Outline Business Case

The Modernisation and Re-design of Health and Social Care Services in South West Ayrshire

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Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

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THE TITLE OF THE PROJECT

The title of the project described in this Outline Business Case will, for purposes of the Capital Plan and Monitoring returns, be known as "**Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"**

1 EXECUTIVE SUMMARY

1.1 Purpose of the Project

1.2 The purpose of the project is to realise the fullest possible benefits to patients that are already beginning to occur as a result of changes in the way in which health and social care is delivered to the people living in the area of South Ayrshire that surrounds Girvan.

1.3 The underlying aims are to continue the redesign of services from a patient's point of view. Health and social care services will be shaped around the needs of patients and clients through the development of partnerships and co-operation between patients, their carers and families and NHS staff; between the local health and social care services; between the public sector, voluntary organisations and private providers to ensure a patient-centred service.

1.4 Overall, the project aims to substantially increase the delivery of care locally, including conditions which have traditionally required admission to an acute hospital, to the population of the area surrounding Girvan.

1.5 The key components of the redesigned services are:

Preventative Care and Promoting Wellbeing

1.6 Services will continue to be redesigned to help local people adopt healthier lifestyles by creating easier access to advice on diet and exercise, helping patients manage their medicines and maintaining the health and independence of those living alone. Registers of those at greatest risk from serious illness will be maintained so that they can be helped to prevent the onset or increase of disease.

Self Care

1.7 The frontline in health care and the maintenance of peoples' well being in the home. Most care starts with people looking after themselves and their families at home. Local services will focus on being a resource which people can routinely use every day to look after themselves. Easily accessible information on a wide range of conditions will be provided through a range of media and technologies. Similarly, services will be designed to provide seamless and easy access to patient and self help groups.

Chronic Disease Management

1.8 Programmed chronic disease management and secondary prevention services for a range of conditions including asthma, diabetes, hypertension, chronic obstructive pulmonary disease and coronary heart disease will be provided in the local area. These services will improve the health and well being of large numbers of chronically ill people and more effectively manage demand by preventing unnecessary admission to acute hospitals or residential care.

Primary Care

1.9 Primary care services will be designed as a one-stop gateway to healthcare. People who live in this isolated rural community are generally disadvantaged by its remoteness, the age structure of the population, relative socio-economic deprivation and high levels of those chronic and life threatening illness that are the target of Government health policy initiatives. The project will militate against this by providing access for all patients and clients to an appropriate range of modern, integrated health and social services delivered from local buildings suited to contemporary needs and with good access to more specialised services when these needs cannot be met locally. Twenty-four hour medical care will be available through a combination of the local GPs in hours and NHS Ayrshire Doctors on Call (ADOC) out of hours. Local GPs will work in a team from modern multi-purpose premises alongside nurses, pharmacists, dentists, therapists, opticians, midwives and social care staff. The consulting room will become the place where appointments for outpatients and operations are booked, test results received and diagnosis carried out using video and tele-links to hospital specialists where clinically appropriate. An increasing number of consultants will provide outpatient sessions in the local primary care facility.

Hospital Care

1.10 Local hospital care will concentrate on maintaining and restoring independence and on rehabilitation. It will be a bridge between primary and secondary care – blurring the boundaries through new ways of working and by providing a focal point in the "joined up" service where patients move along tailored pathways with no discernible divide between the different elements of health and social care. The new hospital service will be a mix of GP, nurse, therapist and consultant led service with a new generation of staff applying an appropriate mix of skills in both hospital and community settings. Electronic patient records and greater use of new technologies including near patient testing will support this new

environment as will fast access to diagnostic and pathology services with a specific focus on effective interventions. One of the overall aims of the project is to build on and expand the substantial amount of inpatient care which is already provided in the Davison Community Hospital in Girvan, which traditionally would be provided in a District General Hospital.

Programmed Investigation & Care

1.11 Programmed investigation and care, aimed at maximising the services provided locally, will be developed through innovative clinical protocols, tailored staffing policies and the ability to take full advantage of digital technology. Wherever possible, an investigation and treatment option will be provided which is attractive to patients. This will require services to be tightly organised around the needs of patients including minimising the number of attendances at hospital or clinic.

Social Work

1.12 Delivering the change that agencies in South Ayrshire have recognised as necessary to provide seamless care including:

- Single shared assessment procedures for older people and for those with dementia.
- Joint discharge/rapid response teams.
- Intensive home support/ Community Integrated Care Team.
- Information sharing and integration.
- Better focused and effective equipment service.
- Targeted occupational therapy services.

1.13 Service Objectives of the Project

1.14 The service objectives of the project are to:

- Enable provision of a wide range of improved services which are adequately resourced with access to an appropriate skill mix.
- Create access to buildings which have the capacity and flexibility to enable the provision of services needed now and in the future.
- Create access to modern buildings which facilitate ease of operation and achievement of national standards.
- Foster high levels of patient satisfaction through services which are designed to be patient centred.
- Promote high levels of staff satisfaction and successful staff recruitment and retention.
- Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.
- Create access to a focal point for services and information which gives a positive impression of the care provided and enables holistic care and health improvement.
- Create access to a range of services locally which minimises travel outwith this community.
- Enable the provision of services and introduction of new ways of working so as to meet the Government's modernisation and national clinical standards agenda.

1.15 The project will bring substantially improved services to an isolated area with a population experiencing high levels of need demonstrated by evidence of increasing numbers of older people, high levels of socio economic deprivation and health and social care indicators. It will also ensure that services are delivered from modern, integrated and purpose designed facilities to replace the outdated, overcrowded, fragmented and poorly performing premises used to deliver the current services.

1.16 Summary of Short Listed Options

1.17 Whilst the underlying theme of the proposals in this Business Case is the redesign of services, these changes cannot take place without investment in the estate which will enable and facilitate the required changes in service delivery. Therefore, the development and appraisal of options has not only taken into account how redesigned services could be organised and delivered but also what facilities are required to support each model of service considered. Options involving the refurbishment and reconfiguration of the existing buildings were carefully considered. The outdated design and poor functional suitability of the existing Davison Cottage Hospital and the Girvan Health Centre, however, made these options uneconomic. In addition, options which involved greater reliance on specialist secondary services and facilities were rejected because they opposed the general trend of national policies for the modernisation of health and social care. Hence, the short listed options were limited to the "Do nothing" and "Do minimum" options and options which make a wider range of services available locally in the South West Ayrshire Community.

1.18 The short listed options are described below:

- Option 1 – "Do nothing" i.e. retain the present model for organising the delivery of services and invest in existing premises to improve safety and statutory compliance.

- Option 2 – "Do minimum" i.e. retain the present model for organising the delivery of services and invest in the full upgrading of existing premises.

- Option 3 – "Hub and Spokes" – with a full service "hub" providing a wide range of primary, intermediate and secondary care services to support "spokes" which provide core primary care and visiting services in outlying communities. Services at the "hub" and in the "spokes" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital and extended GP surgeries in outlying communities.

- Option 4 – "Hub only" – with a central single service "hub" providing the full range of core and specialist primary and secondary care services which are effective, efficient and safe to provide outside an acute hospital. Services at the "hub" would, in turn, be supported by highly specialist acute services accessed by referral to a consultant and based in a

main population centre. The facilities required in the South West Ayrshire community to support this would, therefore, be solely a community hospital.

- Option 5 – "GP Specialist Hub and Generic Spokes" – with a GP specialist "hub" providing the range of GP led intermediate and secondary services which are effective, efficient and safe to provide outside an acute hospital and outreach bases for allied health professional, nursing and social work services. This would support "spokes" providing core primary care and visiting services in Girvan and outlying communities. Services at the "hub" and its "spokes" would be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a GP acute hospital and extended Primary Care Centres/GP surgeries in Girvan and outlying communities.

1.19 Having chosen a preferred service model through the option appraisal process further evaluations were undertaken to assess the most suitable site(s) for developing the new facilities required to support it and the preferred procurement route.

1.20 Option Appraisal

1.21 The short listed options were the subject of an option appraisal exercise carried out by the Division in accordance with the Scottish Capital Investment Manual. This examined the non-financial benefits, economic performance, susceptibility to risk and financial costs of each option.

1.22 Benefits Appraisal

1.23 Examining each option against a set of benefit criteria and then determining the "Weighted Benefit Score" of each option identified the non-financial benefits of the options. This process, widely used in the NHS in Scotland, enabled the non-financial benefits of options to be quantified and compared. The Division engaged the public in this process through public meetings and interactive workshops.

1.24 The Weighted Benefit Score for the options is shown in rank order in the table below.

Option No	Description	"Weighted Benefit Score"
3	Hub & Spokes model	844
4	Hub Only	670
5	GP Specialist Hub and Generic Spokes	408
2	Do minimum	269
1	Do nothing	173

1.25 The table shows that the "Weighted Benefit Score" for the options which involve a change in the way that the delivery of services is organised are all substantially greater than Options 1 and 2: "Do Nothing and "Do Minimum". This is important since it confirms that the short listed options are all capable of delivering substantial benefits compared to the existing situation and therefore confirms that the project is worthwhile.

1.26 The summarised results above also show Option 3 as a relatively dominant preferred option because:

- It ranks higher than all other options. The score in the table above is based on the consensus of the ratings of workshop participants. The option, however. remains equally dominant if these are replaced by their optimistic and pessimistic scores.

- A change of assumptions which would alter the consensus scores by 26 per cent is required for option 4 to become the preferred option.

1.27 The more detailed analysis in the body of the outline business case shows that even in the optimistic scenario, where option 4 would achieve the maximum benefits expected from it, its weighted benefit score is less than that for the consensus scenario score for the preferred option and only just exceeds the pessimistic scenario score for the preferred option.

1.28 Economic Appraisal

1.29 The economic performance of each short listed option was assessed using a model which discounted cash flows at 3.5 per cent per annum over the first 30 year life of the new facility and then 3.0 per cent over the remaining expected life of 60 years overall.

1.30 The results of the economic appraisal of the five short listed options are set out in the table below.

Option No	Description	Net Present Cost £
1	"Do Nothing"	45,264,215
2	"Do Minimum"	49,804,670
3	"Hub and Spokes"	70,821,359
4	"Hub only"	78,175,466
5	"GP Specialist Hub and Generic Spokes"	76,990,236

Note: The Net Present Cost for Options 1 and 2 exclude any additional life cycle costs for existing facilities above that are already included within the normal maintenance charge in the revenue costs.

1.31 Financial Appraisal

1.32 The capital investment and running costs of the short listed options were assessed to determine their relative affordability. The "Do Nothing" option was excluded from this as it involves no or negligible additional costs.

1.33 Options 3, 4 and 5 all involve the provision of a new building. The capital cost of these options varies according to the scale of new building envisaged in each option. The estimated capital costs do not reflect differences in "On Costs" as they were based on a notional site at this stage in the appraisal. A later second stage of appraisal determined the most suitable site for delivering the preferred service model. The capital cost of the options is summarised in the table below.

Option	Backlog maintenance expenditure £'000	Major capital scheme cost £'000	Total Cost £'000
Option 1 - Do Nothing	93	0	93
Option 2 – Do Minimum	117	0	117
Option 3	10	15,880	15,890
Option 4	0	17,702	17,702
Option 5	18	17,400	17,418

Note: Major capital scheme costs include the acquisition and disposal of land.

1.34 The “Do Nothing” option would not involve quantifiable increases in revenue costs, despite an inevitable increase in the cost of building repairs and maintenance as the existing accommodation ages. The “Do Minimum” option assumes improvements in buildings that would overcome functional constraints, enabling some service development and increasing the Division’s capital charge liability. Options 3, 4 and 5 all involve new buildings with varying levels of impact on both occupation costs and capital charges and create the opportunity for service developments which will increase revenue costs. The overall increase in revenue costs is estimated to be between £1.04 - £1.35m per annum dependent upon the option. The principal increase in revenue costs is in relation to the capital charges (depreciation and rate of return) on the proposed new building compared to the relatively low capital charges on the existing building.

1.35 The overall increase in revenue costs described in paragraph 1.34 takes into account projected income from recharging the costs of capital charges and rates on an appropriate basis to NHS Ayrshire and Arran’s partners in the project.

1.36 Risk Assessment

1.37 Risk assessment has been carried out to test the impact of changes affecting the non-financial benefits assessment, financial affordability assessment and economic/value for money evaluation of the options that led to the choice of the preferred option for organising the delivery of services. This assessment includes risk factors related to the procurement of the facilities required to deliver the chosen service model.

1.38 Details of the risk assessment are set out in the body of the report.

1.39 Statement of the Preferred Option

1.40 The preferred option is:

- To provide a new single purpose built facility to accommodate in one location, a range of Outreach Secondary Care, Intermediate Care, Rehabilitation, General Practice, Primary Care, Community Health and Social Care Services for South West Ayrshire.

- To retain primary care facilities accommodating general practice, core primary care and visiting specialist primary care services in outlying communities.

1.41 The key factors responsible for the superiority of the preferred option are summarised as follows:

- It optimises clinical effectiveness by providing a building, which facilitates multi-disciplinary working, improves communications and breaks down traditional barriers to the integration of services.

- It improves clinical quality by integrating Health and Social Services, allowing services to be redesigned around team working. This will enable the re-examination of current working practices and facilitate the development of services which ensure best clinical practice as well as best value for money.

- The physical integration of the full range of Health and Social Services will vastly improve access for patients and clients and enable the provision of a "one stop service" for Girvan.

- It maximises the improvements in the quality of environment by replacing a number of existing buildings which are overcrowded and functionally unsuitable by a modern, purpose designed and functionally suitable facility.

- It is the patients' choice as indicated in recent local public engagement exercises.

1.42 Statement of the Preferred Site

1.43 NHS Ayrshire and Arran carried out a rigorous assessment of available sites to determine which one would best fulfil the selection criteria predicated upon the preferred service model.

1.44 Eleven sites were included in the initial long list. This was reduced to four through a process of technical assessment. The remaining four were assessed against the criteria listed below to specifically determine their suitability for the preferred service model.

1.45 Based on this assessment, the 11.5 acre Bridgefield site emerged as the preferred estate solution. The feasibility of development on this site has been tested. The site is to the north east of Girvan town with reasonable pedestrian access to public transport which passes the site or terminates in the town.

1.46 Statement on the Preferred Procurement Route

1.47 NHS Ayrshire and Arran carried out an assessment of the opportunities for progressing the investment in the new and improved facilities needed to provide the modernised service through both traditional and public private partnership routes.

1.48 This assessment took account of the factors contained in Scottish Executive Health Department Guidance and of potential interest from consortia known to be interested in small to medium sized capital projects.

1.49 Based on this assessment, it is concluded that the PFI procurement route would not be likely to achieve the expected benefits of the project due to consortia views about the commercial viability of a project of such size.

1.50 NHS Ayrshire and Arran are, however, at present in discussions with third party developers in relation to the provision of primary care facilities, in particular GP premises. The third party development procurement route is a commonly used way of providing accommodation for GPs who do not wish to own their own premises. Other NHSS organisations are exploring its potential application to small community hospital and community resource centre type developments and NHS Ayrshire and Arran will do the same for this project.

1.51 Once the proposed development has Outline Business Case approval, NHS Ayrshire & Arran intend to evaluate the Third Party Developer route in more detail against PFI and capital funding. This evaluation will primarily take into account timescales, lifecycle costs and risk transfer and the Full Business Case will be developed around the emergent preferred procurement method.

1.52 Statement of Support from the Health Board

1.53 The NHS Ayrshire and Arran Board recognises the need to replace the existing Davidson Hospital. The project was included within the area clinical prioritisation exercise and has been incorporated in the draft ten year capital programme.

1.54 On the basis of the new hospital being completed and opening in March 2009 (based on capital funding), the full year effect of the new facility will be felt in 2009/10. The Table below is from the NHS Ayrshire and Arran 5 year Financial Plan which covers the period to the end of the 2008/9 financial year. It does not yet, therefore, provide for the funding of the additional anticipated

running costs of the new facility in Girvan or the development of services that it will enable. The Board will, however, fund the revenue consequences of this development if it goes ahead..

HEALTH BODY: NHS Ayrshire and Arran
FIVE YEAR FINANCIAL PLAN: 2003/04-2008/9
TEMPLATE 1 - REVENUE RESOURCE ANALYSIS

Revenue Resource	Year 03/04 £000	Year 04/05 £000	Year 05/06 £000	Year 06/07 £000	Year 07/08 £000	Year 08/09 £000
Clinical Service Costs:						
HCH - Board Area (*Template 3a*)	291,204	349,712	357,474	372,484	386,701	404,816
Family Health Services (*Template 3b*)	129,456	140,816	156,614	167,516	178,540	189,688
Other NHS Scotland Service Level Agreements	28,194	30,437	32,943	35,011	36,773	38,373
UNPACs	1,190	1,013	1,013	1,013	1,013	1,013
OATS	572	572	572	572	572	572
Resource Transfers	15,685	16,608	15,209	15,209	15,209	15,209
Other Healthcare Providers	5,719	5,718	5,818	5,918	5,918	5,918
Clinical Service Cost	**472,020**	**544,876**	**569,643**	**597,723**	**624,726**	**655,589**
Non Clinical Service Costs:						
Administration Costs	4,065	3,752	3,752	3,752	3,752	3,752
Other Non-Clinical Service Costs	2,157	1,782	1,782	1,782	1,782	1,782
Local Health Council	136	136	136	136	136	136
Reserves and Contingencies	0	1,560	1,560	1,560	1,560	1,560
Non Clinical Costs	**6,358**	**7,230**	**7,230**	**7,230**	**7,230**	**7,230**
Total Gross Expenditure	**478,378**	**552,106**	**576,873**	**604,953**	**631,956**	**662,819**
Miscellaneous Income:						
NHS Scotland (Non-Patient Related)	4,963	0	0	0	0	0
NHS Not Scotland (Non-Patient Related)	0	0	0	0	0	0
FHS Receipts	6,958	7,132	7,310	7,493	7,680	7,872
Other Public Sector	522	535	548	562	576	591
Local Partnership Agreements (Non NHS)	113	116	119	122	125	128
Joint Resourcing	0	0	0	0	0	0
Private Patients	226	232	238	244	250	256
Road Traffic Accident Income	509	518	532	544	558	572
Interest Receivable	542	0	0	0	0	0
Other (Please Detail)	13,215	5,567	5,706	5,848	5,995	6,144
Total Miscellaneous Income	**27,048**	**14,100**	**14,453**	**14,813**	**15,184**	**15,563**
Net Operating Costs	**451,330**	**538,006**	**562,420**	**590,140**	**616,772**	**647,256**
Less:						
FHS Non-Discretionary Allocation	43,595	22,475	23,673	24,937	26,268	27,672
Local Health Council Allocation	138	138	138	138	138	138
Net Resource Outturn	**407,597**	**515,393**	**538,609**	**565,065**	**590,366**	**619,446**

Revenue Resource Limit:						
Brought Forward from Previous Year	5,636	13,032	2,401	611	11	12
Rev. Resource Limit (Inc. Other NHS Scotland)	407,936	496,462	528,520	556,165	582,066	611,196
Anticipated Allocations	1,437	0	0	0	0	
Net Capital/Revenue Transfers (*Template 6*)	5620	8300	8300	8300	8300	8300
Total Revenue Resource Limit	**420,629**	**517,794**	**539,221**	**565,076**	**590,377**	**619,508**
Saving/(Excess) Against RRL for Year	**13,032**	**2,401**	**611**	**11**	**12**	**61**

2 PURPOSE AND ASSESSMENT OF NEED

2.1 Clinical Need and Benefit to Patients

2.2 The purpose of the project is to realise the fullest possible patient benefits which are already beginning to occur as a result of changes in the way in which health and social care is delivered to the people living in the area of South Ayrshire that surrounds the town of Girvan.

2.3 Three main groups of factors are driving the way in which NHS Ayrshire and Arran and its local partners wish to change the way they organise the delivery of health and social care services in South West Ayrshire. These are:

- The characteristics of the area and its population.
- The way in which society, medical technology and information and communications technology are evolving and changing peoples' expectations of services.
- The Government's agenda for NHS and social care reform and the opportunity that this presents to provide services which are centred on the individual needs of patients and clients.

2.4 The Characteristics of the Area and its Population

2.5 South West Ayrshire is a remote part of South West Scotland. It has a population of just a little over 11,000 people most of whom live in or near Girvan, its main town in the north of the area on the coast. The area is bounded by the sea to the west, sparsely populated areas of Dumfries and Galloway to the south, East Ayrshire to the east and the rest of South Ayrshire to the north. Its most northerly communities are Maidens and Dailly and the most southerly is Mark.

2.6 The people living there depend heavily on health and social care services which serve the whole of South Ayrshire and are based in Ayr. Ayr is over 20 miles from Girvan and nearer 40 miles from the southernmost communities in this area. Travel is difficult. Public transport services are typical of the poor services found in rural areas and the constraints of the main trunk road make personal transport a difficult option for those needing to access services. Stranraer is the more accessible option for the southernmost communities in the area.

2.7 Based on GRO mid 2000 population estimates, 20 percent of people living in the area are 65 years old or over. Of these, 9 percent are aged 75 or over. This compares with 16 percent and 7 percent respectively for the whole of Ayrshire.

2.8 The area depended heavily on maritime industries which declined some time ago and are slowly being replaced by service industries which offer traditionally female work opportunities. Unemployment is relatively high in the area now and this has contributed a great deal to socio-economic deprivation in the area.

2.9 The Arbuthnott Index is a deprivation indicator which is now used in the calculation of NHS resource allocation. It is a simple composite index of 4 un-weighted indicators using data from 1997/98 as follows:

- Standardised mortality rate for those aged under 65 years (the 0-64 SMR);
- Standardised proportion of the population of working age claiming unemployment benefits;
- Proportion of the elderly claiming income support; and
- Households with 2 or more of the Census defined indicators of deprivation (unemployed or permanently sick head of household; low socio-economic group of head of household; overcrowding; large households; lone parent families; all elderly household).

2.10 Arbuthnott Index scores have been calculated for each GP practice in Ayrshire, based on weighted averages of the postcode sectors from which practices derive their lists. Where the index is greater than 0, a practice has greater than national average levels of morbidity and deprivation. The range for Health Boards is -3 to +3. For postcode sectors nationally the range is -6.45 to +16.06 indicating a long tail of multiple and severe deprivation within Scotland. The range for Ayrshire general practices is from +3.13 for the most deprived to -2.61 for the most affluent. The range for the three South West Ayrshire practices is 1.06 to 1.33 with an area mean of 1.13. The index score for the practice population living at the southern extremity is the highest.

2.11 This indicates worse than average socio-economic deprivation and morbidity but not at the worst extremes experienced in some parts of Scotland. This assessment is supported by the Carstairs and Morris Index of Deprivation. The Carstairs and Morris Index of Deprivation is composed of four indicators which represent material disadvantage in the population. These variables are overcrowding in households, male unemployment, social class, and car ownership. The four indicators are combined to create a composite score which is then used to divide areas into seven categories ranging from very deprived (Deprivation Category 7) to very affluent (Deprivation Category 1). Everyone living in South West Ayrshire falls in either Deprivation Category 4 or 5. In the rest of Southern Ayrshire, Ayrshire and Arran generally and Scotland there are respectively 51 percent, 33 percent and 42 percent in Deprivation Categories 1, 2 and

3. It should be noted that there is no-one in Deprivation Category 7 in Ayrshire.

2.12 The more recent data provided by the 2003 Scottish Index of Multiple Deprivation (SIMD 2003) shows that:

- South Ayrshire is the 13th most deprived of 32 local authority areas in Scotland.
- Girvan Glendoune Ward is in the 20th percentile of most deprived local government wards in Scotland and the remaining wards in South West Ayrshire are in the most deprived quartile of local government wards in Scotland.

2.13 Girvan is designated as a Social Inclusion Partnership area by virtue of its high levels of deprivation.

2.14 There is well documented evidence of correlation between deprivation and older age and morbidity and readiness to access services when needed. The demographic characteristics of South West Ayrshire, therefore, combined with its geography make a compelling case for developing services which are locally based and work in a way which removes any possible barriers to access.

2.15 Overall, the project aims to substantially increase the delivery of care locally, including the expansion of services which will avoid referral to a District General Hospital and an unnecessary in patient stay, to the population of the area surrounding Girvan. The creation of such a service model and the establishment of facilities which adequately support it, will be one of the major benefits to patients.

2.16 Social and Technological Change

2.17 New Technologies

2.18 Stakeholders in Ayrshire and Arran have been involved in the planning of specific local service changes such as the one covered by this outline business case. They have also been involved in the development of the Area Wide Property Strategy, now approved by the NHS Ayrshire and Arran Board, which will drive the redevelopment of the health and social care estate across the whole health economy. They, therefore, recognise the increasing role which new technologies will come to play throughout Ayrshire and Arran in the delivery of services over the next few years. Examples of the technological advance which they have identified include:

- Provision of closer to home diagnostic and treatment services.
- Use of telemedicine.
- Telephone consultations.
- Use of the internet to improve access to information for professionals and patients.
- Electronic repeat prescribing.

