



OUTLINE BUSINESS CASE

**ADULTS WITH COMPLEX NEEDS/LOW SECURE UNIT
CAIRD HOUSE, HAMILTON**

AUGUST 2007

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Executive Summary

As set out in 'A Picture of Health' 2005 NHS Lanarkshire's Mental Health Services are modernising to enable delivery of services fit for the 21st century. Over a number of years, the Mental Health Service has been moving away from an institutional model of care towards a community-based model, delivered on a multi agency basis, particularly in partnership with local authorities. This direction of travel has resulted in the gradual reduction of beds on a number of hospital sites, notably Hartwoodhill, Cleland and Roadmeetings.

Patients with complex/low secure needs are currently accommodated at Hartwoodhill Hospital, Caird House and Airbles Road Centre. With the proposed closure of Hartwoodhill Hospital and Airbles Road Centre, the opportunity has been taken to review the overall bed configuration and to relocate this provision within the communities they serve. This involves building new units at Caird House, Hamilton and Coathill Hospital, Coatbridge with a total of 55 beds.

It is envisaged that over time the complex needs units will provide a step down facility to support the acute admission units for those patients who no longer require the degree of nursing and medical care offered within an acute in-patient setting but require prolonged rehabilitative interventions in a more stable environment. It is expected that this would relieve some of the pressures on acute in-patient services.

This service is not limited to specific diagnostic groups but individuals will be characterised by having severe psychiatric disorders, complex social and mental health care needs, a poor network of social care supports and poor social functioning.

The major benefits of this development will include:

- Provision of treatment and care of the highest possible quality in the least restrictive environment as close to the community as possible in line with the stated aims of the Mental Health (Care & Treatment) (Scotland) Act 2003.
- Provision of a purpose built facility designed to enable the delivery of a modern healthcare service which complies with current Scottish Health Executive Department (2001) guidance and service user expectations in respect of single room, ensuite accommodation.
- Provides the opportunity to deliver an enhanced range of services to this complex client group.
- Supporting the "Delivery for Mental Health" Agenda through the provision of better and more accessible services to clients within their own communities.

The outcome of an Option Appraisal process identified that one unit in North Lanarkshire (Coathill Hospital) and one in South Lanarkshire (Caird House) would best meet the needs of this specialist client group both in terms of availability and accessibility of the sites.

Financial Summary

Capital Cost of the preferred Option is £8.144m. Recurring Annual Revenue Cost of the preferred Option is £2.420m. (including Capital Charges of £0.440m). These are explained and analysed within the Outline Business Case full cost breakdown is as contained within Appendix 2. Capital and Revenue Costs for the new build project are consistent with the financial modelling undertaken for Picture of Health and the Mental Health Services Strategy. The project is affordable within these Financial Frameworks.

Timescales

This development is on the critical path for the closure of Hartwoodhill Hospital and early implementation is crucial. The proposed timescale is as follows:

OBC Approval – NHS Board	August 2007
OBC to SEHD CIG for info	October 2007 (submit by 4 September)
Planning Consent	November 2007
OBC Approval – SEHD	December 2007
FBC Approval	March 2008
Contractor Appointment	May 2008
Completion	November 2009

The above timetable is dependent on securing planning consent.

Recommendation

NHS Lanarkshire Board is asked to formally approve the Outline Business Case for the reprovision of inpatient services for Adults with Complex Needs/Low Secure Unit at Caird House, Hamilton. This was identified as one of the priorities in the 5-year Capital Plan.

Introduction

NHS Lanarkshire is committed to developing a strategy for improving and modernising mental health services. As part of this strategy, NHS Lanarkshire will continue the process of building community based services and reducing dependence on hospital-based services.

NHS Lanarkshire has developed a Mental Health Strategy that addresses all aspects of Mental Health service provision in Lanarkshire. This framework clearly identifies a strategy for moving away from institutionalised care and closing Hartwoodhill Hospital and this was recognised as a priority. In planning to close the hospital it became apparent that capital investment was required for those patients who will continue to require 24 hour inpatient NHS provision: in moving towards a community based model it is recognised that some patients will require periods of inpatient care as part of the care pathway. The proposals in this business case will develop new inpatient facilities to enable the closure of the adults with complex needs/rehabilitation/low secure inpatient accommodation at Hartwoodhill Hospital and also at Airbles Road Centre. In accordance with the requirements of mental health legislation it will also make provision for the increasing number of patients who will require to be cared for in less secure facilities than those in which they are currently cared for.

