at home if at all possible
- Hospitals are for sick people
- During the public consultations eight out of 10 people supported the proposed new model of service in both areas
- The majority of people also supported the location for the new hospitals

NHS Services

- Around 90% of local NHS services that people use are through their GP, dentist or pharmacist - access to these services is not changing
- Arrangements for accessing out of hours, urgent care and A&E is not changing
- In the new arrangements people will be cared for in an appropriate environment
- There will greater choice for how people are cared for at the end of their life

What we are investing in

- Around £1million will be invested to support enhanced front line community services, including: care-at-home, flexible use beds in care homes and greater choice for palliative/end of life care
- Around £1.5million will be invested in new equipment for the new hospitals
- £1.4million already invested by The Highland Council to improve the Wade Centre in Kingussie, and investment is planned at Grant House in Grantown-on-Spey

- £2 million will be invested to upgrade of Grantown-on-Spey Health Centre and Kingussie Medical Practice
- £2.6 million to redesign of Portree Hospital as a 'Spoke' for North Skye
- Around £30million will be invested to build the community hospital 'Hubs' in Aviemore and Broadford

Objectives

- To reiterate the support for the new models gained through public consultation
- To explain what will not be changing and why
- To describe what the new services are, where they will be located and when the changes will happen

Audiences

- **Internal**

Throughout the development of options and business case process there has been significant engagement with staff (including independent contractors). As we move through the delivery of the project the plan takes account of the engagement and sign off that will be required from internal stakeholders. This will be in relation to the development of the new build community hospitals and health centre as well as the wider delivery of new models of service.

- **External**

Both redesigns cover large geographical areas and the proposals have the potential to be relevant for all people within the communities. In particular the redesign of community hospital services, community based services, care at home and transport and access are particularly relevant to frail and older people. Public sector partners, Access Panel experts, external advisors and patient public representatives have also been part of the groups looking at requirements.

- **Contractual**

There are a number of stakeholders also are important in terms of specific aspects such as land purchase, co-location or contractual arrangements including GPs, Highland Council, Care Home providers, land owner, tenants, transport providers and they require some confidential communications and discussions.

The architects, contractors and independent advisers are also key and to maintain constructive dialogue.

- **Community Stakeholders**

Over and above specific bits of work, careful consideration continues to be given to identifying key stakeholders. Contact is with named individuals who are known to the project team members and local staff. This has been subject to ongoing review and can be summarised as follows (in alphabetical order):

- Access Panels
- Alzheimer Scotland
- B&S Transport Company
- Broadford PPG
- Cairngorms National Park
- Care at Home Providers
- Care Home Providers
- Community Councils
- Councillors
- Friends of Ian Charles Hospital
- Friends of St Vincent's Hospital
- General Public
- Highland Council
- Highland Hospice
- Lochalsh & Skye Housing Association
- MacMillan
- Marie Curie
- Media
- MSP and MP (Local)
- MSP/MP (General)
- Patient and Public Representatives
- Parklands
- Red Cross
- Save our Services NHSH
- Scottish Government
- Scottish Ambulance Service
- Scottish Health Council
- Senior Citizen Network
- Skye & Lochalsh Community Voluntary Organisation
- Skye & Lochalsh Mental Health Association
- Skye & Lochalsh PPF
- Sunshine Club
- Therapy Gardens
- Voluntary Organisations

- **Stakeholder Engagement Workshops**

Monthly stakeholder engagement workshops have been held since July 2017 to understand the clinical requirements for the new hospital facilities to progress from concept to detailed design. These workshops are led by the Lead Architect supported by the Project Manager and Clinical Advisor. The full list of stakeholders involved in each of the new builds has been documented and is available if required. They include;

- Nursing representatives from each of the existing hospitals;
- Allied Health Professionals; Physiotherapy, Occupational Therapy, Speech & Language Therapy, Dietetics and Podiatry;
- Medical staff; Rural Practitioners (SLSWR) and GPs (B&S – Kingussie, Aviemore & Grantown);
- Community teams; community nurses, community mental health, social work, care at home, midwifery, learning disabilities;
- Aviemore Medical Practice (B&S);
- Scottish Ambulance Service;
- Out of Hours nursing (B&S);
- Care and Learning (The Highland Council - B&S) representing health visitors, school nurses, children & families social work;
- Radiology and radiation protection;
- Public dental service (B&S);
- Pharmacy (medicines management and medical gases);
- Pathology (mortuary design);
- Soft Services including Hotel Services;
- Staff-side representation;
- Fire safety;
- Health and safety;
- Control of infection;
- Local access panel;
- Community representative;
- Macmillan (SLSWR);
- Health promotion and quality improvement;
- Medical physics equipping services;
- eHealth; and
- Senior Project Team Lead.

During early concept design the workshops focussed on understanding the relationships between departments and services and the adjacencies that were required. Initially the design team looked at departmental adjacencies, then room adjacencies, culminating in 1:200 department layouts being presented for feedback. We are now in the final stages of agreeing 1:200 layouts, with a freeze on the accommodation schedule and room configuration by 15th December 2017. Stakeholders and Project Team Leads will be asked to sign off the 1:200 layouts at workshops in early December 2017.

Fortnightly workshops will be held from January 2018 onwards to review and agree the individual room layouts as part of detailed design development.

Approach

- **Strategy**

- From the outset we carried out work on stakeholder management to ensure we understood people who were impacted on, influential or critical to informing the service model
- We have tried to ensure this is supported by local clinical leadership with as much of the communications and engagement is delivered as face to face as possible or through direct personal contact
- For both projects a small core group of people have overseen the communications and engagement from both project teams. This was to support consistency and to strive to support positive relationships.
- Significant efforts have been made to try and ensure elected representatives (community councils, councillors, MSP/MP and specific groups) are kept fully informed and as far as possible this is done on an ongoing basis not just when issues arise.
- In order to ensure that everyone has had the opportunity to have access to the same information a further approach has been to carry out mails drops to all homes and business in the area.

- **Communication Channels**

A multi-faceted approach has been taken and will continue to be used to communicate and engage with stakeholders about the redesign, including:

- Attendance at local meetings
  Attendance at Political Meetings
- Clinical Redesign Workshops
- Mail drops to all homes and business in the redesign areas
- Media Release, Social Media
- Newsletters
- One to One meetings
- Planned Meetings and events
- Targeted Communications
- Digital Strategy

Summary of Activities: Outputs

- **Media Handling**

During 2017 NHS Highland has issued seven pro-active media communications in relation to B&S and six for SLSWR. These were planned and issued to announce key points in the project including

- Contractors appointed
- Outline Planning Permission Architects Appointed
- Public Events
- Planned closure of St Vincent's
- Test of capsule Endoscopy
- Wade Centre Refurbished

Media releases are promoted via social media, post on project websites and emailed to extensive distribution lists

In terms of responding to media inquiries there has been over 25 queries responded to date and forty in 2016. There have been no reactive queries this year regarding B&S and five in 2016

- **Correspondence**

There has been correspondence including with local MPs and MSPs and elected members and members of the public. For SLSWR this has mostly been directed to the Chair or CEO. This year alone there have been some 200 emails or letters which have been responded to. This is over and above regular correspondence between stakeholders, wider public and project team/local management.

There has been less correspondence for B&S and what has been received has mostly been direct to project team members.

- **Freedom of Information (FOI)**

There have been 10 FOIs relating to the SLSWR redesign; none for B&S.

- **Updates to Board and other Board Committees**

Links to all the papers which have gone to various board committees are included on the NHS Highland website. As the media are usually in attendance at the board meeting this has further has increased opportunity to update on progress.

- **Project Briefings**

The Project Teams meet monthly and a one page Briefing is issued after each meeting to all contacts on the distributions lists including internal and external stakeholders.

- **Website**

There are dedicated sections on NHS Highland website for both Projects. We also encourage partners including Medical Practices to promote via their digital channels

- **Face to Face Engagement**

There is significant ongoing engagement at all levels and it is not practical to list all the activities.

There are a number of groups which have been established as part of the redesign and include a range of local stakeholders and meet regularly such as:

- Programme Board
- Project Team
- Transport & Access Groups
- St Vincent's Endowment Fund
- End of Life / Palliative Care Steering Group

The main face to face activities carried out in 2017 (to date) are summarised (Appendix 12a) and planned activity is shown in Appendix 12b).

Appendix 12a – Summary of Activities carried out

Summary of activities carried out in 2017

Month	Activity
October	Mail drop of Newsletter to all homes in the SLSWR area
	Letter from Chair NHS Highland to elected member and planning partners looking for joint approaches to common problems (Skye)
	Meeting with Skye elected members and Scottish Ambulance Service
September	Public displays of plans for new hospital and health centre (Grantown and Kingussie)
	Meeting with Cabinet Secretary, Elected Member, Leader of Highland Council and Chair and CEO of NHS Highland
	Highland Council Motion and Debate
	Meeting with Highland MSPs
	Meeting with MSP and MP with Chair and CEO of NHS Highland
	Public Drop in re plans for new Hospital and Health Centre in Aviemore
August	Annual Review in Aviemore including stakeholders meeting with Minister for Public Health and CMO
	Meeting with all North Skye Community Councils and Chair of NHS Highland
	Meeting with Kate Forbes MSP in Portree
July	Meeting with HIE, Strengthening Communities
	Meeting with S&L Access Panel
June	B&S Steering Group
	SLSWR Steering Group
	Stakeholder interviews re Transport & Access Needs Assessment
May	Field Visits and Survey over Transport & Access
April	Meeting with Patients and Carers (B&S)
	Meeting with South Skye, Lochalsh and South West Ross Community Councils
	Therapy Gardens AGM, Kingussie
	Cardiac Training Event , Skye
	Friends of Ian Charles Coffee Morning
March	Meeting with Grantown Allotments Group
	Meeting with Kate Forbes MSP
	Grantown CC
February	Taster Testing, St Vincent's
	Meeting with Highland MSP
Mar-May	Engagement over Transport and Access Study
Jan-March	Engagement with Stakeholders over Lynwilg Ward

Appendix 12b – Summary of Planned Communication

Summary of Planned Communications and Engagement

Corporate | B&S and SLSWR

Activity	Purpose	Frequency
Annual Review	Update on all major service change projects	Annual
MSP	Update on all major service change projects	Quarterly
NHS Highland Board	Approval of OBC and FBC or updates via CEO Report	Bi-monthly
Asset Management Group	Recommendation to the board on approval of OBC and FBC	Monthly
Highland Health and Social Care Partnership	Recommendation to the board on approval of OBC and FBC	Bi-monthly
Programme Board	Oversee the delivery of the Business case through to delivery	Quarterly
Commissioning	Communicate key milestones of work commissioned and completed	As appropriate

B&S | Summary of scheduled activities

Activity	Purpose	Frequency
Project Team	Oversee the delivery of the each project and communicate updates via one page briefing to stakeholders	Monthly
Clinical Stakeholder meetings	Input to the design of new facilities	Monthly
Transport & Access Group	Oversee the delivery of Transport and Access solutions	Quarterly
End of Life & Palliative Care Working Group	Oversee the delivery of testing new approaches to delivery of end of life care/palliative care	Quarterly
TJ Burrall Legacy Working Group	Develop options and consult on future use of Legacy	Quarterly
Grantown Allotments	Progress work to develop allotments at Grant House Care Home	Six months
Community Councils/ Local Groups	Update on progress with the redesign and address any specific issues	Annual – more frequent if necessary
Councillors	Update on progress with the redesign	Six months
Steering Group	Update on Progress with the redesign	Six months
Mail Drop	Newsletter delivered to all homes in the area	Annual (After site purchased)

