

Appendix A

F.A.O. Jim Dykes
NHS Lanarkshire
Property & Support Services Department
Law House
Airdrie Road
CARLUKE
ML8 5ER

James H Milligan MRICS
District Valuer Scotland South West

Blythswood House
200 West Regent Street
Glasgow
G2 4JJ

Our Reference : 838456/JHM/VBh
Your Reference :

Please ask for : J H Milligan
Tel : 0141 532 7218
Fax : 0141 532 7299
E Mail : scotlandsw@voa.gsi.gov.uk

Date : 22 August 2006

Dear Jim

AIRDRIE RESOURCE CENTRE, GRAHAM STREET, AIRDRIE

I refer to previous correspondence and discussions including my letter of 22nd August re the purchase/lease option and the development appraisal.

I now enclose my value for money report which takes account of Treasury Guidance published on 19th August 2004. It assesses the project to Net Present Value to your Board and compares with a public sector comparator and leasing option. We have checked the construction costs submitted by the developer and confirm they are in line with current building costs given the quality of the specification required.

The Net Present Value takes account of life cycle costs and reversionary value and is not directly comparable with the likely purchase price to your Board as shown in the development appraisal provided with the purchase/lease option.

Yours sincerely

J H Milligan Dip Land (Econ) MRICS
District Valuer Services

Assessment of Value for Money of Airdrie Resource Centre
Scheme Summary

Scheme	AWG scheme ; NHS Facilities. Location Graham Street, Airdrie	Public Sector Comparator on Green Field Peripheral Site	Lease on FRI terms
Summary	5-storey building including basement car park and separate remote ground level car park. Specification as per AWG drawings. Abnormal ground condition costs excluded.	3 storey building including ground level car park Specification as per typical NHS medical facility. Abnormal ground condition costs excluded.	5 storey building including basement car park and separate remote ground level car park Specification as per AWG drawings. Abnormal ground condition costs excluded.
External Works	200 Car parking spaces, available for allocation to NHS	200 Car parking Spaces	200 Car parking Spaces, number allocated to NHS
GIA	6678 m ²	6678 m ²	6678 m ²
Construction Costs, Excludes associated fees equipment, land and VAT. No allowance made for any contaminated land or more expensive foundations due to bad ground conditions.	£10,572,190.	£8,821,638	Nil
£/m2	£1365/ m ²	£1321/ m ²	Nil
Demolition and extra-ordinary works	£300,000	£Nil	Nil
Land costs	£3,600,000	£3,000,000	Nil
Project Management Cost/Developers return	£1,630,828	£1,323,245	£16,599,600
Life cycle costs	£1,367,000	£1,367,000	£ 1,367,000
Reversionary value	-£3,000,000	-£2,600,000	£Nil
NPV	£14,470,983	£11,911,883	£17,966,600

Conclusion

The higher construction cost of the AWG building is due to the higher specification of the scheme. This is due to the height of the building on a restrained site and the quality of the exterior as this is a high profile town centre location and what is seen as a "landmark" building. We are content that the actual costs for this development being £1365/m² are reasonable for the specification of the design. On the information available the proposed development does in my opinion offer value for money in line with current Treasury Guidelines.

Demolition of the existing building has been estimated at £300,000. This is not required in the Greenfield comparator. I have assumed other extraordinary site costs balance out as most development site in the Airdrie area will require some stabilisation or decontamination costs. Therefore the extraordinary site costs included in the development appraisal have been omitted from the value for money comparison.

The land value for the AWG central Airdrie scheme is £3,600,000. I estimate the land acquisition costs for a green field site of 2 hectares to allow for a similar level of car parking on a peripheral site would be £3,000,000. However accessibility would not be as good although the land value should be recoverable as a residual value at the life end of the facility. This figure includes for site servicing required in a green field site. Nevertheless the town centre location adds to the overall costs although operational benefits principally easier access for patients and staff should offset this.

The Project Management Cost, which replaces professional fees in these calculations, is at a fixed 15% of construction costs. In the case of the AWG scheme the cost of demolition at £300,000 has been included.

The Graham Street proposal has an increased cost of some £2,500,000 over a Greenfield comparator. However the quality of the building is higher and there is a more accessible location.

