

**NHS GRAMPIAN**  
**Infrastructure Investment**

Board Meeting 04 06 20 Item 6
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## 1. Actions Recommended

The Board is asked to approve the following recommendations:

### 1.1 Infrastructure Programme

Note the ongoing progress on essential infrastructure projects.

### 1.2 Elective Care Facilities

Authorise the Board Chair and Chief Executive to commit additional expenditure on the design and pre construction phase of the project necessary to finalise development of the Full Business Case up to a revised budget of £5m (£3.9m contractual commitment to date, £0.6m for additional programmed activity and £0.5m risk allowance).

In considering the above, the Board is asked to note the following:

- The project is part of a local and national programme of elective care activities which seeks to moderate demand by coordinating prevention, self-management and realistic medicine initiatives; and increase capacity by improving efficiency, and applying best practice.
- The Scottish Government have confirmed their agreement to the investment of up to £5m in pre-construction costs.
- Further investment in the conclusion of the pre-construction stage of this Project will ensure that the Board benefits from a completed design product which can be used to create additional capacity and support service reconfiguration in elective care.

## 2. Strategic Context

The Infrastructure Investment Plan, approved by the Board in April 2019, sets out an ambitious programme of investment in infrastructure linked to NHS Grampian's clinical strategy and supporting the strategic theme of delivering high quality care in the right place through providing safer, effective and sustainable services.

The matters outlined for Board approval in this paper relate to planned investment in infrastructure, consistent with our strategic themes that will deliver the following benefits:

- improvements in patient experience and environment (person centred),
- improved access, quality and efficiency of key diagnostic processes (effective), and
- reduction in the level of backlog risks and enhance statutory compliance (safe).

### 3. Key matters relevant to recommendation

#### 3.1 Progress on essential Infrastructure projects

A priority for us in the coming months is to re-asses our plans for infrastructure investment in the coming years, post COVID-19.

In the short term, much of our routine work was paused to allow redeployment of staff on to key COVID-19 related activities, but a number of our most critical infrastructure projects have continued to make progress as summarised in the following table:

Project	Status
Baird Family Hospital and ANCHOR Centre	<ul style="list-style-type: none"> <li>• Full Business Case (FBC) approval subject to external design review and NHS Scotland Design Assessment Process (NDAP). The findings from the external design review and NDAP are being reviewed by the project team.</li> <li>• Work is ongoing to prepare a detailed risk assessment of the impact of COVID-19 on the design and construction programme.</li> <li>• Assuming final approval in the summer and 3 month mobilisation period, construction could start on site by end of calendar year or first quarter of 2021.</li> </ul>
Mortuary	<ul style="list-style-type: none"> <li>• Principal Supply Chain Partner (PSCP) appointed by Aberdeen City Council.</li> <li>• Design stage underway and on programme.</li> </ul>
Ligature Reduction – Royal Cornhill hospital	<ul style="list-style-type: none"> <li>• Impact of social distancing on remaining works programme to complete Fyvie and Dunnottar wards - estimated 8 week extension on programme and additional £0.1m on cost but overall project costs still remain within the previously approved budget for the stage.</li> <li>• Work is now ongoing to prepare a detailed risk assessment of the impact of COVID19 on the works programme for the next stage.</li> </ul>
Denburn	<ul style="list-style-type: none"> <li>• Preparation of FBC paused to allow staff to be redeployed to essential COVID-19 tasks.</li> <li>• PSCP (contractually committed) has continued work to support design and market testing stage</li> <li>• The design is being reviewed to take account of any changes to clinical scope that may be required due to the impact of COVID-19</li> <li>• Work is also ongoing to prepare a detailed risk assessment of the impact of COVID-19 on the programme and any associated cost implications.</li> <li>• Site purchase principles more or less agreed but legal agreement still to complete.</li> <li>• FBC now expected to be complete by September.</li> </ul>

Cyclotron replacement	<ul style="list-style-type: none"> <li>• Commission of new cyclotron was paused due to impact of COVID-19 including travel restrictions from the US and Sweden for key personnel.</li> <li>• A revised plan including social distancing and site access arrangements agreed with the main supplier with subcontractors returned to site on 18 May.</li> <li>• Cyclotron sub system start up now scheduled for 29 June but final commissioning and testing will remain dependant on the ability of key personnel to travel from the US and Sweden.</li> </ul>
Pharmacy Dispensing Robot replacement	<ul style="list-style-type: none"> <li>• Several sub-contractors paused activity due to COVID-19 but agreement now reached regarding social distancing and site access.</li> <li>• Programme delayed and now anticipated to be operational in July.</li> </ul>
Cardiac Catheter Laboratory (Cath Lab) Replacement	<ul style="list-style-type: none"> <li>• Cath Lab (Room 3). Room now formed and enabling works underway. Works continuing in adherence to social distancing and site access arrangements for sub-contractors.</li> <li>• Equipment delivery and installation planned for July followed by training and commissioning during August to allow the facility to become fully operational in early September.</li> <li>• Planning and design for minor enabling works and installation of equipment in to second Cath Lab (Cath Lab 2) ongoing.</li> </ul>
Interventional Radiology Theatres replacement	<ul style="list-style-type: none"> <li>• SP (Theatre) 1 now complete and operational.</li> <li>• Work ongoing for the redevelopment of SP2 including upgrading ventilation plant for both facilities and increasing overall size of facility to meet current standards.</li> </ul>
Oxygen Resilience Programme	<ul style="list-style-type: none"> <li>• Main works complete and facility operational in April.</li> <li>• Some site works such as fencing still to complete.</li> </ul>
Dr Gray's Renal Dialysis Unit	<ul style="list-style-type: none"> <li>• Creation of a temporary unit at Dr Gray's delayed until mid-summer due to requirement to temporarily reconfigure the hospital.</li> <li>• Design complete and work able to start as soon as temporary unit available to decant service.</li> <li>• Purchase of mobile water treatment plant for temporary unit completed in March.</li> </ul>
Laboratory Medicine Managed Service Contract	<ul style="list-style-type: none"> <li>• Contract finalised November 2019.</li> <li>• Implementation, including enabling works progressing well and in line with plan.</li> <li>• Haematology now fully operational.</li> <li>• Clinical Biochemistry, Virology, Microbiology and Pathology will go live throughout the year with all services expected to be fully operational by March 2021.</li> </ul>