SLSWR | Summary of scheduled activities

Activity	Purpose	Frequency
Project Team	Oversee the delivery of the each project and communicate updates via one page briefing to stakeholders	Monthly
Clinical Stakeholder meetings	Input to the design of new facilities	Monthly
Workshops	Feed-back on findings from Transport and Access Study	2018/18
Clinical Meeting with elected members	To explain the current arrangements from a clinical and safety perspective	January/February 2018
Working Group	Oversee the development and delivery of the arrangements for the Spoke and North Skye	2017/18
Transport & Access Group	Oversee the delivery of Transport and Access solutions	Quarterly
Community Councils _ North & South	Update on progress with the redesign and address any specific issues	Annual – more frequent if necessary
Councillors	Update on progress with the redesign	TBCs
Steering Group	Update on Progress with the redesign	Six months
Mail Drop	Newsletter delivered to all homes in the area	Annual
Mail Drop	Flyer 'Know where to turn to' setting out how to access all local services with guidance and telephone numbers	Annual

Media |Social Media | Pro-Active

As the Business Case process develops key milestone will also trigger important messages and necessary communication activities. Some examples are provided below. Time frames are unknown for some activities and a best guess for others

Milestones	Timescale
Grant House refurbishment completed	2018
Hospital site to be purchased (Aviemore)	2017/18
Updates on Helipad (Broadford)	2017/18
Update on care home beds (Portree)	2017/18
Update on Spoke (Portree)	2017/18
Update on new day assessment service (Portree)	2017/18
Feed-back from clinical engagement workshop (North Skye	2017/18
Feed-back from expert view on urgent care (North Skye)	2017/18
Feed-Back on Palliative care work streams	2017/18
Announcement of Transport Workshops (North Skye)	Autumn
Archaeological site works underway (Broadford)	2017 (Oct)
Care at Home Review completed	2017 (Nov)
Outline Business Case to be submitted by NHSH	2017 (Nov)
Outline Business Case to be approved by SG	2018 (Jan)
Full Business Case to be submitted by NHSH	2018 (Sep)
Full Business Case to be approved by SG	2018 (Nov)
Construction of new facilities underway	2019 (Mar)
New facilities construction completed	2020 Dec
New facilities operational	2021 Feb

Facilities = New hospital Hubs in Broadford and Aviemore and health centre in Aviemore

Appendix 13 - hubCo Meeting Schedule

NHS Highland Badendoch Strathspey + Skye
Stage 1 Project Team Meetings and Reporting Schedule (V6)

	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	
Jun-17					NHSH	Launch													LS	LS	LS	LS	LS			LS	LS	LS	LS	LS		Jun-17
																											Stake Prep				
Jul-17			1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st					Jul-17
						RL	RL	RL	RL/KC			RL/CM/DP	RL/CM/DP	RL/CM/DP	RL/CM/DP	RL/CM/DP			RL/CM/DP	RL/CM/DP	RL/CM/DP	RL/CM/DP	RL/CM/DP			DF	DF	DF	DF	DF							
					NHSH	Joint Tech 1									NHSH												Prin			NHSH - 1								
						Board							Stake 2:1										Design				Stake 1:1											
																							CAR			PMR											
Aug-17						1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st		Aug-17
							KC	KC				KC	NHSH															DTM								
						Joint Tech 2						Summer Bank Holiday	Stake 2:2							Stake 1:2							NHSH - 2	Prin			Design						
						Board																									CAR						
																																	PMR				
Sep-17		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th						Sep-17
		DF			DF															NHSH - 2						DTM			Stage 1 Submission						
					NHSH	Joint Tech 3																	Design					Prin									
						Board							Stake 2:3							Stake 1:3			CAR														
																									PMR											
Oct-17				1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st				Oct-17
																			DP	DP	DP	DP	DP				DTM		KC	KC	KC	KC				
					NHSH	Joint Tech 4									NHSH - 1	NHSH Public Holiday				Stake 1:4			Design				Prin		NHSH							
						Board							Stake 2:4							Skye - Broadford			CAR														
																									PMR											
Nov-17							1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th		Nov-17
																											NHSH - 2						DTM		St Andrew's Day	
							Joint Tech 5					NHSH																	Design				Prin				
							Board						Stake 2:5							Stake 1:5							Stake 2:6			CAR							
																														PMR							
Dec-17		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th	29th	30th	31st					Dec-17
																				DTM								ALL	ALL	ALL						
						Joint Tech 6						NHSH								Prin	NHSH - 1				Christmas Day	Boxing Day										
						Board							Stake 1:6																								

NOTE: Meeting Invitation will be issued from bs+shubnorth@fgould.com to those individuals named.
NHSH are to extend these invitations to the relevant NHS stakeholders to suit agreed agenda

Project Meeting		Attendees (chair & action list underlined)	Venue & Time
Board	Project Board	**hNSL**: L Shearer, M Felton, C Meharg, R Lovatt **NHSH**: E Green, K Corbett, K Rodgers, G McVicar, D Forsyth, D Potter, A Oliver, NHS Tech Advisor (C&B) **SFT**: A Nichol, J Christie *Others by invitation from hNSL PM (CM)*	**1400-1600** NHS Highland, John Dewer Bldg, IV2 7GE or Assynt House, IV2 3BW or Centre for Health Science, IV2 3JH
Joint Tech	hNSL / NHSH Joint Technical	**hNSL**: C Meharg, R Lovatt, Oberlanders, Rybka, Watermans **NHSH**: D Forsyth, K Corbett, D Potter, B Barr, A McKenzie, R MacDonald,J Bowmman, B Johnstone **Balfour Beatty:** G Hood, M Maclennan *Others by invitation from hNSL PM (CM)*	**1130-1330** NHS Highland, John Dewer Bldg, IV2 7GE or Assynt House, IV2 3BW or Centre for Health Science, IV2 3JH
hNSL DTM	hNSL Design team meeting	**hNSL**: C Meharg, R Lovatt, Oberlanders, Rybka, Watermans **Balfour Beatty:** G Hood, M Maclennan *Others by invitation from hNSL PM (CM)*	**0900-1100** Faithful + Gould, 10 Canning Street, Edinburgh, EH3 8EG
hNSL Principals	hNSL Principals	**hNSL**: L Shearer, M Felton, C Meharg, R Lovatt, Oberlanders, Rybka, Watermans, Balfour Beattie, FM Service Provider	**1100-1300** Faithful + Gould, 10 Canning Street, Edinburgh, EH3 8EG
Stakeholder Skye (1)	Design led / NHSH stakeholders	**hNSL**: Oberlanders, Rybka, Watermans **NHSH**: K Corbett, D Potter *Others by invitation from Architect / NHSH PM*	**0900-1500** NHS Highland, John Dewer Bldg, IV2 7GE or Assynt House, IV2 3BW or Centre for Health Science, IV2 3JH or Broadford, Skye, IV49 9AB
Stakeholder B+S (2)	Design led / NHSH stakeholders	**hNSL**: Oberlanders, Rybka, Watermans **NHSH**: K Corbett, D Forsyth *Others by invitation from Architect / NHSH PM*	**0900-1630** NHS Highland, Cairngorm Hotel, Aviemore, PH22 1PE The Studio, Aviemore Community centre, PH22 1SF or Assynt House, IV2 3BW or Centre for Health Science, IV2 3JH
NHSH	SLSWR Project Team CONTROLLED BY NHSH	**NHSH:** E Green, K Corbett, K Rodgers, G McVicar, D Forsyth, D Potter, A Oliver, NHS Tech Advisor	**Time: As per NHS schedule** NHS Skye, Lochalsh & South West Ross Project Team Larachan House, Board Room, Dingwall, IV15 9UG
NHSH	B+S Project Team CONTROLLED BY NHSH	**NHSH:** E Green, K Corbett, K Rodgers, G McVicar, D Forsyth, D Potter, A Oliver, NHS Tech Advisor	**Time: As per NHS schedule** Badenoch & Strathspey Project Team Alder House, Meeting Room, Inverness, IV2 5GH
NHSH	BS+SLSW Programme Board CONTROLLED BY NHSH	**NHSH:** E Green, K Corbett, K Rodgers, G McVicar, D Forsyth, D Potter, A Oliver, NHS Tech Advisor	**Time: As per NHS schedule** Badenoch & Strathspey & Skye, Lochalsh & South West Ross Programe Board Boardroom - John Dewar Building, Retail & Business Park, Inverness, IV2 7GE
NHSH	BS+SLSW Programme Board CONTROLLED BY NHSH	**NHSH:** E Green, K Corbett, K Rodgers, G McVicar, D Forsyth, D Potter, A Oliver, NHS Tech Advisor	**Time: As per NHS schedule** Badenoch & Strathspey & Skye, Lochalsh & South West Ross Programe Board Boardroom - Assynt House, Beechwood Business Park, Inverness, IV2 3BW

Holiday Periods: Key Project personnel			
L. Shearer - LS	M. Felton - MF	C. Meharg - CM	R. Lovatt - RL
E. Green - EG	K. Corbett - KC	K. Rodgers - KR	G. McVicar - GMc
D. Forsyth - DF	D. Potter - DP	A. Oliver - AO	A. Nichol - AN
J. Christie - JC			

KEY

Initial | Initial | Initial | Initial | Initial — Personal Holiday Period

NHSH Holiday

	Project Report	Required From
PMR	Project Manager's Report	Faithful + Gould
CAR	Cost Advisor's Report	Thomson Gray
Design	Design Progress Report	Oberlanders
Contractor	Contractor Report	Tier 1 (TBC)
Other	Supplementary Reports	TBC
FM	FM Provider report to Project Director	
KEY	Project Key Date	

Revision No	Issue date
V1	11.06.17.
V2	20.06.17
V3	21.06.17
V4	05.07.17
V5	26.07.17
V6	18.08.17

