

Meeting of Lanarkshire  
NHS Board: 29. 03. 2017

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## **SUBJECT: Monklands Hospital Replacement/Refurbishment Project**

### **1. PURPOSE**

This paper is coming to the Board:

For approval	<input type="checkbox"/>	For endorsement	<input checked="" type="checkbox"/>	To note	<input type="checkbox"/>
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The purpose of this paper is to update the NHS Board on the progress of this scheme. The paper will outline the feedback that has been received from the Capital Investment Group (CIG) of the Scottish Government where the case was presented on the 7<sup>th</sup> March 2017.

It will briefly explain the points of detail within this feedback and outline the next steps in order to progress this initiative.

### **2. ROUTE TO THE BOARD**

This paper has been:

Prepared	<input checked="" type="checkbox"/>	Reviewed	<input type="checkbox"/>	Endorsed	<input type="checkbox"/>
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The paper has been prepared specifically for the NHS Board.

### **3. SUMMARY OF KEY ISSUES**

The NHS Board will be familiar with the fact that the Scottish Government has welcomed the proposal from NHS Lanarkshire to embark on the process of seeking funding for the redevelopment of Monklands hospital. Central to this scheme is the urgent requirement to address the recognised risks around fire evacuation, asbestos, clinical functional suitability and internal drainage on this site.

The NHS Board over the last two years has developed, engaged and consulted fully on Achieving Excellence. The IA for Monklands Hospital is directly aligned with the vision within Achieving Excellence and is consistent with the NHS Scotland Clinical Strategy (2016). In advance of the IA being presented to the CIG it successfully passed a Gateway 1 Review between the 9<sup>th</sup> and 11<sup>th</sup> January 2017. Following presentation to the CIG a response was received dated the 14<sup>th</sup> March which provided feedback on the IA. The initial reaction to this has been disappointment amongst the Senior Clinicians and

Managers that we have not been enabled to progress immediately to Outline Business Case (OBC); however, it has been helpful in outlining the commitment from the Scottish Government and from the Cabinet Secretary to the development of the business case.

The response from the CIG is attached at Appendix 1.

<http://www.nhslanarkshire.org.uk/boards/2017-board-papers/Documents/March/CIG-Response-Appendix-1-2016-17.pdf>

Following the feedback from the CIG, there has been correspondence with Christine McLaughlin (NHS Scotland Director of Health Finance) and discussions with Paul Gray (Director General) and they have both stressed their full support to the development of this business case.

On behalf of the Board, the Chief Executive has sought clarity on exactly what is meant by a request for “*further assurance*” and “*a clear demonstration of the outcome*”. In response to this it has been confirmed by the SG Director of Health Finance that the CIG wish to understand the planning assumptions of the West of Scotland Region as a whole in order that they can be assured that there is sufficient strategic fit and essentially that we have not overlooked any alternative options or wider regional implications. The primary reason given for the additional information requested is the need to ensure that the IA is consistent with the West of Scotland Regional Service Plan which is to be developed by September 2017. Assurances have been given that a special meeting of the CIG will be convened in September to review the IA and assistance will be provided by the Analytical Division of Scottish Government in advance of this to ensure that the business case and underpinning assumptions are robust.

An additional offer of support has been made in the form of Scottish Futures Trust to support the development of the regional planning and to ensure that the value for money of the two Private Finance Initiative (PFI) hospitals in Lanarkshire can be examined in the context of a refurbished / rebuilt Monklands Hospital. This input will be invaluable in helping inform the structure of the negotiations that the Board will need to commence in the near future as the contribution of these PFI facilities will need to be determined by 2025.

The IA will need to be consistent with and based on future service configurations of the West of Scotland. The CIG were informed of the fact that Achieving Excellence is a strategy developed by the NHS Board and the two Lanarkshire Integration Boards and that the IA flowing from this had support from each Board. In recognition of the wider scope of work now required to define the future service needs of the West of Scotland, the SG Director of Finance has committed to writing to the West Region following the appointment of the Regional Implementation Lead to emphasize the priority with which this work needs to be progressed. Each region will have access to specific transformational change funding to support the development of the regional plan and in addition dedicated funding will be available to support the work with Scottish Futures Trust.