AWG have based their cost on 200 car parking spaces possibly being allocated to long term (assigned to NHS and Local Authority Use). I understand your Board will require 120 on site with a balance of 160 off site spaces.

I have adopted a land area of 2 hectares for the public sector comparator that would allow for up to 280 car parking spaces with associated circulation and landscaping. The construction costs have however been calculated on a like basis i.e. assuming 200 spaces. It may be that the actual construction costs for AWG will have to be adjusted to allow for any provision of extra spaces at or near Graham Street in a remote car park. I have been given an estimate of £7,500 per extra space. The costs for both the AWG scheme and the public sector comparator will have to be adjusted when the final position re car parking is known.

A leasing arrangement would not provide value for money as indicated in the purchase/lease assessment.

Finally all costs and calculations are based on the best estimates currently available. Abnormal site works have been based on a desk exercise only and subject to variation once demolition of the existing building occurs and a full site investigation can take place.

James Milligan Dip. L. Econ MRICSDistrict Valuer.

Financial Costs and Assumptions
Airdrie Resource Centre Capital Costs

Appendix B

AWG Cost of Building net of 3.6m cost of land	10,572,190	8,821,638
Demolition & extraordinary works	300,000	
Project Management Costs/Developer's Return	1,630,828	1,323,245
Legal & Clerk of Works fees	500,000	500,000
VAT	2,855,395	2,357,265
Optimism Bias at 14.96%	2,188,374	1,817,958
Inflation uplift at 5%	625,151	507,244
Car Parking	1,000,000	1,000,000
	19,671,938	16,327,350
Land	3,600,000	3,000,000
Equipment	1,500,000	1,500,000
	24,771,938	20,827,350
Capital Charges	1,344,883	1,151,080
Depn. Buildings	327,866	272,123
Depn. Equipment	150,000	150,000
Interest	867,018	728,957
	1,344,883	1,151,080

Existing Capital Charges	Value	Life	£
Adam Avenue Clinic - Depreciation	1,044,000	15	69,600
Adam Avenue Clinic - Interest	1,103,000		38,605
Airdrie H. C. - Depreciation	1,260,599	19	66,347
Airdrie H.C. - Interest	1,260,599		44,121
			<u>218,673</u>

Financial Results

Capital Cost Summary

Cost	Option 1 Graham Street £000's	Option 1 (a) Leased Building £000's	Option 2 Green Field Site £000's
Building Costs	10,572	-	8,822
Demolition	300	-	0
Car Parking	1,000	-	1,000
Project Mangement Costs/Developer's Return	1,631	-	1,323
Legal & Clerk of Works Costs	500	-	500
Contingency	625	-	507
Equipment	1,500	-	1,500
Optimism Bias 14.96%	2,188	-	1,818
VAT	2,855	-	2,357
Land	3,600	-	3,000
Total	24,772	-	20,827

Revenue Cost Summary

Full Year Revenue Cost	Option 1 Graham Street £000's	Option 1 (a) Leased Building £000's	Option 2 Green Field Site £000's
Rental Costs	-	1,160	-
Facilities inc. Estates & Rates	296	296	296
Telecoms	36	36	36
Security/Concierge	33	33	33
Total Annual Revenue Cost	365	1,525	365
Existing Revenue Budgets	163	163	163
GP Rents & Recovery	55	55	55
Net Revenue Costs	147	1,307	147

Capital Charges Summary

Full Year	Option 1 Graham Street £000's	Option 1 (a) Leased Building £000's	Option 2 Green Field Site £000's
Depreciation Buildings	328	-	272
Depreciation Equipment	150	-	150
Interest Charge	867	-	729
Total Capital Charges	1,345	0	1,151
Existing Capital Charges	219	219	219
Net Capital Charges	1,126	-219	932
Net Annual Costs Increase	1,273	1,088	1,206
NET PRESENT VALUE	Option 1 Graham Street £000's	Option 1 (a) Leased Building	Option 2 Green Field Site £000's
NPV	27,263	36,048	23,816
EAC	993	1,312	867

Financial Assumptions

The following sets out the financial assumptions used in the financial modelling.

Construction Costs

These have been developed in conjunction with AWG in respect of the Graham Street location and value for money assessment have been made by the District Valuer on this location and a Public Sector Comparator on a Green Field Site, based on schedules of accommodation and standard costs per square metre.