Appendix 14 - Risk Register

BADENOCH & STRATHSPEY / SKYE LOCHALSH & SOUTH-WEST ROSS JOINT RISK REGISTER

V4 — 12-Oct-17

Risk no	Description	Possible consequence	Financial / Non-financial / Unquantifiable	Consequence	Likelihood	Risk rating	RAYG	Proposed actions / mitigation	Action taken	Action by	Ownership	Consequence - after mitigation	Likelihood - after mitigation	Risk rating - after mitigation	RAG - after mitigation	Closed
1.0.0	**CONSTRUCTION / PROPERTY RELATED RISKS**															
1.1.0	**Site risks**															
1.1.1	Technical investigations conclude that preferred sites are not suitable, requiring purchase of new site(s)	Project delay, project may be unaffordable		5	2	10	Amber	Early intrusive site investigations to determine risks and construction costs	B&S SIs completed at site selection stage (2015/16). SLWR SIs carried out during stage 1 (Sep 2017)	NHSH	Project Management Team	3	2	6	Yellow	
1.1.2	*Project-specific - see SLWR*															
1.1.3	If current facilities are vacated and declared surplus, significant investment may be required before site is deemed saleable	Cost pressure		3	4	12	Amber	Early review of surplus sites to determine suitability and cost. Separation of ICH site from Grant HC to be costed as part of Grant HC refurb	Valuations and advice obtained from NHSH Board Property Advisor Oct 2017	NHSH	Project Management Team	3	3	9	Yellow	
1.2.0	**Procurement risks**															
1.2.1	One project in hub bundle may be delayed due to delay in other bundle project	Delay in project completion, increased cost		5	3	15	Amber	Ensure PTs and P Board are aware of implications of any delays for the whole bundle, clear programming with joint programme for the bundle. Ensure joint governance arrangements are in place.	Joint programme and joint governance in place with a single Programme Board for the bundle	NHSH/Hubco	Programme Board	4	2	8	Yellow	
1.2.2	Liquidation of construction partners (e.g. designer, contractor, supply chain)	Delay, lack of continuity		3	2	6	Yellow	Consultants and supply chain employed by hNSL therefore passing the financial risk, hNSL part-public funded and lower risk of liquidation.	National Tier 1 contractor selected minimising risk of liquidation.	NHSH	HUB	2	2	4	Yellow	
1.2.3	Financial and Legal Close rushed.	Affordability implications, increased cost, delay, reputational damage.		4	3	12	Amber	Clear programming, ensure NHSH have control over financial and legal close processes (i.e. bundle with NHSH projects).	Currently bundled with NHSH project	NHSH	Programme Board	3	2	6	Yellow	
1.2.4	Current Hub programme assumes proceed to stage 2 at risk (i.e. before OBC approval by SG); NHSH Board may not be happy to accept this risk resulting in project delay. If OBC not approved, NHS Highland will require to fund aborted design fees	Delay, increased cost		4	3	12	Amber	Ongoing negotiation with SG. Drive programme schedule to minimise period of operation "at risk." Discuss and agree with Director of Finance, seek NHSH approval to underwrite Hub design fees	May 2017 - Programme Board agreed to proceed stage 1 to stage 2 at risk.	NHSH	Project Board	4	2	8	Yellow	
1.3.0	**Construction risks**															
1.3.1	Critical programme dates are unrealistic	Delay, increased cost, reputational damage		4	3	12	Amber	Develop realistic project programme in conjunction with HubCo / contractors / technical advisors. Regular review of programme by Project Team / Board / Technical Team	HubCo / North Territory Manager commented on programme. Standing item on agenda at meetings. NHSH Planner appointed April 2016	NHSH/HubCo	Programme Board	3	2	6	Yellow	
1.3.2	Construction project poorly managed causing delays and overruns	Delay, increased cost		4	3	12	Amber	Capacity and capability of Hub project director and project manager should be fully evidenced in the OBC and FBC		NHSH/HubCo	Programme Board	3	2	6	Yellow	
1.3.3	Adverse weather impacts on construction causing delay to programme	Delay, increased cost		3	5	15	Amber	Ensure sufficient capacity is built in to programme to allow for adverse weather. Modular off-site construction to be considered by construction partner to reduce risk of delay.		NHSH/HubCo	NHSH / HubCo Project Teams	3	2	6	Yellow	
1.4.0	**Maintenance risks**															
1.4.1	**Ongoing maintenance costs are higher than projected**	Increased cost, unaffordability		4	**4**	16	**Amber**	Expected maintenance costs to be discussed throughout design development stage and monitored post completion	FM discussions underway with hNSL - initial indications are that SLWR FM costs may be significantly in excess of cap	NHSH/HubCo	NHSH / HubCo Project Teams	3	2	6	Yellow	
2.0.0	**PLANNING AND DESIGN RISKS**															
2.1.0	**Planning risks**															
2.1.1	Difficulties in obtaining planning permission for preferred sites.	Delays, increased cost		4	2	8	Yellow	Discussion with planning authority from early stage, submit formal request for pre-application advice, follow Highland Council recommendations (and CNPA for B&S)	Sites chosen. Pre-planning applications submitted Jul 17.	NHSH	Project Management Team	3	2	6	Yellow	

2.1.2	Local community objects to the project	Delay in obtaining planning permission, increased cost	4	2	8	Yellow	Continue regular public engagement through steering group / subgroups / local community groups. Involve local campaign group in specific working groups so that they understand and have input to the decisions	Comms & engagement plans in place. PAN public event held for B&S (major planning app). SLWR: NHSH Board chair met with MP MSPs local councillors & community group leaders in Aug 17. Media statement issued post event.	NHSH	Project Director	3	2	6	Yellow
2.1.3	Ecology issues result in planning constraints and design restrictions	Delays, increased cost	3	4	12	Amber	Early discussion with planning authorities to confirm requirements of ecological assessment, carry out initial ecological assessment to inform site selection and design work, and carry out recommended follow up investigations	Ecology surveys complete for B&S site, no showstoppers identified. hNSL working closely with planning authorities	NHSH/hNSL	NHSH / hNSL Project Teams	3	2	6	Yellow
2.1.4	*Project specific - see B&S*														
2.2.0	**Project Information Risks**														
2.2.1	Archaeology or other items of special scientific interest found on site	Delay, increased cost of construction, additional costs of excavation, prevention of development.	4	4	16	Amber	Detailed site survey post-selection, discussion with Planning authority, Scottish Natural Heritage, Highland Council Archaeology Unit etc. Ensure adequate budget and time in place to allow for archaeological investigations.	SLWR: archaeology found during SIs, further discussions ongoing between archaeologist & planners. Agreed early site clearance with hNSL	NHSH	Project Management Team	3	4	12	Amber
2.2.2	Adverse ground conditions on preferred sites	Increase cost, delays	3	2	6	Yellow	Surveys prior to site selection, detailed survey pre-construction.	Preferred sites identified, SIs completed on both sites	NHSH	Estates Project Management Team	2	2	4	Yellow
2.2.3	Difficulty in getting utilities and drainage connections to preferred site	Delay, increased costs, non functionality	4	2	8	Yellow	Ensure suitability of existing services and early application for new/increased services.	More detailed utilities assessment completed (B&S), no significant issues found	NHSH	Estates Project Management Team	3	2	6	Yellow
2.2.4	*Project specific - see B&S*														
2.2.5	Inadequate depth of surveying of site constraints / ground information	Delay, increased cost resulting in unaffordability	4	1	4	Yellow	Agree scope of surveys with Hub North, ensure investigations carried out to de-risk project at NPR stage	hNSL carried out SIs or provided scope for SIs, which are complete. Highland Council have advised re: archaeology & ecology surveys	NHSH	Project Management Team	3	1	3	Green
2.3.0	**Design risks**														
2.3.1	**Client's project brief is lacking in information or is insufficient**	Increased design team costs, project delays	4	**2**	8	Yellow	Progress service model redesign to inform brief. Early engagement with HubCo and joint working on NPR to ensure brief is sufficiently clear before NPR submitted. External clinical challenge to clinical brief	NPR accepted by HNSL and Oberlanders Architects. HubCo sharing relevant information with NHSH, regular meetings set up with Hub North Scotland	NHSH	Project Team	3	2	6	Yellow
2.3.2	The scope of the project increases as the project progresses	Increased cost, delay, project may become unaffordable	4	3	12	Amber	Early definition of detailed service requirements to inform design brief and OBC.	Accommodation requirements have been agreed with stakeholders for hospital and refurbishment elements of the project.	NHSH	Project Team	2	2	4	Yellow
2.3.3	Insufficient time allowed for review of design documentation in run up to financial close	Delay in project programme, additional cost of late changes and poor functionality	4	3	12	Amber	Agree programme for issue of drawings and key documents. Ensure workload is distributed appropriately and sufficient time is allowed for. Ensure time is set aside in Compliance Team diaries. Escalate issues to Project Team / Board		NHSH	Estates Project Management Team	3	2	6	Yellow
2.3.4	Changes to specification post-sign off	Increase in cost	3	4	12	Amber	Ensure briefing documents are produced in sufficient detail and in good time to be thoroughly reviewed by all stakeholders. Timetable showing documents produced by developer to be circulated at outset detailing review periods. External clinical challenge to clinical brief. Formal sign-off procedure. 3D modelling to help understanding of drawings		NHSH	Estates Project Management Team	3	3	9	Yellow
2.3.5	Design not capable of delivering the services to the required performance or quality standards	Delay, increased cost, reputational damage	4	2	8	Yellow	Involvement of all relevant stakeholders at design review stage to ensure the design meets requirements, ensure adequate time built in to programme to allow for this		NHSH	Estates Project Management Team	3	1	3	Green
2.3.6	*Project specific - see project risk registers*														

2.3.7	Design team does not have sufficient capacity or capability for the project	Delay, increased cost	3	3	9	Yellow	Capacity and capability of design team to be explored by client and HubCo during procurement stage and evidenced in OBC		NHSH/HubCo	NHSH / HubCo	2	2	4	Yellow
2.3.8	*Project specific - see project risk registers*													
3.0.0	**CLIENT / BUSINESS RISKS**													
3.1.0	**Business risks**													
3.1.1	Insufficient project management and capital managment capacity / expertise	Delays in project, fails to progress	4	4	16	Amber	Ensure adequate project management arrangements are in place, as detailed in IA, Identify gaps e.g. commercial, clinical challenge, seek to find this within NHS otherwise appoint external advisor. Allow for cost of external consultants. Detailed resourced programme	Project management structure outlined in IA and OBC. Clinical advisor and additional PM recruited 2016 and Commercial Lead in June 2017. hub Participant Advisors all in place by Sep 2017	NHSH	Project Board and Management Team	3	2	6	Yellow
3.1.2	Insufficient operational management capacity to lead project	Delays in project, fails to progress	4	4	16	Amber	Ensure adequate management resource is allocated to the project and sufficient time can be devoted to it. Clear allocation of responsibility and programming to ensure availability at key stages. Closely monitor	Project management structure outlined in IA and OBC in line with new SCIM	NHSH	Senior Responsible Officer	3	2	6	Yellow
3.1.3	Changes in key personnel resulting in a loss of momentum and impacting on stakeholder engagement and support	Delays in project, fails to progress	4	2	8	Yellow	Project Board and Team to maintain continuity during any changeover. Ensure new members have sufficient experience, training, capacity and understanding of project to drive it forward. Continued communication and engagement with stakeholders. Good record keeping. Team based approach		NHSH	Project Board and Management Team	3	2	6	Yellow
3.1.4	Delays in NHSH / SG approval process	Delay project programme	4	5	20	RED	Ensure adequate project management support is in place so that all stages are fully completed to required level, clear programming. Continued engagement with SG and be proactive in delivery of outputs and provision of additional information	Project management structure outlined in IA & OBC. Contact made with HFS re: training on new SCIM and copy of guidance obtained	NHSH	Programme Board	3	4	12	Amber
3.2.0	**Reputational risks**													
3.2.1	*Project specific - see project risk registers*													
3.2.2	*Project specific - see project risk registers*													
3.2.3	*Project specific - see project risk registers*													
3.2.4	*Project specific - see project risk registers*													
3.2.5.	*Project specific - B&S (closed)*													
3.3.0	**Operational risks**													
3.3.1	*Project specific - see project risk registers*													
3.3.2	*Project specific - see project risk registers*													
3.3.3	*Project specific - see project risk registers*													
3.3.4	*Project specific - see project risk registers*													
3.3.5	*Project specific - see project risk registers*													
3.3.6	*Project specific - see project risk registers*													
3.3.7	*Project specific - see project risk registers*													
3.4.0	**Demand risks**													
3.4.1	*Project specific - see project risk registers*													
3.4.2	*Project specific - see SLWR*													
3.5.0	**Occupancy risks**													
3.5.1	*Project specific - see project risk registers*													
3.5.2	*Project specific - see project risk registers*													
3.6.0	**Decant risks**													
3.6.1	*Project specific - see SLWR*													
3.7.0	**Technology risks**													