Traditionally Hartwoodhill Hospital provided a service for patients across Lanarkshire in a relatively inaccessible location. Lanarkshire is now moving towards a model that seeks to provide any inpatient provision close to the communities served and this business case specifically addresses the need of patients in the South Lanarkshire area.

In the reprovisioning of services from Hartwoodhill Hospital, clinical assessment has determined that there would be a requirement for two Adults with Complex Needs units for those clients who would continue to require 24 hr NHS care. A 15 bedded low secure unit for the whole of Lanarkshire will be co-located with the Adults with Complex Needs unit in South Lanarkshire.

This decision is supported by the clinical rationale that these client groups have similar care and environmental needs, the only difference being the level of supervision required, this would be dependant on their stage of illness. Co-location maximises the opportunity for these clients to engage in a range of rehabilitative interventions through the sharing of facilities and clinical expertise. An early Feasibility Study carried out at Coathill Hospital and Caird House concluded that the Caird House site was most suited to the larger facility. This site was regarded as the most central location for a Lanarkshire wide service and supported the newly developed Court Liaison Service.

It is envisaged that over time the complex needs units will provide a step down facility to support the acute admission units for those patients who no longer require the degree of nursing and medical care offered within an acute in-patient setting but require prolonged rehabilitative interventions in a more stable environment. It is expected that this would relieve some of the pressures on acute in-patient services.

This service is not limited to specific diagnostic groups but individuals will be characterised by having severe psychiatric disorders, complex social and mental health care needs, a poor network of social care supports and poor social functioning.

The wards at both Hartwoodhill and Airbles Road Centre are old and no longer fit for purpose. This, combined with new models of care, have resulted in the development of this business case which seeks to provide modern, accessible and fit for purpose accommodation for those patients requiring in patient care as part of their treatment plan.

Strategic Context

There are a number of policy documents and legislative changes that have, and will, influence the current and future models of mental health service provision in Lanarkshire. Key amongst these are:-

- The framework for Mental Health Services in Scotland, 1997.
- The 1999 Mental Health Strategies for North and South Lanarkshire.
- The Mental Health (Care & Treatment (Scotland) Act 2003.
- A Mental Health Strategy for Lanarkshire 2006/2011 (Draft).
- NHS MEL (1999) 5 'Health Social Work and Related Services for Mentally Disordered Offenders in Scotland'.
- NHS HDL (2001) 9 'Services, Care, Support and Accommodation for Mentally Disordered Offenders in Scotland: Care Pathway Document'.
- Delivering for Mental Health.

These have a considerable impact on the pattern and delivery of services. They require a significantly more patient centred approach and they set a direction of travel and focus onto the development of community-based services with user and carer participation in their development.

NHS Lanarkshire has been moving in this direction for some time and has conducted a comprehensive review of its mental health service provision. It is recognised that the majority of mental health interventions take place in a primary care setting. As such developments are planned across the entire range of mental health services including Child and Adolescent Mental Health Services, Substance Misuse, Liaison Psychiatry and Psychology and Old Age Psychiatry. It needs to be recognised that this proposal is only a part of the Mental Health Services Framework Strategy and should not be viewed in isolation.

Resource network teams have been developed in each locality. Each locality will have an integrated health and social work Community Mental Health Team (CMHT), which will provide interventions for people with a wide range of mental health needs. Partnerships with other statutory and voluntary providers will ensure a wider range of people's needs can be met within the locality. However, it is recognised that on occasion clients with complex needs may require more specialist intervention or non-acute admission to hospital and the provision of this service will be explored in this business case.

As stated in 'A Picture of Health', NHS Lanarkshire has made a commitment to the re-provision of services from Hartwoodhill and the Airbles Road Centre. NHS Lanarkshire intends to provide services in partnership with the statutory and voluntary sectors, service users and carers that:

- Are centred on the needs of the person using the service.
- Promote recovery and social inclusion.
- Are community based, using hospital based care only when there is no safe, effective alternative.
- Deliver a range of accessible services, offering treatment and care appropriate to need.