Full inclusion has been made for demolition, access roads, car parking, professional fees and contingencies as detailed in the Capital Costs Summary above.

A 5% contingency is still included within the Build Costs for both Options.

Optimism bias, computed in line with the most recent Treasury Guidance has been applied to the new build costs but has not been applied to equipment.

Revenue Costs

Facilities revenue costs are assumed to be the same for both options on the basis that the floor areas occupied by each of the facility will be constant over each of the Options.

Capital Charges

Buildings have been depreciated over 60 years and equipment over 10 years. Interest has been applied at 3.5% per annum.

Net Present Values

NPVs and EACs have been calculated on the capital costs (excluding VAT) and the revenue costs (excluding capital charges).

Discount Factor

The effects of inflation have been excluded from all costs except construction, as the impact on the economic analysis will not vary between the options. A discount rate of 3.5% for the first 30 Years and 3.0% has been applied in calculating the NPVs. This is in line with the NHS Scotland Capital Accounting Manual - February 2006.

Airdrie Resource Centre Revenue Estimate

Building Area 6,678 Sq. m.

Heat Light & Power
Day to Day
Maintenance
Domestic Services 14.50
Rates
Water & Sewerage

Concierge/Security
Telecoms

Existing Budgets

	Pays	Supps.	Total
Airdrie Health Centre	20,114	55,467	75,581
Adam Avenue Clinic	14,945	44,575	59,520
	<u>35,059</u>	<u>100,042</u>	<u>135,101</u>

Airdrie Graham Street Build

OPTION APPRAISAL - NET PRESENT VALUE

Option -

1

Excl. VAT, capital charges & GPs rent
£992,564 EAC

Years	NPV %	CAPITAL £21,916,54	£202,000 REVENUE E	TOTAL £21,916,54	NPV £21,916,54	
0	1	3		3	3	
	0.9661835					£22,111,71
1	7		£202,000	£202,000	£195,169	2
						£22,300,28
2	0.9335107		£202,000	£202,000	£188,569	1
	0.9019427					£22,482,47
3	1		£202,000	£202,000	£182,192	4
	0.8714422					£22,658,50
4	3		£202,000	£202,000	£176,031	5
	0.8419731					£22,828,58
5	7		£202,000	£202,000	£170,079	4
	0.8135006					£22,992,91
6	4		£202,000	£202,000	£164,327	1
	0.7859909					£23,151,68
7	6		£202,000	£202,000	£158,770	1
	0.7594115					£23,305,08
8	6		£202,000	£202,000	£153,401	2
	0.7337309					£23,453,29
9	7		£202,000	£202,000	£148,214	6
	0.7089188					£23,596,49
10	1		£202,000	£202,000	£143,202	7
	0.6849457					£23,734,85
11	1		£202,000	£202,000	£138,359	6
						£23,868,53
12	0.6617833		£202,000	£202,000	£133,680	7
	0.6394041					£23,997,69
13	5		£202,000	£202,000	£129,160	6
	0.6177817					£24,122,48
14	9		£202,000	£202,000	£124,792	8
	0.5968906					£24,243,06
15	2		£202,000	£202,000	£120,572	0
	0.5767059					£24,359,55
16	1		£202,000	£202,000	£116,495	5
	0.5572037					£24,472,11
17	8		£202,000	£202,000	£112,555	0
	0.5383611					£24,580,85
18	4		£202,000	£202,000	£108,749	9
	0.5201556					£24,685,93
19	9		£202,000	£202,000	£105,071	0
	0.5025658					£24,787,44
20	8		£202,000	£202,000	£101,518	8
						£24,885,53
21	0.4855709		£202,000	£202,000	£98,085	4