3.7.1	Advances in technology result in services being provided using non-optimal technology	Inefficient use of resources, reduction in quality	3	3	9	Yellow	Opportunities to take advantage of potential future technologies to be explored at OBC. Meeting / subgroup to be set up with Technology Enabled Care (TEC) team. Develop IT strategy for project. Flexible design	Initial discussions held with TEC team. Joint e-Health WG established Jul 17. Reports to PTs and e-Health Delivery Group.	NHSH	Project Team	2	2	4	Yellow
4.0.0	**FINANCIAL RISKS**													
4.1.0	**Funding risks**													
4.1.1	Construction costs may exceed the likely funding allocation for the bundle, which is £30m for 2 projects. Current estimates are £15-20m for each project.	Project could be unaffordable, may not be able to meet project objectives	5	4	20	Red	Ensure service model is well defined prior to NPR. Challenge brief to ensure it is realistic, manage stakeholder expectations and involve them in the solution. Maximise flexible use of space in order to reduce footprint and therefore costs. Robust challenge of accommodation requirements. Ensure project is kept to time to minimise impact of inflation	Stakeholders are supportive of flexible use of space. PB/T are aware of impact of inflation if timescales slip. NPR Affordability cap for bundle is £30.6m. PB decided to remove endoscopy suite from scope July 2017	NHSH	Project Board and Management Team	4	4	16	Amber
4.1.2	Scottish Government does not provide Unitary Charge Grant assistance resulting in project becoming unaffordable	Project could be unaffordable	5	3	15	Amber	Discussions with SG have confirmed that this project is within the SG pipeline scheme. Ensure we meet the requirements of the CEL	Highlighted in IA	NHSH/SG	Finance Lead	5	2	10	Amber
4.1.3	Affordability of the project may be affected by the calculation of the unitary charge sum. The unitary charge is calculated on a number of complex variables such as size and compexity of the building, money markets, cost of contruction and maintenance regimes. These are all unknown costs at this early stage of the project.	Project could be unaffordable	5	3	15	Amber	Progress work with Hubco to develop the detailed scheme costs that will form the OBC. Challenge brief to ensure it is realistic, manage stakeholder expectations.	Internal and external clinical challenge to design brief at NPR stage. Project leads present at each stakeholder design session	NHSH/Hubco	Project Management & Finance Team	4	2	8	Yellow
4.1.4	Insufficient capital and revenue funding to support group 3 and 4 equipment procurement for new build	Project could be unaffordable	5	3	15	Amber	Define scope of services in detail to inform level of refurbishment required, work up cost and submit bid to NHSH / SG for funding. Define and cost equipment requirements early in stage 2. Ensure sufficient amount is identified and agreed in NHSH 5 year capital plan	£1.4m identified in the NHSH 5 year capital plan (2019/20), but not yet approved	NHSH	Project Team	4	2	8	Yellow
4.1.5	There are no non recurring ringfenced revenue funds to support project development e.g. professional fees, development costs etc.	Risk for the organisation of revenue overspends	3	4	12	Amber	Ensure the requirement for revenue funds is noted within the IA. Some 'consultant work' done in house. Ensure project development costs are fully developed and presented to PB / PT for approval	SG agreed to fund design fees and Participant Advisor fees	NHSH	Project Board and Management Team	3	3	9	Yellow
4.1.6	Ongoing requirement to make recurring savings, reducing the resource available for service investment	Unable to provide planned level of care-at-home / enhanced community service	4	4	16	Amber	Ring-fence released revenue to support service change. Ensure robust costing of workforce plan / service change at OBC		NHSH	Project Team	4	3	12	Amber
4.1.7	*Project specific - see project risk registers*													
4.1.8	*Project specific - see B&S*													
4.1.9	*Project specific - see B&S*													
4.1.10	*Project specific - see B&S*													
5.0.0	**EXTERNAL RISKS**													
5.1.0	**Economic risks**													
5.1.1	Inflation costs rise above those projected	Increased cost / project may become unaffordable	5	4	20	Red	Ensure that this is taken into account in the financial case	High optimism bias used at IA stage in line with SCIM	NHSH	Programme Board	5	4	20	Red
5.2.0	**Legislative risks**													
5.2.1	Changes in legislation of tax rules increase project costs	Increased cost / project may become unaffordable	4	2	8	Yellow	Include on risk register, ensure this is taken into account in the financial case	High optimism bias used at IA stage	NHSH	Programme Board	3	2	6	Yellow
5.3.0	**Policy risks**													
5.3.1	Changing statutory and NHS guidance	Additional work required which will delay project and increase cost	3	4	12	Amber	Early and continued engagement with SG / HFS		NHSH	Programme Board	3	3	9	Yellow
5.4.0	**Infrastructure risks**													
5.4.1	*Project specific - see project risk registers*													

Appendix 15 - Quantified Risk Register

Objective:

To document and quantify risks for the purpose of the OBC. A separate optimism bias exercise has been undertaken.
Risks retained by NHSH are the focus of this exercise. Risks to be transferred to a hNSL are incluidfed in the capital Stage 1 estimate

Key-Probability of occurrence

No	Category	Range	Midpoint
1	Remote chance	0%-5%	2.50%
2	Unlikely	6%-40%	23%
3	As likely as not	41%-60%	50%
4	Likely	61%-80%	70%
5	Highly likely	81%-95%	88%
5+	Virtually certain	96%-100%	98%

	B&S	SLSWR	Total	
Cost NPR	£15,433,341	£15,146,842	£30,580,183	Rate/m2
Area NPR	3,906	3,135	7,041	4,343

	B&S	SLSWR	Total
RISK	£1,678,196	£1,668,206	£3,346,402

Prefix	Risk ID	Risk	To be borne by NHSH B&S	To be borne by NHSH SLSWR	To be borne by NHSH hNSL	hNSL Risk Rating	C&B Rating for Cost	Probability %	Value	Likely	Comment	Time Delay (months)	B&S 50%	SLSWR 50%	Total 100%	Check
		PROGRAMME														
BS+S	001	Within the NPR it was accepted that the provision for inflation on Construction Costs would be excluded. The consequence of this risk is that the project may become unaffordable should external market pressures change significantly.	✔	✔		20	5	98.0%	£1,911,261	£1,873,036	C&B estimate 2.5% per annum to mid pt construction 3rd Q 2017 to 1Q2020	Nil	£936,518.10	£936,518.10	£1,873,036.21	✓
BS+S	002	There is a risk that the ACRs may exceed the budget which is based on the SFT metric. The consequence of this risk is that there will require to be a change to the scope as the budget is fixed.	✔	✔		20	2	23.0%	£704,100	£161,943	Allow £100/m2	Nil	£80,971.50	£80,971.50	£161,943.00	✓
BS+S	005	There is a risk that NHSH Business Case signs offs may not be achieved by the end of Stage 1 and Stage 2 as required by the programme. The consequence of this risk would be delay to the programme and increased follow on costs.	✔	✔		16	4	70.0%	£535,153	£374,607	Based on 6 month delay and inflation	4.2	£187,303.62	£187,303.62	£374,607.24	✓
BS+S	008	SoMA - 11.1A Authority Consents – confirmation of any statutory consents required for works / services that NHSH need to apply for	✔	✔		9	1	2.5%	£0	£0	Not able to value	Nil	£0.00	£0.00	£0.00	✓
BS+S	009	Confirmation of Letters of Reliance required	✔	✔		9	1	2.5%	£0	£0	Not able to value	Nil	£0.00	£0.00	£0.00	✓
BS+S	010	Technical investigations conclude that preferred site at Broadford is not suitable, requiring purchase of new site - Project delay, project may be unaffordable	✔	✔		8	1	2.5%	£0	£0	Not able to value	Nil	£0.00	£0.00	£0.00	✓
BS+S	020	Local community objects to project, resulting in refusal of or delay in planning permission - Delay, increased cost	✔	✔		8	2	23.0%	£535,153	£123,085	Based on12 month delay and inflation, with low likelihood	1.38	£61,542.62	£61,542.62	£123,085.24	✓
BS+S	022	Archaeology or other items of special scientific interest found on site - Delay, increased cost of construction, additional costs of excavation, prevention of development.	✔	✔		16	4	70.0%	£176,025	£123,218	Assumed site strip pre-FC, but capital needed for additional, extra over site strip	Nil	£61,608.75	£61,608.75	£123,217.50	✓
BS+S	023	Adverse ground conditions on preferred site - Increase cost, delays	✔	✔		6	3	50.0%	£0	£0	Site by Site not programme	Nil	£0.00	£0.00	£0.00	✓
BS+S	025	Client's project brief is lacking in information or is insufficient - Increased design team costs, project delays	✔	✔		8	2	23.0%	£0	£0	Not able to value	Nil	£0.00	£0.00	£0.00	✓
BS+S	026	The scope of the project increases as the project progresses - increased cost, delay, project may become unaffordable.	✔	✔		12	2	23.0%	£764,505	£175,836	Allow 2.5% of total GIFA for unknown additional scope - No concurrent delay to time allowed. purely capital. Unlikley as client needs to find savings if scope creeps	Nil	£87,918.03	£87,918.03	£175,836.05	✓
BS+S	028	Changes to specification post-sign off - Increase in cost	✔	✔		12	2	23.0%	£0	£0	Not able to value		£0.00	£0.00	£0.00	✓
BS+S	029	Design not capable of delivering the services to the required performance or quality standards - Delay, increased cost, reputational damage	✔	✔		8	2	23.0%	£0	£0	No additional concurrent delay		£0.00	£0.00	£0.00	✓
BS+S	030	Design does not meet the expectations set out in the Design Statement - Delay, increased cost	✔	✔		12	2	23.0%	£0	£0	No additional concurrent delay		£0.00	£0.00	£0.00	✓
BS+S	032	Insufficient car parking for number of occupants and service users - Users unable to acces services, reputational risk	✔	✔		6	2	23.0%	£0	£0	Not able to value without additional design information and planning feedback		£0.00	£0.00	£0.00	✓
BS+S	033	Insufficient project management and capital managment capacity / expertise - Delays in project, fails to progress	✔	✔		16	2	23.0%	£0	£0	No additional concurrent delay		£0.00	£0.00	£0.00	✓
BS+S	036	Delays in NHSH / SG approval process - Delay project programme	✔	✔		20	2	23.0%	£0	£0	No additional concurrent delay		£0.00	£0.00	£0.00	✓
BS+S	037	Local community objection results in judicial review of process - Local 'buy in' compromised, project delay	✔	✔		15	2	23.0%	£0	£0	No additional concurrent delay		£0.00	£0.00	£0.00	✓
BS+S	044	Changing statutory and NHS guidance - Additional work required which will delay project and increase cost.	✔	✔			2	23.0%	£0	£0	No additional concurrent delay		£0.00	£0.00	£0.00	✓
BS+S	047	Construction costs may exceed the likely funding allocation for the bundle, which is £30m for 2 projects. Current estimates are £15-20m for each project. Project Bundle Affordability Cap has been calculated at £31.4m. This is in part dictated by construction inflation which is fluctuating at present. - Project could be unaffordable	✔	✔		20	2	23.0%	£0	£0	Covered in items above		£0.00	£0.00	£0.00	✓
BS+S	048	Scottish Government does not provide Unitary Charge Grant assistance resulting in project becoming unaffordable	✔	✔		15	2	23.0%	£0	£0	central Govt Risk		£0.00	£0.00	£0.00	✓
BS+S	071	The timing of Brexit causes unexpected rise in material prices from Europe	✔	✔		12	2	23.0%	£0	£0	central Govt Risk		£0.00	£0.00	£0.00	✓
		BADENOCH & STRATHSPEY														
Badenoch & Strathspey	011	Project will be part of a HubCo bundle and may be delayed due to delay in any dependency project - Delay in project completion, increased cost	✔			15	2	23.0%	£0	£0	Delay to one project may delay both - Is this not a programme level?		£0.00	£0.00	£0.00	✓
Badenoch & Strathspey	015	Critical programme dates are unrealistic - Delay, increased cost, reputational damage	✔			12	2	23.0%	£0	£0	Covered above		£0.00	£0.00	£0.00	✓
Badenoch & Strathspey	027	Insufficient time allowed for review of design documentation in run up to financial close - Delay in project programme, additional cost of late changes and poor functionality	✔			12	2	23.0%	£0	£0	Covered above		£0.00	£0.00	£0.00	✓
Badenoch & Strathspey	042	Inflation costs rise above those projected - Increased cost / project may become unaffordable	✔			12	3	50.0%	£308,667	£154,333	Allow additional 1% over 2.5% allowance		£154,333.41	£0.00	£154,333.41	✓
Badenoch & Strathspey	022	Archaeology or other items of special scientific interest found on site - Delay, increased cost of construction, additional costs of excavation, prevention of development.	✔			16	2	23.0%	£45,000	£10,350	Potential for site delay if other artefacts found after site strip? Will hNSL carry this risk? 3months prelims	0.69	£10,350.00	£0.00	£10,350.00	✓
Badenoch & Strathspey	023	Adverse ground conditions on preferred site - Increase cost, delays	✔			6	3	50.0%	£195,300	£97,650	Contamination and piling risks said to be retaimed by Board		£97,650.00	£0.00	£97,650.00	✓
		SKYE														
Skye		Project will be part of a HubCo bundle and may be delayed due to delay in any dependency project - Delay in project completion, increased cost		✔		15	2	23.0%	£0	£0	Delay to one project may delay both - Is this not a programme level?		£0.00	£0.00	£0.00	✓
Skye		Critical programme dates are unrealistic - Delay, increased cost, reputational damage		✔		12	2	23.0%	£0	£0	Covered above		£0.00	£0.00	£0.00	✓
Skye		Insufficient time allowed for review of design documentation in run up to financial close - Delay in project programme, additional cost of late changes and poor functionality		✔		12	2	23.0%	£0	£0	Covered above		£0.00	£0.00	£0.00	✓
Skye		Inflation costs rise above those projected - Increased cost / project may become unaffordable		✔		12	3	50.0%	£302,936.84	£151,468	Allow additional 1% over 2.5% allowance		£0.00	£151,468.42	£151,468.42	✓
Skye		Archaeology or other items of special scientific interest found on site - Delay, increased cost of construction, additional costs of excavation, prevention of development.		✔		16	2	50.0%	£45,000	£22,500	Potential for site delay if other artefacts found after site strip? Will hNSL carry this risk? 3months prelims		£0.00	£22,500.00	£22,500.00	✓
Skye		Adverse ground conditions on preferred site - Increase cost, delays		✔		6	3	50.0%	£156,750	£78,375	Contamination and piling risks said to be retaimed by Board		£0.00	£78,375.00	£78,375.00	✓
											Dealy cumulative (Months)	6.27	50.15%	49.85%	100.00%	
		Total							£5,679,851	£3,346,402			**£1,678,196.03**	**£1,668,206.04**	**£3,346,402.07**	✓