Clinical Needs

For Adults with Complex Needs and Low Secure Patients

The principal function of the Adults with Complex Needs service is to provide the opportunity for rehabilitation for patients who require ongoing 24-hour specialist mental health care and treatment due to the complexity of their condition and level of risk which they present. This service will be able to admit patients when necessary due to mental health deterioration; disengagement from and/or breakdown of community care plans or where there is a change to the risk assessment of the level of supervision which is required.

The Low Secure unit will contain flexible accommodation to meet the needs of people with a wide range of complex mental health problems, some of whom will require a level of security that will be designed into the building. The level of security will be 'low' meaning the patients in the unit will be those who would currently be maintained on a local hospital site. At present such facilities are at Hartwoodhill Hospital in Lanarkshire but there are similar facilities on both hospital and community sites in all health board areas across Scotland.

Local Demographics

At some point in their life approximately 140,000 people in Lanarkshire will have a mental health problem, 5,000 of whom will have a severe and enduring mental health illness requiring support from mental health clinicians. Whilst the majority of people who cope with severe and enduring mental health illness are successfully managed in the community there are some patients who require more intensive care. These patients will most probably fall into the following two patient groups:-

Existing long stay patients – a proportion of these existing long stay patients will require 24-hour specialist medical and nursing input. However, for some patients being in a rehabilitation environment will provide an opportunity to develop their skills to a level where they will be able to be successfully supported in the community and no longer require 24 hr NHS care.

Very Complex Presentations - this group of adults have very complex presentations and/or a forensic profile and would benefit from a more intensive model of care, which may at times include periods of admission to a community in-patient setting. This group is often characterised by repeated brief admissions to psychiatric beds: some will have spent long periods in the past as inpatients on acute wards; others may be caught in a cycle of repeated offending; they may be homeless or have had many changes of address. Many combine mental health problems with substance misuse problems. They may have a history of violence against others and are more at risk of suicide, self-harm or self neglect. These adults may experience community isolation due to their poor social skills.

These groups of people will continue to require access to NHS inpatient care to manage crises and threatened relapses.

Proposed Outcomes – Benefits to Patients

The Complex Needs/Low Secure unit will take into account the clinical needs of patients with purpose designed modern facilities providing the services that these client groups require. The service model will move away from institutionalised care to reduce stigma as much as possible. The new unit will for the first time be located close to a range of local amenities and close to, or even within, the community from which the patient originates. The location of these services more centrally in Lanarkshire in areas where there is good transport infrastructure will facilitate the sustaining of closer links with the families and friends of the patients, again promoting reintegration.

All facilities and services should be located and designed to:-

- Maximise rehabilitation and the opportunity to sustain an independent life.
- Provide treatment in the least restrictive environment as close to home as clinically possible and establish appropriate liaison for effective follow up care.
- Allow community based patients to access short term in-patient care at appropriate times and settings.
- Provide accommodation with private and adequate physical space and access to fresh air in grounds/garden area.
- Achieve an appropriate balance of risk management, which would result in a safe and therapeutic environment, but also facilitate recovery and personal growth.
- Maintain a dynamic flow within the mental health system with effective intervention and support to allow patients to move into the community where appropriate.
- Meet anticipated demand from Prisons/Courts/other Psychiatric services.
- Enable service users to participate fully in developing their care plan with an emphasis on independence, life skills and social inclusion.

The co-location of the Low Secure unit with an Adults with Complex Needs unit provides clinical benefits both in terms of continuity of care and helps to prevent the dilution of available skills and experience.

The provision of modern facilities will significantly improve the immediate physical environment of the patient. Each patient will have a single room with en-suite facilities and this enables a degree of privacy that previously has not been available in the large and old institutions.

Current Service

Currently the majority of Complex Needs/Low Secure inpatient care is provided at Hartwoodhill Hospital. This model of care is no longer sustainable in terms of quality of environment and geographical location as stated in the Mental Welfare Commission visit reports in 2006.

Hartwoodhill is an extremely large, old hospital complex with many wards, most of which are now closed. It is located in large grounds in a remote area. It provides care in a more institutionalised setting than is currently recommended. This includes:

- Dormitory style and six bedded wards.
- Shared sanitary facilities.
- Poor transport infrastructure.
- Poor local amenities.
- Limited rehabilitation opportunities.