	0.4691506				£24,980,30
22	3	£202,000	£202,000	£94,768	2
	0.4532856				£25,071,86
23	3	£202,000	£202,000	£91,564	6
	0.4379571				£25,160,33
24	3	£202,000	£202,000	£88,467	3
	0.4231469				£25,245,80
25	9	£202,000	£202,000	£85,476	9
	0.4088376				£25,328,39
26	7	£202,000	£202,000	£82,585	4
	0.3950122				£25,408,18
27	4	£202,000	£202,000	£79,792	7
	0.3816543				£25,485,28
28	4	£202,000	£202,000	£77,094	1
	0.3687481				£25,559,76
29	5	£202,000	£202,000	£74,487	8
	0.3562784				£25,631,73
30	1	£202,000	£202,000	£71,968	6
	0.3999871				£25,712,53
31	5	£202,000	£202,000	£80,797	4
	0.3883370				£25,790,97
32	3	£202,000	£202,000	£78,444	8
	0.3770262				£25,867,13
33	5	£202,000	£202,000	£76,159	7
					£25,941,07
34	0.3660449	£202,000	£202,000	£73,941	8
					£26,012,86
35	0.3553834	£202,000	£202,000	£71,787	5
	0.3450324				£26,082,56
36	3	£202,000	£202,000	£69,697	2
	0.3349829				£26,150,22
37	4	£202,000	£202,000	£67,667	9
	0.3252261				£26,215,92
38	5	£202,000	£202,000	£65,696	4
	0.3157535				£26,279,70
39	5	£202,000	£202,000	£63,782	6
	0.3065568				£26,341,63
40	4	£202,000	£202,000	£61,924	1
					£26,401,75
41	0.297628	£202,000	£202,000	£60,121	2
	0.2889592				£26,460,12
42	2	£202,000	£202,000	£58,370	2
	0.2805429				£26,516,79
43	4	£202,000	£202,000	£56,670	1
	0.2723717				£26,571,81
44	8	£202,000	£202,000	£55,019	0
	0.2644386				£26,625,22
45	2	£202,000	£202,000	£53,417	7
	0.2567365				£26,677,08
46	3	£202,000	£202,000	£51,861	8
	0.2492587				£26,727,43
47	6	£202,000	£202,000	£50,350	8
					£26,776,32
48	0.2419988	£202,000	£202,000	£48,884	2

	0.2349502				£26,823,78
49	9	£202,000	£202,000	£47,460	2
	0.2281070				£26,869,85
50	8	£202,000	£202,000	£46,078	9
	0.2214631				£26,914,59
51	8	£202,000	£202,000	£44,736	5
					£26,958,02
52	0.2150128	£202,000	£202,000	£43,433	7
	0.2087502				£27,000,19
53	9	£202,000	£202,000	£42,168	5
	0.2026701				£27,041,13
54	9	£202,000	£202,000	£40,939	4
	0.1967671				£27,080,88
55	7	£202,000	£202,000	£39,747	1
	0.1910360				£27,119,47
56	9	£202,000	£202,000	£38,589	1
	0.1854719				£27,156,93
57	3	£202,000	£202,000	£37,465	6
	0.1800698				£27,193,31
58	4	£202,000	£202,000	£36,374	0
	0.1748250				£27,228,62
59	8	£202,000	£202,000	£35,315	5
	0.1697330				£27,262,91
60	9	£202,000	£202,000	£34,286	1
	27.467167				
	7				£992,564

Airdrie Graham Street (Lease Building)