%age Risk of Total CAPEX 10.94%

Appendix 16 – BREEAM Stage 1 Report

RYBKA

BADENOCH & STRATHSPEY AND SKYE, LOCHALSH & SOUTH WEST ROSS COMMUNITY HOSPITAL FACILITY

STAGE 1 DESIGN REPORT

BREEAM REV 00

RYB-BSSLWR-XX-RP-ME-7910

OCTOBER 2017

Inspired logic

CONTENTS

AMENDMENT RECORD

ISSUE NO.	SECTION NUMBER	DATE OF AMENDMENT	SIGNED
REV 00	ALL	03.10.2017	JNM

BREEAM STRATEGY

1.0 INTRODUCTION

The Building Research Establishment's Environmental Assessment Method (BREEAM) is being used to evaluate environmental performance standards.

Badenoch & Strathspey and Skye, Lochalsh & South West Ross Community Hospital Facilities are to be assessed by the BREEAM 2014 New Construction: Healthcare (Community Hospital) assessment methodology.

The project has an aspiration to achieve a BREEAM rating of 'Excellent' as stated within the Authority's Construction Requirements (ACR's).

The intent of the project team to optimise the BREEAM scores as far as possible. However, it is recognised that the BREEAM scores for the two developments will be restricted by certain site specific limitations and operational requirements. Therefore the rebased BREEAM scores, taking into account these constraints will look to achieve 70% of the available credits.

All available credits will be targeted by the project delivery team throughout the design and construction phases to ensure that this BREEAM objective is achieved, demonstrating that the requirement of the ACR's is met in the developments.

The project will in particular target energy efficiency and carbon reduction credits. The design intent is to target a high level of energy efficiency and overall environmental sustainability, whilst recognising the limitations and unique approach to designing buildings in rural settings.

2.0 BREEAM PERFORMANCE

An initial BREEAM workshop was held at the early part of Stage 1 to set the principles of a BREEAM compliant design in process.

As a result of the project team workshop, a preliminary BREEAM analysis was conducted providing a conservative estimate of the credits likely to be achieved based on initial discussions and feedback from the project team, and potential credit options that the project team will be targeting as the design progresses.

This report highlights the findings of the initial analysis; design parameters which the team are incorporating to ensure that the Stage 1 design complies with BREEAM criteria and areas of risk identified.

In addition, credits which are uncertain due to site constraints, requiring NHSH/end user items, or cannot be confirmed at this stage of the design are outlined.

At this stage in the design, the BREEAM 2014 Healthcare scores based on early analysis are:

Badenoch and Strathspey: 60.57% with potential additional / uncertain credits of 20.09%

Skye, Lochalsh & South West Ross: 59.67% with potential additional / uncertain credits of 20.09%.

The following table demonstrates the current early stage scoring as a target for the Stage 1 design:

BREEAM 2014 New Construction: Healthcare (Community Hospital)		
	Badenoch & Strathspey	**Skye, Lochalsh & South West Ross**
Stage 1 Targeted Credits [1]	60.57%	59.67%
Potential Additional Credits [2]	80.66%	79.76%
Unachievable Credits [3]	10.24%	11.14%

[1] The minimum 'baseline' score centred on initial early stage project team discussion and commentary.

[2] The potential score represents additional credits that are being pursued by the project team however are currently uncertain. The project team will review the BREEAM assessment process at Stage 2 aiming to reduce uncertainties and risks based on the initial Stage 1 concept and target credits previously defined as 'potential additional' items, translating these into an improved baseline score.

As the design progresses into Stage 2, the project team are targeting a BREEAM score of >60% and a rebased score of >70%.

[3] Credits which are not achievable due to the site or context constraints, or which are likely to be restricted due to NHS Highlands or clinical requirements.

3.0 BREEAM ISSUES

The following issues are addressed in the Stage 1 design and demonstrate the credits likely to be achieved based on initial discussions with the project team and NHSH. These issues have been addressed and are to be progressed as the design develops:

3.1 Low Carbon Strategy

An holistic view has been taken on low carbon design influencing the architectural and building services strategies from inception; the key disciplines working together coherently to ensure a low carbon design solution is achieved reducing energy demand, improving energy efficiency and integrating low and zero carbon technologies:

- Passive design measures will be optimised using dynamic environmental modelling influencing the building fabric and building services performance and enhance the internal environmental conditions. The building will be predominantly naturally ventilated and will be designed to negate overheating and minimise the need for comfort cooling which will be refined and validated through the dynamic environmental modelling analysis throughout the design development;
- Low and Zero Carbon Technologies will be designed into the scheme to reduce the scheme's fossil fuel consumption and drive down carbon emissions and operational energy use. A LZCT options appraisal has been conducted at Hub Stage 1 to address the various options appropriate to the project. This will be updated throughout the design development. LZCT options have been considered and have been refined to key technologies for further more detailed analysis at Stage 2;
- High efficiency building service technologies will be specified to reduce energy consumption including energy efficient lighting, lighting control systems (presence

detection, photocell control for example, where applicable), ventilation, heating and cooling systems and zoning and control of separate areas. High efficacy lighting will be used externally;

- Energy metering systems will be linked to the Building Management System to ensure that all key energy uses and departments are monitored;
- Daylighting levels will be optimised and evaluated by dynamic environmental modelling;
- Badenoch & Strathspey: Energy efficient lift strategy will be implemented which incorporates high efficacy lighting, Variable Voltage Variable Frequency drive technology, standby mode and if relevant and demonstrates further energy saving, regenerative drive.

3.2 Management and Procurement

A sustainable procurement programme will be managed throughout the design and construction phases commenced at Stage 1:

- Sustainable consultation procedures are being sought throughout the pre-planning stages taking into consideration recommendations of key stakeholders and appointing additional professionals to support the design process;
- A Project Execution Plan will be set up to clarify all sustainability requirements and roles and responsibilities of the project team relating to sustainable design strategy;
- A Life Cycle Costing Analysis will be carried out at Stage 1 and updated at Stage 2, to demonstrate the life cycle costing of the scheme and various construction options and methods available to the project;
- Sustainable construction processes will be adopted during the construction phase including site pollution prevention measures, waste management plan. Energy, transport and water sue on site will be monitored and recorded by a site environmental manager, whose responsibilities will also include registering with the Considerate Constructor's Scheme and responsible sourcing of materials during the construction phase; and
- Commissioning, handover and aftercare support will be provided, which will include: commissioning all systems in line with current regulations and guidelines, appointing of an independent commissioning manager, training of the facilities management team and end users. These processes will ensure that the building services are optimised, flexible and delivered to end users so that the operational energy and environmental performance meets the design expectations. The provision of Building User Guides will enable the end users to use the building effectively and efficiently.

3.3 Environmental

Internal environmental conditions are to be optimised for comfort of the end users:

- Daylighting potential will be assessed and optimised, lighting systems will be zoned and controlled to encourage both end user/performance requirements whilst ensuring energy efficiency;
- Thermal comfort assessed and optimised, thermal systems will be zoned and controlled to encourage both end user/performance requirements whilst ensuring energy efficiency;
- Natural ventilation will be applied where applicable;
- An indoor air quality plan will be provided to ensure that the air quality is optimised during the testing and commissioning procedures and maintained following handover processes and in occupation;
- Low emission materials (low volatile organic compound products) will be utilised where possible. A programme of indoor air quality testing will be implemented pre-

completion and any remedial measures will be implemented by the Principal Contractor if required;

- Acoustic conditions will be designed in line with HTM08-01; and
- Safety and Security will be addressed on site with correspondence and recommendations from Police Scotland implemented and safe pedestrian and cyclist access prioritised integrating with the wider Royal Edinburgh Hospital Masterplan.

3.4 Transport

A Green Travel plan will be developed to inform the design of the scheme and enable the end users to engage with low carbon transport solutions. The travel plan will provide a series of measures which will be incorporated within the design:

- Cyclist facilities (cycle storage and changing facilities) will be prioritised to encourage green travel;
- Proximity to local amenities and public transport nodes will be assessed and routes across the site will provide ease of access to external nodes. It is recognised that a key limitation on the BREEAM assessment is due to the rural context of Aviemore and Skye and therefore the credits available will be limited.

3.5 Water

The project team will ensure that water efficiency measures are installed to reduce water consumption and carbon emissions associated with water use:

- Low flow sanitary fittings will be installed to core areas;
- Leak detection and prevention systems will be installed to minimise the risk of water leaks; and
- Water metering will be provided and linked to the Building Management System to ensure that key water uses and departments are monitored.

It is noted that sanitaryware in clinical areas will require high flow rates as an operational requirement, and therefore will not have flow restriction, therefore it is recognised that certain credits are not available to the project due to these clinical performance criteria.

3.6 Materials

The project team are seeking to reduce the scheme's environmental footprint and encourage a material efficient design:

- Low embodied energy materials and construction details will be specified where possible utilising the Green Guide to Specification A+/A rated constructions and finishes;
- Responsible sourcing of materials will be a requirement of the procurement process including the use of recycled aggregate material where practical, FSC/PEFC timber throughout and ISO 14001 and BES 6001 manufacturer's utilised where possible;
- Durable, environmentally resilient and robust materials will be applied to the internal and external design for durability; and
- The design will undertake material efficiency reviews at each key RIBA stage to ensure that construction materials are being optimised as the design develops.

3.7 Waste

The scheme will be designed to minimise, ensuring that it is future-proofed, adaptable and flexible:

- Construction phase site waste management targets will be set to reduce demolition, excavation and construction waste to landfill. The Principal Contractor will produce a Site Waste Management Plan and will aim to reduce the waste produced on site and

limit the waste going to landfill. Performance targets will be set in line with the BREEAM criteria;

- Areas will be provided for communal waste storage including an area dedicated to recyclable waste stream, and compostable waste;
- The scheme will be designed to ensure functional adaptability and flexibility of use; and
- The risks of climate change will be evaluated and the project designed to mitigate against potential future environmental impacts.

