

Outline Business Case for the Development of Airdrie Resource Centre,

Purpose of Paper

NHS Lanarkshire is asked to note the following amendments to the business case for the provision of facilities to provide a Resource Centre for incorporating general practice, community mental health, Allied Health Professional, Community Dental and social work accommodation. The Board will recall that capital expenditure of £22,968,000 to create a new health facility incorporating a dental facility, ten GP practices and community mental health accommodation in Airdrie was noted at the NHS Board meeting held on 25th October 2006 and the OBC was to be reviewed at the December Board meeting.

Further to detailed discussions with the Scottish Executive a number of amendments to the original Business case have been carried out to satisfy the requirements of the Scottish Executive Capital Investment Group.

The Board is asked to note the following amendments:

Optimism bias calculation amended to reflect latest Treasury guidance – this increases the multiplier from 11.86 % to 14.96%. This increases the cost of optimism bias from £1,802,000 to £2,188,000

The car parking allocation has been increased by £750,000 to ensure that the total car parking allocation will satisfy planning requirements. This reflects the cost of providing additional decked car parking in conjunction with a wider scheme being taken forward with North Lanarkshire Council. These costs are in line with the District Valuer's value for money requirements.

Additionally the application of VAT has now been carried through to include car parking costs and optimism bias.

The capital value of the project will increase from £22,968,000 to £24,772,000 as a result of the above.

It is also noted that a process to offer General Dental Practitioners the opportunity to relocate to the new facility thus ensuring that they have fully DDA compliant premises will be completed prior to the submission of the Full Business Case in April 2007.