Glencairn Unit, Airbles Road Centre in Motherwell, provides rehabilitation accommodation for ten patients. It was not designed for its current use and although the accommodation is better than Hartwoodhill Hospital it is also old, provides cramped conditions for the patients, suffers from damp, due to leaking roofs and there are shared sanitary facilities.

Caird House, situated in Hamilton, is a modern unit that currently provides rehabilitation accommodation for ten patients from both North and South Lanarkshire. The standard of accommodation is good, with single rooms and ensuite facilities for the patients. However, the model of care is under review and in future wherever possible this type of rehabilitation will be community based.

Future Services

Adults with Complex Needs

Community Services

The aim of this service will be to provide intensive community care and treatment for people with severe/complex mental illness including those with a forensic profile. Many of these patients have difficulty accessing or accepting services and effective interagency working is crucial. This unit will work closely with the Adults with Complex Needs unit at Coathill Hospital and continue to build on the joint working which already exists between the Resettlement Team and the Forensic Team particularly for those patients who require a long period of rehabilitation based on The Recovery Model. This model will provide a range of interventions including daytime activity, crisis intervention, education and recreational opportunities.

In-Patient Services

Considerable work has been undertaken within the service to consider the model of care and the number of patients requiring inpatient treatments. In light of this it is proposed there should be 20 inpatient beds for Adults with Complex Needs in South Lanarkshire. Work to identify the number of low secure beds has established that 15 beds are required for Lanarkshire as a whole. In practice because of the nature of the sites and options considered this unit will be co-located with the Adults with Complex Needs Unit in South Lanarkshire. The number of beds planned for the low secure unit takes into account the fact that Lanarkshire's requirement for medium secure beds will be met on a regional basis outwith Lanarkshire.

The inpatient services should be provided in locations that are close to, and accessible to the communities they serve with, wherever possible a range of local amenities to assist with social integration. The new facilities will provide patients with single rooms, ensuite accommodation and a number of small recreational areas to replicate community settings rather than the huge day rooms synonymous with institutionalised care. The new unit will provide an enhanced level of privacy and access for family visiting. Details of the schedule of accommodation are provided in Appendix 5.

Long List of Options Considered

There has and continues to be service user, carer, and staff participation in this project (Mental Health Re-provision for Adults with Complex Needs). Separate meetings were held at each of the existing sites that will be affected by the proposed closure of the wards at Hartwoodhill Hospital and the subsequent redesign of mental health care in Lanarkshire. The purpose of these meetings was to gather views from all relevant stakeholders and to gain their participation to ensure that their views were helping to lead the direction of this process. These meetings fed into the options discussed below. A summary report of the focus group meetings is provided in Appendix 1. A long list of options was considered and the options identified were:

- 1. Do Nothing/Minimum**
- 2. Brownfield Site in South Lanarkshire**
- 3. Caird House, Hamilton**
- 4. Hairmyres Hospital**
- 5. Roadmeetings Hospital, Carluke**
- 6. Uddingston MRU**

The following options were not short listed for the following reasons: -

1. Do Nothing/ Minimum

The majority of mental health beds for Adults with Complex Needs are at Hartwoodhill Hospital, which is not considered a suitable location as it has very limited accessibility to the rest of Lanarkshire. A key aspiration of the mental health strategy is the development of services in or close to the communities they serve. This would not be met by continuing to provide a service from this existing location. As clinical services continue to be reprovided, community based units in line with the Mental Health Strategy this site will become clinically and financially unsustainable.

2. Brownfield Site in South Lanarkshire

The availability of suitable sites is limited and it is unlikely a suitable site could be found and purchased in the timescales available. Possible conveyancing delays could arise while purchasing the land required. The land would not be purchased until planning permission was approved. Anticipated planning objections to developing at a site requiring redesignation for health use would lengthen the planning process.

4. Hairmyres Hospital

Through the 'Picture of Health' process NHS Lanarkshire consulted the public and staff on the future provision of Acute Services. The outcome of this consultation process has been formal approval of the proposal to develop Hairmyres as one of the two emergency receiving sites and this will place pressures on areas of this site, although the detail of this is still to be clarified. The recent decision to review Monklands A&E Services may impact on the future configuration of services on the Hairmyres site. Due to this uncertainty, our ability to plan developments on this site at this time is therefore affected.

This service aims to provide care that is integrated more fully into the community and away from acute settings. Siting this service on a district general hospital site undermines this intention. There are concerns that the compatibility of the patient mix would not be ideal in this location.