OPTION APPRAISAL - NET PRESENT VALUE

Option -

1

Excl. VAT, capital charges & GPs rent

£1,312,414 EAC

Years	NPV %	CAPITAL	REVENUE	TOTAL	NPV	
0	1		£1,362,000	£0	£0	
1	0.96618357		£1,362,000	£1,362,000	£1,315,942	£1,315,942
2	0.9335107		£1,362,000	£1,362,000	£1,271,442	£2,587,384
3	0.90194271		£1,362,000	£1,362,000	£1,228,446	£3,815,830
4	0.87144223		£1,362,000	£1,362,000	£1,186,904	£5,002,734
5	0.84197317		£1,362,000	£1,362,000	£1,146,767	£6,149,501
6	0.81350064		£1,362,000	£1,362,000	£1,107,988	£7,257,489
7	0.78599096		£1,362,000	£1,362,000	£1,070,520	£8,328,009
8	0.75941156		£1,362,000	£1,362,000	£1,034,319	£9,362,327
9	0.73373097		£1,362,000	£1,362,000	£999,342	£10,361,669
10	0.70891881		£1,362,000	£1,362,000	£965,547	£11,327,216
11	0.68494571		£1,362,000	£1,362,000	£932,896	£12,260,113
12	0.6617833		£1,362,000	£1,362,000	£901,349	£13,161,461
13	0.63940415		£1,362,000	£1,362,000	£870,868	£14,032,330
14	0.61778179		£1,362,000	£1,362,000	£841,419	£14,873,749
15	0.59689062		£1,362,000	£1,362,000	£812,965	£15,686,714
16	0.57670591		£1,362,000	£1,362,000	£785,473	£16,472,187
17	0.55720378		£1,362,000	£1,362,000	£758,912	£17,231,099
18	0.53836114		£1,362,000	£1,362,000	£733,248	£17,964,347
19	0.52015569		£1,362,000	£1,362,000	£708,452	£18,672,799
20	0.50256588		£1,362,000	£1,362,000	£684,495	£19,357,293
21	0.4855709		£1,362,000	£1,362,000	£661,348	£20,018,641
22	0.46915063		£1,362,000	£1,362,000	£638,983	£20,657,624
23	0.45328563		£1,362,000	£1,362,000	£617,375	£21,274,999
24	0.43795713		£1,362,000	£1,362,000	£596,498	£21,871,497
25	0.42314699		£1,362,000	£1,362,000	£576,326	£22,447,823
26	0.40883767		£1,362,000	£1,362,000	£556,837	£23,004,660
27	0.39501224		£1,362,000	£1,362,000	£538,007	£23,542,666
28	0.38165434		£1,362,000	£1,362,000	£519,813	£24,062,480
29	0.36874815		£1,362,000	£1,362,000	£502,235	£24,564,715
30	0.35627841		£1,362,000	£1,362,000	£485,251	£25,049,966
31	0.39998715		£1,362,000	£1,362,000	£544,782	£25,594,748
32	0.38833703		£1,362,000	£1,362,000	£528,915	£26,123,663
33	0.37702625		£1,362,000	£1,362,000	£513,510	£26,637,173
34	0.3660449		£1,362,000	£1,362,000	£498,553	£27,135,726
35	0.3553834		£1,362,000	£1,362,000	£484,032	£27,619,758
36	0.34503243		£1,362,000	£1,362,000	£469,934	£28,089,693

37	0.33498294	£1,362,000	£1,362,000	£456,247	£28,545,939
38	0.32522615	£1,362,000	£1,362,000	£442,958	£28,988,897
39	0.31575355	£1,362,000	£1,362,000	£430,056	£29,418,954
40	0.30655684	£1,362,000	£1,362,000	£417,530	£29,836,484
41	0.297628	£1,362,000	£1,362,000	£405,369	£30,241,853
42	0.28895922	£1,362,000	£1,362,000	£393,562	£30,635,416
43	0.28054294	£1,362,000	£1,362,000	£382,099	£31,017,515
44	0.27237178	£1,362,000	£1,362,000	£370,970	£31,388,486
45	0.26443862	£1,362,000	£1,362,000	£360,165	£31,748,651
46	0.25673653	£1,362,000	£1,362,000	£349,675	£32,098,326
47	0.24925876	£1,362,000	£1,362,000	£339,490	£32,437,817
48	0.2419988	£1,362,000	£1,362,000	£329,602	£32,767,419
49	0.23495029	£1,362,000	£1,362,000	£320,002	£33,087,421
50	0.22810708	£1,362,000	£1,362,000	£310,682	£33,398,103
51	0.22146318	£1,362,000	£1,362,000	£301,633	£33,699,736
52	0.2150128	£1,362,000	£1,362,000	£292,847	£33,992,584
53	0.20875029	£1,362,000	£1,362,000	£284,318	£34,276,901
54	0.20267019	£1,362,000	£1,362,000	£276,037	£34,552,938
55	0.19676717	£1,362,000	£1,362,000	£267,997	£34,820,935
56	0.19103609	£1,362,000	£1,362,000	£260,191	£35,081,126
57	0.18547193	£1,362,000	£1,362,000	£252,613	£35,333,739
58	0.18006984	£1,362,000	£1,362,000	£245,255	£35,578,994
59	0.17482508	£1,362,000	£1,362,000	£238,112	£35,817,106
60	0.16973309	£1,362,000	£1,362,000	£231,176	£36,048,282
	27.4671677				£1,312,414

Risk Register

Appendix D

A Risk Register was developed as a basis for assessing the individual project risks, this was compiled in conjunction with the project team. Details of the individual risks along with a supporting descriptions and a strategy on how to manage these risks are provided below.