The aspiration of the Scottish Government is that the overall project can be delivered within the previously specified timescale (completion of rebuild or refurbishment by

2024) but in recognition of the presenting risks on the Monklands site, an offer of support from Health Facilities Scotland has been extended by the SG to undertake a review of the current risks associated with the existing building. The outcome of this report will be considered by CIG and due consideration will be given to providing a level of capital funding support to ensure essential works are completed to maintain business continuity on the site.

It has been emphasised that the CIG is giving due diligence to the decision on whether a scheme of around £450m investment is warranted and the overall fit within the Health & Social Care Delivery Plan. There is recognition of the challenging capital position within NHS Scotland and they need additional assurance that the investment of this magnitude will deliver the appropriate outcomes for the population it will serve.

Through the evolving regional architecture, early commitment is expected to ensure that the shape of acute hospital services within the West region will be prioritised.

Support has been offered to the NHS Board to help mitigate the known risks on the site.

#### 4. STRATEGIC CONTEXT

This paper links to the following:

Corporate objectives	<input type="checkbox"/>	LDP	<input type="checkbox"/>	Government policy	<input type="checkbox"/>
Government directive	<input type="checkbox"/>	Statutory requirement	<input type="checkbox"/>	AHF/local policy	<input type="checkbox"/>
Urgent operational issue	<input type="checkbox"/>	Other	<b>x</b> <input type="checkbox"/>		

The replacement/refurbishment of Monklands Hospital is a key element of Achieving Excellence, the Board’s Healthcare Strategy for delivering person-centred, innovative healthcare to help Lanarkshire flourish.

#### 5. CONTRIBUTION TO QUALITY

This paper aligns to the following elements of safety and quality improvement:

##### *Three Quality Ambitions:*

Safe	<b>x</b> <input type="checkbox"/>	Effective	<b>x</b> <input type="checkbox"/>	Person Centred	<b>x</b> <input type="checkbox"/>
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##### *Six Quality Outcomes:*

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	<b>x</b> <input type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<b>x</b> <input type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<b>x</b> <input type="checkbox"/>

Staff feel supported and engaged; (Effective)	x <input type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	x <input type="checkbox"/>
Best use is made of available resources. (Effective)	x <input type="checkbox"/>

**6. MEASURES FOR IMPROVEMENT**

The replacement/refurbishment of Monklands Hospital is a keynote project which will enable the delivery of significant elements of Achieving Excellence, the NHS Board’s Healthcare Strategy.

**7. FINANCIAL IMPLICATIONS**

The financial implications (costs), for the project will be confirmed as the Project moves through the Outline Business Case stage.

**8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS**

The initial identification of risks associated with this proposal are as described in the Risk section of the Initial Agreement.

**9. FIT WITH BEST VALUE CRITERIA**

This paper aligns to the following best value criteria:

Vision and leadership	x <input type="checkbox"/>	Effective partnerships	x <input type="checkbox"/>	Governance and accountability	<input type="checkbox"/>
Use of resources	x <input type="checkbox"/>	Performance management	x <input type="checkbox"/>	Equality	<input type="checkbox"/>
Sustainability	x <input type="checkbox"/>				

**10. EQUALITY AND DIVERSITY IMPACT ASSESSMENT**

An Equality and Diversity Impact Assessment has been completed for the work undertaken to date. It was submitted to the Scottish Health Council. The EDIA will be regularly reviewed and updated throughout the project.

## 11. CONSULTATION AND ENGAGEMENT

Consultation and engagement were addressed in the development of the Initial Agreement, prior to its approval by the NHS Board in January 2017 and its submission to the Scottish Government.

## 12. ACTIONS FOR THE BOARD

Approval	<input type="checkbox"/>	Endorsement	<input type="checkbox"/>	Identify further actions	<input type="checkbox"/>
Note	x <input type="checkbox"/>	Accept the risk identified	<input type="checkbox"/>	Ask for a further report	

The Board is asked to note:

- a) the response from the Scottish Government Capital Investment Group 'Appendix 1';
- b) the reiterated commitment from the Scottish Government to this scheme;
- c) the clarification provided to the questions raised by the CIG response;
- d) the offer of Scottish Government funding and resource from the Scottish Futures Trust and Health Facilities Scotland to undertake work with NHS Lanarkshire to ensure the ongoing safety and maintenance of the site.

## 13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact Calum Campbell, Chief Executive, Telephone: 01698 858176 or Colin Sloey, Director of Strategic Planning and Performance, Telephone: 01698 858201