

NHS Board Meeting  
30 November 2022

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**SUBJECT: MONKLANDS REPLACEMENT PROJECT: OUTLINE BUSINESS CASE  
(OBC) APPROVAL**

**1. PURPOSE**

The purpose of this paper is to allow Board Members to consider approval of the Outline Business Case (OBC) for the Monklands Replacement Project.

For approval	<input checked="" type="checkbox"/>	For Assurance	<input type="checkbox"/>	For Information	<input type="checkbox"/>
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**2. ROUTE TO THE BOARD**

This cover paper has been prepared by the Monklands Replacement Project (MRP) team. The attached business case has been prepared by the Monklands Replacement Project team, with input from internal and external staff as well as a range of stakeholders including patient representatives.

The OBC has been endorsed by MRP Leadership Group (29<sup>th</sup> September), the finance case by the MRP Cost Sub-Group and the OBC in total by the Monklands Replacement Committee (28<sup>th</sup> November 2022).

**3. SUMMARY OF KEY ISSUES**

**3.1 Background**

This paper and attached Outline Business case mark a major milestone for the Monklands Replacement Project and for the patients and staff of the existing hospital. The project gives the potential to develop a world class hospital at Wester Moffat, Airdrie free from the constraints and challenges of the current building and will allow NHS Lanarkshire to treat patients with the best care in a building suitable for healthcare in the 21st century.

**3.2 Cost and Timescales**

The Monklands Replacement Project has been subject to a number of delays, cost pressures and external challenges during the development phase and since the Initial Agreement was approved over 5 years ago.

The project was subject to an NHS Assure cost review in January 2022 and although a number of recommendations were made, the review found that the cost planning process undertaken by NHS Lanarkshire's advisors for the construction works was in line with industry best practice. The Cost Sub-Group has monitored the action plan to address the recommendations and approved the financial case on 25 November.

The NHS Assure review also noted that since the Initial Agreement in 2017, a number of significant geopolitical and external events have occurred including, Brexit, Covid Pandemic, War in Europe

(Ukraine), the Climate Emergency announcement and the Hospital Public Inquiry & NHS Assurance creation. These have affected project timescales and costs.

The project timescale and spend profile have more recently been adapted following discussions with the Scottish Government recognising risks to capital funding and the lack of enabling monies leading to a longer timescale before opening.

Following discussions with Scottish Government colleagues, the potential for undertaking significant advance works has been removed from the project programme. This has resulted in a revised timescale for the groundworks and main construction works at Wester Moffat. Assessment of the project programme shows an impact on the estimated completion date for the project which is likely to move from 2028 to 2031. The final programme timescales will be agreed when the Full Business Case is submitted in late 2024.

Significant work on developing the detailed cost estimate and construction programme will require to be undertaken as part of the Full Business Case. This will allow the project team to engage with the construction market and give opportunities to mitigate both overall cost and timeframe of the new hospital. NHS Lanarkshire continue to work with advisors and industry partners to mitigate the cost of the project and deliver a value for money project for NHS Lanarkshire and NHS Scotland.

### **3.3 Existing Site Risks**

University Hospital Monklands (UHM) is an aging facility that was designed in the 1960's and constructed in the 1970's. Whilst it reflected a good and competent design at that time, the facility no longer complies with current healthcare building standards and carries a number of very high risks in relation to the built environment.

Much of the mechanical and electrical infrastructure has long exceeded its life expectancy and there are major structural and site limitations which mean the hospital lacks the space and flexibility to adapt to the radical changes needed to meet future healthcare needs of the population of Lanarkshire and that of the wider West of Scotland.

In 2009 NHS Lanarkshire undertook a review of UHM and determined that in order to maintain even the current levels of clinical service delivery, a strategic approach to business continuity which considered and prioritised the hospital infrastructure and facilities was needed, recognising that this would require significant and sustained investment. A programme known as the Monklands Business Continuity (MKBC) programme has since been established.

This (MKBC) programme is risk led and subject to finite funding. It therefore cannot address the fundamental issues with the building including the defining aspects of the building, most importantly substandard fire escapes and stairs, non-compliant ventilation, historic sanitary ware and other hospital acquired infection (HAI) related issues. This Outline Business Case sets out why the current hospital is no longer fit for purpose and requires replacement.

### **3.4 Recommendation**

The Outline Business Case describes the urgent need to deliver the Monklands Replacement Project (MRP). It is clear that University Hospital Monklands is no longer fit for purpose and is reliant on significant and continued levels of investment to maintain current levels of activity.

Despite significant improvement and refurbishment work the site continues to carry a large number of significant and often recurring risks to business continuity. The attached Outline Business Case sets out this need for a replacement University Hospital Monklands.

#### 4. STRATEGIC CONTEXT

This paper links to the following:

Corporate objectives	<input checked="" type="checkbox"/>	AOP	<input checked="" type="checkbox"/>	Government policy	<input checked="" type="checkbox"/>
Government directive	<input checked="" type="checkbox"/>	Statutory requirement	<input checked="" type="checkbox"/>	AHF/local policy	<input checked="" type="checkbox"/>
Urgent operational issue	<input checked="" 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 benefits and improvements of the project are identified out in the OBC Strategic Case.

#### 7. FINANCIAL IMPLICATIONS

The financial implications of the Monklands Replacement Project are set out in the OBC Financial Case.

#### 8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

Risk assessment and mitigation on a large scale capital project is essential. A project risk management process is in place for the MRP which has previously been endorsed by the Leadership Group and reviewed as part of the Gateway Review process. The project has a fully updated risk register.

The risk management approach and key risks for the Monklands Replacement Project are set out in the OBC Management Case.

#### 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 checked="" type="checkbox"/>	Performance Management	<input checked="" type="checkbox"/>	Equality	<input checked="" type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>				

Management					
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## 10. EQUALITY IMPACT ASSESSMENT / FAIRER SCOTLAND DUTY

An Equality Impact Assessment has been completed. A Fairer Scotland Duty assessment has been undertaken for the MRP.

Yes   
No

The MRP has been subject to a number of Equality Impact Assessments and a Fairer Scotland Duty assessment was undertaken at Site Selection stage. These assessments will continue to be assessed to ensure the various impacts are understood and addressed throughout the project lifespan. Further Equality Impact Assessments will also be carried out during the project.

## 11. CONSULTATION AND ENGAGEMENT

NHS Lanarkshire has consulted on the project at various times including during the development of the Board's clinical strategy Achieving Excellence. The project team also continue to engage with a range of stakeholders across all areas of the project design. Members of the public are engaged in the business case development process through the Monklands Engagement Forum.

Engagement has taken place on the draft OBC with neighbouring NHS Boards (GG&C, Dumfries & Galloway and Forth Valley), Health Improvement Scotland – Community Engagement and the Scottish Ambulance Service. A special meeting of the West NHS Regional Delivery Team will be convened following the NHS Board meeting to endorse the OBC prior to submission to Scottish Government.

The OBC has been endorsed by the NHS Lanarkshire Area Clinical Forum and the Area Partnership Forum.

## 12. ACTIONS FOR THE BOARD

Approve	<input checked="" type="checkbox"/>	Accept the assurance provided	<input type="checkbox"/>	Note the information provided	<input type="checkbox"/>
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The Board is asked to:

- approve the Outline Business Case for the Monklands Replacement Project; and
- agree that the Outline Business Case is submitted to the Scottish Government.

## 13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact: Graeme Reid, Project Director, MRP.

**Colin Lauder**  
Director of Planning, Property and Performance

28<sup>th</sup> November 2022.