Risk	Risk Description and Effect	Risk Management
Design and Construction Risks		
Change in Requirements of Stakeholders/NHS Policy Change	The Board may require changes to the design, leading to additional design and construction costs, possibly leading to a delay with additional cost implications and inherent implications for the CIP 5 year spend profile	Regular review meetings should be held. A clear project plan identifying the main objectives of all parties should be devised
Inadequate Design	The design Brief may not provide an adequate basis on which to plan the facility which meets clinical and functional needs	Regular design reviews should be held to monitor design adequacy. This reviews should include relevant stakeholders
Inability to complete Design on Time	The design cannot be completed within the agreed timescales. Additional property costs incurred	Realistic timescale to be developed in agreement with users developers and project sponsors. Risk to be transferred to developer when contract is signed
Design Team Default, Design Creep	The design team fail to deliver the brief set out in the specifications leading to design creep. May put scheme at risk due to increased cost or result in programme delays and scope changes	Regular meetings/reviews of design proposals: early agreement to design solutions. Good Project management procedures to be in place.
Incorrect Time and Cost Estimate	The Time taken and the costs incurred to complete the construction phase may be different from that estimated	Prepare detailed design and bills of quantities. Regular cost and risk review should be held to monitor progress. Risk to be transferred to developer when contract is signed
Incorrect Budgetary Estimate	Additional costs incurred. Project delayed whilst funds are secured, impact upon succeeding year's capital programme.	Prepare detailed design and bills of quantities. Regular cost and risk review should be held to monitor progress. Early negotiations with developer to ensure construction costs are accurate. Risk to be transferred to developer when contract is signed.
Unforeseen Ground conditions	A risk exists that unforeseen Ground Conditions may result in delays	Carry out early site survey to confirm suitability for building. Risk to be transferred to developer when contract is signed
Problems with Utility Connections	Problems may arise with regard to gas, electricity, and water connections. May affect both timescales and price	Need to ensure our requirements are accurate. Due to the nature of this project this risk will be transferred to the developer
Delay in Procuring Site	There may be a delay in procuring the site. May have inherent cost implications. Alternative site may have to be found. Delay to project timescale. Leading to reputational implications for the health Board	Open early negotiations with seller to obtain option on site.
Contractor Default including Failure to Build to design	In the case of a contractor default, additional costs may be incurred in appointing a replacement, and may cause a delay	Regular cost and risk review should be held to monitor progress Need to ensure adequate contract is in place between NHSL and the developer

Poor Project Management	There is a risk that poor project management will lead to additional costs. E.g. co-ordination of sub-contractors could be poor leading to delays because the work of another is incomplete.	Regular cost and risk review should be held to monitor progress Due to the nature of this project this risk will be transferred to the developer, need to ensure adequate contract is in place between NHSL and the developer
Delayed/unobtainable planning approval/building warrant	This may have wider cost implications. Significant delay to project whilst appeal to Secretary of State is made or alternative site found.	Early Discussions with local authority has confirmed planning support for project
Failure to secure adequate Car Parking Agreements	May lead to operational problems for site in the future	Early negotiations, discussions with planning authority, Developer to agree proposals.
Capacity and Demand Risks		
Failure to deliver required levels of performance	Required levels of clinical performance are not achieved resulting in an inability to meet the capacity to the clinical service demands	Early Partnership working with health professionals to ensure accommodation and capacity is adequate for required clinical performance
Unused Facilities and Capacity	Surplus capacity results as anticipated demand does not materialise	
Facilities not Flexible enough to respond to changes in demand	The Facilities is not adequately flexible to allow capacity to be expanded at the rate required due to changes in healthcare	Preparation of a detailed design that has included future service developments. Materials used in construction to allow easier internal re-organisation if required. The development includes additional space that could be leased if required
Inadequate patient environment	The physical environment does not meet statutory, dignity clinical requirements for the patient group	Ensure facilities meet all relevant current standards required.
Failure to secure adequate Car Parking Agreements	May lead to operational problems for site	Adequate Car parking policies to be put in place to ensure smooth running of facility
Staffing Risks		
GP and Staff support for the proposal weakens. Staff unwilling to transfer working location	GP surgeries choose to relocate leading to loss of tenants and underutilised facilities. Staff are unwilling to transfer their working base to the new facility as such gaps and disruption to the service occur.	Regular Meetings/reviews with user groups, Early agreement and contract/letter of comfort with GP's. NHS Human Resources policies are implemented effectively and early
High Staff Turnover resulting in Gaps in service and Disruption	Levels of staff turnover are such that continuity and quality of service cannot be maintained	NHS Human Resources policies are implemented effectively
Timescale Risks		
Incorrect Timing and cost estimates for commissioning	The estimated time required and associated costs for commissioning are incorrect leading to delays and excess costs	Timescales and costs to be agreed with Design Team and Construction Team, and Service Managers
Service Disruption Risks		
Disruption to ongoing delivery of clinical and non clinical services in the short term	The Short term configuration of services compromises the effective operation of the clinical units	IF preferred option is chosen services will continue as at present until services move to new accommodation. Ensure that move will be smooth by including all relevant stakeholders in planning of move.