3.8 Land Use and Ecology

The landscaping and ecological strategy of the scheme will fit into the wider ecological settings and will look to introduce a diverse range of planting and ecological habitats appropriate to the area and in keeping with the Skye and Aviemore settings, encouraging a high quality external amenity:

- An ecologist has been appointed at the early design stages and surveys undertaken in order to establish baseline ecology conditions and constraints on development;
- Careful consideration will be made to the landscaping strategy minimising disruption to ecology and damage to the local environment;
- Ecological advice is being sought following on from initial ecological site surveys relating to the Masterplan design to identify ecological protection measures, minimise the loss of features of ecological value and identify possible enhancement opportunities; and
- The Principal Contractor will monitor site works from the perspective of ecological protection, training the site workforce in responsible construction practices. Timing of site clearance will avoid disruption to wildlife (specifically bird nesting season).

3.9 Pollution

- The developments will be aiming to minimise surface water runoff and reduce flood risk;
- External night time light pollution will be controlled to minimise the sky glow impact from the development; and
- Noise pollution to the surrounding area will be remediated against with professional advice of a qualified acoustician sought.

3.10 BREEAM Limitations

It is recognised that there are limitations on the overall BREEAM score due to site constraints and operational (NHSH) requirements. These will be further evaluated during Stage 2 and are likely to include the following issues:

- ***Indoor Air Quality – Air Pollution***. The strict requirements set by BREEAM in relation to internal occupied spaces and proximity to sources of air pollution mean that regardless of whether a natural or mechanical ventilation approach is adopted, it is unlikely that this credit can be achieved. Distance between air intakes and source of external pollution would need to be >10m and >20m in the respective solutions which is difficult to achieve in a scenario whereby vehicle movement in close proximity to buildings is an operational requirement (for example in the drop off areas and delivery areas);
- ***Indoor Air Quality – Volatile Organic Compounds***. Finishes (floor finishes, paints, wall coverings etc.) to be designed in line with low VOC and formaldehyde criteria. There is risk associated with this credit as certain finishes may be required by NHSH to satisfy performance, sterility etc. related hospital requirements;

- ***Energy Efficient Equipment***. Large scale health care equipment to be procured in line with the requirements of HTM 07-02 chapter 3.0. It is anticipated that this could be a risk item as clinical requirements may supersede the requirements of procuring equipment in line with HTM 07-02;
- ***Public Transport***. The initial evaluation of the site indicates that the distance to public transport nodes and low frequency of services will limit the number of credits under this issue, due to the rural context of Skye and Aviemore;
- ***Local Amenities***. Equally, local amenities within 500m of the two sites are limited and may limit the availability of this credit;
- ***Car Parking Capacity***. BREEAM awards two credits for limitations on car parking capacity based on a ratio of spaces per staff and bed space. This may conflict with NHSH and planning requirements for numbers of parking spaces. Therefore this credit is currently considered unachievable;
- ***Reuse of Land***. To achieve this credit, 75% of the new development and associated infrastructure and are standing would need to be situated on previously developed land. Due to the proposed sites being undeveloped and greenfield, this credit is unlikely to be achieved;
- ***Contaminated Land***: A credit is available for the remediation of contaminated land. It is currently uncertain as to whether or not the site is significantly contaminated and therefore until the results of the Site Investigation are solidified, this credit is at risk and assumed cannot be achieved at this stage. Therefore this credit is currently taken from the assessment and excluded from the rebased score;
- ***Ecological Enhancement***. To achieve these credits, there would need to be a positive increase in ecological value from the pre-development to post-development site context. Due to the nature of the existing site and level of hard standing required for the proposed schemes, it is unlikely that ecological enhancement credits will be achieved. It should be noted that at Stage 1, ecological surveys have been conducted and design advice will be provided to protect and optimise proposed ecology where possible, to reduce the impact on the ecological environment; and
- ***Recycled Aggregates***: A credit is awarded for the use of recycled aggregate within high grade aggregate uses across the site (from sub-base to floor slabs). This credit is currently uncertain and unlikely to be achieved due to the availability of recycled aggregate within 30km being uncertain and crushed aggregate from demolition works not available in the construction. There must be a readily available source of recycled or secondary aggregate for concrete mixture. There is risk associated to the availability and structural integrity of this solution. This credit is currently omitted from the 'rebased' score pending further investigation.

4.0 CONCLUSION

Badenoch & Strathspey and are to be assessed with the BREEAM 2014 New Construction Healthcare methodology. The schemes are to deliver a high a BREEAM score as is pragmatic and it is the aspiration to achieve BREEAM Excellent in line with the ACR's.

The project is committed to achieving a rebased score of 70% of the available credits and will seek to optimise the BREEAM score throughout Hub Stage 2 as the designs of the schemes progress.

At the pre-assessment stage, the schemes are set to achieve the following scores:

- Badenoch and Strathspey: 60.57%
- Skye, Lochalsh & South West Ross: 59.67%

Additional credits have been identified by the project team which may be achievable as the design progresses. Various uncertain credits have also been identified at Stage 1, the status of which will be evaluated during the course of the Stage 2 designs. The potential and uncertain credit options total 20.09%, which will provide the project team with an opportunity to improve the BREEAM score as the design progresses.

During Stage 1, a BREEAM workshop was held to ensure that the design of the schemes are on course to achieve the BREEAM rating required, and the scores optimised to improve beyond the 60% baseline, approaching a score of Excellent.

Appendix 17 – Stage 1 Acceptance

NHS Highland

Estates Department
Assynt House
Beechwood park
Inverness
www. nhshighland.scot.nhs.uk

29 January 2018

hub North Scotland Limited
11 Thistle Place
Aberdeen
AB10 1UZ

Dear Sirs

Badenoch & Strathspey and Skye Lochalsh & West Ross Community Hospitals and Services Redesign – Stage 1 Approval

We, as NHS Highland (NHSH), refer to (i) your Stage 1 Submission comprising the draft version of the stage 1 submitted on 13 October 2017 and the subsequent addendum submission approved by the hub North Scotland Limited (hNSL) Board and notified to NHS Highland on 16 January 2018; and (ii) the Territory Partnering Agreement entered into by you and us dated 04 Feb 2011.

Subject to the items noted below, we confirm that we approve your Stage 1 Submission.

1. hNSL will programme a strategy for recovery in Stage 2 to bring the as-drawn gross internal floor area (GIFA) back within the floor area detailed in the NPR dated 11 May 2017. NHSH will explore clinical / support accommodation savings in tandem with the above, but all the while ensuring that the briefed Schedule of Accommodation meets service delivery requirements.

2. hNSL will agree with NHSH a realistic programme for delivery of stage 2 based on risk and design freeze. The current programme proposed by hNSL is considered unrealistic as the stage 1 submission did not meet the design requirements of the NPR, particularly on Skye, Lochlash & South West Ross design.

3. The stage 1, as it currently stands, looks at affordability from a CAPEX perspective. In developing their stage 2 submission hNSL will work in partnership with NHSH, ensuring that the whole life costs of the project and ongoing revenue costs associated with this are affordable to the organisation, and are within the limits set in the OBC.

4. hNSL will be required to demonstrate that FM, LCC and operational energy costs are affordable and demonstrate value for money to NHS Highland. These are largely driven by GIFA and therefore FM and LCC costs must be constantly monitored against actual GIFA and maintained as afar as possible within the budget envelope provided in the NPR and communicated regularly at present day costs in the lead up to Financial Close;

   Aviemore £22/m2 per annum (FM) : £21/m2 per annum (LCC)
   Broadford £25/m2 per annum (FM) : £23/m2 per annum (LCC)

5. hNSL will provide a risk strategy (including a value engineering schedule) to fully manage area, change control, programme and cost. hNSL will work with NHSH to manage the inflation risk up to financial close, recognising the £30.58m affordability cap set at NPR. We recognise that the quantified risk register and the valued risk in the Stage 1 are not comparable and this must be addressed. In addition, mitigation measures for eliminating cost increases to energy, FM and LCC should be advised in the monthly update of the risk register and a partnering approach to mitigation made central to this approach.

We now request that you provide further Project Development Partnering Services to proceed regularly and diligently to develop the Stage 1 Approved Project into Stage 2 Submission, ensuring this meets the criteria set out in points 1-5 above.

Terms used herein have the same meaning as given in the TPA unless otherwise indicated.

The terms of this letter are subject to you indicating your acceptance of them by signing each of the two (2) enclosed copies and returning one to us at the address above.

Yours faithfully

Signed for and on behalf of **NHS Highland**

By .....

Full Name .....

Authorised Signatory, at .....

On the .....day of 2017

in the presence of:

Witness .....

Name .....

Address .....

.....

Signed for and n behalf of **hub North Scotland Limited**

By .....

Full Name .....

Authorised Signatory, at .....

On the .....day of 2017

in the presence of:

Witness .....

Name .....

Address .....

.....

Appendix 18 – National Design Assessment Process Report

NHSScotland Design Assessment Process

Project No/Name:	HL03 & HL04 / Badenoch & Strathspey and Skye, Lochalsh & Wester Ross Community Hospitals
Business Case Stage:	OBC
Assessment Type:	Desktop
Assessment Date:	February 2018
Response Issued:	27 Feb 2018 v0.3 (verified 21 Mar 2018 v1.0)

Introductory Notes

This report is based on information received from the project team through Dec 2017 to Feb 2018, and meetings on 18 Dec 2017 to 8 Feb 2018 for HUB stage 1 OBC submission (approx. RIBA Stage 2 or C), received from NHS Highland. This report is based on drawings from Dec 2017 (not layout updates received 23 Feb 2018). We note that only part of the recommendations for engagement given in the IA stage report, and described in the Board's own self-assessment process (DS 5), have been actioned by the Board to date. Therefore we require the evidence at OBC stage that the essential recommendations noted below will be carried out.

We welcome and recognise the commitment to overall design quality and sustainability from the Board and delivery team on both projects. The recent 23 Feb 2018 plans already demonstrate key improvements, but this effort requires to be continued into the next stage of development. The relatively small scale and high on-costs related to location of both these projects, mean particularly close attention to flexibility and efficiency will be key to a high quality, sustainable solution.

Joint Statement of Support

Having considered the information provided, Health Facilities Scotland and Architecture & Design Scotland have assessed the project and consider that it is of a suitable standard to be

SUPPORTED (verified)

With the following recommendations:

Essential Recommendations

1. That for both developments, the design of the wider landscape be developed to better support accessibility, wayfinding to the entrance and community use of the grounds for health promotion. Further details in relation to each facility are included in the appendices.

2. That for both developments the internal layout be developed in the following respects to bring a comparative level of cohesion and quality to the user experience as is currently evident in the external articulation of the building:

i. Nature of waiting areas to provide the range of environments needed to cater for different personal needs. We suggest the team look at examples such as Eastwood Health and Care Centre for standards being achieved elsewhere within affordability constraints.

ii. Arrival and circulation within departments to provide an appropriate welcome to these, e.g. wards; with informal accessible spaces to enable people to be active, socialise and orientate them. We suggest looking at the new Dumfries and Galloway Royal Infirmary for learning on staffing model and the environmental standards being achieved elsewhere within affordability constraints. Further details for each facility are in the appendices.

iii. Check the design location and capacity of sanitary and changing facilities across each facility to enable both accessibility and efficiency e.g. toilets, DSR, utility, disposal, changing.

iv. That the client and delivery teams develop the circulation strategy and routes to better enable safety, security, privacy/dignity and resilience. Particularly for Skye, where 3 stairs, 1 bed lift and 1 small passenger lift require to accommodate all vertical movements, e.g. emergency, out/ in-patients, visitors, staff, all FM supplies, waste and the deceased.

v. Following on from iv ; both facilities to further develop mortuary facilities per new SHPN 16-01. These should include refrigerated body storage and viewing / visitor facilities.

3. That the client and delivery teams ensure that the facilities for service and support areas are not decreased in material quality as facility efficiency means these are placed adjacent to patient entrances and public routes, therefore a reduced functionality would impact the initial impression of the service for all, and nature of arrival for the most vulnerable people, to a level below that benchmarked.

4. That the client and delivery teams ensure the design of the timber cladding is developed to ensure a robust case for its use and that any risks are understood and managed through detailing and operational procedures. For the avoidance of doubt we are supportive of the use of timber cladding on such low rise developments, and concerned for the impression of the developments if this was to be removed from the proposal.