5. Roadmeetings Hospital, Carluke

The two largest population centres in South Lanarkshire are Hamilton and East Kilbride. Roadmeetings Hospital is not convenient for either Hamilton or East Kilbride. There is only a limited range of public transport available, therefore accessing the site from these two areas is less ideal than siting this development in a larger centre of population. This site is also relatively remote from local amenities. There would be an opportunity cost associated with retaining the site and not selling the land in an area with a potentially high market value.

Short Listed Options

The following options were short-listed:

For each of these options it is assumed that the reprovision of services for this project will be new build. It is assumed that the nature of the construction will be the same for all sites.

Beckford Lodge – Option 1

Beckford Lodge is located in central Hamilton, adjacent to the current rehabilitation unit at Caird House. It is proposed that the existing old buildings and portacabins are demolished and that a new building is constructed next to Caird House. Caird House is a very modern building but not capable of conversion to the type of facility now required and so this option would involve either utilising Caird House as part of the development or completely reproviding the mental health inpatient accommodation and changing the function of Caird House.

Uddingston Medical Rehabilitation Unit – Option 2

Uddingston MRU is located within an industrial/commercial area on the outskirts of the town of Uddingston. It is a large site with a very old structure that is currently used as a clinical base for Allied Health Professionals. The proposal would be to relocate the existing services and demolish the old building to enable a new purpose designed building to be erected.

Benefits and Weaknesses

The benefits and weaknesses of each option have been identified as follows:

Beckford Lodge – Option 1

Strengths:

Beckford Lodge is in a very accessible location. It is close to the population centre of Hamilton with good public transport and access to a wide range of amenities, this provides good opportunities to enable patients to integrate more fully into the community. There is already Mental Health provision on this site and there is general public acceptance of psychiatric services here. It is in close proximity to the court, which would support the delivering of the newly established Court Liaison Service.

Weaknesses:

This option involves the relocation of the services currently provided from Beckford Lodge on an interim basis until the Hamilton Resource Centre is built. There is insufficient space to build a “fit for purpose” unit without using the whole site.

Uddingston Medical Rehabilitation Unit – Option 2

Strengths:

This site is relatively accessible with reasonable access to public transport and road networks. The site comprises of some non-essential accommodation with a short-term operational future, therefore timescales for building this project should not be a problem. As its location is comparatively accessible to community amenities, it partially fulfils the criteria of providing services in accessible areas. Due to the size of the site all accommodation could be on one level.

Weaknesses:

Although the existing services could be relocated, in practice their ultimate location would be a new resource centre in Hamilton. This is currently part of the wider proposed capital investment programme but, because of the complexity of what will be a multi agency project, it cannot be developed in the timescale required for the closure of Hartwoodhill and redevelopment of mental health services and so there would need to be a temporary decant to free up the site. A number of options are being considered for Uddingston MRU. Locating this new service here will constrain these options. It is important to acknowledge that in 2003 this site was considered for the Medium Secure Unit for the West of Scotland and at that time, there was vociferous public opposition. This location is also at the northern most end of South Lanarkshire and therefore accessibility may be a problem. There is a busy road at the entrance to the site, which raises some safety concerns.

Consideration was given to the development of one Lanarkshire wide 55 bedded unit for Adults with Complex/Low Secure Needs but this was opposed by clinicians and service users on the basis it was creating a mini mental health institution. Such a proposal would also be in conflict with both national policy direction (Delivering for Mental Health) and NHS Lanarkshire’s Mental Health Strategic vision of local, accessible integrated mental health provision.

Non-Financial Benefits Appraisal

Due to the nature of the client group it was agreed to carry out the Benefits Appraisal exercise with representation from the focus groups on the three existing in-patient sites, namely Hartwoodhill, Caird House and Airbles Road.

The key aims of the session was to:

- Help service users understand and agree on the approach to score the options.
- Develop an agreed criteria against which each option would be evaluated.
- Score the options.

In an attempt to simplify the process it was agreed to score the criterion against each option by allocating points from 1-10.

The benefits criteria that were identified and defined were:

- **Quality of Care**

- Patient centred.
- Safe, high quality.
- Privacy, dignity.

- **Accessibility**

- Public transport.
- Local amenities.

- **Staff Recruitment & Retention**

- Good working environment.
- Professional isolation.
- Training/development opportunities.