2.19 In addition to the above, it is recognised that the following are likely to be common place within the next five to ten years:

- Electronic health and patient records.
- Patient self monitoring/interactive TV.
- Health access points in other settings – shopping centres, leisure facilities etc.
- Doctors on-line – web sites.
- Expert systems – medical, nursing, technical.

2.20 It is further recognised that improving information and communications technology will present opportunities for:

- More efficient solutions to the provision of administrative support to local services than currently exist.
- Supporting the management of simple and speedy access pathways for patients.

2.21 These are in line with the local investment strategies of NHS Ayrshire and Arran for both acute hospital and primary care services and those of South Ayrshire Council.

2.22 This outline business case proposes changes in the organisation of service delivery and in the type of facilities needed to support a new model of service which will take full advantage of the benefits to staff and patients which such technological advance can bring.

2.23 Changes in Society

2.24 Changes in society influence both the health of individuals and their expectations of health and social services. The modernisation plans for

South West Ayrshire are rooted in an understanding of these changes and their implications for the future design of both services and the facilities from which they are delivered. The main ones that are driving change are:

- The structure of society is changing. More people are living into very old age and working or being active into old age.

- Increasing expectations in terms of extended access times for services - evenings, weekend etc. This will have implications for both the design of buildings and their use over time.

- People are increasingly choosing a different work/life balance and have expectations for greater flexibility around when and where they work and when and where they access services. Again, this has implications for the design, location and use of buildings.

- The very nature of work is changing with "new ways of working" such as home working, hot-desking, hot lining and virtual offices increasingly becoming the norm. The traditional workplace where individuals had personal space is becoming a thing of the past and people need different types of workspace for different types of tasks throughout the working day/week.

- People go to buildings to undertake different tasks from that which they did in the past. Computers have reduced the need for process type work and increased the need for networking and face to face meetings. Facilities such as meeting rooms, conference rooms and collaborative work spaces are now much in demand in the workplace.

- Multi-discipline/multi-agency working will require a different approach to the provision of facilities. Even the basic consulting/examination room will need to be re-assessed in the light of these new ways of working.

- People increasingly expect to access a range of services through a single point of contact. This may demand co-location of groups of services which support the pathways through which people access the care required to achieve the best possible outcome for them as speedily as possible. It may also demand new ways of working which ensure effective networking between all the elements of a whole system of care for a health and social care community.

The Future Patient – What does the Patient Need, Want, Expect?

2.26 The factors described above are combining to change peoples' expectations of the health and social care services. This outline business

case justifies a change in the way that services are provided in terms of a future where:

- People will become both more informed (internet access etc.) and expect more information about choices in relation to treatment, services etc. Premises may need to facilitate more access to information – internet cafes; health libraries etc.

- At the same time some people will be less well informed and more isolated by factors such as age, infirmity and poverty. Services will, nevertheless, respond effectively to the needs of such people by being imaginative in their design and relying on innovative premises solutions for their delivery.

- The NHS will respond effectively to the considerable evidence that the public's top concern about the NHS is waiting for treatment.

- The NHS will reduce patients' discontent about accessing GP services and waiting times for hospital appointments and treatment.

- Patients will increasingly want more flexible access to services, including access to services outside traditional working hours.

- The quality of the professional patient relationship results in a "patient-centred" approach rather than the "disease-centred" approach that has been so evident in the NHS in the past.

- People will become increasingly less tolerant of the poor condition of premises from which public services are provided. This may demand not only a once off improvement in building stock but building and procurement solutions that enable buildings to be maintained in an attractive and welcoming condition throughout their lives.

2.27 These issues are wide ranging and solutions are complex often involving cultural change which is independent of changes in service models and buildings. Nevertheless the full benefits which patients will expect from their health and social care services in the future cannot be realised from traditional NHS service models and out of date premises.

2.28 An underlying aim of the project is to continue the redesign of services from a patient's point of view. Health and social care services will be shaped around the needs of patients and clients through the development of partnerships and co-operation between patients, their carers and families and NHS staff; between the local health and social care services; between the public sector, voluntary organisations and private providers to ensure a patient-centred service.

2.29 Healthcare Needs

2.30 All health and social care agencies in Ayrshire and Arran are committed to pursuing the Government's modernisation agenda which will redesign services to achieve:

- Removal of the barriers which have grown in the past between different levels (primary, intermediate and secondary) health care and between providers of health and social care. Agencies in the local health and social care economy strongly wish to work with service users to deliver the benefits of integrated care pathways. This will result in the best possible care outcomes by assisting people over professional and organisational boundaries to access the services they need to meet complex needs speedily.

- Reductions in mortality from diseases such as coronary heart disease, diseases of the pulmonary system, cancer and cerebrovascular disease.

- Improvements in personal independence and social engagement for people who are old or have mental health problems or learning difficulties.

2.31 There is, nevertheless, much to achieve especially in South West Ayrshire. The statistics in the table below indicate the scale of the problem.

Table – Indicators of Mortality Relating to Government Priority Disease Categories

Disease category	Indicator	Annual average 1991 to 2000		
		South West Ayrshire	Ayrshire and Arran	**Scotland**
Coronary Heart Disease	Numbers	40	1211	14837
	Crude rate per 100000 population	726	324	290
	Age standardised rate per 100000 population	572	302	290
	Standardised Mortality Ratio (Note 1)	171 - 226	102 - 102	100
Cancer	Numbers	43	1112	15042
	Crude rate per 100000 population	777	298	294
	Age standardised rate per 100000 population	623	278	294
	Standardised Mortality Ratio (Note 1)	184 -282	93 – 96	100
Cerebrovascular Disease	Numbers	22	602	7423
	Crude rate per 100000 population	394	161	145
	Age standardised rate per 100000 population	303	150	145
	Standardised Mortality Ratio (Note 1)	171-252	101 - 106	100
Respiratory Disease	Numbers	18	588	7631
	Crude rate per 100000 population	330	158	149
	Age standardised rate per 100000 population	251	146	149
	Standardised Mortality Ratio (Note 1)	135 - 207	96 – 101	100

Note 1 – The figure for the standardised mortality ratio is the range within the 95 per cent confidence level.

2.32 Death rates in each of the four disease categories which are national priorities are significantly higher in South West Ayrshire than in Ayrshire and Arran and Scotland overall.

2.33 There is evidence of a sustained reduction in the numbers of reported deaths from these life threatening illnesses over the last three to four years. The planned modernisation of services will improve access to those services which can help treat and prevent them more effectively and will accelerate this process of improvement.

2.34 The key components of the redesigned service will be:

Preventative care

2.35 Services will be designed to provide a growing range of products and services which help local people adopt healthier lifestyles – advice on diet and exercise, helping patients manage their medicines, checking that older people living alone are all right etc. Those at greatest risk from serious illness will be monitored so that they can be offered preventative treatment.

Self care

2.36 The frontline in healthcare is the home. Most healthcare starts with people looking after themselves and their families at home. Local services will focus on becoming a resource which people can routinely use every day to look after themselves. Easily accessible information on a wide range of conditions will be provided through a range of media and technologies. Similarly, services will be designed to provide seamless and easy access to patient and self help groups.

Chronic Disease Management

2.37 Programmed chronic disease management and secondary prevention services for a range of conditions including asthma, diabetes, hypertension, chronic obstructive pulmonary disease and coronary heart disease will be provided in the local area. These services will improve the health and wellbeing of large numbers of chronically ill people and more effectively manage demand by preventing unnecessary admission to acute hospital or residential care.

Primary care

2.38 Primary care services will be designed as a one-stop gateway to healthcare. The project will provide access for all patients and clients in this remote rural community to an

appropriate range of modern, integrated health and social services delivered from local buildings suitable for contemporary needs and with good access to more specialised services when these needs cannot be met locally. Twenty-four hour medical care will be available within convenient travelling distance. Local GPs will be working in a team from modern multi-purpose premises alongside nurses, pharmacists, dentists, therapists, opticians, midwives and social care staff. The consulting room will become the place where appointments for outpatients and operations are booked, test results received and more diagnosis carried out using video and tele-links to hospital specialists. An increasing number of consultants will take outpatient sessions in the local primary care facility.

Hospital care

2.39 Local hospital care will concentrate on maintaining and restoring independence and on rehabilitation. It will act as a bridge between primary and secondary care – blurring the boundaries through new ways of working and by providing a key link in the "joined up" service where patients move along tailored pathways with no discernible divide between the different elements of health and social care. The new hospital service will be a mix of GP, nurse, therapist and consultant led service with a new generation of staff applying their skills in both hospital and community settings. Electronic patient records and a fuller use of new technologies including near patient testing will support this new environment as will, potentially, faster access to diagnostic and pathology services with a specific focus on effective interventions.

Programmed investigation & care

2.40 Programmed investigation & care, aimed at maximising the services provided locally, will be developed through innovative clinical protocols, tailored staffing policies and the ability to take full advantage of digital technology. Wherever possible, an investigation and treatment option will be provided which is attractive to patients. This will require services to be tightly organised around the needs of patients including minimising the number of attendances at hospital or clinic.

Investing in staff

2.41 Modern models of health and social care rely on flexible teams providing the range of skills needed to meet as many

as possible of peoples' complex health and social care needs within a primary care setting. This must be a part of the continual programme of service modernisation that both depends on and fuels the recruitment and retention of the best staff and trainees in this rural area.

2.42 The necessary improvements in health and well being required for people in this rural area are inexorably linked to:

- Recruiting more staff.
- Training and development to ensure that existing staff can keep their skills up to date.
- Improving the working lives of staff.
- Providing flexible working arrangements – giving staff more control over their time.
- Modernising pay structures.
- Creating new health and community care structures.

Removing Constraints

2.43 Managers and health and social care professionals are already striving to modernise the service in many of the ways indicated above. Whilst some progress has been possible, the real gains are frustrated by the functional and space limitations of the existing building stock. A critical element of the purpose of this project is, therefore, to remove these constraints and allow the drive for service modernisation to realise its full potential.

2.44 Implications of Not Meeting the Need

2.45 The foregoing sections of this business case describe a need to put in place a service model that:

- Responds effectively to the characteristics of the South West Ayrshire area and its population, in particular its population age structure, socio-economic status and vulnerability to the diseases which the Government's modernisation agenda has identified as major problems.

- Enables the implementation of new ways of working within and between different levels of health care and health and social care which take advantage of the opportunities offered by radical social and technological change.

2.46 The redesign of services described above and the improvements in service effectiveness and quality which arise from this redesign simply cannot be delivered unless the project proceeds.

2.47 The current pattern of provision on 2 separate sites (Davison Community Hospital and Girvan Health Centre) is ineffective in terms of service delivery and wasteful due to the duplication of services, excessive staff travelling between sites and professional isolation. Furthermore, this fragmentation inhibits the use of available accommodation flexibly to achieve the integration of primary, intermediate and secondary care and health and social care which is fundamental to modern approaches to holistic and inclusive care. These barriers to the provision of effective, well co-ordinated and efficient services will remain.

2.48 There needs to be an increase in capacity for rehabilitation services so that they become an integrated part of an effective intermediate care resource which bridges primary and secondary health care and health and social care for older people. Without this change, access to all health and social care for the patient/client group which is most disadvantaged by deprivation and geographical remoteness will remain poor.

2.49 The lack of recognisably high quality health care facilities accommodating modern services is believed to be a constraint on attracting the best health and social care professional staff to a remote area. In the foreseeable future, the area will need to continue to compete fiercely in a labour market where skilled staff are scarce if it is to build the team it needs to deliver clinically excellent services. If this project does not proceed it is likely that some of the disadvantages from which it currently suffers will be not be removed.

2.50 The restricted capacity and poor functional suitability of the existing Davidson Community Hospital (which is over 100 years old) and the Girvan Health Centre will continue to provide a serious constraint on both the continuation and development of existing services. There is no potential for developing either existing or new services with the existing facilities. The current spatial layout and functional suitability of the Hospital seriously compromise the provision of 21st century health and social care services.

2.51 Safe intermediate and longer term care of older people in the fragmented inpatient areas at Davidson Community Hospital is extremely difficult. Services which would encourage people to take more effective responsibility for their own lifestyles and self care are desperately needed but freeing capacity to develop them would mean reducing other services. There is a need to develop a range of services (mental health, addictions, prevention services for coronary heart disease, diabetic screening) and to expand the pilot treatment room nurse and care and repair schemes. Failure to tackle the constraints of the existing premises will continue to inhibit the development of modern services and new ways of working.

2.52 The recruitment of General Practitioners with the ability to undertake this dual role of Primary Care and Community Hospital practitioner and

appropriately skilled nursing and support staff is becoming increasingly more difficult.

2.53 Continuation of the lack of investment in modern facilities which facilitate integrated working and innovation in service delivery, against the backdrop of an ageing workforce with a demanding on-call rota, will exacerbate the ability to recruit the necessary staff to provide excellent acute medical, primary care and social care services.

2.54 It will not be possible to secure the reduction in the rates of death from coronary heart disease, cancer, cerebrovascular disease and respiratory disease which are needed to bring South West Ayrshire in line with Scotland overall.

2.55 The opportunities for impacting positively on measurable indicators of service and financial performance set out at paragraph 3.70 will not be achieved.

2.56 As other areas of Scotland change their health and social care services to fit with the Government's modernisation strategies, South West Ayrshire will continue to fall behind in terms of service design, facilities and outcomes.

2.57 Services Required

2.58 On the basis of health needs assessment and capacity modelling carried out by the Community Health Division, the following services are needed:

- GP Acute inpatient services.

- Other inpatient services in the following categories:

    - Short Stay / Observation
    - Post Surgery Transfers from a general hospital
    - Post Medical Transfers from a general hospital
    - Intermediate Care / Rehabilitation
    - Contingency (Winter) Planning
    - Palliative Care

- General practice, hospital consultant, nurse and allied health professional led outpatient consulting and treatment services, including:

    - A one stop Diabetic clinic
    - A biomechanics clinic
    - A Consultant led Multiple Sclerosis Clinic
    - A Falls Programme
    - A CPN clinic

- Rehabilitation and self care support and advisory services.
- Integrated community outreach team health and social care services, including specialist teams for older people and people with mental health problems and learning difficulties.
- Social Services, including social advisory and information services.
- General dental, optometry and pharmacy services.
- Minor Injury Treatment Services.
- X Ray Services.
- Emergency and non-emergency patient transport services.

2.59 Changes in the Provision of Facilities Required to Allow Efficient Service Delivery.

2.60 The facilities currently used for service provision and the changes planned are set out in the following table.

Table – Present and future proposed facilities in South West Ayrshire

Facility	Owned by	Present services provided from the facility	Proposed change	Future services provided from the facilities
Davidson Community Hospital	NHS Ayrshire and Arran	Inpatient (GP Acute and Care of the elderly), Out patient, rehabilitation, X ray, minor injury services and Day Hospital. Evening Service Staff Community health outreach teams	Close and transfer services to new Girvan Community Hospital.	None.
Girvan Health Centre	NHS Ayrshire and Arran	GP services and nurse and AHP led services Community health outreach teams. Community Dental Services	Close and transfer services to new Girvan Community Hospital.	None.
GP Surgery, Church Street, Ballantrae	Dr H. Maxwell & Sloan	GP services.	Retain to maintain local service access.	GP services and visiting health and social services.
GP Surgery Barrhill	Dr H. Maxwell & Sloan	GP services.	Retain to maintain local service access.	GP services and visiting health and social services.
GP Surgery, Back Road, Dailly	Drs McFadyen & Malloch	GP services.	Retain to maintain local service access.	GP services and visiting health and social services.
GP Surgery, Clachan, Barr	Drs McFadyen & Malloch	GP services.	Retain to maintain local service access.	GP services and visiting health and social services.
Pharmacists	Two pharmacy companies with outlets in town	Pharmacy services	Potential for one outlet to transfer to new Girvan Community Hospital.	Pharmacy services provided from one shop retained in town.
Dental Surgery	Dental practice with surgery in the town	General Dental Services	Retained with facility to use dental facilities in new hospital for disabled users.	General Dental Services
Optometrists	Opticians with commercial premises in the town	Optometry Services	Retained with ability to use facilities in new hospital.	Optometry services
Ambulance Station	SAS	Emergency and non-emergency patient transport services.	Close and transfer services to new Girvan Community Hospital.	None.
Social Services Offices	South Ayrshire Council	Social work teams. Community Integrated Care Team Outreach Care & rehabilitation service aimed at preventing avoidable hospital admissions	Relocate to new Girvan Community Hospital	None.
New Girvan Community Hospital		None	Construct new.	Full range of services as listed in paragraph 2.58.

3 BACKGROUND/STRATEGIC CONTEXT

3.1 NHS Ayrshire and Arran

3.2 NHS Ayrshire and Arran provides strategic leadership and direction for all NHS services in Ayrshire and Arran and is accountable to the public and to the Scottish Executive for all parts of the NHS system in the county. It works with partners to improve the health of local people and the services they receive and to ensure that national clinical and service standards are delivered across the NHS system in its area. The local healthcare providers in Ayrshire and Arran are:

- Ayrshire and Arran Community Health Division
- Ayrshire and Arran General Hospitals Division

3.3 This project is the responsibility of the Community Health Division. It is responsible for the provision of primary health care and related community and intermediate care services to the county of Ayrshire including the Isles of Arran and Cumbrae situated off its coastline to the north west.

3.4 Ayrshire is situated in south-west Scotland on the Firth of Clyde coastline. The area stretches from Largs in the north to Ballantrae in the south and from the west coast to Muirkirk and Cumnock in the east and includes the islands of Arran and Cumbrae.

3.5 Nearly 374,000 people are permanently resident in Ayrshire and Arran. The age structure is similar to the rest of Scotland with an increasing number of elderly people. As this group of people reach advanced age, there is an expectation that increased services will be required. Ayrshire has a tradition of retirement from the cities and a very large Nursing Home Sector has developed (65 homes with approximately 2600 beds).

3.6 Most of the population has or is tending to move from the inland rural and former mining communities to the larger centres of the coast. The main centres of population are the towns of Ayr, Kilmarnock and Irvine.

3.7 Traditional industries in Ayrshire and Arran were associated with farming, the sea and mining. The latter two have declined to be replaced with light manufacturing such as clothing, electronics and chemicals. In some communities, this has resulted in a significant shift from a male to female employment with resulting family and social pressure. Caring agencies, tourism, sport, leisure and the service sector are now the major employers in Ayrshire and Arran.

3.8 Ayrshire and Arran is divided into three local council areas as follows:

- East Ayrshire, with a population of 120,630
- North Ayrshire, with a population of 138,850
- South Ayrshire, with a population of 113,920

3.9 The local health co-operatives are aligned to these areas.

3.10 Current Service Provision

3.11 This section of the business case scopes the current activities of the NHS Ayrshire and Arran Community Health Division and describes and the range and quantity of health care services it provides.

3.12 The Division's current activities include Primary Care Services comprising General Practice, Community Dentistry, Community Services and Community Hospitals throughout Ayrshire and Arran. The Division also contracts with general dental surgeons, optometrists and pharmacists for provision of services. It is also responsible for Mental Health Services and for the development and implementation of Joint Local Mental Health Strategies with South Ayrshire Council.

3.13 The specific categories of service provided are set out in the table below.

Table – Categories of Services Provided by NHS Ayrshire and Arran

Service type	Number of facilities	Unit of provision	Number provided	Provision in South West Ayrshire	
				Facilities	Service
General practice	86 [1]	General practitioners' Practices	61	5 [1]	10 WTE
Community Dental Clinics	29		29	1	
Community Clinics	45			2	
Community Outreach Services		Staff whole time equivalents			
Community Hospitals	4	Beds	86	1	26
General Dental Services	67		67	1	
Optometry services	52		52	1	
Pharmacy Services	89		89	2	
Adult Acute Mental Health Inpatients	2	Beds	116	1	58 [2]
Adult Acute Mental Health Day Services	2	Places	50	1	25

Older Peoples' Mental Health Inpatients	3	Beds	178	1	117 [2]
Older Peoples' Mental Health Day Services	2	Places	40	1	20
Other Specialist Mental Health Services	2	Forensic Team Intensive Comm. Support			
Community Mental Health Services		Staff whole time equivalents	180		40 [3]

[1] Including branch surgeries
[2] South Ayrshire as a whole
[3] Estimated

3.14 Current Financial Position

3.15 In the financial year to 31 March 2004, the forerunner of the Community Health Division, namely Ayrshire and Arran Primary Care NHS Trust, achieved all of its financial targets by remaining within its Revenue Resource Limit of £173.558m, its Capital Resource Limit of £0.909m and its cash target of £214.458m, as set by NHS Ayrshire and Arran and the SEHD.

3.16 Current Resource Utilisation

3.17 Manpower

3.18 The Division employs a total of 3,952 staff as shown in the table below:

Table – Numbers of Staff Employed by Ayrshire and Arran Community Health Division by Category

Category	Headcount
Admin & Clerical	694
Ancillary	533
Executive Directors	7
Medical & Dental	146
Nurses	2,088
AHP	292
Pharmacy	13
Senior Manager	49
Prof & Tech (inc Psychology)	90
Works & Maintenance	40
Total	**3,952**

3.19 Fixed Assets

3.20 The Division manages a fixed asset base of £69.4m (as at 31 March 2004).

3.21 The physical assets (estate) comprise a variety of building types located on 60 different sites over a large geographic area which stretches between the west coast and the Southern Uplands from the boundaries of Dumfries and Galloway in the south to Largs in the north. The total land holding is 61 hectares and the total building area is 71,513 square metres. In addition to the property owned by the Division, there are a number of properties not in its ownership, which are used to deliver services. These include:

- GP owned premises
- Leased premises

3.22 The Division has recently completed a comprehensive appraisal of its managed estate. The appraisal results are as follows for the area as a whole and for South West Ayrshire:

Physical Condition

3.23 Area Wide - The physical condition appraisal identified that 19% of the Division's total building area is in an unsatisfactory physical condition (Estatecode categories C & D). The total expenditure required to improve the estate to a satisfactory condition, including the replacement of building elements and engineering installations is estimated to be £1.8m.

South West Ayrshire - Davidson Hospital is category C overall, with expenditure of £92,000 required to upgrade it to category B. The main Girvan Health Centre building is category B, with the portacabins as category C. Expenditure of £50,000 is required to upgrade the health centre.

Energy

3.24 Area Wide - The appraisal of energy performance identified that buildings accounting for 98% of overall building area have an unsatisfactory energy performance (Estatecode category C or D: > 65 GJ/100 cubic metres). Further investment of £2.5m has been identified for bringing the overall energy performance to a satisfactory level.

South West Ayrshire – Davidson Hospital has been identified as having energy performance of category C, with expenditure of £120,000 required to upgrade to category B. Girvan Health Centre is also category C, with a requirement for expenditure of £9,000 to upgrade to category B.

Compliance with Fire, Health & Safety and Statutory Standards

3.25 Area Wide - The appraisals for compliance with Fire, Health & Safety and Statutory Standards identified that whilst most areas do largely comply with these requirements, there are numerous elements and aspects of the buildings which do not. An immediate capital expenditure requirement of £1.9m is required to ensure full compliance. The principal areas of expenditure relate to infection control, legionellae risk and "Firecode" non compliance.

South West Ayrshire – Overall, Davidson Hospital has category C for statutory compliance, with expenditure of £100,000 required to upgrade it to category B. Girvan Health Centre has category B, with minor expenditure of £10,000 to upgrade the water system in relation to legionellae precautions.

Functional Suitability

3.26 Area Wide - The appraisal of functional suitability, including the questionnaires completed by staff, identified that 41% of the total building area is functionally unsuitable for its current use. The capital costs associated with the improvement of functional suitability are difficult to determine since some issues would simply not be economically viable to resolve in existing buildings. The large expenditure requirement identified for improving physical condition will, if implemented, provide an opportunity to resolve some of the functional suitability issues at marginal cost. In line with the guidance in force at the time of the latest surveys, no cost has been assessed for remedying identified shortfalls in functional suitability. Nevertheless, the high percentage of functionally unsuitable building area suggests that investment in suitable estate is a priority that will, at the same time, tackle the backlog of investment required to improve the estate's physical condition, energy performance and statutory compliance.

South West Ayrshire – Davidson Hospital has been identified as performing extremely badly in relation to this facet and has been given category D status. Girvan Health Centre also has category D functional suitability.