5. That for both developments, the technical design be developed considerably to better support the safety, sustainability and engineering requirements, in a holistic design. We support the initial principles proposed e.g. sprinklers, natural ventilation, cold water system . Further details in relation to each facility are included in the appendices.

Advisory Recommendations

We recommend that the Board:

- Develop the proposals to take account of the Advisory Recommendations as noted within Appendices of this report

Notes of Potential to Deliver Good Practice

- The massing and external articulation of the developments provide a welcoming and non-institutional impression that responds to local traditions, landscape and climate in a creative manner. The qualities shown in the 3D renders should not be lost though the design development noted above, but enhanced and extended.

Next Stage Processes

Next Actions at Current Business Case Stage

The Board are invited to provide the evidence described below to allow the NDAP to verify the **SUPPORTED** status to the CIG. Please indicate your intentions in this regard by 19 March 2018. to susan.grant7@nhs.net, and the anticipated timescale for submitting amended information.

- Letter confirming the Health Boards position, and a commitment to develop the designs in accordance with the recommendations in this report
- If we do not receive a notification of your commitment by the above date, the report will have the status amended to UNSUPPORTED and be automatically forwarded to the CIG.

VERIFICATION CIG (to be completed once above has been received and considered):

The above evidence was received and conditions discharged on …16 Mar 2018

A Copy of NHS Highland letter/evidence in this regard is attached. The above **SUPPORTED** status is therefore **VERIFIED**.

Signed ……Susan Grant……. Dated ……21 Mar 2018……..

Process at Next Business Case Stage

- Early FBC review of developed designs addressing the recommendations in this report prior to submission to Planning to allow an updated report to be provided to support the application into the Local Authority.
- Ongoing engagement with HFS regarding development of detailed proposals to ensure consensus is reached on any derogations etc and FBC submission can be supported.
- Desktop review and report at FBC

Notes on Use And Limitations To Above Assessment

The above assessment may be used in correspondence with the Local Authority Planning Department as evidence of consultation with A&DS **provided the report is forwarded in its entirety**. A&DS request that they be notified if this is being done to allow preparation for any queries from the local authority; please e-mail health@ads.org.uk . If extracts of the report are used in publicity, or in other manners, A&DS reserve the right to publish or otherwise circulate the whole report.

Any Design Assessment carried out by Health Facilities Scotland and/or Architecture & Design Scotland shall not in any way diminish the responsibility of the designer to comply with all relevant Statutory Regulations or guidance that has been made mandatory by the Scottish Government.

Appendix A : HL 03 Badenoch & Strathspey Community Hospital

The main design moves are sound and show potential for a good facility to be realised. There are, however, some further developments and refinements needed for the project to meet the quality benchmarks established for it.

ESSENTIAL RECOMMENDATIONS

A1. Site and Landscape

The building and parking are shown as nestled sensitively among existing trees. As the landscape proposals are developed it is important that the following aspects are resolved whilst maintaining this setting and protecting the viability of existing trees from root-ball disturbance as levels are changed:

1.1 For members of the public coming from the west, through the underpass, the ward/ambulance entrance is much more visible than the main entrance, and the footpaths indicated do not follow desire lines. The design of levels, planting and the line of pedestrian routes should provide much clearer visual definition and focus on the route to the entrance, and screen the view to the secondary entrance .

1.2 The 'service road' visually dominates the arrival sequence from the north, with the patient route to parking shown as a hard left turn which takes you to an areas that can't see the entrance as well; the direct route to the entrance is shown as one way in the opposite direction, and changing the circulation to anti-clockwise (counter intuitive for most drivers) would mean that traffic flows would cross and people would get out of taxis and busses on the wrong side of traffic. In addition, the use of a roundabout to split parking and service traffic reduces accessibility for pedestrians as they must cross multiple traffic streams that are designed to be moving quickly. Similarly, wide radius kerbs are shown within the parking areas increasing traffic speed where pedestrians are trying to access the facility.

To meet the standards given in Design Statement (DS) section 1.2, we recommend a 'designing streets' approach be used for the road, parking and junction layout to support patient/visitor wayfinding and access. Also, the pedestrian route from parking be developed to ensure pedestrian priority along desire lines to the entrance.

1.3 The space between the FM buildings and the ward/ambulance entrance will be used for all discrete patient arrivals, discharge, and day trips. It is therefore important that this area - the hard landscaping and built elements - is designed to read as a public space, not a service yard and rear entrance.

1.4 There is the potential to reduce the investment in roads/pathways and improve the patient and visitor experience by bringing the public path (shown between the FM area and the railway) into the site and combining it another north/south route (past the second entrance or alongside the steam railway) that is provided for service users and their families to access the landscape to the south, aiding integration with the wider community. Careful specification of elements such as the turning circle using porous/rural finishes could allow the functionality for vehicles as needed whilst providing a more attractive space and outlook from the wards and reducing the chance that the space will become filled with ad-hoc parking and bins.

1.5 The Therapy garden is the only external space shown for outpatients, and could be accessed only from therapy rooms, severely constraining its availability for informal use by outpatients (benchmarked in DS 1.4), visitors or by the community for health promotion. The setting of the building offers opportunities for developing

the space for a range of respite, therapeutic and health promotion uses and this should be developed and shown prior to the submission for planning.

A2. Building Layout

The predominantly narrow plan form, with wings aligned roughly north/south offer a high potential for natural ventilation and lighting, and areas that are deep plan are single story enabling top lighting. This approach should enable reduced energy use. Further development of elements of the plan are needed to ensure that the benefits of this form are realised in the patient experience and the standards established are met.

2.1 Many of the consulting and treatment rooms in the northern wing are likely to have blinds permanently shut due to concerns of privacy from adjacent access routes (contrary to DS 2.7). Rearranging the rooms in this area and realigning the access route would reduce the number of rooms where this is an issue.

2.2 The waiting area is described as a single internalised space with large rooflight over it (needed for daylight), creating a concentrated atmosphere with few options for external views or other positive distractions. This area needs significant development to provide the range of spaces needed for different users (DS 1.4), appropriate audio separation for sensitive discussions at the reception (DS 1.3), and access to useable external space (DS 1.4); plus views of areas for pick-up.

2.3 The reception and waiting area between therapy and the ward is largely internalised, with little daylight or opportunities for views. This should be developed and opportunities to incorporate rooflights in the deep plan area taken.

2.4 The ward layout is dominated by long featureless corridors and the one social space is distant from many rooms and not visible from the western corridor (contrary to DS 1.8). This is unlikely to encourage residents to venture out of their room if they feel unsure they can walk both there and back again if the room is being used for something they're not interested in. The layout should be developed to provide more informal social spaces and improved visual connection between areas to enable residents to understand what is going on and venture as far as they feel able.

2.5 We understand the team are looking at bedrooms having access to adjacent gardens (although not yet shown on plans) and these should be retained allow people, as appropriate, to get fresh air and exercise conveniently, and improve opportunities for social interaction. The covered external areas to the south offer a good opportunity for sheltered access.

2.6 Develop further Equality and accessibility proposals, in conjunction with an efficient and sustainable layout and interior design, e.g. NHS Repeatable Rooms for bedroom/ ensuite and consulting/ exam rooms. Also, check the design, location and capacity of sanitary and changing facilities e.g. toilets, DSR, utility, disposal, cubicles.

2.7 Develop further the circulation strategy and routes to better enable safety, security, privacy/dignity and resilience; e.g. emergency, out/ in-patients, visitors, staff, all FM supplies, waste and the deceased.

A3 Architectural expression

The design approach taken and illustrated in 3D renders is supported. Our recommendations therefore relate to maintaining this standard.

3.1. The client and delivery teams should ensure that the building envelope for service and support areas are not decreased in material quality as these are placed adjacent to patient entrances and public routes, therefore a purely functional

envelope would impact the initial impression of the service for all, and nature of arrival for the most vulnerable people, to a level below that benchmarked.

3.2. The client and delivery teams should ensure the design of the timber cladding is developed to ensure a robust case for its use and that any risks are understood and managed through detailing and operational procedures. For the avoidance of doubt we are supportive of timber cladding on such low rise developments, and concerned for the impression of the developments if this was to be removed from the proposal.

3.3. The client and delivery teams to develop their SCIM Therapeutic & Accessible Design Strategy (TADs) and embed this and intuitive wayfinding into both projects.

Appendix B : HL 04 Skye, Lochalsh & Wester Ross Community Hospital

The steep, exposed site has posed some difficult challenges, and the chosen deep plan, two storey response has limited access to daylight and views and will require a higher consideration on safety, accessibility, ventilation and lighting design and operation risks.
ESSENTIAL RECOMMENDATIONS

B1. Site and Landscape

The building has an enviable setting with outstanding views over the loch. Prevailing winds have resulted in the entrance facing those views, and therefore not being visible on arrival by road. Wider landscape had not been developed in the proposals, a Landscape Architect having only recently been appointed, and therefore the following elements require development prior to the submission to planning.

1.1 There is a pedestrian desire line from Broadford along the shore road and up to the facility. This should be designed into the proposals and opportunities identified for use of the substantive area of ground closer to the shore for health promotion and/or other community uses (DS 4.1).

1.2 On approaching from the road the building design uses features to signal its use from a distance, but as you get closer the ward/ambulance entrance is visible where the public one is not and this could cause confusion particularly at night where a lit entrance will be a strong draw. The design of landscape to screening views to the secondary exit combined with enhanced lighting and other features to draw patients/visitors to the public entrance will be important in reducing the occurance of mis-presenting patients, particularly considering the number of visitors to the island who may not be able to read signage.

1.3 The space between the FM buildings and the ward/ambulance entrance will be used for all discrete patient arrivals, discharge, and day trips. It is therefore important that this area - the hard landscaping and built elements - is designed to read as a public space, although a secluded one, not a service yard and rear entrance.

1.4 The steep site limits the opportunity for at grade access to external spaces, though a couple of small balconies have been shown (below the standard in DS 1.7). Additional opportunities of areas of flat roof and recessed areas at the ground floor to be developed to provide additional space for residents/inpatients, external space for staff (DS 2.6) and related to waiting areas (DS 1.4 & 3.2).

In addition, plans to improve the safety and reliability of the public access road to be described so that decisionmakers can understand the extent of any residual risks in increasing the loading on the narrow lane (DS 1.1).

B2. Building Layout

The deep plan, with inpatient areas on the upper floor, means that users of this facility will have more limitations on their environment than those using the Aviemore facility. Further development of the design is needed to mitigate the impacts of the chosen plan form and bring the facility closer to the quality standards benchmarked.

2.1 The proximity of access routes to treatment suites is to mean these rooms are run with blinds shut due to concerns of privacy (contrary to DS 1.5) severely impacting the experience of the treatment as the calming nature of views would be lost. If at all possible, the location of this room in the plan should be amended to put it in a more private location. If this is not possible, the layout of the room (we

suggest contacting the team for the ANCHOR centre in Aberdeen for learning on this and to see the standards being achieved for patients elsewhere), the location and form or windows and design of the adjacent landscape and levels require very careful development to mitigate the conflicting needs of those undergoing treatment who may be in a vulnerable condition, and those accessing the facility.

2.2 The relationship between Outpatient areas and the Ward requires significant development so that arrival on the ward using the lift or stairs is an equally welcoming experience (currently the lift is shown arriving in a corridor not by a nurses station) with daylight and views to someone to help. Further that this space be screened from noise etc from the public waiting area immediately below so that inpatients can use the space 24/7 without disturbance.

2.3 The ward layout is dominated by long featureless corridors and the one social space is distant from many rooms and not visible from the northern corridor (contrary to DS 1.7). This is unlikely to encourage residents to venture out of their room if they feel unsure they can walk both there and back again if the room is being used for something they're not interested in. The layout should be developed to provide more informal social spaces and improve visual connections, to enable users to understand what is going on and venture as far as they feel able. Further, the flat roof area to the south should be developed into a garden accessible from the ward to provide some of the amenity for residents described in DS 1.7. The north facing terrace, overlooking the FM area (contrary to DS 2.4), appears to offer little useful amenity.