- **Integration with other components of the wider Mental Health Service**

- Primary care teams.
- Acute in-patient units.
- Community teams.
- Joint working with other agencies.

Each of the options were discussed in relation to the above criteria.

An amalgamation of the “scores” produced the following results.

Benefit Criteria		Option 0 Do minimum Score (1-10)	Option 1 Caird House Score (1-10)	Option 2 MRU Score (1-10)
1	Quality of care	2	9	8
2	Assessability	1	9	6
3	Staff recruitment & retention	2	8	7
4	Joint working	2	6	6

Option	Description	Score	Rank
1	Caird House	32	1
2	MRU	27	2

Although an amended Benefits Appraisal exercise was undertaken, key stakeholders were fully involved in the identification of the preferred option.

Financial Appraisal

Capital Cost

The option of building at Uddingston MRU would have a capital cost of £8.196m based on the information provided by Quantity Surveyors, Armour Construction in respect of Caird House. The marginal increase in costs being in respect of additional requirements for office space. A new build on the Caird House site, the preferred option, would cost £8.144m. The capital costs of the two options are detailed in Appendix 2.

The cost profile assumes fees committed from March 2006, with construction costs from December 2007 to November 2009. The following table shows the expected expenditure profile of the preferred option.

South Lanarkshire Adults Complex Needs and Low Security Wards				
Expenditure Profile (£000) Total Cost £8,144				
Year	2006/07	2007/08	2008/09	2009/10
Spend (£000)	150	384	3,730	3,880

The option of a PFI/PPP development has not been considered in detail as it is not felt that the scale of the project is large enough to attract interest. In addition, it is unlikely that there would be sufficient evidence to demonstrate the benefits that PFI/PPP could deliver under the VFM Assessment Guide issued by the Scottish Executive Financial Partnership Unit. The traditional Public Procurement route is considered to be preferable, the main advantages being:

- Complexity and sensitivity around site selection meant that risk sharing approach to be the best way forward and can be achieved more readily through the traditional approach.
- Direct professional responsibility from designers to NHSL allowing direct detailed discussions around clinical brief.
- Increased likelihood for improved quality of design essential to stakeholders.
- Obtains a fully established design and specification before awarding a construction contract.

Revenue Impact

The existing service for Lanarkshire as a whole provides 87 beds for adults with complex needs and 15 low secure beds. The new service will provide 20 beds each in North and South Lanarkshire for Adults with Complex Needs and a total of 15 low secure beds. Overall there is a bed reduction of 47 beds (from the existing model) this reduction reflects the changes in patterns of use; additional community provision and the development of a hospital discharge programme.

The proposed service at Caird House will cost £2.42m p.a. (including capital charges) as detailed within the Financial Costs and Assumptions shown within Appendix 2.

Capital and Revenue Costs for the new build project are consistent with the financial modelling undertaken for Picture of Health and the Mental Health Services Strategy. The project is affordable within these Financial Frameworks.

Economic Appraisal

Net Present Value

Detailed profiles of discounted cash flows have been modelled over 60 years in line with SEHD guidance. As detailed in the Financial Costs and Assumptions contained within Appendix 2. In accordance with the current guidance capital charges and VAT has been excluded from the calculations. The net present values of each of the options are:-

- Caird House £59.969m
- Uddingston MRU £60.014m

Optimism Bias

Optimism Bias is the demonstrated tendency for appraisers to be over optimistic about key project parameters. In assessing the likely capital costs it is important to consider the impact of optimism bias.

The two main causes of optimism bias in estimating capital costs are:

- Definition of the scope and objectives of projects in the business case due to poor identification of stakeholders requirements, resulting in omission of costs at the initial project costing stage.
- Poor project management during implementation so that schedules are not adhered to and risks are not being mitigated.

These factors are distinct from the contingencies built into the capital costs. The contingencies built into the capital costs relate specifically to construction risks. Optimism Bias considers the totality of the project.

Specific key features can contribute towards reducing the level of optimism bias that is applied to each and these include:-

- Level of design undertaken.
- The degree of work undertaken in relation to output specifications.
- The extent of confidence in the capital cost estimates.
- The extent of management of generic risks.
- The extent of work undertaken to identify and mitigate project specific risks.