The total cost of retaining the existing estate

3.27 If the Division were to retain the existing estate and continue to use it in a similar way, then clearly it would need to address the poor condition and performance identified in these appraisals. Expenditure of £6.2m would be required in order to carry out backlog of maintenance and to ensure that the estate is in kept in a satisfactory condition and complies with all standards. Of the £6.2m, Davidson Hospital would require expenditure of £312,000 and Girvan Health Centre £69,000. Evidence suggests that these costs may increase by as much as a factor of two if the cost of tackling functional suitability issues was assessed.

Space utilisation

3.28 The appraisal of space utilisation identified significant areas of empty or under-utilised space. It also showed that almost a quarter of current space is overcrowded, suggesting that accommodation is generally being used to provide levels of service which are not achievable within the existing physical capacity of the estate. The tables below show the appraisal results.

Area Wide

Estatecode category:	1	2	3	4
Definition	Empty	Under used	Adequate	Overcrowded
Area square metres	2413	3953	49234	15913
% of total area	3	6	69	22

South West Ayrshire

Estatecode category:	1	2	3	4
Definition	Empty	Under used	Adequate	Overcrowded
Davidson Hospital Area square metres			1479	
% of total area			100	
Girvan Health Centre Area square metres % of total area				713 100

Current Service Performance

This project is likely to impact on service performance in relation to:

- The rate of deaths occurring from major life threatening illnesses.
- Waiting times for referral to selected secondary care services.
- The utilisation of hospital resources within the South West Ayrshire community.

3.31 The rate of deaths occurring from major life threatening illnesses.

3.32 The earlier section of this business case which describes health needs indicates the need to improve the performance of services in terms of the impact they currently have on the mortality rates for major life threatening disease conditions.

3.33 Waiting times for referral to selected secondary care services.

3.34 Waiting times for a first outpatient appointment and admission to hospital for services are set out in the following table. Developments such as the one proposed in this OBC could have an impact on some of these by creating additional local capacity.

Table – Waiting Times for a First Outpatient Appointment and Admission to Hospital in Ayrshire and Arran

Specialty	Maximum waiting time for admission		Maximum waiting time for first out patient appointment
	Inpatient	Day case	
	Months	Months	Weeks
General surgical	1-8	1-7	6-35
Breast surgery	<1	<1	0-9
Vascular	3-5	0-6	8-37
Urology	5-7	3-7	14-23
Pain relief	n/a	n/a	9-36
Orthopaedic	4-8	2-7	9-38
Knee clinic	n/a	n/a	7-13
Hand clinics	n/a	n/a	15-21
Shoulder clinic	n/a	n/a	15
ENT	2-5	1-3	7-45
Head and neck clinic	n/a	n/a	9
Oral surgery	8	7	46-60
Orthodontics	n/a	n/a	7-11
Ophthalmology	0-5	0-7	23-38
Plastic surgery	n/a	6	11
ECG	n/a	n/a	3-16
Audiology	n/a	n/a	12
Dietetics	n/a	n/a	3-7
Physiotherapy	n/a	n/a	2-18
Medical imaging	n/a	n/a	2-69
Endoscopy	n/a	n/a	8-25
General medicine	0-4	0-3	7-35
Asthma clinic	n/a	n/a	9-10
Cardiology	0-2	1-2	11-26
Diabetic medicine	n/a	n/a	17-25
Respiratory medicine	n/a	n/a	10
Gastroenetrology	n/a	n/a	16-18
Lipid	n/a	n/a	0-4
Nephrology	0	0	10-27
Haematology	0	0	5-16
Anti-coagulant	n/a	n/a	0-3
Geriatrics	0	n/a	3-22
Memory clinic	n/a	n/a	13-25
Neuro-vascular	0	n/a	13
Rehabilitation medicine	0	n/a	6-20
Dermatology	0	n/a	27-39
Gynaecology	0-4	1-4	8-15
Colposcopy	n/a	n/a	7-9
Ante-natal	0	0	4-8
Infertility	1-2	1-3	7-22
Paediatrics	0	0	4-8
Paediatric haematology	0	0	0
Paediatric ENT	2-5	1-3	9-17
Paediatric surgical	2-7	4-6	6-11
Paediatric orthopaedic	4-8	3-6	11-13
Paediatric urology	7	3-4	16-17
Paediatric plastic surgery	7	6	8

3.35 The utilisation of hospital resources within the South West Ayrshire community.

3.36 The Davidson Community Hospital inpatient activity and Cost per Case Data for the period 1994 to 2002 is shown in the tables below.

Table - Inpatient Activity and Cost per Case Data from 1994 to 2003 for Davidson Community Hospital

Factor	Year								
	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Bed Complement	28	28	28	28	28	28	28	28	26
Avg. Staffed Beds	27.98	28.02	27.72	27.96	28	28	28	27.93	22
Avg. Occupied Beds	21.96	22.45	19.52	19.68	19.36	19.96	19.67	19.91	17.4
Inpatient Discharges	982	905	868	782	722	642	599	638	547
Percentage Elective	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.30	7.01
Day Case Percentage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.0
Occupied Bed Days	8017	8218	7126	7185	7065	7306	7178	7268	6351
% Occupancy	78.50	80.12	70.43	70.40	69.13	71.29	70.23	71.28	77.69
Throughput	35.10	32.30	31.31	27.97	25.79	22.93	21.39	22.84	24.86
Avg. LOS (days)	8.16	9.08	8.21	9.19	9.78	11.38	11.98	11.39	11.61
Turnover Interval (days)	2.24	2.25	3.45	3.86	4.37	4.58	5.08	4.59	3.33
Cost per Case (£)	748	917	1026	1300	1455	1684	1879	1757	2165

3.37 The table shows deteriorating performance over the last eight years in terms of average length of stay, turnover interval and throughput.

3.38 The percentage of elective admissions is low and no patients are admitted as day cases.

3.39 This performance is reflected in the bed occupancy figures of the ward, which suggest that on average around 20 or 70 per cent of the beds are normally occupied. This average masks the variability in daily bed usage as a frequency analysis of this covering the period January 2001 – December 2001 shows that there were three months when bed occupancy was above 75 per cent. In one month, occupancy was above 80 per cent. Furthermore, the pattern of this covered both the winter and summer, which directly correlates with the busy Ayrshire tourist industry and winter pressure peaks.

3.40 The Division and the LHCC have modelled the impact of additional patients on the acute bed complement. Taking into account planned performance improvements regarding throughput and lengths of stay, this increase in activity can be met within a bed complement of 22.

3.41 The rationale behind the modelling of the predicted bed management performance from 2007/8 and beyond is set out in the following paragraphs.

3.42 The model of inpatient care to be provided at the New Girvan Community Hospital will be diverse.

3.43 Historically, care has been developed depending on local need and reflected by geographical location. In order to embrace new ideals for a modern NHS, however. managed care networks and pathways will be clearly defined. The details of the bed requirements to support this way of working are contained in the following table.

Table - Beds Required At New Girvan Community Hospital

Function	Predicted ALOS	No of Cases	Total Bed Days	Beds Required
GP Acute	7	553	3871	13
Short Stay Observation	1	236	236	1
Post Surgical (transfer from acute)	3	93	279	1
Post Medical (transfer from acute)	3	101	303	1
Intermediate Care/Rehabilitation	28	40	1120	4
Palliative Care	20	36	720	2
Continuing Care	0		0	0
Contingency (Winter)Planning	0		0	0
Totals		1059	6529	22

3.44 GP Acute

3.45 Approximately 95% of admissions to Davidson are currently GP Led.

3.46 The methodology used in calculation of required beds for this work was:

3.47 In order to calculate an Average Length of Stay (ALOS) that reflected GP Acute Admissions, it was necessary to separate these cases from the total Admissions for the Hospital.

3.48 The total number of discharges for 2003/2004 was 574. Excluded are patients with 0 day stay (21 patients) leaving a balance of 553 discharges. The excluded patients, however, will be dealt with at sections Short Stay / Observation. Also excluded are patients who would be treated in the proposed Intermediate Care / Rehabilitation Unit. The ALOS for the

remaining patients would be 7 days, mirroring a typical Acute Sector Medical or Surgery Ward. It is anticipated that the number of discharges will remain at 553. The number of beds required for this service would be 13 beds.

3.49 The following factors may, however, increase the number of discharges at Davidson:

- Currently, there is monitoring equipment for up to 4 patients, which can lead to a shortage of appropriate beds. The new build will be predominantly single bedded accommodation with monitoring in the rooms. Such bed shortages are, therefore, not envisaged.

- With a reduced ALOS, cases will be turned around more quickly creating capacity (there have been occasions where patients were unable to be admitted because there were no available beds).

- By developing appropriate Care Pathways, patients will be treated at Girvan Community Hospital who may otherwise have been sent to the Acute Sector.

- Responsibility for Out of Hours GP cover has now transferred to the Community Health Division. With appropriate systems in place, it would be possible to recommence admitting patients to Girvan Out of Hours. No beds have been added to the model but this issue may warrant some discussion.

3.50 For modelling purposes, 85% bed occupancy has been assumed. This figure appears to be standard and has been used for new builds in Glasgow and is used for modelling purposes locally within NHS Ayrshire and Arran.

3.51 Short Stay / Observation

3.52 In the year 2003/2004 there were 21 patients admitted to Davidson for less than a 1 day stay. The reasons for admission included:

- Observation following a minor injury, mainly head injury

- Observation after commencement of Drug Therapy

- Transfusions

3.53 It is expected these types of admissions will continue with increased short stay interventions for the following:

- Pre – operative screening. Currently patients have a 50 mile plus round trip.
- Medical Therapy
- Cancer Care
- Consultant Led Investigations

3.54 Post Surgery Transfers to Davidson

3.55 5 years data provided by the General Hospitals Division was used to determine the number of post surgery patients who could be transferred to Davidson. An average of 185 patients per annum from the KA26 postcode area are admitted to the General Hospitals Division for surgery. The ALOS for General Surgery is 7 days (ISD Statistics for 1998 – 2003) and the Consultant's view is that patients could be transferred 4 days post operation. Therefore, patients would be admitted to Davidson for the final 3 days of their inpatient episode. The number of beds required for the service is 1.

3.56 Post Medical Transfers to Davidson

3.57 5 years data provided by the General Hospitals Division was used to determine the number of post medical care patients who could be transferred to Davidson. An average of 201 patients per annum from the KA26 postcode area are admitted to the General Hospitals Division for medical interventions. The ALOS for Medical Cases is 7 days (ISD Statistics for 1998 – 2003) and Consultant's view is that patients could be transferred after 4 days on average. Therefore, patients would be admitted to Davidson for the final 3 days of their inpatient episode. The number of beds required for the service is 1.

3.58 Intermediate Care / Rehabilitation

3.59 There are patients from this area who are currently treated in a variety of locations who would benefit from admission to an Intermediate Care Ward. For modelling purposes, we have gathered information on patients who have been admitted for the following conditions:

- Stroke
- TIA
- Hip Fracture

- Falls

3.60 Using data gathered from the COMPAS and the General Hospitals Division, there would be 63 patients per annum requiring this type of admission. The same model of care is provided at Kirklandside where the ALOS is currently 29 days. For modelling purposes an ALOS of 28 days has been used, thus generating the need for 4 beds.

3.61 Continuing Care

3.62 In view of the recent Frail Elderly Strategy, which is at present out for consultation, it is prudent to highlight the potential for this type of service provision.

3.63 Contingency (Winter) Planning

3.64 Each winter, and at various occasions in year, there are pressures on General Hospital Division beds. Ayr and Crosshouse Hospitals have been closed to admissions. The new build gives the opportunity to create some capacity into the local health system.

3.65 Palliative Care

3.66 We have currently two Palliative Care beds. The plan is to continue with this number. Any developments in this service will centre around the therapy provided.

3.67 Overall changes in activity performance and cost per case as a result of the new facility

3.68 The following table compares the latest year of activity at the Davidson Community Hospital with that expected following completion of this project. It is showing a 0.7 per cent increase in cost per case between 2002/3 and 2007/8 and beyond. However the expected cost per case for 2004/5 is £2784 which would mean a reduction in cost per case following the opening of the new facility of 21.7 per cent. It also shows:

- A 21 per cent reduction in beds.
- Significant increases in elective admissions and day case work.
- A 15 percent increase in bed occupancy.
- A 46 percent reduction in length of stay.
- A 64 per cent reduction in turnover interval.

Table – Comparison of Present and Expected Bed Management Performance for Davidson Community Hospital

Factor	Year	
	2002/3	**2007/8 onwards**
Bed Complement	28	22
Avg. Staffed Beds	27.93	22
Avg. Occupied Beds	19.91	17.15
Inpatient Discharges	638	1059
Percentage Elective	0.00	52.21
Day Case Percentage	0.00	22.29
Occupied Bed Days	7268	6259
% Occupancy	71.28	82.10
Throughput	22.78	48.13
Avg. LOS (Days)	11.39	6.17
Turnover Interval (Days)	4.59	1.67
Cost per Case	2165	2180

3.69 Outpatients and Accident & Emergency Services

3.70 The table below shows fluctuations in activity for Accident and Emergency and Outpatient Services at Davidson Community Hospital over the last six years.

Table – New and Total Outpatient Attendances at Girvan Community Hospital by Category

Activity		Year					
		1996/97	**1997/98**	**1998/99**	**1999/00**	**2000/01**	**2001/02**
Day Hospital Attendances	**New**	16	34	56	42	32	70
	Total	1883	1913	1995	1780	1704	1397
A & E Attendances	**New**	3736	3919	4478	3869	3691	3665
	Total	4289	5296	6014	5401	4877	4036
General Psychiatry Out Patients	**New**	1	10	22	18	21	26
	Total	12	79	196	181	172	194
Psychiatry of Old Age Out Patients	**New**	0	11	6	5	23	11
	Total	0	22	9	19	57	39
All Allied Health Professional Out Patients	**New**	287	270	650	454	88	119
	Total	793	954	2856	818	413	481

3.71 In the period covered by the above table day hospital activity has increased to a peak declining over the latest two years.

3.72 South Ayrshire has a higher than average rate for accidents compared with Scotland overall. Girvan is ideally suited as a centre for treatment of minor injuries which do not require a full Accident and Emergency Service and should be treated without the inconvenience of a journey of at least two hours and attendant waiting times for treatment.

3.73 In the period covered by the above table, outpatient activity is limited to psychiatric services. In both psychiatric specialties present at the hospital, the general trend has been for workload to increase. The expansion of outpatient services is essential to a key philosophy behind this project which recognises the benefit to patients and the overall health and social care economy of providing local access to specialist medical services. This is limited by the restricted capacity of the outpatient accommodation at the hospital.

3.74 Unmet Demand for Services

3.75 There is some evidence that the limited range and scale of services currently provided by the Davidson Community Hospital and the local general practice and community health and social care services disadvantages people living in South West Ayrshire. It means a lack of access to services or travelling further afield to do so. This evidence has informed the plans for developing services which are outlined in the following paragraphs.

3.76 Local Health Plan, Strategic Direction and Business Objectives

3.77 The NHS Board as a public health organisation has health improvement as its key function and places the highest priority on this and reducing inequalities in health. Health improvement is defined as “any action which takes place within a patient’s journey which will result in improved or restored health status, either for the population as a whole, for a local community, or for an individual patient or group of patients”. Therefore, this health improvement aim must be pursued in conjunction with the implementation of plans to improve health care services. The Board plans to achieve this improvement in the context of local and national priorities by commissioning and reviewing effective health services and health promotion programmes which result in health gain, reduce health inequalities, promote social inclusion and ensure the delivery of seamless services across Ayrshire and Arran.

3.78 The NHS Board adopts a number of approaches to developing health improvement programmes which include:

- Settings - Community, Schools, NHS and Workplace.
- Target Groups – Women, Men, Older People and Children and Young People.
- Topics – Alcohol and Drugs, Sexual Health, Mental Health, Learning Disabilities, Cancer, Nutrition, Cardio-Vascular Disease, Active Living and Smoking.

3.79 The changes which will be implemented to modernise services in South West Ayrshire fit well with these goals, priorities and approaches set out in the Local Health Plan for the period 2002/3.

3.80 The Local Health Plan sets a target of fifty percent reductions in the rate of deaths from coronary heart disease and cerebrovascular disease and twenty percent reductions in the rate of deaths from cancer between 1995 and 2010. The modernisation of services in South West Ayrshire would contribute to the achievement of these targets

3.81 The Local Health Plan recognises that much of the effort to tackle inequalities in health and life circumstances must be done in partnership with other organisations and groups. Through the Joint Health Improvement Plan process, local agencies have come together to develop planning partnerships. These planning partnerships will translate into integrated services which need health and social care professionals to be co-located. The modernisation inherent in this project will enhance the development of such integrated services in South West Ayrshire.

3.82 The Local Health Plan's ambitions to reduce inequalities means focus on the more deprived communities in Ayrshire and Arran. Girvan is a designated Social Inclusion Partnership Area and the proposed modernisation fits with the priority being given to tackling inequalities.

3.83 The plan envisages action will be specifically targeted at improving health including:

- Improvement of life circumstances, including community safety, domestic abuse and health information.
- Improvement in lifestyles, tackling abuse of alcohol and drugs, physical activity, oral health, promotion, nutrition, tobacco smoking, sexual health and mental health.
- Protecting health, including the reduction of risks of acquiring life threatening infections.

3.84 The Plan includes action to improve the provision of health care services targeting on:

- Cancer Services.
- Child Health Services.
- Coronary Heart Disease and Stroke Services.
- Quality improvement through Clinical Governance and the continued enhancement and modernisation of services.
- The high number of people experiencing delayed discharges, compared to the rest of Scotland.
- Increased pressures on a range of services particularly Prescribing Services and Emergency Services.
- Inequities in access to health care.
- Joint Future, including particularly the improvement of integrated services for older people.
- Learning Disabilities Services.
- Maintaining waiting lists and waiting times for Ayrshire and Arran residents.
- Mental Health Services.
- New contractual arrangements for GPs and Consultants.
- Reducing junior doctors' hours of work and meeting working time regulations.
- Shortage of skilled staff in some areas.
- Substance Misuse Services.
- Screening for diabetic retinopathy in line with the Health Technology Assessment Report.
- Winter planning.

3.85 The objectives of the modernisation in South West Ayrshire make it an essential ingredient of the plan for implementing and sustaining the benefits within the above elements of the Local Health Plan.

3.86 The Local Health Plan also envisages the development of the estate infrastructure to deliver service improvements. To pursue this goal, NHS

Ayrshire and Arran commissioned a review of its property strategy. This has now enabled the Board and key partners to develop a preferred model of service provision. This model envisages the greatest amount of service possible being provided as close to the patients' homes as possible from Primary Care Centres or extended GP surgeries. These would be supported by a less localised tier of Primary Care Resource Centres and Community Hospitals providing a range of specialist primary health and social care services with direct access to services traditionally provided in secondary care settings in the past. The more specialist services which cannot be provided safely or economically on such a local basis will continue to be provided from acute District General Hospitals or facilities operating as other specialist service hubs. The model upon which this business case is predicated corresponds exactly with that described above.

3.87 Of specific relevance to this project, the Local Health Plan proposes development of a modern primary care premises and infrastructure to support a modernised approach to providing primary care services. Ayrshire and Arran provide high quality primary care services via three LHCCs. These are considered to be the natural fora for locality planning allowing all primary care professionals, including all independent contractors, health visitors, district nurses and mental health teams, to identify local priorities and develop and deliver modern health care services to meet needs.

3.88 Modernisation of the primary care services in Ayrshire and Arran is progressing through both changes in the contractual relationships between the Board and General Medical Practitioners and changes in the organisation and design of services.

3.89 Following the introduction of Primary Medical Services from April 2004, there are 9 Practices in Ayrshire and Arran which now have Section 17c Contracts for the provision of services.

3.90 The Plan welcomes the changes that will take place in the shape of primary care services. It encourages expansion of the range of services available in primary care to reduce pressure in the acute sector. It recognises the successes achieved in diagnostic services and looks for these to be built upon. It also encourages exploration of a redesign of primary care services to place emphasis on a patient focused service which recognises the particular contribution of different professional staff in delivering care. The modernisation of services in South West Ayrshire will make a major contribution to realising these changes in the way in which services are provided.

3.91 During the next financial year major changes in the delivery of primary health care will be planned and implemented, including the introduction of Community Health Partnerships. The infrastructure of primary care requires particular attention in order to support these changes. The work

commissioned to develop the Ayrshire and Arran Property Strategy helped to identify key priorities for investment based on the more explicit understanding of the strategic direction of primary care that has now emerged from that work. NHS Ayrshire and Arran is committed to build on the successes attained through engagement with Local Authorities in relation to the initiatives in Dalmellington, Drongan and north-west Kilmarnock. The Plan, however, recognises that investment in premises is not sufficient alone to deliver a modern healthcare system. The right numbers of staff with the right skills will be critical to meeting the aspirations of primary care and further work will be undertaken to restructure the workforce and develop strategies for attracting and retaining a highly skilled and committed workforce.

3.92 A key theme of the Plan is improved access by patients to dental and pharmacy services and closer working between these professions and others involved in the delivery of integrated health and social care. This is an area of much needed improvement for South West Ayrshire and the proposed modernisation will achieve it.

3.93 Further, the Plan recognises that information is the life blood of healthcare and technology needs to keep pace with the changing demands on the service. The particular needs for information technology for the primary care team are recognised and will be supported by further developments.

3.94 Prior to the work that has now been done, through the estate strategy review, to develop a preferred future service model, community hospitals were already seen as key resources. There are four community hospitals in Ayrshire and Arran. These are managed by LHCCs and in the main contain beds for the patients of general practitioners of that locality. Three of these hospitals need redevelopment to provide modern high quality health care services, tailored to the needs of the local population and complementing the roles of other new resource centre facilities such as those at Drongan and Dalmellington.

3.95 To meet the expectations set out in the above summary of the Local Health Plan, the Community Health Division needs to make the following changes in the pattern of services and/or facilities in the South West Ayrshire area:

- The capacity of inpatient services need to be expanded and the suitability of the accommodation needs to be improved so that people can access locally a range of services for which they have to travel to acute and specialist hospitals in Ayr and Kilmarnock. This will also impact on the Plan's goals of reducing waiting times and delayed discharges.

- General practice services need to be co-located with inpatient services, hospital consultant, nurse and allied health professional led

outpatient consulting and treatment services and personal social services. This will enable people to access services easily and speedily through integrated care pathways.

- These services also need to be co-located to enable the improvement of service quality through improved processes of continuing professional development, clinical audit and clinical governance.

- Rehabilitation and self care support and advisory services need to be expanded to allow effective health improvement programmes to be developed. This, supported by improvements in the service which give information to patients and clients, will enable the Plan's goals of reduced deaths from major diseases to be achieved.

- The increase in rehabilitation services needs to be matched by an expansion of integrated community outreach team health and social care services, including specialist teams for older people and people with mental health problems and learning difficulties. This will enable the development of effective intermediate care regimes and relieve the potential for social isolation of vulnerable groups of people.

- General dental, optometry and pharmacy services need to be integrated with other primary care services to improve public access and take advantage of the benefits of closer working between different professionals.

- There is a need to expand diagnostic and Minor Injury Treatment Services to improve local access, reduce acute hospital waiting times and relieve pressures on DGH based accident and emergency services.

4 SERVICE SPECIFICATION

4.1 The new Girvan Community Hospital will accommodate:

- GP Acute and elderly care inpatient services.
- General practice, hospital consultant, nurse and allied health professional led outpatient consulting and treatment services.
- Rehabilitation and self care support and advisory services.
- Integrated community outreach team health and social care services, including specialist teams for older people and people with mental health problems and learning difficulties.
- Social Services, including social advisory and information services.
- Community dental services, independent optometry and pharmacy services.
- Minor Injury Treatment Services.
- X Ray Services.
- Emergency and non-emergency patient transport services.

4.2 Its design will aim to provide a facility capable of delivering a locally based and locally responsive, high quality, inpatient, outpatient and day care service and a range of integrated Health and Social Services. The facility will be a resource centre available to the whole community.

4.3 It is the intention that the design solution will focus on the creation of a hospital which is responsive to the changing needs of clinical practice and which will meet the following standards:

- Inpatient accommodation which facilitate effective levels of clinical services.
- Maximisation of the use of beds by providing a flexible ward design including the provision of an appropriate number of easily supervised single rooms.
- Retention of a capability for expansion.
- Creation of premises which are secure, efficient, flexible and easy to maintain.
- Creation of day hospital facilities, which will demonstrate an appropriate balance between clinical functionality and homeliness.

- Integration of day hospital with inpatient facilities demonstrating flexibility and inter-changeability.

- Creation of inpatient facilities which will demonstrate, as tangibly as possible, a homely and comfortable environment allied to current nursing / clinical philosophy and practice.