2.4 Staff areas and rest rooms shown separated (contrary to DS 2.2) to be resolved.

2.5 Mortuary shown as single room (contrary to SHPN 16-01) to be resolved.

2.6 Develop further Equality and accessibility proposals, in conjunction with an efficient and sustainable layout and interior design, e.g. NHS Repeatable Rooms for bedroom/ ensuite and consulting/ exam rooms. Also, check the design, location and capacity of sanitary and changing facilities e.g. toilets, DSR, utility, disposal, cubicles.

2.7 Develop further the circulation strategy and routes to better enable safety, security, privacy/dignity and resilience; e.g. emergency, out/ in-patients, visitors, staff, all FM supplies, waste and the deceased. Plans show 3 stairs, 1 bed lift and 1 small passenger lift to accommodate all vertical movements, but access is very constrained. We also require evidence of scenario testing, e.g. bed lift fails; and coordination with the Fire strategy.

B3 Architectural Expression

The design approach taken and illustrated in 3D renders is supported. Our recommendations therefore relate to maintaining this standard.

3.1. The client and delivery teams should ensure that the building envelope for service and support areas are not decreased in material quality as these are placed adjacent to patient entrances and public routes, therefore a purely functional envelope would impact the initial impression of the service for all, and nature of arrival for the most vulnerable people, to a level below that benchmarked.

3.2. The client and delivery teams should ensure the design of the timber cladding is developed to ensure a robust case for its use and that any risks are understood and managed through detailing and operational procedures. For the avoidance of doubt we are supportive of timber cladding on such low rise developments, and concerned for the impression of the developments if this was to be removed from the proposal.

3.3. The client and delivery teams to develop their SCIM Therapeutic & Accessible Design Strategy (TADs) and embed this and intuitive wayfinding into both projects.

Appendix C : HL 03 -04 Technical design principles

The main design moves are sound and show potential for a good facility to be realised. There are, however, some further developments and refinements needed for the project to meet the standards established for it.

ESSENTIAL RECOMMENDATIONS

C4. General

4.1 Quality - Board to complete and record as early as practicable the project self assessments and community consultations for this design stage, including AEDETs and Design Statement section 5.

4.2 Equality Act - Confirm Equality Impact Assessments undertaken, i.e. independent/ community reviews (SDEF / DSDC); plus HFS HBN 08-02, DDA & Dementia checklists, and BS 8300-2018 (HFS email 11/01/18)

4.3 Acoustics – develop brief, design and equipment procurement to optimise where practicable, privacy, dignity and equality considerations, e.g. staff bases, alarms, bins. In particular evidence practical proposals for: both projects' main waiting/ reception; Skye's maternity facility, adjacent to main entrance.

4.4 Safe Place – provide location, route & details of designated 'safe place' proposals.

4.5 Brief - Confirm current ACR version; plus any derogations to NHS guidance, with technical reasons for each and if each deviation meets or exceeds current guidance.

C5. Fire and Safety

5.1 Fire strategy - report to be developed on both projects. Develop fire layout, spec etc. Plus review to ensure safe evacuation routes away from fire, are operationally achievable from all clinical spaces, e.g. Skye's treatment bay >15m single direction. Skye current two storey proposal, with a central void/ atrium in centre of ward has higher safety risks and needs further development to evidence safety and resilience. (ACR – Board to confirm requirement of 'insurance agent' consult clause)

5.2 Sprinkler system in both projects due to geography risk, is welcomed in principle; but this requires development in line with 4.1 in order to assess optimal specification.

5.3 External envelope will be part of fire risk assessment, and we welcome a non-combustable cladding development and specification.

5.4 We understand HAI SCRIBE risk assessments were undertaken in this stage. Workshops should be ongoing as the design and operational models develop.

5.5 Security strategy –to be developed and coordinated with Fire strategy & TADS.

C6. Engineering

6.1 M&E proposals broadly welcomed in principle, but considerable development required early in next stage for both projects, to ensure decision making based on realistic DSM with realistic assumptions and whole life costing, see C7 below.

6.2. Electrical services – develop more realistic proposals, e.g. NOT 25% expansion; diversity NOT 100%; max. Demand NOT 65 W/m^2 (HFS 20/02/18 email: 20-30 W/m^2)

6.3 Mechanical services – develop nat vent proposals etc. with C7 realistic DSM to evidence not overheating. Confirm ACR for Aviemore & Skye realistic, (Highland

Council's temp rec'n: -15 °C Aviemore; but -5°C Skye). Add TM52 all 3 criteria; PLUS TM59 for bedrooms.

6.4 Water services – develop proposals; welcome stainless steel. Hot- 2hr recovery storage calorifiers: why not point-of-use?. Cold- welcome non-chiller proposals, i.e. legionella control via distribution design, water temp, regular flow and evidenced by C7 DSM. Confirm water tank size, based on realistic use –NOT rules of thumb.

C7. Sustainability

7.1 Sustainable - We welcome NDTH Section 6: pass; & BREEAM target score: ≥70%; final ENE-01 target will be agreed following 7.2 assessments. BRUKLs still required for both projects.

7.2 Sustainable design report - Supply and confirm accurate DSM and assumptions. Use 2020 High DSY or nearest equivalent for local weather, (use Glasgow for future adaptability), accurate operational hours and actual design proposal data are used to create a realistic thermal and energy dynamic simulation model (DSM) to test fit-for purpose and VfM, this is in addition to NDTH NCM model. (SFT HUB Guidance Note 09/14. 06/14. Part 6; plus HFS's IES & Mabbett DSM exemplar reports on healthcare).

7.3 Sustainable operation - Supply and confirm accurate TOTAL kWh/m2 (incl non-regulated). Target TBC by early FBC, but expect improvement on ex community hospital medians: Elec 91 kWh/m^2 and Thermal 287 kWh/m^2 (HFS 20/02/18 email)

7.4 Energy source – neither site has access to natural gas. Early in next design stage, further consult and explore LPG heat pump as alternative to LPG CHP proposals, for better sustainability & VfM. Also explore fuel storage periods.

7.5 Resilience - explore key life safety equipment for resilience, e.g. Lift design; smaller lift sized for SAS stretcher use, also confirm spec for 'fire evacuation bed lift'.

7.6 Waste & Drainage – provide strategy on public sustainability duties, e.g. SUDS;

ADVISORY RECOMMENDATIONS

i. That for both developments, the technical design be further developed to confirm best value and sustainability is optimised, and tested for future clinical and climate adaptability options.

ii. M&E - We recommend early development of ERM and commissioning documentation. We recommend team confirms adequate plant/duct space, in correct location, for replacement / updating future services.
We recommend all services pipework e.g. heating, hot & cold water, follow SHTM 04-01 & recent Estates & Facilities Alerts.

iii. Energy & Sustainability - To ensure VfM, sustainability targets, and continuous improvement, we recommend the Board's contract ensures FM provider will annually:

- review actual electrical and gas demand figures for each year of operation and update contract with provider, to minimise operational costs to Board.
- review energy performance for each year, provide an improvement report to minimise operational costs/ actual energy use to Board
- prominently display agreed NHSScotland Display Energy Performance (NDEP) annual certificate, or agreed equivalent (e.g. DEC), showing table comparison in kWh/m^2 to design model targets & NDAP benchmarks (· below), plus the trend of actual energy used, over min. last 3yr period of contract.
- NDAP benchmarks for this project: TOTAL 280 kWh/m^2 (Elec. 90; Thermal 190 - based on 25% improvement on HTM07-02 benchmarks) – to be confirmed prior to FBC submission.

NHS Highland

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Dear Susan,

HL03-04 BADENOCH & STRATHSPEY AND SKYE, LOCHALSH & SOUTH WEST ROSS NDAP AT OBC STAGE

Thank you for your email of 27th February 2018 attaching the final draft NHS Scotland Design Assessment Process (NDAP) OBC report in respect of the above project bundle.

NHS Highland are indeed committed to working with Health Facilities Scotland and Architecture & Design Scotland to ensure that the issues in the NDAP report are resolved as early as is practicable during the FBC stage. I am also confident that sufficient risk allowances are in place. I note that the report is based on the design information presented in December 2017 and I am pleased to see that you consider that the plans presented on 23rd February 2018 demonstrate improvement.

We are working with the hub North Scotland Ltd (hNSL) design team in respect of the architectural and engineering work streams to ensure that the issues raised within the report are closed out. An NDAP action tracker is being produced and will be shared with you to keep you informed of progress. I understand that further discussion is required with NDAP colleagues with regard to the engineering solutions and we will be back in touch to arrange a mutually suitable date for this.

In respect of the essential recommendations included in the body of the report I have attached a summary table providing an update on progress, to be expanded on in the returned NDAP action trackers.

The completed Design Statement and AEDET self assessments for Badenoch & Strathspey and the Design Statement self-assessment for Skye, Lochalsh & South West Ross are attached for reference. Unfortunately poor weather led to us rescheduling the Skye AEDET part of the workshop and this will take place on 6th April.

I hope this is sufficient at this stage to confirm a "supported" status but please come back to me should you require further information.

Yours sincerely

Diane Forsyth
Senior Project Manager

Summary of initial NHS Highland Response to Essential Recommendations of NDAP OBC Report

Table 1 NHS Highland response to NDAP Recommendations	
NDAP Recommendation	**NHS Highland response**
Design of the wider landscape to be developed to better support accessibility, way finding to the entrance and community use of the grounds for health promotion.	Detailed site design is being progressed as part of hub stage 2 development and will be available by the end of March. Key stakeholders being consulted on the design include the local access panels, community and voluntary groups. Space will be identified at both sites for therapy and/or community use gardens and the paths on the site will be designed to link with local walking and cycling routes.
Internal layouts to be developed to bring cohesion and quality to the user experience; • Waiting areas to provide a range of environments to cater for different needs • Arrival and circulation routes to provide appropriate welcome with informal accessible spaces • Check design location and capacity of sanitary and changing facilities • Develop circulation strategy to better enable safety, security, privacy/dignity and resilience • Develop mortuary facilities as per SHPN16-01	The internal layouts have progressed since the initial meeting on 18th December 2017 and have been developed to incorporate much of the feedback received. The detail of this is now being developed, appropriate to this point in the hub stage 2 process. We are seeking to develop reception and waiting areas that sensitively manage the variety of groups that will use the space. We have visited Eastwood Health and Care Centre (EHCC) which is an excellent example; however in the B&S and SLSWR designs we do need to take into consideration that the scale of the waiting area is similar to the AMH waiting area only in EHCC. A changing places WC will be provided in the new SLSWR facility as there are none available locally. As discussed in relation to the B&S facility, further information shall be provided on the current changing places WC in Aviemore Community Centre. The mortuary facilities at both sites will include a body store, viewing room and nearby accessible WC in line with SHPN16-01.
Ensure the facilities for service and support areas are not decreased in material quality and do not impact the initial impression of the service for all.	We are developing the design to ensure the material quality and impression is consistent throughout. This will ensure all building users will experience the arrival and progression through the building in a similar manner regardless of which form of arrival or departure is taken.

Table 1 NHS Highland response to NDAP Recommendations	
NDAP Recommendation	**NHS Highland response**
Ensure the design of timber cladding is developed to ensure a robust case for its use and that any risks are managed through detailing and operational procedures	Noted. Although the decision to wrap the building in timber has been based on a number of factors, one factor why we have specified the timber is that it offers the material lifespan that is required by the ACRs and there is a limited material palette that can achieve the lifespan required.
Technical design to be developed to better support the safety, sustainability and engineering requirements	The design team will take account of NDAP feedback during stage 2 design development. NHS Highland are in the process of considering the recommendations made in respect of technical design and will agree a joint strategy with NDAP and hNSL.