Disruption to ongoing delivery of clinical and non clinical services in the longer Term	The configuration and co-location of services compromise the effective longer term operation of the clinical units	Regular stakeholder review meetings should be held to ensure operation of co-located clinical services is effective.
Reputational Risks		
Failure to Deliver Key Board Targets	Key targets are not achieved, promises are not kept resulting in damage to the Boards Reputation	Regular review meetings should be held to ensure timescales are being met and targets achieved.
Adverse Publicity resulting from failure to justify levels of investment	The level of capital and revenue investment required to support the changes cannot be justified when compared to the overall benefits	A clear project plan identifying the main objectives of all parties should be devised. To include an accurate cost analysis that is monitored to ensure compliance.

Appendix E

Sensitivity Analysis

Sensitivity One: - Apply Equal Weighting to All Criteria

Sensitivity 2

	Benefit Criteria	Weight %	Option 1 – Do minimum		Option 2 – Graham St Capital Build		Option 3 Greenfield Site	
			Score	WxS	Score	WxS	Score	WxS
		W	Score	WxS	Score	WxS	Score	WxS
1	Accessibility	20	0	0	4	80	-1	-20
2	Capacity and Future Sustainability	20	-3	-60	4	80	5	100
3	Integration of Services	20	0	0	4	80	2	40
4	Operational and Environmental Suitability	20	0	0	5	100	5	100
5	Staff Recruitment/Retention	20	0	0	5	100	3	60
6	Timing	20	0	0	4	80	2	40
	Total	100		-60		520		320

Excluding Benefits from Top Ranked Criteria (Timing)

	Benefit Criteria	Weight %	Option 1 – Do minimum		Option 2 – Graham Street Capital Build		Option 3 Greenfield Site	
			Score	WxS	Score	WxS	Score	WxS
		W	Score	WxS	Score	WxS	Score	WxS
1	Accessibility	20	0	0	4	80	-1	-20
2	Capacity and Future Sustainability	20	-3	-60	4	80	5	100
3	Integration of Services	15	0	0	4	60	2	30
4	Operational and Environmental Suitability	15	0	0	5	75	5	75
5	Staff Recruitment/Retention	5	0	0	5	25	3	15
6	Timing	25	0	0	0	0		0
	Total	100		-60		320		200

Sensitivity 3: - Altering the score of the criterion with the greatest scoring range (Capacity and Future Sustainability) so that all options in this criterion scored the same (i.e. 0)

	Benefit Criteria	Weight %	Option 1 – Do minimum		Option 2 – Graham Street Capital Build		Option 3 Greenfield Site	
		W	Score	WxS	Score	WxS	Score	WxS
1	Accessibility	20	0	0	4	80	-1	-20
2	Capacity and Future Sustainability	20	0	0	0	0		0
3	Integration of Services	15	0	0	4	60	2	30
4	Operational and Environmental Suitability	15	0	0	5	75	5	75
5	Staff Recruitment/Retention	5	0	0	5	25	3	15
6	Timing	25	0	0	4	100	2	50
	Total	100		0		340		150