- Design and specification of facilities to demonstrate consideration of best practice and facilitate the introduction of radically new ways of working.

- The building and the exterior landscaping will reflect the locality, architectural style and demonstrate an effective combination / blend of clinical efficiency and aesthetics.

5 PROJECT OBJECTIVES AND SCOPE

5.1 The scope of the project is to modernise the services provided to the communities in South West Ayrshire in and around the town of Girvan. This will mean the provision of a new community hospital/primary care resource centre which will replace the existing Davidson Community Hospital and the Girvan Health Centre.

5.2 The purpose of the change is to build upon the strengths of the services which are currently provided and to tackle the many weaknesses imposed by current service scope and design and the nature of the facilities which are used to provide the services.

5.3 The main strengths of current services are identified as:

- The capacity to continuously improve services by regularly seeking information about good practice elsewhere and the willingness to make changes which benefit service users.
- The development of team based ways of working.
- Services which are conveniently accessible to people living in the South West Ayrshire community.
- Innovation in the way in which resources are used to deliver services.
- The development of staff training programmes.
- A culture of delivering continuity of care.
- A strongly motivated workforce.
- The development of Clinical Partnership Working.
- Developments in services such as nursing, allied health professional services, X-Ray and palliative care.
- Integrated working of hospital based and community based nursing services.
- A joint equipment service.
- Close working relationships with charitable fund raising bodies.

5.4 Weaknesses fall into five groups:

- The suitability and condition of the buildings currently used to provide health and social care in the South West Ayrshire area.

- The maintenance of an appropriately skilled workforce of sufficient size to meet the local service needs.

- The scope which still exists for developing new ways of working and using the opportunities offered by advancing technology to improve the effectiveness and efficiency of services.

- A model of service organisation which is in need of reform to meet local service needs and the expectations of the Government's modernisation agenda.

- People being unable to gain access to services conveniently.

5.5 The main issues which arise in relation to the quality and suitability of the existing health and social care estate are:

- Its lack of fitness for the purpose of supporting the provision of modern health and social care services.

- The constraining effect which it has on the development of a modern service design and patient centred care pathways. This is due not only to the obsolete design and layout of existing buildings but also to their listed status and problems of land contamination.

- The lack of capacity in current buildings particularly for clinical space and patient and staff facilities.

Other building related issues include:

- The fragmentation of services for Girvan town in separate premises.

- A lack of space for visiting services.

- The absence of consulting rooms to accommodate practice nurse led services.

- The lack of space for developing services such as palliative care.

5.7 Staff recruitment and retention are seen as the major workforce issues faced by the organisations providing health and social care to people in the South West Ayrshire community. They are attributed in part to the isolation of the town and the fact that a significant factor in staff turnover is people moving with their partners' jobs. Nevertheless, the quality of existing buildings and the limiting effect which they have on the development of exciting new approaches to providing services are felt to be contributors to the local recruitment and retention problems.

5.8 There is considerable scope for using modern information, communications and medical technology to give patients more information

and to develop innovative ways of accessing services. This is inhibited to some extent, at present, by the lack of a broadband communications infrastructure in the area. The intensity of use and fragmentation of existing buildings are seen as major constraints on the opportunities to develop new, imaginative and technology based ways of working.

5.9 The model for organising the delivery of services is seen to need reform in a number of ways and particular issues include:

- The underdevelopment of intermediate care services including intensive day hospital based rehabilitation services.
- The poor level of access to acute hospital specialist services within the South West Ayrshire community.
- The underdevelopment of team working among allied health professionals.

5.10 These are key ingredients of a modern service at primary care level and their lack of development in South West Ayrshire is in no small part attributable to the constraints imposed by the dispersed, overcrowded and outdated buildings currently in use.

5.11 Further problems created by the present service delivery model and the configuration of facilities which supports it include:

- The inability to co-locate services which need to work together closely in the interests of providing seamless care packages especially for people with complex needs.
- The separation of dentists, pharmacists and opticians from other primary care services.
- Chronic disease management service provision is erratic.

5.12 The poor road and public transport infrastructure in the area is at the root of most problems which people experience gaining convenient access to services. Any future service changes will have to take account of the constraints on movement which this imposes on people living particularly in the more remote parts of the community.

5.13 In the light of this, the objectives which have been set for the project are to:

- To enable the Division to provide a modern ”Primary Care” service integrating primary care, community health and hospital services and social services.
- To maximise clinical effectiveness.

- To improve the quality of the service available to the local population by providing modern purpose built facilities.

- To enable the Division to provide an efficient and effective service.

- To provide accessible services.

- To provide flexibility for future change.

- To provide a facility which is acceptable to patients, staff and public.

- To provide a contemporary and modern facility, which will support Health and Social Care, services over at least the next 30 years.

5.14 The achievement of these objectives will mean that the following benefits are delivered to staff, patients and the general public in the South West Ayrshire area:

- Enable provision of a wide range of improved services which are adequately resourced with access to an appropriate skill mix.

- Access to buildings which have the capacity and flexibility to enable the provision of services needed now and in the future.

- Access to modern buildings which facilitate ease of operation and achievement of national standards.

- High levels of patient satisfaction through services which are designed to be patient centred.

- High levels of staff satisfaction and successful staff recruitment and retention.

- Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.

- Access to a focal point for services and information which gives a positive impression of the care provided and enables holistic care and health improvement.

- Access to a range of services locally which minimises travel outside the communities where people live.

- Enable the provision of services and introduction of new ways of working so as to meet the Government's modernisation and national clinical standards agenda.

5.15 As outlined in Section 3, the achievement of these objectives and benefits will impact significantly on the overall business goals of NHS Ayrshire and Arran as set out in the Local Health Plan for 2002/3.

5.16 Continuing to use the existing configuration of estate would mean that the benefits that could be realised from achieving these objectives will be significantly less than if the project goes ahead. The main reasons for this are:

- Being able to provide the range of services required depends on the flexibility and capacity of the buildings used and the ability to attract and retain a workforce with an appropriate skill mix. The existing buildings are now full to capacity and their design militates strongly against the introduction of modern ways of working. The hospital building is ageing and listed. The health centre is not modern and has 'temporary' buildings sited to the rear to accommodate some of the administrative function. The quality of the existing building stock is therefore a major factor in the difficulties which the Division has attracting staff to work in Girvan. It experienced similar problems at Cumnock prior to the building of a new community hospital there, since when recruitment and retention have improved.

- Patients are satisfied with the service at present because they value what limited services they can access at their local hospital. There is, however, increasing awareness and expectation that services now only accessible by travelling to Ayr could be provided locally. As this awareness grows, dissatisfaction will grow with it but the hospital as it stands will not be able to accommodate any more services.

- The present accommodation is too overcrowded to enable any progress towards the co-location of primary, intermediate and secondary care services and services provided by the diverse agencies which need to be in modern primary care facility to enable integrated care pathways and effective clinical professional development. The benefits of such an integrated model have been shown to work locally at Dalmellington.

- The separation of the services on two sites will continue to hamper the establishment of a single resource which can be used by the local community to access services, activities and information which promote health and well being.

6 OPTIONS CONSIDERED

6.1 The long list of available options for organising the delivery of services comprises:

- Option 1 – "Do nothing" i.e. retain the present model for organising the delivery of services and invest in existing premises to improve safety and statutory compliance.

- Option 2 – "Do minimum" i.e. retain the present model for organising the delivery of services and invest in the full upgrading of existing premises.

- Option 3 – "Hub and Spokes" – with a full service "hub" providing a wide range of primary, intermediate and secondary care services to support "spokes" which provide core primary care and visiting services in outlying communities. Services at the "hub" and in the "spokes" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital and extended GP surgeries in outlying communities.

- Option 4 – "Hub only" – with a central single service "hub" providing the full range of core and specialist primary care services for the community. Supporting this, with the provision of the range of GP led intermediate and secondary services, those which are effective, efficient and safe to provide outside an acute hospital. Services at the "hub" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be solely a community hospital.

- Option 5 – "GP Specialist Hub and Generic Spokes" – with a GP specialist "hub" providing the range of GP led intermediate and secondary services, those which are effective, efficient and safe to provide outside an acute hospital and outreach bases for allied health professional, nursing and social work services. This would support "spokes" providing core primary care and visiting services in Girvan and outlying communities. Services at the "hub" and its "spokes" would be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a GP acute hospital and extended Primary Care Centres/GP surgeries in Girvan and outlying communities.

- Option 6 – "Specialist Hub and Spoke" – with a consultant led specialist "hub" providing the range of consultant led specialist services, those which are effective, efficient and safe to provide outside an acute hospital. This would support "spokes" in Girvan and outlying communities providing local access to core and specialist primary care services, community health and social work staff bases and visiting services. Services at the "spokes" would be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre with visiting facilities in Girvan. The facilities required in the South West Ayrshire community to support this would be a diagnostic and treatment centre and extended Primary Care Centres/GP surgeries in Girvan and outlying communities.

- Option 7 – "Centralised Hub and Spoke" – with all the acute, intermediate care and specialist primary care services needed by people living in the South West Ayrshire community concentrated in a facility in a separate large population centre. This would support service "spokes" in Girvan and outlying communities which would provide core primary care services, community health and social care outreach services and visiting services. All services other than core primary care would be accessed by consultant referral and the facilities required in the South West Ayrshire community to support the model would be extended Primary Care Centres/GP surgeries in Girvan and outlying communities.

6.2 Short List of Options

6.3 Options 6 and 7 are not included in the short list for detailed evaluation.

6.4 Option 6 is excluded on the grounds that it is a sub option of a group of options that also includes option 3. The additional features of option 5 (local access to specialist acute services) can be realised in option 3 in a way that is more in keeping with the aims of the Government's modernisation policies especially breaking down the barriers between acute hospital and primary care services.

6.5 Option 7 is excluded because it is against the trend of expectations described in the Government's modernising policy statements and would require an unrealistically high degree of change in the local transport infrastructure to make it work successfully.

7 EXPLORATION OF PPP/PFI

7.1 The potential for pro procuring the project with PFI has been explored using:

- The criteria in the SEHD guidance.
- Information available from the Division's experience of providing a hospital through a public/private partnership at Cumnock in East Ayrshire.
- A soft tendering process in which six potential consortia were provided with information about the proposed development and asked to indicate their level of interest in bidding for it.

7.2 The Division has been able to respond positively to the majority of criteria in the SEHD checklist. Based on the experience of East Ayrshire Hospital, a development of larger scale but similar purpose, it has some reservations about the potential for a successful PFI in South West Ayrshire. Four of the six consortia invited to respond to the soft invitation to express an interest, responded. The majority indicated that the likely capital value of the project would not enable them to recover the cost of the initial investment. Others expressed other concerns about a project of this size attracting financiers.

7.3 On balance, the Division believes that formal attempts to find a PFI partner may not be any more successful than the soft tendering process already conducted. It is, therefore, unlikely to result in the benefits advocated for PFI and place at risk the benefits expected from the new facility and the modern care model it is intended to support. Extracts from the anonymised responses to the soft tendering process are included at Appendix G.

7.4 NHS Ayrshire and Arran, however, has had provisional discussions with developers who provide premises under an alternative form of PPP, the Third Party Development route, which has become an established way of procuring primary care premises. Such developers are beginning to expand into the Community Hospital market place and NHS Ayrshire and Arran believes that procurement via this route could be a suitable and successful way of procuring a serviced accommodation solution for Girvan Cottage Hospital.

7.5 Once the proposed development has Outline Business Case approval, NHS Ayrshire & Arran intend to evaluate the Third Party Developer route in more detail against PFI and capital funding. This evaluation will primarily take into account timescales, lifecycle costs and risk transfer and the Full Business Case will be developed around the emergent preferred procurement method. The timetable included at Section 13 reflects capital funding as the procurement route.

8 THE APPRAISAL PROCESS

8.1 Benefits Appraisal

8.2 The assessment of non-financial benefits was conducted on the basis that:

- Options and criteria would be kept separate – each one being considered individually and any consideration of overlap between them avoided.
- Each option would be rated against each non-financial benefit in turn and awarded a score based on that rating.
- Scores would reflect participants' opinions and value judgements of the practical benefits which will be received by implementing each of the options.
- A score of 10 would mean that the option will maximise the benefit and a score 0 would mean that the option will not deliver the benefit at all.
- The aim was to reach a consensus score which resolved wide differences of opinion through reasoned debate between all participants.
- Not all differences in opinion would be resolvable and differences would be accommodated by recording, optimistic and pessimistic scores to reflect the uncertainty of the magnitude of the consensus score (sensitivity analysis).
- Prior to awarding a score, the participants would agree a brief description of how well that option meets the criterion as the basis of the rationale for the score.
- The informed discussion which would follow from everyone listening to a wide range of other participants' views about an option would be more important than the score number.
- Participants would concentrate on benefits not money, act as representatives and proceed at a reasonable pace.

8.3 In order to reflect the differences in importance between the non-financial benefits, each score was converted to a weighted score. This was calculated by multiplying each raw score by the weight allocated to the benefit under consideration. The total score for the option was then taken to be the sum of the weighted scores for all benefits relative to the option.

8.4 The total consensus, optimistic and pessimistic scores for each option are shown in the table below.

Table – Results of the Non-Financial Assessment of Benefits for Short Listed Options for Organising the Delivery of Health and Social Services in South West Ayrshire

Option		Weighted Benefit Score		
No	Description	Consensus	Optimistic	Pessimistic
1	Do nothing	173	185	121
2	Do minimum	269	352	192
3	Hub & Spokes model	844	907	757
4	Hub Only	670	768	595
5	GP Specialist Hub and Generic Spokes	408	433	389

8.5 The summarised results above show Option 3 as a relatively dominant preferred option in terms of non-financial benefits because:

- It ranks higher than all other options not only on consensus scores but also on optimistic and pessimistic scores.
- A change of assumptions which would alter the consensus scores by 26 per cent is required for option 4 to become the preferred option.
- Even in the optimistic scenario, where option 4 would achieve the maximum benefits expected from it, its weighted benefit score is less than that for the consensus scenario score for the preferred option and only just exceeds the pessimistic scenario score for the preferred option.

8.6 Therefore, subject to the assessment of financial and economic performance and susceptibility to risk, Option 3 (as described in section 6 above) is the preferred model of service for South West Ayrshire.

8.7 Further to the identification of the preferred service model, an appraisal, based on accessibility and town planning criteria, was carried out to determine the preferred site for the new Girvan community hospital, needed to enable this option to be implemented.

8.8 The approach to assessing the impact of risk on the appraisal of non financial benefits is set out in the subsection below paragraph 8.37, on risks and uncertainty appraisal.

8.9 Financial Appraisal

8.10 The financial benefits and dis-benefits of the options were examined by comparing the capital and revenue costs. The main elements of costs examined were as follows:

- Capital costs associated with the provision of new buildings or the adaptation/refurbishment of existing buildings.
- Income from disposals of existing assets.
- The expenditure or reductions in expenditure on backlog maintenance.
- The capital charges (depreciation and rate of return) arising from capital expenditure on new and existing buildings.
- Rates and facilities management costs associated with the new buildings and reconfigured estate.
- Pay and non-pay revenue costs associated with the options.
- Recurrent income from use of buildings by independent contractors and other service providers.

8.11 Capital costs

8.12 OB1 and 2 forms have been used to calculate the capital costs of each of the short listed options. Copies of the forms are contained in Appendix A.

8.13 Options 3, 4 and 5 all involve new buildings. The capital cost of the building elements of these options is, therefore, very similar with variations arising only from differences in the amount of new accommodation provided. For option appraisal purposes, it was assumed that any of these options could occupy the same notional site and therefore "On Costs" are similar between options to reflect this. In all cases, they are estimated at 60 per cent of the departmental cost to allow for worst case site conditions. This is based on preliminary assessments of the sites being considered.

8.14 The capital cost of the Options is shown in the table below. The estimates for the major capital scheme costs are based on Departmental Cost Guides published by the NHS Estates at the Median Index of Public Sector Building Prices (MIPS) level 290 uplifted to 360 to reflect the index level ruling at the time of preparing the outline business case. The capital cost estimates also include a forecast of inflation expected between the outline business case and start on site. The adjustment for optimism bias has been made by substituting the planning contingency in the initial OB form calculation with a mitigated optimism bias factor calculated in line

with the procedure set out in the HM Treasury Supplementary Green Book Guidance. Details of the calculation of the optimism bias factor are set out in Appendix A.

8.15 The estimated backlog maintenance expenditure is based on the assessment of estate performance set out earlier in this business case.

Table – Capital Costs of Short Listed Options

Option	Backlog maintenance expenditure £000	Without optimism bias		With optimism bias	
		Major capital scheme cost £000	Total £000	Major capital scheme cost £000	Total £000
Option 1 - Do Nothing	93	0	93	0	93
Option 2 – Do Minimum	117	0	117	0	117
Option 3	10	15,880	15,890	16,920	16,930
Option 4	0	17,702	17,702	18,877	18,877
Option 5	18	17,400	17,418	18,552	18,570

Note: The above costs are net of income received from the disposal of existing buildings

8.16 The Division has made a separate assessment of the income to be derived from the sale of assets on the basis of open market value of Davison Cottage Hospital and Girvan Health Centre. The adjustment of costs for risk takes into account the possibility of reduced income due to disposal at existing use value.

8.17 The Division expects to rigorously review the capital costs as it develops the full business cases for the scheme.

8.18 Revenue costs

8.19 The existing revenue expenditure for NHS Ayrshire and Arran is shown in detail in Appendix A and amounts to £518m. per annum. Expenditure on the existing service in South West Ayrshire accounts for £1.776m. or 0.34% of NHS Ayrshire and Arran total expenditure.

8.20 The capital expenditure arising from the development of the new hospital will result in increased revenue costs associated with building operation and capital charges (interest and depreciation) and rates. This will be partly offset by increased income from other agencies using the new building. Additionally, there are increased staff and non staff revenue costs arising from the service developments.

8.21 The basis for estimating any additional revenue costs arising from each option are:

- Costs are shown at 2004/05 pay and prices basis.

- Projected Income is based on using the Circular rates for Rent for all tenants.

- The medical WTE relates to a recharge from the General Hospital Division for a Consultant Geriatrician. Also included in medical costs are Part Time GP's and GP Bed Fund payments.

8.22 The cost of risk has been factored in to these estimates by identifying the costing assumptions that are most sensitive to future uncertainty and assessing the likelihood and potential impact of such uncertainty on these assumptions. The process for this is described in more detail in the section on risks and uncertainty appraisal later in this case.

8.23 The overall increase in revenue compared to the existing budgets for each of the short listed options is set out in the following table.

Table – Increase in Revenue Expenditure over Existing Budgets for Short Listed Options

Option	Service Development £	Capital Charges £	Rates and FM Costs £	Increased rental income £	Total £
Option 1 - Do Nothing	0	0	0	0	0
Option 2 - Do Minimum	0	100,774	61,765	0	162,539
Option 3	391,399	827,188	72,089	(246,973)	1,043,703
Option 4	391,399	933,281	131,534	(278,649)	1,177,565
Option 5	391,399	916,094	121,904	(273,517)	1,155,880

8.24 An extract from NHS Ayrshire and Arran's 5 year Financial Plan is included in Appendix A.

8.25 At present, the Financial Plan does not provide for the funding of the new community hospital facility in Girvan and the associated changes in services for South West Ayrshire. These changes do not require funding until 2009/10 (the year after the fifth year of the current five year plan).

8.26 Affordability, therefore, depends on the NHS Board's willingness to increase spending on services to be covered by the proposed project by £1,043,704 per annum in 2009/10.

8.27 This increase will need to be resourced by the allocation of available growth funding available to NHS Ayrshire and Arran in that year. The amount of this funding is not yet known. The affordability model at Appendix F uses the rates of additional funding over the current five year plan to project possible increases and analyses the proportions of that estimated growth funding required to fully fund the additional costs of this project.

8.28 The minimum rate of annual growth in the year plan is just over four per cent and this is the rate sustained over the final 3 years of the plan. Even at that lowest rate of growth this project would require only 4 per cent of the available growth to fully fund its costs of £1.044m.

8.29 The key assumptions underlying the financial appraisal have been subjected to full sensitivity analysis and the cost of risk has been factored into the financial appraisal. The methodology for this is set out in the subsection below on risks and uncertainty appraisal.

8.30 The Finance Committee of the NHS Board has approved the OBC in principle, and the Board will fund the revenue consequences if the development goes ahead.

8.31 Economic Appraisal

8.32 The economic performance of each short listed option was assessed using a model which discounted cash flows at 3.5 per cent per annum over the first 30 year life of the new facility and then 3.0 per cent over the remaining expected life of 60 years overall.

8.33 Cash flows were calculated using the capital and revenue costs referred to above net of VAT and capital charges. In the discounting it was assumed that:

- Building structural elements would have a life of 60 years.
- External non structural elements and mains services elements would have a life of 30 years.
- Building services elements and internal fittings would have a life of 20 - 25 years.
- Plant and external works would have a life of 15 years.
- General equipment would have a life of 10 years.
- Capital expenditure on new buildings would be incurred in years 0 and 1 and on equipment in year 1.
- Income from land sale proceeds would be incurred in year 2.

8.34 Although the “do nothing” and “do minimum” options bear no significant capital costs compared with other options in the shortlist, they were not excluded from this assessment so that they could be compared with the other options.

8.35 The results of the economic appraisal of the short listed options are set out in the table below. The table shows only net present costs as all options were assessed as having the same lifetime.

Table – Net Present Costs of Short Listed Options

Option No	Description	Net Present Cost Excluding Optimism Bias (£)	Net Present Cost Including Optimism Bias (£)
1	Do Nothing	45,264,215	45,264,215
2	Do Minimum	49,804,670	49,804,670
3	"Hub and Spokes"	70,821,359	72,296,897
4	"Hub only"	78,175,466	79,828,666
5	"GP Specialist Hub and Generic Spokes"	76,990,236	78,614,323

Note: The Net Present Cost for Options 1 and 2 exclude any additional life cycle costs for existing facilities above that already included within the normal maintenance charge in the revenue costs.

8.36 Prior to any adjustment of these calculations for risk (other than optimism bias), the economic appraisal shows that option 3, "Hub and Spokes" is the most economic option of the three with capital investment. Option 3 has a full service "hub" providing a wide range of primary, intermediate and secondary care services to support "spokes" that provide core primary care and visiting services in outlying communities. Services at the "hub" and in the "spokes" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital and extended GP surgeries in outlying communities.

8.37 The risks and uncertainties associated with the short listed options have been identified at a high level. The impact of this on the outcome of the economic appraisal has been tested by sensitivity analysis. The methodology for this is set out in the subsection below on risks and uncertainty appraisal.

8.38 Risks and uncertainty appraisal

8.39 An assessment was carried out to identify the risks and uncertainties associated with this project and to test the sensitivity of the non-financial benefits assessment and economic and financial appraisals set out above to the risks identified.

8.40 The methodology used to quantify and value risks involved developing an understanding of the nature of each risk, differentiating between its impact on different options and assumptions, assessing the probability, timing and impact of its occurrence. The risks identified include any that will be

transferred to the private sector in the event of a PPP/PFI procurement strategy being adopted for the project.

8.41 The outcome of this risk and uncertainty appraisal are set out in Appendix E and summarised in the table below.

Table – Impact of Risk and Uncertainty on Option Appraisal Results

Option	Weighted Benefit Score	Risk Adjusted Weighted Benefit Score	Net Present Cost (£m)	Risk Adjusted Net Present Cost (£m)	Added Revenue Cost (£m)	Risk Adjusted Added Revenue Cost (£m)
Option 1 – Do Nothing	173	66	45.26	47.46	0	
Option 2 – Do Minimum	269	109	49.80	52.19	0.18	0.19
Option 3	844	578	72.30	79.19	1.10	1.19
Option 4	670	392	79.83	90.01	1.24	1.37
Option 5	408	214	78.61	90.72	1.22	1.40

8.42 These results indicate that the impact of the risks of future uncertainty is unlikely to change the preferred option in terms of either the potential for achievement of non financial benefits, net present costs or additional revenue costs.

8.43 The risks associated with the preferred option have been developed into a risk register and management plan as set out in the following table. The risks in this register have been used as the basis for adjusting weighted benefit scores and net present costs of options for future uncertainty. The scores allocated to each risk for likelihood of occurrence and potential impact are set out in Appendix E.