## **3.2 Elective Care Facilities**

### **3.2.1 Background and Strategic Context**

The vision for elective care is to deliver treatment and care as close to home as possible through the application of best practice, innovation and digital technology. Where treatment requires specialist skills and technology this will be undertaken in purpose designed facilities which will promote efficiency and the best patient experience possible.

The Board's plans include development of a new bespoke facility at Foresterhill which will increase capacity through rationalisation and modernisation of day surgery and endoscopy services and the re-design of services focused on admission avoidance and where possible a 'one stop' model of care for Respiratory, Dermatology and Urology out-patient services. The plans also include investment in additional CT and MRI capacity including MRI facilities at Dr Gray's Hospital.

The Board received approval of an Outline Business Case (OBC), to progress these plans, from the Scottish Government Capital Investment Group (CIG) in November 2019 and was invited to further develop the project to the Full Business Case (FBC) stage.

It should be noted that the Board's initial proposal also included the development of a number of Community Diagnostic & Treatment Hubs but this element was not approved by the Scottish Government Capital Investment Group. However, the development of Community Hubs remains an important element in our elective care strategy and we are continuing to progress this as an integral part of our planning for investment in the modernisation of primary and community health and social care facilities.

### **3.2.2 Progress to date**

#### **3.2.2 (a) Principal Supply Chain Partner (PSCP)**

The NHS Scotland Frameworks 2 procurement route allows the retesting of the supply chain market at specific contract stages in order to demonstrate value for money. Recognising the increasing trend in tendered contract values across other public sector construction projects during 2019 therefore, the opportunity was taken to exercise this option and confirm that we continue to achieve maximum value through appropriate Principal Supply Chain Partner (PSCP) arrangements. Consequently, following a competitive selection process, RMF Health were appointed as the new Principal Supply Chain Partner in December 2019.

#### **3.2.2 (b) Design Development and COVID-19**

Detailed design development is progressing well and continues to be subject to stakeholder engagement and sign off, although somewhat behind plan.

There are three key aspects of work that require to be completed before the design and associated cost plan can be finalised:

- A confirmation of the clinical scope as a consequence of COVID-19 in partnership with the North of Scotland regional team;
- A detailed risk assessment of the impact of COVID-19 on the design and construction programme including an assessment of social distancing and other health and safety considerations for both on site and off site construction, supply chain resilience and the availability of labour and materials; and
- The final design will also be subject to the new Key Stage Authorisation Review process, which has been developed in response to recent design reviews at other Scottish Health Facilities.

An extension to the current programme will be required to complete the current stage leading to finalisation of design and market testing. The Full Business Case is now expected to be presented to the Board for approval in October 2020.

### **3.2.3 Project Costs**

#### **3.2.3 (a) Overall Project Costs**

The approval of the OBC in November 2019 included an estimated cost of £52.2m based on the emerging design and prevailing market conditions at that time. This cost estimate will require to be revisited following completion of the work ongoing to complete the current stage.

#### **3.2.3 (b) Design Development and Pre Construction Costs**

As part of the OBC approval a budget of £4m was allocated to cover the costs of developing the design and any associated enabling works. To date commitments against the design stage of the project total £3.9m but the extension to programme will require additional expenditure of circa £0.6m in order to complete the design, risk assessment and market testing activities which are essential to allow us to finalise the project cost plan and prepare the FBC. This figure is an estimate however and does not include any additional work that may be required following the independent design review or arising from our COVID-19 risk assessment.

Recognising the current pressures on the design development and market testing stage of the project and that completing this stage is essential to ensure we have a high degree of certainty on design compliance and cost, the Board are asked to approve an increase in the design stage budget from £4m to £5m (£3.9m contractual commitment to date, £0.6m for additional programmed activity and £0.5m risk allowance).

The Scottish Government have confirmed their agreement to the investment of up to £5m in pre-construction costs

#### 4. Risk Mitigation

Approval of the recommendations as outlined will assist in mitigating the Board strategic risk number 2515 *There is a risk that our infrastructure will not be fit for purpose nor compliant with statutory requirements if we do not have an adequate medical equipment, information technology and backlog maintenance programme and plan for redesign and transformation of services.* Failure to progress will result in existing infrastructure not being able to support our objectives for future patient care

#### 5. Responsible Executive Director and contact for further information

If you require any further information in advance of the Board meeting please contact:

##### **Responsible Executive Director**

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