AIRDRIE PRIMARY CARE RESOURCE CENTRE

Appendix F

	No Req'd	Area m ²	Total Area
SOCIAL WORK SERVICES			
LINCS			
Social Work (x5)	1	30	30
Health (x2) joint funded posts both employed by Health	1	16	16
Team - 25 other members of staff	5	30	150
Total			196
Airdrie Social Work Addiction Service			
Office Accommodation - Project Leader	1	12	12
Office Accommodation (x5)	1	30	30
Total			42
SOCIAL WORK TOTAL (excl allowances)			238
Planning Allowance			
Engineering Allowance			
Circulation			
Total Gross - Social Work m²			
MENTAL HEALTH			
Mental Health/Older Persons			
Comm Psychiatric Nurses (x4)	1	24	24
Total			24
Community Mental Health Team			
Offices	4	12	48
Open Plan Offices	3	24	72
Office to accommodate Team	1	16	16
Admin/Clerical Office	1	24	24
Total			160
MENTAL HEALTH TOTAL			184
GPs			
10 GP Practices -27 GPs (1@7 + 1@20 GP Practices)			2,290
GPs TOTAL (excl allowances)			2,290

	No Req'd	Area m ²	Total Area
PRIMARY CARE			
Speech & Language			
Treatment Rooms (incl Adult Room)	5	16	80
Group Room for 10 people	1	24	24
Office (x6)	1	24	24
Office - Team Leader (x1)	1	11	11
Large Storage area	1	20	20
Podiatry (clinical accom ground floor)			
Treatment Rooms	5	16	80
Nail Surgery Room	1	16	16
Office (x9)	1	36	36
Office (x1)	1	11	11
Records Storage Area	1	11	11
Treatment Room Nurses			
Test Room/Clinette	1	12	12
Vaccine Fridges Room	1	9	9
Dietetics (2 Dietiticians)			
	1	16	16
Paediatric OT			
Paediatric OT Office - Large (x8)	2	24	48
Paediatric OT Offices - Small (x2)	1	12	12
Treatment Room	1	24	24
Equipment Storage Area - Large	1	24	24
Dental			
Dental Surgeries	3	25	75
Equipment Storage Area - Large	1	16	16
Dental Office to accommodate the following staff (x9)	1	36	36
Long Term Store Room	1	11	11
Compressor Room	1	4	4
Physiotherapy (including Paediatrics)			
Physiotherapy Office (x11)	1	36	36
Treatment Cubicles	6	12	72
Treatment Area	1	60	60
Treatment Area	1	24	24
Storage Area	2	24	48
Records Storage	1	16	16
	No Req'd	Area m ²	Total Area

Recovery Area - Shared	1	12	12
Shared Consulting/Interview Rooms Suites			
2suites @ 4 rooms + 1 suite @ 5 rooms	13	12	156
Audiology Sound proof Rooms	3	12	36
Waiting areas 10 Person + wheel chair area + child play area	4	20	80
Disabled WC	4	5	20
Reception/Waiting Area for AHP	1		300
Admin/Reception	1		48
Central Mail Room	1	14	14
Central Engineering Plant Room etc	2		150
General Administration Offices			
Administrator (x2)	1	16	16
Clerical Staff (x4)	1	32	32
Support Staff (x6)	1	48	48
Storage - stationery and archived files	1	36	36
Health Promotion Room & Health Education Storage	1	28	28
Secretarial Support (x3)	1	28	28
Office Accommodation for the following 9 staff			
Public Health Practitioner/Youth Health	1	16	16
Practice Development Nurse/Chronic Disease Nurse	1	16	16
CAPA Co-ordinator/Health Promotion Officer/Project Manager	1	24	24
Smoking Cessation Co-ordinator/Family Planning Co-ordinator	1	16	16
Store - Welfare Foods	1	12	12
School Nurses (x8)	1	36	36
LHCC Board Room (x40)/Training Suite	1	48	48
Other			
Staff Rooms (x2)	2	24	48
Staff WC Facilities (x3)	3	22	66
Patient WC Facilities (x4)	4	17	68
Clinical and Domestic Waste Stores (assumes 4 storeys 2 per floor)	8	8	64
DSRs (x4)	4	8	32
PRIMARY CARE TOTAL			2306

	No Req'd	Area m ²	Total Area
Child Health - require storage area			
5 A&C Staff	1	50	50
2 SCMOs	2	12	24
4 CMOs	1	12	12
Records Storage Area	1	48	48
CHILD HEALTH TOTAL			134
OVERALL ESSENTIAL TOTAL (excludes circulation etc)			2624
GPs (excludes circulation etc)			2290
Total Excl Allowances			4914