RISK	MANAGEMENT STRATEGY
Ability to recruit staff	Proactive promotion of the new facility and proposals for innovative and pioneering ways of working.
Agency staff costs	Reduce vacancies through action to tackle recruitment risk. Monitor attendance at work and take effective action to minimise absenteeism.
Building design risk	Competitive appointment of project manager against appropriate role and person specifications.. Preparation of clear service brief. Adoption of rigorous change control procedures. Disciplined and inclusive process for design sign off.
Construction cost overrun	Clear and inclusive process of service brief (output specification) and design sign off with users. Application of rigorous change control procedures. Procurement of developer based on rigorous competition and contracting for transfer of construction cost risks to developer.
Construction time overrun	Put in place strong project management arrangements. Contracting based on penalisation for delay. Application of rigorous change control procedures.
Developer failure to meet service brief	Competitive appointment of project manager against appropriate role and person specifications.. Preparation of clear service brief. Adoption of rigorous change control procedures. Disciplined and inclusive process for design sign off.
External factors affecting labour market	Regular monitoring of the labour market. Maintaining close contact with University Medical Schools, Colleges of Nursing, Colleges for training allied health professional and local schools. Internal procedures for planning manpower needs and recruitment strategies.
Higher capital charges & rates	Control of building design risk and construction cost overrun risk.
Higher FM Costs	Control of building design risk and construction cost overrun risk. Review of options for procuring FM services. Production of realistic output specification for FM as a basis for award of internal or external contract.
Lack of Inter Agency co-operation	Maintain current partnership working with all agencies at strategic and operational levels.
Land purchase excess	Appointment of specialist agents to negotiate for contract for purchase of new site during development of FBC. Agents commission to include marketing of existing sites and negotiation with local authority to obtain most favourable planning consents.
Non pay inflation	Continuation and improvement of effective budgetary management and control systems.
Pay inflation	Effective recruitment and retention strategies to avoid need for premium rates. Continuous workforce review and reengineering.
Resistance of current providers to service transfer	Continue and build upon existing dialogue which is resulting in a shared understanding of the benefits of effective demand management to all providers and to patients, service users, clients and their carers. Maintain awareness of growing evidence base for safe and effective service provision in primary care.
Retention & recruitment incentives	Effective recruitment and retention strategies to avoid need for premium rates/ "golden hellos".
Sale proceeds shortfall	Appointment of specialist agents to negotiate for contract for purchase of new site during development of FBC. Agents commission to include marketing of existing sites and negotiation with local authority to obtain most favourable planning consents.
Service user acceptance of service model	Continue to engage public and service users in the development of plans for the new facility.
Staff acceptance of changed roles	Continue to engage contractor professions and all staff in the development of plans for the new facility.
Staff acceptance of principles for space utilisation and sharing	Inclusive processes for developing the service brief, signing off the design, developing detailed operational policies and reengineering services and ways of working.

8.44 Benefit points per million pounds net present cost

8.45 The interrogation of non-financial benefits with the overall life cycle cost is an important indicator to determine the effectiveness of the substantial life time investment in delivering the non-financial benefits. The following table shows the results of the calculations of benefit points per pound.

Option	Weighted Benefit Score	NPC (£m) Including Optimism Bias	Benefit Point per NPC	Risk Adjusted Weighted Benefit Score	Risk Adjusted NPC (£m) Including Optimism Bias	Risk Adjusted Benefit Point per NPC
Option 1	**173**	**45.26**	**3.82**	**66**	**47.46**	**1.39**
Option 2	**269**	**49.80**	**5.40**	**109**	**52.19**	**2.09**
Option 3	**844**	**72.30**	**11.67**	**578**	**79.19**	**7.29**
Option 4	**670**	**79.83**	**8.39**	**392**	**90.02**	**4.35**
Option 5	**408**	**78.61**	**5.19**	**214**	**90.72**	**2.36**

8.46 These results indicate that Option 3 remains the preferred option, irrespective of adjustments for risk, for delivering the non-financial benefits in the most cost effective manner.

9 PREFERRED OPTION

9.1 The forgoing analysis shows Option 3 as a relatively dominant preferred option because:

- It ranks higher than all other options not only on consensus scores but also on optimistic and pessimistic scores.
- A change of assumptions that would alter the consensus scores by 26 per cent is required for option 4 to become the preferred option.
- Even in the optimistic scenario, where option 4 would achieve the maximum benefits expected from it, its weighted benefit score is less than that for the consensus scenario score for the preferred option and only just exceeds the pessimistic scenario score for the preferred option.
- The financial appraisal results indicate that option 3 the "Hub and Spokes". Option is the most affordable of the three options that involve necessary service change.
- Economic appraisal results also indicate that option 3 offers the greatest value for money.

9.2 The option is predicated upon a "Hub and Spokes" model for organising the delivery of health and social services. It involves a full service "hub" providing a wide range of primary, intermediate and secondary care services to support "spokes" which provide core primary care and visiting services in outlying communities. Services at the "hub" and in the "spokes" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital and extended GP surgeries in outlying communities.

9.3 The main benefits expected from the preferred option are:

- The new model of service and the facilities which support it will be designed to break down traditional barriers between primary, intermediate and secondary care and between health and social care.
- As evidence evolves to demonstrate the safety, appropriateness and viability of moving an increased range of services into primary care settings, facilities and ways of working will be in place that engender this.

- New and improved facilities and ways of working will also enhance the Division's ability to adapt the range and scale of services provided to meet changing needs in the future.
- These modern facilities and ways of working will overcome many of the problems which South West Ayrshire experiences in recruiting and retaining staff due to its geographical isolation. This will mean that it is more likely that the Division and its partner agencies will be able to employ workforces with the mix of skills that is needed to provide modern health and social care.
- The model and the facilities will remove the constraints on the provision of services, such as nurse and therapist monitoring of patients with chronic illnesses that exist at present. The impact of services provided on the care of vulnerable groups of people (such as older people, people with a mental illness and people with coronary heart disease) will, therefore, be greater and any standards set for such groups of people will be easier to achieve.
- The proposed model and new buildings will also integrate services and the staff who provide them. This will enable staff to meet the highest standards of clinical effectiveness and safe care, to work more closely together so that patient pathways to care are smooth and straightforward and to achieve the highest levels of clinical competence through integrated multidisciplinary development and training.
- It will provide easier and more equitable access to services through a single focal point for health and social care services and information. This will improve public confidence in services, support the promotion of good health and well being through self care and enable a holistic approach to the delivery of services.
- It will provide care closer to home and enable people in South West Ayrshire to access a wide range of primary, intermediate and secondary care services without travelling outside the community.
- It will significantly modernise services and buildings improving patient centredness, convenience of access and the overall patient experience.

10 RISK TRANSFER (potential PPP/PFI projects only)

10.1 Subject to further investigation, there is a high probability that the new facility will be procured under the third party developer route which offers some possibility for transferring risks to the developer. In this event, NHS Ayrshire and Arran will seek to contract to transfer the greatest possible amount of risk in terms of building specification, design, financing, construction and operation to the preferred developer. It will also work closely with other NHSS organisations which have procured or are procuring this type of facility under the third party development route and will use the experience of its own staff and contractor professions who have been involved in this procurement process in the past.

11 PPP/PFI & LEGAL ISSUES

11.1 NHS Ayrshire and Arran will appoint legal advisors to ensure that the legal issues of third party development for a medium sized multi user development such as this are properly understood and taken into account in its planning and procurement.

11.2 This will also enable NHS Ayrshire and Arran to ensure that it makes the most appropriate arrangements for the legal structure of the project in terms of leases, sub leases and user agreements.

12 PERSONNEL ISSUES

12.1 Present Staffing and Future Requirements

12.2 The most significant change with regard to the workforce employed by the Division is the new role of the inpatient services in Girvan.

12.3 The service proposal for the New Build indicates a significant change in the type of inpatient care delivered within the Hospital. The proposal includes the following services:

- GP acute.
- Short Stay/observations.
- Post Surgery transfers.
- Post Medical Transfer.
- Intermediate Care/Rehabilitation.
- Contingency (Winter Planning).
- Palliative Care.

12.4 This change will affect the level of care to be given primarily by nursing staff and, therefore, changes in the current skill mix are required to accommodate and facilitate the nursing services to provide a more appropriate skill mix to meet the needs of patients. An assessment of nursing skill mix and training needs has been carried out in relation to the proposals.

12.5 The assessment has identified that changes are required within the current nursing establishment, as set out in the table below, to provide the appropriate skill mix to deliver nursing care for the services above. The proposed skill mix changes will also support the following:

- Recruitment and retention of staff.
- Training and development of skills required to deliver nursing service.
- Succession Planning.
- Provide flexible working arrangements.
- Promote multi disciplinary working.

Table -Girvan Community Hospital Proposed Changes in Nursing Skill Mix

Grade	Current	Proposed
A	**9.43**	**+2.00**
B		
C		
D	**4.00**	
E	**10.00**	**-2.00**
F	**3.00**	**-1.00**
G	**1.00**	**+1.00**
H		**+1.00**
I		

12.6 The proposed Clinical Coordinator 'H' Grade will have overall responsibility of coordinating services within the new hospital.

12.7 A reduction in the 'E' Grade complement will be matched by an increase in the 'A' Grade complement. The 'A' Grade complement will comprise Health Care Assistants working across a Multi-disciplinary team. This would also provide the resources for funding the 'H' Grade post.

12.8 The 'F' grade complement reduces to 2 WTE to support the proposed increase to 2 'G' Grades.

12.9 The increase in the 'G' Grade complement will ensure effective clinical nurse leadership and coordination in the areas of inpatients and outpatient care.

12.10 The above changes can be achieved within the current nursing establishment and resources and will also support Professional Development, recruitment and retention, succession planning

12.11 Training needs analysis is carried out annually and the Performance Management and Personal Development Plan system is already established with the Davidson Cottage Hospital and this will continue. Personal Development Plans are developed in relation to the individual training needs of staff, which are required for the post. This system has proved to be a valuable and proactive approach for staff development. The skills required for the staff within the New Build will be developed in line with the performance management system.

12.12 The training needs of staff will continue to be monitored and developed in accordance with Clinical Governance and Staff Governance policy.

12.13 The numbers and mix of staff employed in the services provided from the new facility will change radically in other disciplines. In all cases, these changes involve increased staffing to provide the extended range of services enabled by the new facility. The main human resource challenges for NHS Ayrshire and Arran are therefore:

- Recruitment and retention of a skilled and motivated workforce to deliver the high quality services which will be available from the new facility.
- Seeing through the change management process which has so far driven the concept, the high level operational policies and the design of the new facility.
- Alignment of terms and conditions for support staff.
- Adoption of common working practices.

12.14 Training and development programmes, focused recruitment initiatives and organisation development activity will be undertaken in parallel with the planning of the new building to ensure that the size, make up and approach of the workforce is such that it can deliver the expected benefits of the new facility.

12.15 In line with the service commissioning plan, NHS Ayrshire and Arran will actively promote the modernised service in order to attract the best staff. Features of the service that it will particularly highlight are:

- The broadening of the skill base of staff working in the service.
- The focus on health maintenance, prevention of illness and the promotion of independence.
- A culture of continuous improvement seeking the provision of evidence based services, delivering better outcomes for people using them through quality assured processes.
- The opportunity which staff will be given to continuously review and develop their skills. The Human Resource Plan backs this up by making provision for periodic formal skills assessment to identify priority training needs and to inform the development of training plans. The first of these is being carried out now in preparation for the commissioning of new services.
- The opportunity to pursue modern ways of working, with modern equipment, using modern technology including telemedicine and tele-radiology, in modern surroundings.
- The encouragement of integrated multidisciplinary working between all services and agencies using the facility.
- The encouragement of flexible working practices and the provision of high quality staff facilities.

12.16 The recruitment and retention plan will involve working together with other agencies to identify partner skills and joint recruitment opportunities. It will also incorporate back to work initiatives.

12.17 A process has been put in place to examine the differences between staff terms and conditions and propose ways of aligning them.

12.18 To prepare staff for the adoption of common working practices, NHS Ayrshire and Arran are launching a programme of organisation development events including informal meetings, away days, job swaps, role assessment and job redesign forums. This will followed through for all staff with an extensive induction and training programme.

12.19 Policy on Openness – consultation and involvement

12.20 The Human Resource Plan is supported by the NHS Ayrshire and Arran policy on openness and communications. This policy has been demonstrated in practice in the participative planning and formal consultation processes which have been a feature of the management of the project to date. It will continue to drive the way in which NHS Ayrshire and Arran will work with its staff as key stakeholders over the detailed planning and operation of the new facility.

12.21 To achieve successful change management outcomes key staff will continue to be involved in a process of developing detailed operational policies and service commissioning which will be incorporated into the benefits realisation plan described in section 11 of this OBC.

12.22 Policy on TUPE Transfers

12.23 At present it is anticipated that none of the existing staff will be transferring to a PFI consortium and, therefore, that there are no issues under TUPE for NHS Ayrshire and Arran to resolve.

13 TIMETABLE

The indicative programme, based on a public capital procurement route, is:

- Approvals Process

Outline Business Case	**Approval by NHS Ayrshire and Arran Board** *January 2005* **To SEHD for CIG meeting in** March 2005
Interim Stage	**Preparation** *June 2005-August 2005* **NHS Board** *October 2005* **SEHD** *November 2005*
Full Business Case	**Preparation** *October 2005 –March 2006* **NHS Board** *June 2006* **SEHD** *July 2006*

- **Appointment of Design Team**

Design Brief	March *2006 - May 2006*
OJEU Procedures	March *2006 - August 2006*

- **Outline Design** *August 2006 - November 2006*
- **Detailed Design** *December 2006 - March 2007*
- **Preparation of Bills** *February 2007 – April 2007*
- **Appointment of Main Contractor** (Including OJEU procedures) *December 2006 - May 2007*
- **Main Contract** (eighteen months) *July 2007 - December 2008*
- **Commissioning** *January 2009 – February 2009*

14 PROJECT MANAGEMENT

14.1 This section provides a summary of the steps that are being taken to ensure that the implementation of the project is managed effectively through financial close to service commencement and through the lifetime of the partnership agreement.

14.2 It is based on the current assumption that the project will be procured through the public capital procurement route with commentary to indicate where the arrangements may need to be tailored to enable the effective delivery of the new facility under the third party developer procurement route.

14.3 Project Management Structure

14.4 Board/Steering Group

14.5 This Group will:

- Oversee the management of the project on behalf of the NHS Ayrshire and Arran Board.
- Provide support and advice to the Project Director on a range of issues relating to the successful implementation of the project and the development of the detailed service brief, design, construction and commissioning of the new facility.
- Assist in the evaluation of competitive bids from potential design teams, professional and technical advisors, building contractors/ developers and equipment suppliers/procurement managers. Advise the Project Director on recommendations to be made to the NHS Ayrshire and Arran Board in relation to their appointment.
- Ensure the engagement of the all NHS Ayrshire and Arran Operating Divisions and external partners and stakeholders in the process for developing the plans for the new facility and the services which it will accommodate.
- Assist the Project Director to develop formal proposals to recommend to the NHS Ayrshire and Arran Board in relation to the service brief, final design proposals and other key elements of the plans for building and commissioning the new facility and its services.
- Agree room data, equipment schedules, budgets, specifications and service and building commissioning programmes in accordance with the programme set out in the OBC.
- Monitor the project in terms of cost and time and assist the Project Manager in identifying potential variances and action to keep the project on time and to cost.

- Support and advise the Project Director in relation to the development of the final business case for the project.
- Oversee delivery of the benefits realisation plan to be defined in the FBC.
- Oversee the commissioning of services and equipment.
- Monitor progress against the construction and equipping programmes regularly, normally on the basis of exception reporting.
- Be satisfied that appropriate steps are being taken if problems are identified.
- Demonstrate a visible commitment to the project, ensuring that the project is actively promoted throughout the NHS Ayrshire and Arran.
- Commission the post project evaluation and ensure that its conclusions are reported to the NHS Ayrshire and Arran Board and to the SEHD.
- Agree and oversee the implementation of structures and processes for working in partnership with a third party developer where appropriate.
- Oversee the development and implementation of detailed operational policies which embrace the principles set out in the OBC, service brief and/or output specification.

14.6 Project Director

14.7 NHS Ayrshire and Arran uses the principle of identifying an individual Executive Director to lead projects. The Project Director for this project will be appointed following the approval of the OBC by SEHD. Once the OBC has been approved the Business Case, this Executive Director will be given full responsibility for the delivery of the project as Project Director. The Project Director will be accountable to the NHS Ayrshire and Arran Board.

14.8 The role of the Project Director is key to the successful outcome of the project.

14.9 He/she will:

- Manage NHS Ayrshire and Arran's interest in the project, including the co-ordination of user's interest and the production and agreement of operational policies and commissioning programmes.
- Monitor the project to minimise any planning, design, construction and commissioning time overruns.

- Ensure that a specification is prepared for the role of project manager and that an individual or practice is appointed to perform this role that is demonstrably capable of performing it.
- Ensure that the clinical service is delivered according to the service brief/output specification, project commissioning programme and the clinical service costs identified in the outline business case and subsequently the full business case.
- Ensure that competitive arrangements are put in place for procuring a design team and other professional and technical advisors deemed necessary. Recommend the appointment of individuals/practices to the NHS Ayrshire and Arran Board or approve their appointment where allowed by delegated financial limits.
- Ensure that a process is put in place for engaging stakeholders in the development of the service brief, design and commissioning plan for the new facility and its services.
- Ensure that a full business case is developed and approved prior to the invitation of tenders for the construction of the new facilities from contractors or development companies.
- Ensure that competitive arrangements are put in place for procuring a building contractor/developer to construct the new facility. Recommend the appointment of a preferred contractor/developer to the NHS Ayrshire and Arran Board.
- Ensure that the new facility and its proposed services remain affordable in the context of NHS Ayrshire and Arran financial allocations available from time to time.
- Ensure that arrangements are in place for controlling and accounting for the use of the facilities for services provided by third parties.
- Act as the point of contact in all dealings with the consultants, contractors, and other external organisations involved in the project and provide all decisions and directions on behalf of the NHS Ayrshire and Arran.
- Be aware of the business objectives and corporate management structure as it relates to the project.
- Ensure that adequate communications channels exist between the project and external organisations and the project and the NHS Ayrshire and Arran.
- Ensure that procedures are in place to involve users at all phases of the commissioning and mobilisation of health and social care services to be provided from the facility.
- Liaise with and formally report to the SEHD on contract progress.
- Ensure that the project is completed and handed over to the NHS Ayrshire and Arran in a managed way.

- Arrange the post completion evaluation of the project.
- Demonstrate commitment to the project and promote the benefits which it will bring.
- Ensure that actions are taken to manage risks to the project identified in the risk register and any subsequent update.

14.10 Project Manager

14.11 On approval of the OBC by SEHD a projector manager will also be appointed and will have responsibility for carrying out the day to day management of the project. He/she will report directly to the Project Director.

14.12 The Project Manager will ensure that systems are in place to control and manage the project, in particular, time and NHS Ayrshire and Arran's revenue costs, to monitor the execution of the construction and equipping of the building and to make regular reports to the Project Director.

14.13 The Project Manager will be responsible for the day to day management, including execution of a wide range of the Project Director's responsibilities and co-ordination of the Project Team.

14.14 Project Team

14.15 A Project Team will be created to advise and assist the project manager in relation to the detailed development of the service brief, design and commissioning plans and to input to the development of the Full Business Case.

14.16 The Project Team composition will be decided when the OBC has been approved by SEHD. To ensure its capacity to drive the completion of the project in line with the milestones set out in the proposed project timetable, this will as a minimum include:

- The Project Director
- The Project Manager
- A representative of the Design Team
- Specialist external advisors as needed.
- The LHCC General Manager.
- A representative of the NHS Ayrshire and Arran Community Health Division Facilities Directorate.
- A representative of the NHS Ayrshire and Arran Community Health Division Finance Directorate.
- A Human Resources Manager.

- A General Practitioner.
- A representative of General Practice Management.
- A public representative
- A Social Work Manager
- A representative of General Pharmaceutical Services
- A representative of General Ophthalmic Services
- An Information and Communications Technology Specialist
- A senior representative of general management in the NHS Ayrshire and Arran Community Health Division.
- A senior representative of general management in the NHS Ayrshire and Arran General Hospitals Division

14.17 Public Reference Group

14.18 In line with the Scottish Executive requirements for Public Engagement and Consultation and Involvement in the development of services; the following has been undertaken:-

- In September 2003, a public meeting was held in a central location for the Community of Girvan and surrounding villages. Approximately 80 people attended. Attendees heard a presentation and posed questions to the panel.

- The attendees were then handed a form and invited to consider participating in a Public Reference Group which would be set up to complement the work on the development of the new Community Hospital site in Girvan.

- 25 people responded positively and the Group has been established, involving the local Community Council, Local Health Council and members of the public, attempting to ensure the widest possible representation.

- A meeting was held on 14th June 2004 in Girvan. This was a one hour introductory session was intended to outline expectations and answer any questions from the Group.

14.19 Further meetings will be scheduled and it is anticipated that the Divisional Medical Director, locally based GPs and others will join the meetings as necessary to answer any points the Group may have.

14.20 External Support

14.21 Subject to the selection of the preferred procurement route for the new facility, NHS Ayrshire and Arran expects to appoint the following external support:

- Design team (architect, services engineers, structural/civil engineer, quantity surveyor and planning supervisor).
- Clerks of works
- Legal advisor.
- Property advisor and town planning advisor.

The capital costs of all options considered have included fee estimates that will cover the costs of these appointments. The costs that will be incurred in the development of the plans for the facility up to Full Business Case stage will be in the order of £ 980,000.

