

Lanarkshire NHS Board
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NHS Board Meeting
 15th December 2021

DEVELOPMENT OF CHRYSTON COMMUNITY HEALTH CLINIC

1. PURPOSE

This paper is coming to **the NHS Board**

For approval	<input checked="" type="checkbox"/>	For endorsement	<input type="checkbox"/>	To note	<input type="checkbox"/>
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This paper provides detail of the process and rationale underpinning the development of the new community clinic at Chryston which will serve the population of Chryston, Muirhead and surrounding areas and sets out the key points from the Standard Business Case.

NHS Board members are asked to approve the Business Case and accept the recommendation to fund this project.

2. ROUTE TO THE NHS BOARD

This paper has been prepared by Graham Johnston, Head of Management Services and reflects the consideration of this project since 2015 through Achieving Excellence Strategy Delivery Team and the Capital Investment Group. The Business Case was considered by Capital Investment Group at its meeting of 3 December 2021 and is recommended to the NHS Board for approval.

3. SUMMARY OF KEY ISSUES

Background

The Northern Corridor (covering the areas of Moodiesburn, Muirhead, Chryston, Steps, Gartcosh and Auchinloch) transferred from Glasgow into the NHS Lanarkshire Boundary area on 1st April 2014 with a total population at transfer of 20,450.

The area has one health facility, Muirhead Clinic, which is a small single story building with no dedicated car parking facilities. Due to its size the current facilities only allow a small range of community health services to be provided locally – primarily treatment room, podiatry, speech &

language and a limited number of district nurse-led services with the majority of necessary clinical services continuing to be provided within the Glasgow City area. This means that most patients have to travel to access key services.

Our strategic aspiration is to provide all community services close to where patients live through integrated teams directly employed by NHS Lanarkshire. This will include services such as:

- ❖ Midwifery
- ❖ Health Visitor pre/post-natal
- ❖ Psychological Therapies
- ❖ Anti – Coagulation
- ❖ Rehabilitation Team
- ❖ Treatment Room Services
- ❖ Phlebotomy
- ❖ Breastfeeding support
- ❖ Speech & Language Therapy
- ❖ Rehabilitation Team – Strength & Balance
- ❖ Mental Health Learning Disability
- ❖ Community Mental Health Team (Early onset dementia)
- ❖ Community Mental Health Team (OAP)

Capital Investment Group (CIG) members approved a proposal to develop a detailed business case in April 2019 for the replacement of Muirhead clinic. The preferred option at that time was a new build on the site of the existing facility with a requirement to relocate services on a temporary basis while construction took place.

In mid-2019 North Lanarkshire Council offered the opportunity to collocate the replacement facility within their planned Chryston Primary School Hub development and work commenced to assess the suitability of this option in late 2019. This proposed scheme demonstrated considerable benefits and in early 2020 a formal invitation was issued to Hub South West to develop the scheme in detail.

The Stage 1 submission from HubSW indicated a capital cost consistent with the planned development on the existing site at around £3.0m but with the additional benefit of retaining clinical service provision from the existing facility during construction and then transferring to the new facility once completed in summer 2023. This option eliminate disruption to the provision of clinical services.

Partnership with North Lanarkshire Council

NHS Lanarkshire have undertaken a number of capital projects on a joint basis with North Lanarkshire Council with a significant degree of success over the past decade. Further partnership working is anticipated as North Lanarkshire Council implements its town and community Hub programme.

In this project (Chryston) North Lanarkshire Council will contract directly with South West Hub for the design and construction of a new primary school and community health clinic. NHS Lanarkshire will have a series of formal legal agreements in place with NLC ensuring that our requirements are fully defined and protected. These legal agreements mirror the arrangements previously adopted at Buchanan Centre in Coatbridge and ensure access to the facility for an initial 25 year period which mirrors the NLC contract with South West Hub. As in Buchanan Centre the agreement can be extended if both parties wish. Under this arrangement NHS

Lanarkshire will lease the space they occupy and have funded. An Interface Agreement will be in place during construction and be replaced by a Lease once the facility is commissioned and occupied.