15 NHS BOARD APPROVAL

Signed for and on behalf of the Ayrshire & Arran NHS Board

By

Name W HATTON

Designation Chief Executive

Date 9 2 05

NHS Ayrshire and Arran

Community Health Division

Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix A

Cost analysis and assumptions

ACCOMMODATION SCHEDULE FOR OPTION 3
HUB AND SPOKES (PREFERRED OPTION)

TRUST/ORGANISATION: Ayrshire & Arran Primary Care NHS Trust

SCHEME: Redevelopment of Girvan Community Hospital

Option: Preferred

PROJECT DIRECTOR: Heather Knox

Department	ID	Functional unit/Space requirement	N/R	HCI Reference	No.	Area	Total Area
A. MAIN ENTRANCE RECEPTION AND ANCILLARY ACCOMMODATION							
	1	Covered Entrance	N	-	-	-	-
	2	Reception/Records/Admin	N	-	-	-	-
	2.1	Reception	N	11.02.02	1	15.00	15.00
	2.2	Records	N	04.01.06	1	31.00	31.00
	2.3	Admin	N	07.01.01	1	74.00	74.00
	3	General Waiting	N	03.01.18	1	45.00	45.00
	4	Pram/Child's Play Area	N	03.11.12	1	20.00	20.00
	5	Welfare Foods Store (adjacent and dispensed from rece	N	01.04b.04	1	4.00	4.00
	6	Public Telephones (included within General Waiting)	N				
	7	Wheelchair/Trolley Bay	N	04.05.07	1	12.00	12.00
	8	Porter's office	N	09.03.04	1	11.00	11.00
	9	Hospital Manager's Office (2 people)	N	11.01.11	1	15.00	15.00
	10	Practice Manager's Office	N	11.01.12	2	11.00	22.00
	11	Interview Room	N	11.01.03	1	9.00	9.00
	12	Communications Room (Computer Services etc)	N	12.01.02	1	20.00	20.00
	13	WC/Change (hoist, changing trolley, nappy change)	N	03.09.10	1	10.00	10.00
	14	WC's Public	N	04.05.02	2	5.00	10.00
	15	Staff Seminar Room	N	11.01.17	1	25.00	25.00
	16	Community/Multi-Purpose/Health Education Room	N	01.01B.09	1	35.00	35.00
	17	LHCC Base	N	11.01.14	1	25.00	25.00
	18	Staff WC's	N	07.03.05	2	3.00	6.00
	19	Staff Room (with Pantry included)	N	01.04A.07	1	25.00	25.00
	20	Domestic Services Room	N	04.06.08	1	10.00	10.00
	21	Plant & Switch Rooms - Item deleted	N		-	-	
	22	Sub-comms room	N		2	4.00	8.00
	23	Store	N	04.09B.27	1	10.00	10.00
B. REHABILITATION SUITE							
	1	Waiting	N	04.01.06A	1	20.00	20.00
	2	Wheelchair WC's	N	03.11.13	2	5.00	10.00
	3	Staff Base (AHPs - Physio / Dietetics)	N	11.01.14	1	35.00	35.00
	4	Physiotherapy Area (6bays)	N	05.01.37	1	70.00	70.00
	5	Physiotherapy Store	N	11.02.32	1	15.00	15.00
	6	ADL Bathroom	N	14.02.02	1	16.00	16.00
	7	ADL Kitchen	N	11.02.35	1	20.00	20.00
	8	OT Treatment Area/Appliance Lab.	N	11.02.35	1	20.00	20.00
	9	Rehabilitation Store	N	01.03.17	1	15.00	15.00
	10	Client Sitting/Dining Area	N	05.01.07	1	45.00	45.00
	11	Cloak Room	N	03.13.08	1	10.00	10.00
	12	Interview Room	N	11.01.03	1	11.00	11.00
	13	Physiotherapy equipment cleaning room	N	04.06.08	1	15.00	15.00
	14	Staff Base (AHPs - Ops/S&L/Podiatrist/Dental)	N	11.01.14	1	45.00	45.00
	15	Staff WC's	N	07.03.05	2	3.00	6.00

ACCOMMODATION SCHEDULE FOR OPTION 3
HUB AND SPOKES (PREFERRED OPTION)

C. CONSULTING/ OUTPATIENT DEPARTMENT							
	1	Sub-Waiting	N	11.02.03	5	8.00	40.00
	2	Patient WC's	N	04.05.02	2	5.00	10.00
	3	Staff WC's	N	07.03.05	4	3.00	12.00
	4	GP/Practice Nurse Consulting/Examination Rooms	N	04.05.03	9	16.50	148.50
	5	Consulting Rooms – Multi-user (soundproofed for Audiol	N	04.06.02	7	16.50	115.50
	6	Interview Room	N	11.01.03	5	13.00	65.00
	7	Treatment Room	N	03.11.06	3	18.00	54.00
	8	Podiatry Treatment Room	N	11.02.22	1	16.50	16.50
	9	Dental Surgery	N	11.02.38	1	16.50	16.50
	10	Dental Store/Compressor/Gas Storage	N	10.02.08	1	14.00	14.00
	11	Decontamination Room (cleaning room)	N	-	1	20.00	20.00
	12	Optometry	N	04.04.01	2	16.50	33.00
	13	LDS and CPN Office	N	11.01.14	1	30.00	30.00
	14	Domestic Services Room	N	-	1	10.00	10.00
	15	Refuse/Disposal	N	-	1	12.00	12.00
	16	Store	N	04.09B.27	4	10.00	40.00
	17	Team Base – Community Staff (18 persons)	N	07.01.01	1	60.00	60.00
	18	Pharmacy Suite - Dispensary	N	04.04.02	1	30.00	30.00
	17.1	Private Areas	N	04.04.02	2	2.00	4.00
	17.2	Store Room	N	04.04.02	1	8.00	8.00
	17.3	Office	N	04.04.02	1	10.00	10.00
	17.4	Retail Area	N	04.04.02	1	24.00	24.00
	17.5	Consulting Room	N	04.05.03	1	16.50	16.50
	17.6	Staff WC (wheelchair accessible)	N	03.11.13	1	5.00	5.00
	19	Speech & Language Therapy Room	N	11.02.37	1	16.50	16.50
	20	Dental Surgery 2, including recovery room	N	11.02.38	1	35.00	35.00
	21	Minor Surgery Room	N	03.11.06	1	30.00	30.00
	22	Separate Dispensary	N	04.04.02	1	15.00	15.00
D. INPATIENT ACCOMMODATION							
	1	Single Rooms with Ensuite Shower / WC	N	01.01B.01	18	17.00	306.00
	2	Double Room with Ensuite Shower/WC	N	01.01B.01	2	35.00	70.00
	3	Nurses Duty Room	N	03.09.08	1	12.00	12.00
	4	Sister/Charge Nurse's Office	N	11.01.16	1	9.00	9.00
	5	Preparation Room	N	04.09B.32	1	16.00	16.00
	6	Equipment Store	N	04.09B.27	1	30.00	30.00
	7	Disposal/Sluice	N	05.01.21	1	12.00	12.00
	8	Pantry	N	04.09B.27	1	5.00	5.00
	9	Linen Store	N	04.09B.25	1	4.00	4.00
	10	Domestic Services Room	N	-	1	10.00	10.00
	11	Bathroom (Arjo or equivalent)	N	14.02.02	1	14.00	14.00
	12	Sitting/Day Space (non smoking and smoking)	N	01.02.08	2	15.00	30.00
	13	Equipment Cleaning room	N	04.06.08	1	30.00	30.00
	14	WC's (wheelchair accessible)	N	14.01.04	2	5.00	10.00
	15	Staff WC's	N	14.01.01	2	3.00	6.00
	16	Treatment Room	N	03.11.06	1	18.00	18.00

ACCOMMODATION SCHEDULE FOR OPTION 3
HUB AND SPOKES (PREFERRED OPTION)

E. MINOR INJURIES/ X-RAY							
	1	Sub-Waiting	N	11.02.03	1	10.00	10.00
	2	Recovery/Admission Room/Resuscitation	N	11.01.05	2	20.00	40.00
	3	Examination/Treatment Cubicles	N	20.13.01	1	11.00	11.00
	4	X-ray Room (digitised)	N	11.02.20	1	35.00	35.00
	5	Changing Cubicles	N	03.01.09	2	2.50	5.00
	6	X-Ray Store	N	04.09B.27	1	6.00	6.00
	7	Ultrasound Room	N	04.09A.02	1	16.50	16.50
	8	ECG Room	N	04.04.07	1	16.50	16.50
	9	Chemical Store	N	10.02.12	1	3.00	3.00
	10	Processing	N	03.01.06	1	20.00	20.00
	11	Office	N	11.02.28	1	15.00	15.00
	12	Sluice / Disposal	N	05.01.21	1	10.00	10.00
	13	Interview Room	N	11.01.03	1	11.00	11.00
	14	WC's (wheelchair accessible)	N	14.01.04	2	5.00	10.00
	15	Store	N	04.09B.27	1	5.00	5.00
F. SUPPORT FACILITIES							
	1	Food Preparation and Cooking Area	N	01.01B.09A	1	110.00	110.00
	2	Cold Room	N	09.03.03	1	5.50	5.50
	3	Dry Store	N	09.03.03	1	5.50	5.50
	4	Equipment Store	N	10.02.08	1	5.50	5.50
	5	Kitchen Refuse	N	03.04.23	1	6.00	6.00
	6	Catering Office	N	11.01.12	1	11.00	11.00
	7	Catering Manager's Office	N	11.01.16	1	11.00	11.00
	8	Chemical Store	N	10.02.12	1	5.00	5.00
	9	Domestic Services Room	N	04.09B.27	1	10.00	10.00
	10	Dining Room/servery	N	05.01.07	1	80.00	80.00
	11	Dirty Linen Store	N	04.09B.25	1	17.00	17.00
	12	Linen Room	N	04.09B.25	1	17.00	17.00
	13	Staff WC's	N	07.03.05	2	3.00	6.00
	14	Staff Change/Lockers/Shower/WC	N	01.04B.05	1	20.00	20.00
	15	Laundry	N	04.09B.25	1	15.00	15.00
	16	Plant Room	N		1	40.00	40.00
	17	Switch Room	N		1	8.00	8.00
	18	Medical Gases	N		1	10.00	10.00
G. ACCOMMODATION COMMON TO UNIT							
	1	Staff Rest Room	N	04.09B.15	1	15.00	15.00
	2	Staff Rest Room (Smoking)	N	04.09B.15	1	15.00	15.00
	3	Staff Change/Lockers - male	N	01.04B.05	1	25.00	25.00
	4	Staff Change/Lockers - female	N	01.04B.06	1	40.00	40.00
	5	Clinicians/Relatives Overnight Stay Room (en-suite)	N	01.01B.09B	1	15.00	15.00
	6	Staff Pantry	N	04.09B.15	1	8.00	8.00

ACCOMMODATION SCHEDULE FOR OPTION 3
HUB AND SPOKES (PREFERRED OPTION)

H. SOCIAL SERVICES ACCOMMODATION							
	1	**Older People Services Drop in Facilities**					
	1.1	Meeting Room	N	01.01B.15	1	25.00	25.00
	1.2	'Café'	N	01.04B.27	1	20.00	20.00
	2	**Learning Disability Drop in Facilities**					
	2.1	Office (2-4 staff)	N	11.02.28	1	20.00	20.00
	2.2	Office (2 staff)	N	11.02.28	1	12.00	12.00
	2.3	Toilet/Shower/Change (shared with other users?)	N	14.03.03	1	11.00	11.00
	3	**Social Work Community Care Services**					
	3.1	Office (5-6 s.w. staff)	N	11.02.28	1	25.00	25.00
	3.2	Office (3 admin. staff)	N	11.02.28	1	15.00	15.00
	4	**Care and Repair**					
	4.1	Office (3 staff)	N	11.02.28	1	15.00	15.00
	5	**Supporting People**					
	5.1	Office (4 staff)	N	06.01.08	1	20.00	20.00
	6	**Smart Centre**					
	6.1	Technology Demonstration Area	N	20.03.02	1	15.00	15.00
	6.2	Equipment Store	N	-	1	25.00	25.00
	6.3	Interview Room (advice/assistance/assessment)	N	11.01.03	1	11.00	11.00
I. SCOTTISH AMBULANCE SERVICE ACCOMODATION							
	1	Office	N	07.04.03	1	20.00	20.00
	2	Quiet/fitness room	N	-	1	20.00	20.00
	3	Mess room	N	01.01B.07	1	24.00	24.00
	4	Male changing/WC	N	01.04B.05	1	18.00	18.00
	5	Female changing/WC	N	01.04B.06	1	18.00	18.00
	6	Appliance Bay	N	12.01.01	1	129.00	129.00
	7	Cleaning Bay	N	12.01.01	1	43.00	43.00
Sub - TOTAL					203		3,468.50

X. Circulation							
	1	33% of DCAGS	N	14.05.02			1072.01
TOTAL							4,540.51

OB1 FORM FOR OPTION 3 – HUB AND SPOKES (PREFERRED OPTION)

OUTLINE BUSINESS CASE FOR PREFERRED OPTION **COST FORM OB1**

TRUST/ORGANISATION:	Ayrshire & Arran Primary Care NHS Trust	ORGANISATIONAL CODE:	
SCHEME:	Redevelopment of Girvan Community Hospital	DIRECTORATE:	
Health Board:	Ayrshire & Arran Health Board		
Option:	Preferred		
PROJECT DIRECTOR:	Heather Knox		

CAPITAL COSTS SUMMARY

		Cost Excl. VAT £	VAT £	Cost Incl. VAT £
1	Departmental Costs (from Form OB2)	5,253,000	919,000	6,172,000
2	On Costs (from Form OB3) (55.00% of Departmental Cost)	2,889,000	506,000	3,395,000
3	Works Cost Total (1+2) 395 MIPS FP (Tender Price index level 1975 = 100 base)	8,142,000	1,425,000	9,567,000
4	Provisional location adjustment (if applicable) 0% of Works Cost) (b)			
5	Sub Total (3+4)	8,142,000	1,425,000	9,567,000
6	Fees (c) (12.00% of sub-total 5)	977,000	(d) xxxxxxxxxxx	977,000
7	Non-Works Costs (from Form FB4) (e) LAND 1% of Works cost OTHER	630,000 81,420	110,000 14,000	740,000 95,420
8	Equipment Costs (from Form OB2) (23.13% of Departmental Cost)	1,215,000	213,000	1,428,000
9	Planning Contingency @ 10.00%	814,000	142,000	956,000
10	TOTAL (for approval purposes) (5+6+7+8+9)	11,859,000	1,904,000	13,763,420
11	Inflation adjustments (f)	1,801,000	315,175	2,116,175
12	FORECAST OUTTURN BUSINESS CASE TOTAL (10+11)	13,660,000	2,219,000	15,880,000

Proposed start on site (g) Jun-07 Proposed completion date (g) Dec-08

Notes :

* Delete as appropriate

(a) On-costs should be supported by a breakdown of the percentage or a brief description of their scope (form OB3 may be used if appropriate)

(b) Adjustments of national average DCA price levels & on-costs for local market conditions

(c) Fees include all resource costs associated with the scheme e.g. project sponsorship, clerk of works, building regulation & planning fees etc.

(d) Not applicable to professional fees - VAT reclaimable EL (90) P64 refers

(e) Non-works costs should be supported by a breakdown & include such items as contributions to statutory & local authorities ; land costs & associated legal fees

(f) Estimate of tender price inflation up to proposed tender date (plus construction cost for VOP contracts only)

(g) Overall timescale including any preliminary works

Name (capitals)	James Rushton	Authorised for issue	
Position	Technical Consultant		Project Director
Address	STRATEGEM		
	31 Station Road		
	Steeton		
	West Yorkshire	Date	03 Oct 2004
Telephone	(01535) 657778		

OB1 FORM FOR OPTION 4 – HUB ONLY

OUTLINE BUSINESS CASE FOR CENTRALISED OPTION **COST FORM OB1**

TRUST/ORGANISATION:	Ayrshire & Arran Primary Care NHS Trust	ORGANISATIONAL CODE:	
SCHEME:	Redevelopment of Girvan Community Hospital	DIRECTORATE:	
Health Board:	Ayrshire & Arran Health Board		
Option:	Centralised		
PROJECT DIRECTOR:	Heather Knox		

CAPITAL COSTS SUMMARY

		Cost Excl. VAT £	VAT £	Cost Incl. VAT £
1	Departmental Costs (from Form OB2)	5,755,000	1,007,000	6,762,000
2	On Costs (from Form OB3) (60.00% of Departmental Cost)	3,453,000	604,000	4,057,000
3	Works Cost Total (1+2) 395 MIPS FP (Tender Price index level 1975 = 100 base)	9,208,000	1,611,000	10,819,000
4	Provisional location adjustment (if applicable) 0% of Works Cost) (b)			
5	Sub Total (3+4)	9,208,000	1,611,000	10,819,000
6	Fees (c) (12.00% of sub-total 5)	1,105,000	(d) xxxxxxxxxxx	1,105,000
7	Non-Works Costs (from Form FB4) (e) LAND	630,000	110,000	740,000
	1% of Works cost OTHER	92,080	16,000	108,080
8	Equipment Costs (from Form OB2) (22.00% of Departmental Cost)	1,266,000	222,000	1,488,000
9	Planning Contingency @ 10.00%	921,000	161,000	1,082,000
10	TOTAL (for approval purposes) (5+6+7+8+9)	13,222,000	2,120,000	15,342,080
11	Inflation adjustments (f)	2,008,405	351,471	2,359,876
12	FORECAST OUTTURN BUSINESS CASE TOTAL (10+11)	15,230,000	2,471,000	17,702,000

Proposed start on site (g) Jun-07 Proposed completion date (g) Dec-08

Notes :

* Delete as appropriate

(a) On-costs should be supported by a breakdown of the percentage or a brief description of their scope (form OB3 may be used if appropriate)

(b) Adjustments of national average DCA price levels & on-costs for local market conditions

(c) Fees include all resource costs associated with the scheme e.g. project sponsorship, clerk of works, building regulation & planning fees etc.

(d) Not applicable to professional fees - VAT reclaimable EL (90) P64 refers

(e) Non-works costs should be supported by a breakdown & include such items as contributions to statutory & local authorities ; land costs & associated legal fees

(f) Estimate of tender price inflation up to proposed tender date (plus construction cost for VOP contracts only)

(g) Overall timescale including any preliminary works

Name (capitals)	James Rushton	Authorised for issue	
Position	Technical Consultant		Project Director
Address	STRATEGEM		
	31 Station Road		
	Steeton		
	West Yorkshire	Date	03 Oct 2004
Telephone	(01535) 657778		

OB1 FORM FOR OPTION 5 – GP SPECIALIST HUB AND GENERIC SPOKES

OUTLINE BUSINESS CASE FOR DECENTRALISED OPTION **COST FORM OB1**

TRUST/ORGANISATION:	Ayrshire & Arran Primary Care NHS Trust	ORGANISATIONAL CODE:	
SCHEME:	Redevelopment of Girvan Community Hospital	DIRECTORATE:	
Health Board:	Ayrshire & Arran Health Board		
Option:	Decentralised		
PROJECT DIRECTOR:	Heather Knox		

CAPITAL COSTS SUMMARY

		Cost Excl. VAT £	VAT £	Cost Incl. VAT £
1	Departmental Costs (from Form OB2)	5,643,000	988,000	6,631,000
2	On Costs (from Form OB3) (60.00% of Departmental Cost)	3,386,000	593,000	3,979,000
3	Works Cost Total (1+2) 395 MIPS FP (Tender Price index level 1975 = 100 base)	9,029,000	1,580,000	10,609,000
4	Provisional location adjustment (if applicable) 0% of Works Cost) (b)			
5	Sub Total (3+4)	9,029,000	1,580,000	10,609,000
6	Fees (c) (12.00% of sub-total 5)	1,083,000	(d) xxxxxxxxxxx	1,083,000
7	Non-Works Costs (from Form FB4) (e) LAND	630,000	110,000	740,000
	1% of Works cost OTHER	90,290	16,000	106,290
8	Equipment Costs (from Form OB2) (22.33% of Departmental Cost)	1,260,000	221,000	1,481,000
9	Planning Contingency @ 10.00%	903,000	158,000	1,061,000
10	TOTAL (for approval purposes) (5+6+7+8+9)	12,995,000	2,085,000	15,080,290
11	Inflation adjustments (f)	1,973,924	345,437	2,319,361
12	FORECAST OUTTURN BUSINESS CASE TOTAL (10+11)	14,969,000	2,430,000	17,400,000

Proposed start on site (g) Jun-07 Proposed completion date (g) Dec-08

Notes :

* Delete as appropriate

(a) On-costs should be supported by a breakdown of the percentage or a brief description of their scope (form OB3 may be used if appropriate)

(b) Adjustments of national average DCA price levels & on-costs for local market conditions

(c) Fees include all resource costs associated with the scheme e.g. project sponsorship, clerk of works, building regulation & planning fees etc.

(d) Not applicable to professional fees - VAT reclaimable EL (90) P64 refers

(e) Non-works costs should be supported by a breakdown & include such items as contributions to statutory & local authorities ; land costs & associated legal fees

(f) Estimate of tender price inflation up to proposed tender date (plus construction cost for VOP contracts only)

(g) Overall timescale including any preliminary works

Name (capitals)	James Rushton	Authorised for issue	
Position	Technical Consultant		Project Director
Address	STRATEGEM		
	31 Station Road		
	Steeton		
	West Yorkshire	Date	03 Oct 2004
Telephone	(01535) 657778		

LIFE CYCLE MODEL FOR OPTION 3
HUB AND SPOKES (PREFERRED OPTION)

Life Cycle Cost Model

Pre-Contract + Construction Period + 60 year life
Based on P79 LCC's v5

On-costs 55%

Departmental cost from OB2 (1)	£	5,253,000.00	at MIPS	395
On-costs from OB1 (2)	£	2,889,150.00	LAF	0%
Total	**£**	**8,142,150**		
Total works cost + LAF	£	8,142,150		

Equipment Costs	£	1,215,000
Other costs	£	81,420
Land	£	630,000

Number of floors 2
Gross internal floor area 4,541

	Element		%	Capital Costs	Expected Life	No.of Cycles	% Cost to Replace
Departmental costs	Substructure		9.64%	£ 506,389	60	1	100%
	Frame		4.72%	£ 247,942	60	1	100%
	Upper Floors		2.60%	£ 136,578	60	1	100%
	Roof		10.08%	£ 529,502	60	1	100%
	External Walls		4.73%	£ 248,467	60	1	100%
	Windows & Externl. Doors		3.99%	£ 209,595	30	2	105%
	Internal Walls & Partns.		2.77%	£ 145,508	20	3	25%
	Internal Doors		7.96%	£ 418,139	20	3	105%
	Wall Finishes		3.10%	£ 162,843	10	6	33%
	Floor Finishes		3.56%	£ 187,007	10	6	90%
	Ceiling Finishes		2.30%	£ 120,819	25	2	120%
	Fittings & Furnishings		4.39%	£ 230,607	20	3	105%
	Sanitary Appliances		1.96%	£ 102,959	30	2	105%
	Disposal Installations		1.88%	£ 98,756	20	3	110%
	B.W.I.C.		1.69%	£ 88,776			
	Profit & Attendances		0.84%	£ 44,125			
	Services Equipment		1.04%	£ 54,631	20	3	105%
	Water Installations		4.22%	£ 221,677	30	2	105%
	Heat Source (Inc. in 5F)		4.72%	£ 247,942	20	3	105%
	Space Heating/Air Treatment		7.28%	£ 382,418	25	2	105%
	Ventilation System		1.26%	£ 66,188	15	4	105%
	Electrical Installations		13.78%	£ 723,863	30	2	105%
	Protective Installations		0.84%	£ 44,125	25	2	105%
	Communications		0.65%	£ 34,145	25	2	105%
	Total		**100.00%**	**£ 5,253,000**			
On-costs	Space	15.19%	8.35%	£ 438,790			
- Communications	Staircases	2.50%	1.38%	£ 72,229			
	Lifts	10.17%	5.59%	£ 293,759			
- "External" Building Works	Drainage	6.50%	3.57%	£ 187,781	30	2	110%
	Roads, paths, parking	8.95%	4.92%	£ 258,602	15	4	120%
	Site layout, walls, fencing gates	4.53%	2.49%	£ 130,910	15	4	110%
	Builders work for engineering services outside buildings	4.64%	2.55%	£ 134,130			
- "External" Engineering Works	Steam, condensate, heating, hot water and gas supply mains	6.50%	3.57%	£ 187,781	30	2	105%
	Cold water mains and storage	3.71%	2.04%	£ 107,304	30	2	105%
	Electricity mains, sub-stations, stand-by generating plant	7.99%	4.39%	£ 230,703	30	2	105%
	Miscellaneous services	9.29%	5.11%	£ 268,259	30	2	105%
- Auxiliary Buildings		1.86%	1.02%	£ 53,652			
- Other on-costs and abnormal	Building	12.61%	6.94%	£ 364,296			
	Engineering	5.57%	3.06%	£ 160,955			
	Total	**100.00%**	**55.00%**	**£ 2,889,150**			
Fees	Professional		12.0%	£ 977,058			
Non-Works Costs	LAND			£ 630,000	(Part offset by income of £75k & £375k in years 2&3)		
	Statutory Fees		1.00%	£ 81,422			
	OTHER			£ -			
Equipment Cost	General Equipment			£ 1,215,000			**100%**
Planning Contingency	Contingency		10.00%	£ 814,215			
	Total			**£11,859,845**			
Backlog Maintenance							
Gross revenue flows				**Cost per annum**			
	Per NHS Ayrshire & Arran Model			1,841,902			
	Total			**£ 1,841,902**			
							Total
							Discount Factor
							Discounted Total

Total Discounted Cost **70,821,359**

LIFE CYCLE MODEL FOR OPTION 4
HUB ONLY

Life Cycle Cost Model

Pre-Contract + Construction Period + 60 year life
Based on P79 LCC's v5

			On-costs	60%
Departmental cost from OB2 (1)	£	5,755,000.00	at MIPS	395
On-costs from OB1 (2)	£	3,453,000.00	LAF	0%
Total	£	**9,208,000**		
Total works cost + LAF	£	9,208,000		
Equipment Costs	£	1,266,000		
Other costs	£	92,080		
Land	£	630,000		
			Number of floors	2
			Gross internal floor area	5,446

	Element		%	Capital Costs	Expected Life	No.of Cycles	% Cost to Replace
Departmental costs	Substructure		9.64%	£ 554,782	60	1	100%
	Frame		4.72%	£ 271,636	60	1	100%
	Upper Floors		2.60%	£ 149,630	60	1	100%
	Roof		10.08%	£ 580,104	60	1	100%
	External Walls		4.73%	£ 272,212	60	1	100%
	Windows & Externl. Doors		3.99%	£ 229,625	30	2	105%
	Internal Walls & Partns.		2.77%	£ 159,414	20	3	25%
	Internal Doors		7.96%	£ 458,098	20	3	105%
	Wall Finishes		3.10%	£ 178,405	10	6	33%
	Floor Finishes		3.56%	£ 204,878	10	6	90%
	Ceiling Finishes		2.30%	£ 132,365	25	2	120%
	Fittings & Furnishings		4.39%	£ 252,645	20	3	105%
	Sanitary Appliances		1.96%	£ 112,798	30	2	105%
	Disposal Installations		1.88%	£ 108,194	20	3	110%
	B.W.I.C.		1.69%	£ 97,260			
	Profit & Attendances		0.84%	£ 48,342			
	Services Equipment		1.04%	£ 59,852	20	3	105%
	Water Installations		4.22%	£ 242,861	30	2	105%
	Heat Source (Inc. in 5F)		4.72%	£ 271,636	20	3	105%
	Space Heating/Air Treatment		7.28%	£ 418,964	25	2	105%
	Ventilation System		1.26%	£ 72,513	15	4	105%
	Electrical Installations		13.78%	£ 793,039	30	2	105%
	Protective Installations		0.84%	£ 48,342	25	2	105%
	Communications		0.65%	£ 37,408	25	2	105%
	Total		**100.00%**	**£ 5,755,000**			
On-costs	Space	15.19%	9.11%	£ 524,424			
- Communications	Staircases	2.50%	1.50%	£ 86,325			
	Lifts	10.17%	6.10%	£ 351,089			
- "External" Building Works	Drainage	6.50%	3.90%	£ 224,429	30	2	110%
	Roads, paths, parking	8.95%	5.37%	£ 309,071	15	4	120%
	Site layout, walls, fencing gates	4.53%	2.72%	£ 156,459	15	4	110%
	Builders work for engineering services outside buildings	4.64%	2.79%	£ 160,306			
- "External" Engineering Works	Steam, condensate, heating, hot water and gas supply mains	6.50%	3.90%	£ 224,429	30	2	105%
	Cold water mains and storage	3.71%	2.23%	£ 128,245	30	2	105%
	Electricity mains, sub-stations, stand-by generating plant	7.99%	4.79%	£ 275,727	30	2	105%
	Miscellaneous services	9.29%	5.57%	£ 320,613	30	2	105%
- Auxiliary Buildings		1.86%	1.11%	£ 64,123			
- Other on-costs and abnormal	Building	12.61%	7.57%	£ 435,392			
	Engineering	5.57%	3.34%	£ 192,368			
	Total	**100.00%**	**60.00%**	**£ 3,453,000**			
Fees	Professional		12.0%	£ 1,104,960			
Non-Works Costs	LAND			£ 630,000	Part offset by sales income of £75k and £375k in years 2&3		
	Statutory Fees		1.00%	£ 92,080			
	OTHER			£ -			
Equipment Cost	General Equipment			£ 1,266,000			**100%**
Planning Contingency	Contingency		10.00%	£ 920,800			
	Total			**£13,221,840**			
Backlog Maintenance							
Revenue cash flows				**Cost per annum**			
	Per NHS Ayrshire & Arran Model			2,039,667			
	Total			**£ 2,039,667**			

Total Discounted Cost **78,175,466**

LIFE CYCLE MODEL FOR OPTION 5
GP SPECIALIST HUB AND GENERIC SPOKES

Life Cycle Cost Model

Pre-Contract + Construction Period + 60 year life
Based on P79 LCC's v5

			On-costs	60%
Departmental cost from OB2 (1)	£	5,643,000.00	at MIPS	395
On-costs from OB1 (2)	£	3,385,800.00	LAF	0%
Total	£	**9,028,800**		
Total works cost + LAF	£	9,028,800		
Equipment Costs	£	1,260,000		
Other costs	£	90,290		
Land	£	630,000		
			Number of floors	2
			Gross internal floor area	5,268

	Element		%	Capital Costs	Expected Life	No.of Cycles	% Cost to Replace
Departmental costs	Substructure		9.64%	£ 543,985	60	1	100%
	Frame		4.72%	£ 266,350	60	1	100%
	Upper Floors		2.60%	£ 146,718	60	1	100%
	Roof		10.08%	£ 568,814	60	1	100%
	External Walls		4.73%	£ 266,914	60	1	100%
	Windows & Externl. Doors		3.99%	£ 225,156	30	2	105%
	Internal Walls & Partns.		2.77%	£ 156,311	20	3	25%
	Internal Doors		7.96%	£ 449,183	20	3	105%
	Wall Finishes		3.10%	£ 174,933	10	6	33%
	Floor Finishes		3.56%	£ 200,891	10	6	90%
	Ceiling Finishes		2.30%	£ 129,789	25	2	120%
	Fittings & Furnishings		4.39%	£ 247,728	20	3	105%
	Sanitary Appliances		1.96%	£ 110,603	30	2	105%
	Disposal Installations		1.88%	£ 106,088	20	3	110%
	B.W.I.C.		1.69%	£ 95,367			
	Profit & Attendances		0.84%	£ 47,401			
	Services Equipment		1.04%	£ 58,687	20	3	105%
	Water Installations		4.22%	£ 238,135	30	2	105%
	Heat Source (Inc. in 5F)		4.72%	£ 266,350	20	3	105%
	Space Heating/Air Treatment		7.28%	£ 410,810	25	2	105%
	Ventilation System		1.26%	£ 71,102	15	4	105%
	Electrical Installations		13.78%	£ 777,605	30	2	105%
	Protective Installations		0.84%	£ 47,401	25	2	105%
	Communications		0.65%	£ 36,680	25	2	105%
	Total		**100.00%**	**£ 5,643,000**			
On-costs	Space	15.19%	9.11%	£ 514,218			
- Communications	Staircases	2.50%	1.50%	£ 84,645			
	Lifts	10.17%	6.10%	£ 344,256			
- "External" Building Works	Drainage	6.50%	3.90%	£ 220,061	30	2	110%
	Roads, paths, parking	8.95%	5.37%	£ 303,056	15	4	120%
	Site layout, walls, fencing gates	4.53%	2.72%	£ 153,414	15	4	110%
	Builders work for engineering services outside buildings	4.64%	2.79%	£ 157,187			
- "External" Engineering Works	Steam, condensate, heating, hot water and gas supply mains	6.50%	3.90%	£ 220,061	30	2	105%
	Cold water mains and storage	3.71%	2.23%	£ 125,749	30	2	105%
	Electricity mains, sub-stations, stand-by generating plant	7.99%	4.79%	£ 270,361	30	2	105%
	Miscellaneous services	9.29%	5.57%	£ 314,373	30	2	105%
- Auxiliary Buildings		1.86%	1.11%	£ 62,875			
- Other on-costs and abnormal	Building	12.61%	7.57%	£ 426,919			
	Engineering	5.57%	3.34%	£ 188,624			
	Total	**100.00%**	**60.00%**	**£ 3,385,800**			
Fees	Professional		12.0%	£ 1,083,456			
Non-Works Costs	LAND			£ 630,000	Part offset by sales income of £375 in year		
	Statutory Fees		1.00%	£ 90,288			
	OTHER			£ -			
Equipment Cost	General Equipment			£ 1,260,000			**100%**
Planning Contingency	Contingency		10.00%	£ 902,880			
	Total			**£ 12,995,424**			
Backlog Maintenance							
Net revenue flows				**Cost per annum**			
	Per NHS Ayrshire & Arran Model			2,007,330			
	Total			**£ 2,007,330**			

Total Discounted Cost **76,990,236**

NHS AYRSHIRE AND ARRAN REDEVELOPMENT OF GIRVAN COMMUNITY HOSPITAL OBC

PROJECTED ADDITIONAL RUNNING COSTS

	EXISTING PROVISION				NEW PROVISION				INCREASED COST		
	SALARIES		SUPPLIES	TOTAL	SALARIES		SUPPLIES	TOTAL	SALARIES	SUPPLIES	TOTAL
	wte	£	£	£	wte	£	£	£		£	£
Nursing	30.03	795,843	14,860	810,703	30.03	795,843	27,860	823,703	-0	13,000	13,000
Medical	0.07	194,082	900	194,982	0.07	194,082	900	194,982	0	0	0
Pharmacy	0.10	3,860	43,400	47,260	0.41	15,860	43,400	59,260	12,000	0	12,000
Dietetics	0.40	14,570	726	15,296	1.60	37,851	4,026	41,877	23,280	3,300	26,580
Physiotherapy	1.00	33,000	4,000	37,000	2.50	57,406	10,000	67,406	24,406	6,000	30,406
Occupational Therapy	3.16	81,073	7,000	88,073	5.16	127,853	14,000	141,853	46,780	7,000	53,780
Podiatry		852	52	904	0.50	13,031	1,052	14,083	12,179	1,000	13,179
Speech and Language	1.00	38,415	1,500	39,915	1.27	46,150	2,000	48,150	7,734	500	8,234
Radiography	0.30	11,500	8,331	19,831	0.70	30,053	19,439	49,492	18,553	11,108	29,661
Administration	4.98	81,914	6,996	88,910	6.82	110,571	9,581	120,152	28,657	2,585	31,242
Domestic	6.52	94,105	4,627	98,732	10.50	159,450	8,432	167,882	65,345	3,805	69,150
Catering	4.39	72,054	28,785	100,839	9.50	173,097	18,000	191,097	101,043	-10,785	90,258
Portering/Grounds	1.23	19,916	288	20,204	2.00	33,643	468	34,112	13,727	180	13,908
Laundry			14,092	14,092			14,092	14,092	0	0	0
Maintenance & Utilities			62,000	62,000			107,852	107,852	0	45,852	45,852
Rates		0	29,687	29,687			55,923	55,923	0	26,236	26,236
Depreciation		0	74,481	74,481			417,040	417,040	0	342,559	342,559
Interest		0	76,351	76,351			560,980	560,980	0	484,629	484,629
Gross Expenditure	53.18	1,441,184	378,076	1,819,260	71.06	1,794,890	1,315,045	3,109,935	353,706	936,970	1,290,675
Projected Income				(43,041)				(290,013)			(246,973)
Net Hospital & Community Expenditure	53.18	1,441,184	378,076	1,776,219	71.06	1,794,890	1,315,045	2,819,922	353,706	936,970	1,043,703

Extract from NHS Avrshire and Arran Financial Plan 2003/04 – 2008/09

HEALTH BODY: NHS Ayrshire and Arran
FIVE YEAR FINANCIAL PLAN: 2003/04-2008/9
TEMPLATE 1 - REVENUE RESOURCE ANALYSIS

Revenue Resource	Year 03/04 £000	Year 04/05 £000	Year 05/06 £000	Year 06/07 £000	Year 07/08 £000	Year 08/09 £000
Clinical Service Costs:						
HCH - Board Area (*Template 3a*)	291,204	349,712	357,474	372,484	386,701	404,816
Family Health Services (*Template 3b*)	129,456	140,816	156,614	167,516	178,540	189,688
Other NHS Scotland Service Level Agreements	28,194	30,437	32,943	35,011	36,773	38,373
UNPACs	1,190	1,013	1,013	1,013	1,013	1,013
OATS	572	572	572	572	572	572
Resource Transfers	15,685	16,608	15,209	15,209	15,209	15,209
Other Healthcare Providers	5,719	5,718	5,818	5,918	5,918	5,918
Clinical Service Cost	**472,020**	**544,876**	**569,643**	**597,723**	**624,726**	**655,589**
Non Clinical Service Costs:						
Administration Costs	4,065	3,752	3,752	3,752	3,752	3,752
Other Non-Clinical Service Costs	2,157	1,782	1,782	1,782	1,782	1,782
Local Health Council	136	136	136	136	136	136
Reserves and Contingencies	0	1,560	1,560	1,560	1,560	1,560
Non Clinical Costs	**6,358**	**7,230**	**7,230**	**7,230**	**7,230**	**7,230**
Total Gross Expenditure	**478,378**	**552,106**	**576,873**	**604,953**	**631,956**	**662,819**
Miscellaneous Income:						
NHS Scotland (Non-Patient Related)	4,963	0	0	0	0	0
NHS Not Scotland (Non-Patient Related)	0	0	0	0	0	0
FHS Receipts	6,958	7,132	7,310	7,493	7,680	7,872
Other Public Sector	522	535	548	562	576	591
Local Partnership Agreements (Non NHS)	113	116	119	122	125	128
Joint Resourcing	0	0	0	0	0	0
Private Patients	226	232	238	244	250	256
Road Traffic Accident Income	509	518	532	544	558	572
Interest Receivable	542	0	0	0	0	0
Other (Please Detail)	13,215	5,567	5,706	5,848	5,995	6,144
Total Miscellaneous Income	**27,048**	**14,100**	**14,453**	**14,813**	**15,184**	**15,563**
Net Operating Costs	**451,330**	**538,006**	**562,420**	**590,140**	**616,772**	**647,256**
Less:						
FHS Non-Discretionary Allocation	43,595	22,475	23,673	24,937	26,268	27,672
Local Health Council Allocation	138	138	138	138	138	138
Net Resource Outturn	**407,597**	**515,393**	**538,609**	**565,065**	**590,366**	**619,446**

Revenue Resource Limit:						
Brought Forward from Previous Year	5,636	13,032	2,401	611	11	12
Rev. Resource Limit (Inc. Other NHS Scotland)	407,936	496,462	528,520	556,165	582,066	611,196
Anticipated Allocations	1,437	0	0	0	0	
Net Capital/Revenue Transfers (*Template 6*)	5620	8300	8300	8300	8300	8300
Total Revenue Resource Limit	**420,629**	**517,794**	**539,221**	**565,076**	**590,377**	**619,508**
Saving/(Excess) Against RRL for Year	**13,032**	**2,401**	**611**	**11**	**12**	**61**

Optimism Bias - Upper Bound Calculation for Build

Lowest % Upper Bound	**13%**
Mid %	**40%**
Upper %	**80%**
Actual % Upper Bound for this project	**29%**

Build complexity

		X		
Choose 1 category				
Length of Build	< 2 years	x	0.50%	0.50%
	2 to 4 years		2.00%	0
	Over 4 years		5.00%	0
Choose 1 category				
Number of phases	1 or 2 Phases	x	0.50%	0.50%
	3 or 4 Phases		2.00%	0
	More than 4 Phases		5.00%	0
Choose 1 Category				
Number of sites involved	Single site*	x	2.00%	2.00%
(i.e. before and after	2 Site		2.00%	0
change)	More than 2 site		5.00%	0

* Single site means new build is on same site as existing facilities

Location

Choose 1 Category				
New site - Green field	New build	x	3%	3.00%
New site - Brown Field	New Build		8%	0
Existing site	New Build		5%	0
	or			
Existing site	Less than 15% refurb		6%	0
Existing site	15% - 50% refurb		10%	0
Existing site	Over 50% refurb		16%	0

6.00%

Scope of scheme

Choose 1 category		X		
Facilities Management	Hard FM only or no FM	x	0.00%	0.00%
	Hard and soft FM		2.00%	
				0

Choose 1 category				
Equipment	Group 1 & 2 only		0.50%	0
	major Medical equipment		1.50%	0
	All equipment included	x	5.00%	5.00%

Choose 1 category				
IT	No IT implications		0.00%	0
	Infrastructure		1.50%	0
	Infrastructure & systems	x	5.00%	5.00%

Choose more than 1 category if applicable				
External Stakeholders	1 or 2 local NHS organisations	x	1.00%	1.00%
	3 or more NHS organisations		4.00%	0
	Universities/Private/Voluntary sector/Local government		8.00%	0

Service changes - relates to service delivery e.g NSF's

Choose 1 category			
Stable environment, i.e. no change to service		5%	0
Identified changes not quantified	x	10%	10.00%
Longer time frame service changes		20%	0

Gateway

Choose 1 category				
RPA Score	Low		0%	0
	Medium	x	2%	2.00%
	High		5%	0

23.00%

Scheme name: **"Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"**

Contributory Factor to Upper Bound	% Factor Contributes	% Factor Contributes after mitigation	Explanation for rate of mitigation
Progress with Planning Approval	4	3	The selection of the preferred site is based on an assessment of site development potential factors including the possibility of planning permission.
Other Regulatory	4	3	Regulatory issues relating to the development of the site have yet to be explored.
Depth of surveying of site/ground information	3	3	
Detail of design	4	2	A development control plan has been prepared to test the feasibility of locating the building within the available site.
Innovative project/design (i.e. has this type of project/design been undertaken before)	3	1	The Health Board has undertaken a similar development in East Ayrshire. The industry now has experience from this type of development elsewhere in Scotland and the UK.
Design complexity	4	2	Feasibility studies and capital costings have been based on detailed thinking about operational policies and accommodation schedules. The functional content of the building is agreed and does not involve complex engineering services.
Likely variations from Standard Contract	2	1	A third party development procurement route is proposed and this is expected to follow a well established contractual relationship developed over many years between third party developers and primary care organisations.
Design Team capabilities	3	2	In the likely event of a third party development procurement route the developer is expected to appoint a design team with successful experience of the design of health and social care facilities of this type.
Contractors' capabilities (excluding design team covered above)	2	2	
Contractor Involvement	2	1	The Board has experience of working closely with construction partners that will be carried forward into this project.
Client capability and capacity (NB do not double count with design team capabilities)	6	4	The client has experience of delivering this type of project and has budgeted for approriate consultancy support where needed.
Robustness of Output Specification	25	20	Principles are robust for the reasons explained below. The scope and extent of services is decided.
Involvement of Stakeholders, including Public and Patient Involvement	5	3	The local community has been heavily engaged in the planning of this project and the choice of the preferred option. The participative processes through which this was achieved are being supplemented by intensive consultancy processes.
Agreement to output specification by stakeholders	5	4	The principles of the output specifications and schedules of accommodation are well supported by service providers and users following extensive engagement processes.
New service or traditional	3	1	The service aims to deliver a new service expanding the primary and community health and social care team role around the traditional role of the GP in the community, in the context of a community hospital with an augmented role. There is considerable stakeholder support across Ayrshire for this vision. All partners are actively promoting work to sustain and increase this support.
Local community consent	3	2	The local community has been heavily engaged in the planning of this project and the choice of the preferred option. The participative processes through which this was achieved are being supplemented by intensive consultancy processes.
Stable policy environment	20	12	The specification for the new building is targeted on the provision of a service that anticipates wide ranging policy changes due to new opportunities arising from changes in factors such as society in general, medical knowledge, technology, economic prosperity and the structure of the population. Flexibility to adapt to this is built into the concept for the building.
Likely competition in the market for the project	2	1	There is evidence that following the third party developer route increases market interest in projects of this size.
TOTAL	**100**	**67**	

Note: Across all contributory factors, mitigation would be expected to be greater the greater the extent of risk quantification and risk management.

NHS Ayrshire and Arran

Community Health Division

Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix B

Benefits Matrix

Benefit Criteria/Benefits	Weight
Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.	25
Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	15
Access to modern buildings that facilitate ease of operation and achievement of national standards.	15
High levels of patient satisfaction through services that are designed to be patient centred.	10
High levels of staff satisfaction and successful staff recruitment and retention.	10
Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	7
Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	6
Access to a range of services locally that minimises travel outside the communities where people live.	6
Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	6

NHS Ayrshire and Arran

Community Health Division

Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix C

Benefits Analysis

Benefit Criteria/Benefits	Weight	Do nothing			Do minimum			Hub and Spokes			Hub Only			GP Specialist Hub/ Generic Spokes		
		Score			Score			Score			Score			Score		
		Consensus	Optimistic	Pessimistic	Consensus	Optimistic	Pessimistic	Consensus	Optimistic	Pessimistic	Consensus	Optimistic	Pessimistic	Consensus	Optimistic	Pessimistic
Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.	25	0	0	0	2	3	1	8	9	7	8	9	8	6	6	6
Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	15	2	2	1	3	4	2	8	9	7	6	7	5	4	4	4
Access to modern buildings that facilitate ease of operation and achievement of national standards.	15	2	2	1	3	4	2	9	9	8	7	7	7	4	5	4
High levels of patient satisfaction through services that are designed to be patient centred.	10	5	5	5	6	6	6	9	9	7	4	4	4	3	4	3
High levels of staff satisfaction and successful staff recruitment and retention.	10	2	2	1	2	3	1	8	9	8	7	8	6	4	4	4
Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	7	1	1	1	1	1	1	9	10	9	9	9	7	2	2	1
Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	6	1	2	1	1	2	1	9	9	7	5	9	2	2	2	1
Access to a range of services locally that minimises travel outside the communities where people live.	6	2	3	1	2	4	2	8	9	8	5	9	2	3	3	2
Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	6	3	3	2	4	4	2	9	9	9	7	7	7	4	4	4

NHS Ayrshire and Arran

Community Health Division

Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix D

Risk Analysis

RISK REGISTER

RISK	MANAGEMENT STRATEGY
Ability to recruit staff	Proactive promotion of the new facility and proposals for innovative and pioneering ways of working.
Agency staff costs	Reduce vacancies through action to tackle recruitment risk. Monitor attendance at work and take effective action to minimise absenteeism.
Building design risk	Competitive appointment of project manager against appropriate role and person specifications.. Preparation of clear service brief. Adoption of rigorous change control procedures. Disciplined and inclusive process for design sign off.
Construction cost overrun	Clear and inclusive process of service brief (output specification) and design sign off with users. Application of rigorous change control procedures. Procurement of developer based on rigorous competition and contracting for transfer of construction cost risks to developer.
Construction time overrun	Put in place strong project management arrangements. Contracting based on penalisation for delay. Application of rigorous change control procedures.
Developer failure to meet service brief	Competitive appointment of project manager against appropriate role and person specifications.. Preparation of clear service brief. Adoption of rigorous change control procedures. Disciplined and inclusive process for design sign off.
External factors affecting labour market	Regular monitoring of the labour market. Maintaining close contact with University Medical Schools, Colleges of Nursing, Colleges for training allied health professional and local schools. Internal procedures for planning manpower needs and recruitment strategies.
Higher capital charges & rates	Control of building design risk and construction cost overrun risk.
Higher FM Costs	Control of building design risk and construction cost overrun risk. Review of options for procuring FM services. Production of realistic output specification for FM as a basis for award of internal or external contract.

RISK REGISTER (CONTINUED)

RISK	MANAGEMENT STRATEGY
Lack of Inter Agency co-operation	Maintain current partnership working with all agencies at strategic and operational levels.
Land purchase excess	Appointment of specialist agents to negotiate for contract for purchase of new site during development of FBC. Agents commission to include marketing of existing sites and negotiation with local authority to obtain most favourable planning consents.
Non pay inflation	Continuation and improvement of effective budgetary management and control systems.
Pay inflation	Effective recruitment and retention strategies to avoid need for premium rates. Continuous workforce review and reengineering.
Resistance of current providers to service transfer	Continue and build upon existing dialogue which is resulting in a shared understanding of the benefits of effective demand management to all providers and to patients, service users, clients and their carers. Maintain awareness of growing evidence base for safe and effective service provision in primary care.
Retention & recruitment incentives	Effective recruitment and retention strategies to avoid need for premium rates/ "golden hellos".
Sale proceeds shortfall	Appointment of specialist agents to negotiate for contract for purchase of new site during development of FBC. Agents commission to include marketing of existing sites and negotiation with local authority to obtain most favourable planning consents.
Service user acceptance of service model	Continue to engage public and service users in the development of plans for the new facility.
Staff acceptance of changed roles	Continue to engage contractor professions and all staff in the development of plans for the new facility.
Staff acceptance of principles for space utilisation and sharing	Inclusive processes for developing the service brief, signing off the design, developing detailed operational policies and reengineering services and ways of working.
Unexpected changes in demand for services	Keeping abreast of new medical developments, drugs, technology changes and other factors that impact on service demand to inform annual planning and budgeting processes.