Much detailed work was completed in 2020 in terms of finalising the design and engaging with stakeholders – this process took much longer than originally anticipated due to the limitations on engaging which occurred during the lockdown period and the subsequent challenges of working within the Covid restrictions. The complex process of formal market testing took place during 2021 to ensure the provision of definitive pricing. This is now complete and has resulted in significant cost increases due to material shortages and labour challenges undoubtedly resulting from the pandemic. This is a well-documented and consistent message within the construction industry, referred to as Hyper-inflation, and has impacted many public sector projects. This cost increase has taken the project above the allocated funding of £3.0m to £3.65m.

It is normal practice that tender prices are held for a period of 90 days after submission – this 90 day period expires in late December and failure to formally confirm acceptance of tenders before the festive period begins will result in a significant risk of further price increases and also slippage to programme. In order to achieve this timeline both North Lanarkshire Council and NHS Lanarkshire require to confirm approval by mid-December 2021.

Business Case – Key Points

The capital cost of the project for NHS Lanarkshire has been confirmed by South West Hub at £3.65M in their Stage 2 submission. This funding will be released to North Lanarkshire Council by NHS Lanarkshire during the construction period in line with approved building works valuations with the bulk of the expenditure occurring in 2022/23 financial year. This will allow North Lanarkshire Council to then fund South West Hub as construction progresses.

The anticipated profile of release of funds is:

Design fees already incurred	£100,000
Construction costs 2021/22	£200,000
Construction costs 2022/23	£2,400,000
Construction costs 2023/24	<u>£850,000</u>
Total	£3,650,000

The revenue costs associated with the project comprise the cost of the additional work force required to provide the repatriated services and the cost of operating the facility in terms of heat, light, power and maintenance. These costs are offset by the operating costs of the current facility, which will no longer be required, and the reduction to the cost of the SLA with Greater Glasgow & Clyde following the repatriation of clinical services.

This is set out below:

Current operating costs	£45,296
Reduction to SLA	£848,000
Total available funds	<u>£893,296</u>
Additional Operating costs – new facility	£50,154
Additional workforce costs	£392,000
Net increase in costs	£442,154

The net increase to revenue costs of £442,154 will be funded by North Lanarkshire Health & Care Partnership.

4. STRATEGIC CONTEXT

This paper links to the following:

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

5. CONTRIBUTION TO QUALITY

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

Three Quality Ambitions:

Safe	<input checked="" type="checkbox"/>	Effective	<input checked="" type="checkbox"/>	Person Centred	<input checked="" 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)	<input checked="" type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<input checked="" type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<input checked="" type="checkbox"/>
Staff feel supported and engaged; (Effective)	<input checked="" type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	<input checked="" type="checkbox"/>
Best use is made of available resources. (Effective)	<input checked="" type="checkbox"/>

6. MEASURES FOR IMPROVEMENT

The development of this facility provides purpose build accommodation for the provision of clinical services close to where people live and allows a number of key services to be repatriated from Glasgow.

7. FINANCIAL IMPLICATIONS

The capital cost of the project is £3.65m. The additional revenue costs associated with the project of £442,154 will be met by North Health & Social Care Partnership primarily utilising the funds supporting the provision of the service in Glasgow which will be available following the withdrawal of these services from the Service Level Agreement between both NHS Boards.

8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

Risks associated with the project are regarded as low.

9. FIT WITH BEST VALUE CRITERIA

This paper aligns to the following best value criteria:

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

10. EQUALITY AND DIVERSITY IMPACT ASSESSMENT

An EDIA has been completed for the project and will be regularly reviewed and updated as the project progresses. This assessment demonstrates a significant improvement in access to services locally for this patient population

11. CONSULTATION AND ENGAGEMENT

A detailed programme of engagement with stakeholders took place prior to the finalisation of the design and service configuration.

12. ACTIONS FOR THE NHS BOARD

The NHS Board is asked to:

- note the content of this paper
- Approve the request for funding of £3.65M

13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact

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7th December 2021.