NHS Ayrshire and Arran

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Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix E

Risk Assessment Matrix

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF THE "DO NOTHING" OPTION

Option Number	Description	Benefit criterion	Weighted benefit score	Associated risks	Probability score	Impact score	Risk Score	Benefit reduction	Risk adjusted weighted benefit score
1	"Do Nothing"	Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.	0	Resistance of current providers to service transfer	1.00	0.75			
				Abilty to recruit staff	0.75	0.50			
				Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	0.10	0.75			
				Total for benefit criterion	**0.65**	**0.63**	**0.41**	**0**	**0**
		Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	30	Staff acceptance of principles for space utilisation and sharing	1.00	1.00			
				Unexpected changes in demand for services	1.00	0.75			
				Total for benefit criterion	**1.00**	**0.88**	**0.88**	**26**	**4**
		Access to modern buildings that facilitate ease of operation and achievement of national standards.	30	Unprediceted changes in standards	1.00	0.75			
				Developer failure to meet service brief	1.00	1.00			
				Total for benefit criterion	**1.00**	**0.88**	**0.88**	**26**	**4**
		High levels of patient satisfaction through services that are designed to be patient centred.	50	Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	0.10	0.75			
				Lack of Inter Agency co-operation	0.75	1.00			
				Total for benefit criterion	**0.53**	**0.75**	**0.40**	**20**	**30**
		High levels of staff satisfaction and successful staff recruitment and retention.	20	External factors affecting labour market	0.75	0.75			
				Staff acceptance of changed roles	0.75	0.50			
				Total for benefit criterion	**0.75**	**0.63**	**0.47**	**9**	**11**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF THE "DO NOTHING" OPTION (CONTINUED)

	Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	**7**	Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	1.00	0.75			
			Staff acceptance of changed roles	0.75	0.50			
			Total for benefit criterion	**0.83**	**0.75**	**0.63**	**4**	**3**
	Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	**6**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	0.10	0.75			
			Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	1.00	0.75			
			Total for benefit criterion	**0.65**	**0.75**	**0.49**	**3**	**3**
	Access to a range of services locally that minimises travel outside the communities where people live.	**12**	Resistance of current providers to service transfer	1.00	0.75			
			Total for benefit criterion	**1.00**	**0.75**	**0.75**	**9**	**3**
	Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	**18**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	0.10	0.75			
			Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	1.00	0.75			
			Abilty to recruit staff	0.75	0.50			
			Total for benefit criterion	**0.67**	**0.70**	**0.47**	**8**	**10**
TOTALS		**173**				**0.60**		**66**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF THE "DO MINIMUM" OPTION

Option Number	Description	Benefit criterion	Weighted benefit score	Associated risks	Probability score	Impact score	Risk Score	Benefit reduction	Risk adjusted weighted benefit score
2	"Do Minimum"	Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.	50	Resistance of current providers to service transfer	1.00	0.75			
				Abilty to recruit staff	0.75	0.50			
				Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	0.10	0.75			
				Total for benefit criterion	**0.65**	**0.63**	**0.41**	**20**	**30**
		Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	45	Staff acceptance of principles for space utilisation and sharing	1.00	1.00			
				Unexpected changes in demand for services	1.00	0.75			
				Total for benefit criterion	**1.00**	**0.88**	**0.88**	**39**	**6**
		Access to modern buildings that facilitate ease of operation and achievement of national standards.	45	Unprediceted changes in standards	1.00	0.75			
				Developer failure to meet service brief	1.00	1.00			
				Total for benefit criterion	**1.00**	**0.88**	**0.88**	**39**	**6**
		High levels of patient satisfaction through services that are designed to be patient centred.	60	Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	0.10	0.75			
				Lack of Inter Agency co-operation	0.75	1.00			
				Total for benefit criterion	**0.53**	**0.75**	**0.40**	**24**	**36**
		High levels of staff satisfaction and successful staff recruitment and retention.	20	External factors affecting labour market	0.75	0.75			
				Staff acceptance of changed roles	0.75	0.50			
				Total for benefit criterion	**0.75**	**0.63**	**0.47**	**9**	**11**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF THE "DO MINIMUM" OPTION (CONTINUED)

	Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	**7**	Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	1.00	0.75			
			Staff acceptance of changed roles	0.75	0.50			
			Total for benefit criterion	**0.83**	**0.75**	**0.63**	**4**	**3**
	Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	**6**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	0.10	0.75			
			Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	1.00	0.75			
			Total for benefit criterion	**0.65**	**0.75**	**0.49**	**3**	**3**
	Access to a range of services locally that minimises travel outside the communities where people live.	**12**	Resistance of current providers to service transfer	1.00	0.75			
			Total for benefit criterion	**1.00**	**0.75**	**0.75**	**9**	**3**
	Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	**24**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	0.10	0.75			
			Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	1.00	0.75			
			Abilty to recruit staff	0.75	0.50			
			Total for benefit criterion	**0.67**	**0.70**	**0.47**	**11**	**13**
TOTALS		**269**				**0.60**		**109**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF OPTION 3
HUB AND SPOKES

Option Number	Description	Benefit criterion	Weighted benefit score	Associated risks	Probability score	Impact score	Risk Score	Benefit reduction	Risk adjusted weighted benefit score
3	**"Hub and Spokes" – with a full service "hub" providing a wide range of primary, intermediate and secondary care services to support "spokes" that provide core primary care and visiting services in outlying communities. Services at the "hub" and in the "spokes" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital and extended GP surgeries in outlying communities.**	**Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.**	**200**	Resistance of current providers to service transfer	0.10	1.00			
				Abilty to recruit staff	0.25	0.50			
				Staff acceptance of changed roles	0.50	0.50			
				Service user acceptance of service model	0.75	0.75			
				Total for benefit criterion	**0.40**	**0.69**	**0.28**	**55**	**145**
		Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	**120**	Staff acceptance of principles for space utilisation and sharing	0.50	0.50			
				Unexpected changes in demand for services	1.00	0.50			
				Total for benefit criterion	**0.75**	**0.50**	**0.38**	**45**	**75**
		Access to modern buildings that facilitate ease of operation and achievement of national standards.	**135**	Unprediceted changes in standards	1.00	0.25			
				Developer failure to meet service brief	0.25	1.00			
				Total for benefit criterion	**0.63**	**0.63**	**0.39**	**53**	**82**
		High levels of patient satisfaction through services that are designed to be patient centred.	**90**	Staff acceptance of changed roles	0.50	0.50			
				Service user acceptance of service model	0.75	0.75			
				Lack of Inter Agency co-operation	0.25	1.00			
				Total for benefit criterion	**0.50**	**0.75**	**0.38**	**34**	**56**
		High levels of staff satisfaction and successful staff recruitment and retention.	**80**	External factors affecting labour market	0.75	0.75			
				Staff acceptance of changed roles	0.50	0.50			
				Total for benefit criterion	**0.63**	**0.63**	**0.39**	**31**	**49**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF OPTION 3 HUB AND SPOKES (CONTINUED)

	Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	**63**	Lack of Inter Agency co-operation	0.25	1.00			
			Resistance of current providers to service transfer	0.10	1.00			
			Staff acceptance of changed roles	0.50	0.50			
			Total for benefit criterion	**0.28**	**0.83**	**0.24**	**15**	**48**
	Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	**54**	Staff acceptance of changed roles	0.50	0.50			
			Service user acceptance of service model	0.75	0.75			
			Lack of Inter Agency co-operation	0.25	1.00			
			Resistance of current providers to service transfer	0.10	0.75			
			Total for benefit criterion	**0.40**	**0.75**	**0.30**	**16**	**38**
	Access to a range of services locally that minimises travel outside the communities where people live.	**48**	Resistance of current providers to service transfer	0.10	0.75			
			Total for benefit criterion	**0.10**	**0.75**	**0.08**	**4**	**44**
	Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	**54**	Staff acceptance of changed roles	0.50	0.50			
			Service user acceptance of service model	0.75	0.75			
			Lack of Inter Agency co-operation	0.10	1.00			
			Resistance of current providers to service transfer	0.10	1.00			
			Abilty to recruit staff	0.25	0.50			
			Total for benefit criterion	**0.34**	**0.75**	**0.26**	**14**	**40**
TOTALS		**844**				**0.30**		**578**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF OPTION 4
HUB ONLY

Option Number	Description	Benefit criterion	Weighted benefit score	Associated risks	Probability score	Impact score	Risk Score	Benefit reduction	Risk adjusted weighted benefit score
4	**"Hub only" – with a central single service "hub" providing the full range of core and specialist primary care services for the community. Supporting this with the provision of the range of GP led intermediate and secondary services that it is effective, efficient and safe to provide outside an acute hospital. Services at the "hub" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital only.**	**Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.**	**200**	Resistance of current providers to service transfer	0.10	1.00			
				Abilty to recruit staff	0.50	0.50			
				Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	1.00	1.00			
				Total for benefit criterion	**0.59**	**0.75**	**0.44**	**88**	**112**
		Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	**90**	Staff acceptance of principles for space utilisation and sharing	0.75	0.50			
				Unexpected changes in demand for services	1.00	0.25			
				Total for benefit criterion	**0.88**	**0.38**	**0.33**	**30**	**60**
		Access to modern buildings that facilitate ease of operation and achievement of national standards.	**105**	Unprediceted changes in standards	1.00	0.10			
				Developer failure to meet service brief	0.50	1.00			
				Total for benefit criterion	**0.75**	**0.55**	**0.41**	**43**	**62**
		High levels of patient satisfaction through services that are designed to be patient centred.	**40**	Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	1.00	1.00			
				Lack of Inter Agency co-operation	0.50	1.00			
				Total for benefit criterion	**0.75**	**0.83**	**0.63**	**25**	**15**
		High levels of staff satisfaction and successful staff recruitment and retention.	**70**	External factors affecting labour market	0.75	0.75			
				Staff acceptance of changed roles	0.75	0.50			
				Total for benefit criterion	**0.75**	**0.63**	**0.47**	**33**	**37**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF OPTION 4 HUB ONLY (CONTINUED)

	Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	**63**	Lack of Inter Agency co-operation	0.50	1.00			
			Resistance of current providers to service transfer	0.10	1.00			
			Staff acceptance of changed roles	0.75	0.50			
			Total for benefit criterion	**0.45**	**0.83**	**0.38**	**24**	**39**
	Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	**30**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	1.00	1.00			
			Lack of Inter Agency co-operation	0.50	1.00			
			Resistance of current providers to service transfer	0.10	0.75			
			Total for benefit criterion	**0.59**	**0.81**	**0.48**	**14**	**16**
	Access to a range of services locally that minimises travel outside the communities where people live.	**30**	Resistance of current providers to service transfer	0.10	0.75			
			Total for benefit criterion	**0.10**	**0.75**	**0.08**	**2**	**28**
	Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	**42**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	1.00	1.00			
			Lack of Inter Agency co-operation	0.50	1.00			
			Resistance of current providers to service transfer	0.10	1.00			
			Abilty to recruit staff	0.50	0.50			
			Total for benefit criterion	**0.57**	**0.80**	**0.46**	**19**	**23**
TOTALS		**670**				**0.41**		**392**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF OPTION 5
SPECIALIST GP HUB AND GENERIC SPOKES

Option Number	Description	Benefit criterion	Weighted benefit score	Associated risks	Probability score	Impact score	Risk Score	Benefit reduction	Risk adjusted weighted benefit score
5	**"GP Specialist Hub and Generic Spokes" –** **with a GP specialist "hub" providing the range of GP led intermediate and secondary services that it is effective, efficient and safe to provide outside an acute hospital and outreach bases for allied health professional, nursing and social work services. This would support "spokes" providing core primary care and visiting services in Girvan and outlying communities. Services at the "hub" and its "spokes" would be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a GP acute hospital and extended Primary Care Centres/GP surgeries in Girvan and outlying communities.**	**Enable provision of a wide range of improved services that are adequately resourced with access to an appropriate skill mix.**	**150**	Resistance of current providers to service transfer	0.50	1.00			
				Abilty to recruit staff	0.75	0.50			
				Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	0.25	1.00			
				Total for benefit criterion	**0.56**	**0.75**	**0.42**	**63**	**87**
		Access to buildings that have the capacity and flexibility to enable the provision of services needed now and in the future.	**60**	Staff acceptance of principles for space utilisation and sharing	0.50	0.50			
				Unexpected changes in demand for services	1.00	0.50			
				Total for benefit criterion	**0.75**	**0.50**	**0.38**	**23**	**38**
		Access to modern buildings that facilitate ease of operation and achievement of national standards.	**60**	Unprediceted changes in standards	1.00	0.50			
				Developer failure to meet service brief	0.75	1.00			
				Total for benefit criterion	**0.88**	**0.75**	**0.66**	**39**	**21**
		High levels of patient satisfaction through services that are designed to be patient centred.	**30**	Staff acceptance of changed roles	0.75	0.50			
				Service user acceptance of service model	0.25	1.00			
				Lack of Inter Agency co-operation	0.75	1.00			
				Total for benefit criterion	**0.58**	**0.83**	**0.49**	**15**	**15**
		High levels of staff satisfaction and successful staff recruitment and retention.	**40**	External factors affecting labour market	0.75	0.75			
				Staff acceptance of changed roles	0.75	0.50			
				Total for benefit criterion	**0.75**	**0.63**	**0.47**	**19**	**21**

RISK ASSESSMENT FOR THE EXPECTED BENEFITS OF OPTION 5 SPECIALIST GP HUB AND GENERIC SPOKES (CONTINUED)

	Enable the co-location of primary, intermediate and secondary care services and services provided by diverse agencies to facilitate integrated care pathways and clinical professional development.	**14**	Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	0.75	1.00			
			Staff acceptance of changed roles	0.75	0.50			
			Total for benefit criterion	**0.75**	**0.83**	**0.63**	**9**	**5**
	Access to a focal point for services and information that gives a positive impression of the care provided and enables holistic care and health improvement.	**12**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	0.25	1.00			
			Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	0.50	1.00			
			Total for benefit criterion	**0.56**	**0.88**	**0.49**	**6**	**6**
	Access to a range of services locally that minimises travel outside the communities where people live.	**18**	Resistance of current providers to service transfer	0.50	1.00			
			Total for benefit criterion	**0.50**	**1.00**	**0.50**	**9**	**9**
	Enable the provision of services and introduction of new ways of working so as to meet the government's modernisation and national clinical standards agenda.	**24**	Staff acceptance of changed roles	0.75	0.50			
			Service user acceptance of service model	0.25	1.00			
			Lack of Inter Agency co-operation	0.75	1.00			
			Resistance of current providers to service transfer	0.50	1.00			
			Abilty to recruit staff	0.75	0.50			
			Total for benefit criterion	**0.60**	**0.80**	**0.48**	**12**	**12**
TOTALS		**408**				**0.50**		**214**

RISK ASSESSMENT FOR THE EXPECTED COSTS OF ALL OPTIONS

Option Number	Description	Net present cost (£M) Adjusted for Optimism Bias	Associated risks	Probability score	Impact score	Risk Score	Cost increase	Risk adjusted net present cost
1	**Do Nothing**		Building design risk	0.00	0.00			
			Construction cost overrun	0.00	0.00			
			Construction time overrun	0.00	0.00			
			Sale proceeds shortfall	0.00	0.00			
			Land purchase excess	0.00	0.00			
			Retention & recruitment incentives	0.60	0.75			
			Pay inflation	0.25	0.75			
			Agency staff costs	0.25	0.75			
			Higher capital charges & rates	0.50	0.20			
			Higher FM Costs	0.25	0.25			
			Non pay inflation	0.25	0.10			
		45,264	**Option total**	**0.19**	**0.25**	**0.05**	**2,200**	**47,464**
2	**Do Minimum**		Building design risk	0.00	0.00			
			Construction cost overrun	0.00	0.00			
			Construction time overrun	0.00	0.00			
			Sale proceeds shortfall	0.00	0.00			
			Land purchase excess	0.00	0.00			
			Retention & recruitment incentives	0.50	0.75			
			Pay inflation	0.25	0.75			
			Agency staff costs	0.25	0.75			
			Higher capital charges & rates	0.50	0.30			
			Higher FM Costs	0.25	0.25			
			Non pay inflation	0.25	0.10			
		49,804	**Option total**	**0.18**	**0.26**	**0.05**	**2,387**	**52,191**

Option Number	Description	Net present cost (£M) Adjusted for Optimism Bias	Associated risks	Probability score	Impact score	Risk Score	Cost increase	Risk adjusted net present cost
3	**"Hub and Spokes" –** **with a full service "hub" providing a wide range of primary, intermediate and secondary care services to support "spokes" that provide core primary care and visiting services in outlying communities. Services at the "hub" and in the "spokes" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital and extended GP surgeries in outlying communities.**		Building design risk (included in optimism bias)	0.00	0.00			
			Construction cost overrun (included in optimism bias)	0.00	0.00			
			Construction time overrun	0.50	0.10			
			Sale proceeds shortfall	0.50	0.10			
			Land purchase excess	0.50	0.25			
			Retention & recruitment incentives	0.25	0.75			
			Pay inflation	0.25	0.75			
			Agency staff costs	0.25	0.75			
			Higher capital charges & rates	0.50	0.50			
			Higher FM Costs	0.25	0.25			
			Non pay inflation	0.25	0.10			
		72,297	**Option total**	**0.30**	**0.32**	**0.10**	**6,894**	**79,191**
4	**"Hub only" –** **with a central single service "hub" providing the full range of core and specialist primary care services for the community. Supporting this with the provision of the range of GP led intermediate and secondary services that it is effective, efficient and safe to provide outside an acute hospital. Services at the "hub" would in turn be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a community hospital only.**		Building design risk (included in optimism bias)	0.00	0.00			
			Construction cost overrun (included in optimism bias)	0.00	0.00			
			Construction time overrun	0.75	0.10			
			Sale proceeds shortfall	0.75	0.10			
			Land purchase excess	0.75	0.25			
			Retention & recruitment incentives	0.25	0.75			
			Pay inflation	0.25	0.75			
			Agency staff costs	0.50	0.75			
			Higher capital charges & rates	0.75	0.50			
			Higher FM Costs	0.10	0.25			
			Non pay inflation	0.25	0.10			
		79,829	**Option total**	**0.40**	**0.32**	**0.13**	**10,188**	**90,017**
5	**"GP Specialist Hub and Generic Spokes" –** **with a GP specialist "hub" providing the range of GP led intermediate and secondary services that it is effective, efficient and safe to provide outside an acute hospital and outreach bases for allied health professional, nursing and social work services. This would support "spokes" providing core primary care and visiting services in Girvan and outlying communities. Services at the "hub" and its "spokes" would be supported by highly specialist acute services accessed by referral to a consultant and based in a main population centre. The facilities required in the South West Ayrshire community to support this would be a GP acute hospital and extended Primary Care Centres/GP surgeries in Girvan and outlying communities.**		Building design risk (included in optimism bias)	0.00	0.00			
			Construction cost overrun (included in optimism bias)	0.00	0.00			
			Construction time overrun	0.75	0.10			
			Sale proceeds shortfall	0.75	0.10			
			Land purchase excess	0.75	0.25			
			Retention & recruitment incentives	0.50	0.75			
			Pay inflation	0.25	0.75			
			Agency staff costs	0.50	0.75			
			Higher capital charges & rates	1.00	0.50			
			Higher FM Costs	0.50	0.25			
			Non pay inflation	0.25	0.10			
		78,614	**Option total**	**0.48**	**0.32**	**0.15**	**12,109**	**90,723**

NHS Ayrshire and Arran

Community Health Division

Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix F

Affordability Model

AFFORDABILTY	SCENARIO 1		
		ADDITIONAL FUNDING REQUIRED (£)	1,130,153
		NHS AYRSHIRE AND ARRAN FUNDING FINANCIAL PLAN YEAR 1 (2003/4) (£)	517,794,000
		CUMULATIVE PERCENTAGE GROWTH TO YEAR 5 (2008/9)	47.28
		MINIMUM GROWTH PERCENTAGE YEAR ON YEAR OVER PLAN PERIOD (2005/6)	4.138
		FORECAST FUNDING AT PLAN YEAR 5 (2008/9) (£)	619,507,527
		FORECAST FUNDING AT PLAN YEAR 5+ 1 (2009/10) (£) AT MINMUM GROWTH	645,142,748
		ADDITIONAL FUNDING AT YEAR 5+1	25,635,221
		ADDITIONAL FUNDING REQUIRED AS PERCENTAGE OF FORECAST GROWTH	4.41%

AFFORDABILTY	SCENARIO 2		
		ADDITIONAL FUNDING REQUIRED (£)	1,130,153
		NHS AYRSHIRE AND ARRAN FUNDING FINANCIAL PLAN YEAR 1 (2003/4) (£)	517,794,000
		CUMULATIVE PERCENTAGE GROWTH TO YEAR 5 (2008/9)	47.28
		AVERAGE GROWTH PERCENTAGE YEAR ON YEAR OVER PLAN PERIOD (2005/6)	9.456
		FORECAST FUNDING AT PLAN YEAR 5 (2008/9) (£)	619,507,527
		FORECAST FUNDING AT PLAN YEAR 5+ 1 (2009/10) (£) AT MINMUM GROWTH	678,088,159
		ADDITIONAL FUNDING AT YEAR 5+1	58,580,632
		ADDITIONAL FUNDING REQUIRED AS PERCENTAGE OF FORECAST GROWTH	1.93%

AFFORDABILTY	SCENARIO 3		
		ADDITIONAL FUNDING REQUIRED (£)	1,130,153
		NHS AYRSHIRE AND ARRAN FUNDING FINANCIAL PLAN YEAR 1 (2003/4) (£)	517,794,000
		CUMULATIVE PERCENTAGE GROWTH TO YEAR 5 (2008/9)	47.28
		MAXIMUM GROWTH PERCENTAGE YEAR ON YEAR OVER PLAN PERIOD (2005/6)	23.100
		FORECAST FUNDING AT PLAN YEAR 5 (2008/9) (£)	619,507,527
		FORECAST FUNDING AT PLAN YEAR 5+ 1 (2009/10) (£) AT MINMUM GROWTH	762,613,766
		ADDITIONAL FUNDING AT YEAR 5+1	143,106,239
		ADDITIONAL FUNDING REQUIRED AS PERCENTAGE OF FORECAST GROWTH	0.79%

NHS Ayrshire and Arran

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Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix G

PFI suitability matrix

The matrix has not been included as PFI has been ruled out in favour of public capital procurement or procurement through a third party developer on the basis of a soft tendering exercise involving PFI consortia who are known to carry out small schemes.

Each of the consortia approached were given details of the expected scope of the new services and facility. The majority responded to say that the project would be most unlikely to interest them:-

> "While the content of the project is appealing to us, the capital value would not meet our current PFI Project Selection Criteria. Due to the market and our recent level of success, we are unlikely to receive board approval to bid any projects under £25 million in capital value."
>
> "The bidding costs for PFI projects of this size are similar to larger schemes and our concern would be that this would make the project unaffordable."
>
> "Experience shows that for projects under £20 million in value the bid costs do not justify the scale in investment"
>
> "I think it unlikely that the size of your community hospital would warrant the commitment of resource and bid costs that would be necessary to do it justice."

NHS Ayrshire and Arran

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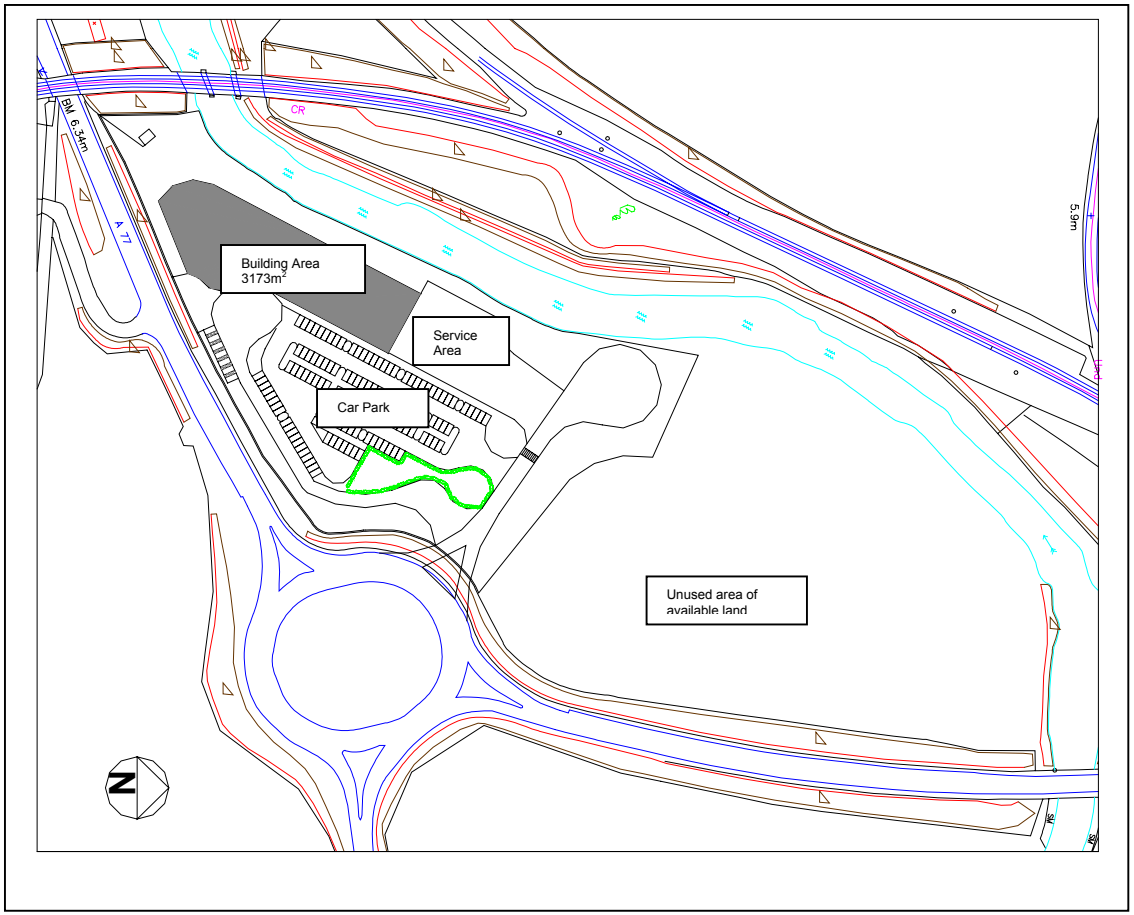
Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix H

Maps/diagrams/drawings

DRAWING TO SHOW THE FEASIBILITY OF CONSTRUCTING THE NEW FACILITY ON THE PREFERRED BRIDGEFIELD SITE



NHS Ayrshire and Arran

Community Health Division

Outline Business Case

The "Modernisation and Re-design of Health and Social Care Services in South West Ayrshire"

Appendix I

Draft OJEU Advertisement

This has not been included at present as an evaluation will be undertaken of PFI against procurement through a third party developer and the wording of any subsequent OJEU advertisement will be drafted when the outcome of that evaluation is known.