This business case has calculated a cost for optimism bias, based on the best estimates at this stage in the process and this has been included in the capital costings and subsequent economic appraisal in Appendix 2.

In accordance with the Treasury Green Book guidance, an optimism bias of 10.80% has been applied to the construction costs. Details of the factors included in this calculation are provided at Appendix 3.

Affordability

The Financial & Economic Appraisal demonstrates that the Option to provide a new building located at Caird House, Hamilton is represents the best value for money. Capital Cost for this Option is £8.144m. Recurring Annual Revenue Cost of this Option is £2.420m (including Capital Charges of £0.440m). These are fully detailed within Appendix 2 to the Outline Business Case. Capital and Revenue Costs for this Option are consistent with the financial modelling undertaken for Picture of Health and the Mental Health Services Strategy. The project is affordable within these Financial Frameworks.

Risk and Uncertainty

The most significant risk with both options is that the building is not available on time. This would delay the closure of Hartwoodhill Hospital, and in turn this would delay the development of new models of care and the release of considerable revenue savings. As the Hartwoodhill site becomes less and less busy, there is a greater sense of isolation and increased security risks for the remaining services.

For both options, a further area of risk is the need to decant services to facilitate construction work.

A risk register has been developed and discussed with NHS Lanarkshire's Risk Manager details of the risks identified are provided in Appendix 4.

Preferred Option

Beckford Lodge

As previously stated NHS Lanarkshire is committed to developing a strategy for improving and modernising mental health services. This strategy includes the process of building community based services and reducing dependence on hospital based services.

The Complex Needs/Low Secure unit will take into account the clinical needs of patients with purpose designed modern facilities providing the services that these client groups require. This new unit will for the first time be located close to a range of local amenities and close to, or even within, the community from which the patient originates. Close proximity to a range of amenities and services with opportunities for social interaction will provide better prospects for successful rehabilitation. The location of these services more centrally in Lanarkshire in areas where there is good transport infrastructure will facilitate the sustaining of closer links with the families and friends of the patients, again promoting reintegration.

Beckford Lodge is the preferred option for the new Adults with Complex Needs/Low Secure unit for South Lanarkshire. It provides the most suitable solution to NHS Lanarkshire objectives for modernising Mental Health Services as set out "A Picture of Health".

All the options match to some extent NHS Lanarkshire's objectives but this option provides:

- Best access to public transport networks to the whole country.
- Best access to a range of local amenities.
- The site would provide sufficient space for a building which would achieve the requirements of both client groups.
- Clear separation between the two patient groupings could be achieved.
- The low secure accommodation could be located on the site such as to provide protection and separation from the public edges.

It is acknowledged that this option will cause some short-term disruption to the existing service but every effort would be made to ensure any disruption was kept to a minimum.

Timetable

As previously stated this development is on the critical path for the closure of Hartwoodhill Hospital and early implementation is crucial. The proposed timescale is as follows:

OBC Approval – NHS Board	August 2007
OBC to SEHD CIG for info	October 2007 (submit by 4 September)
Planning Consent	November 2007
OBC Approval – SEHD	December 2007
FBC Approval	March 2008
Contractor Appointment	May 2008
Completion	November 2009

The above timetable is dependent on securing planning consent.

Project Management

A project board and project management arrangements are in place to implement this project. Its membership is:

Name:	Job Title:
Fiona Gairns	Planning & Development Manager
Alistair Cook	Associate Medical Director
Christine Fyfe	Head of Capital Planning
Lena Collins	Service Development Manager
Iain MacKenzie	Clinical Nurse Specialist – Forensic Service
Brian McWatt	Head of Finance

Role of External Advisors

As the preferred procurement option is the traditional publicly funded method, the following external advisors will provide services:

- Project Design Team, managed through lead architect
- Cost Management Consultant
- CDM Consultant

This project offers the opportunity to significantly improve the quality and accessibility of the in-patient services. By providing a facility in Coatbridge the opportunity for rehabilitation will be greatly enhanced. It is recognised that this project is one part of the entire modernisation of Mental Health Services Strategy that NHS Lanarkshire is currently pursuing. This strategy will create a service that matches the best services in Scotland and will meet the future needs of the population of Lanarkshire.

**Mental Health Re-provision for Adults with Complex
Needs/Low Secure Provision**

Service User Focus Group Meetings

Summary Report

Introduction

It is very important that there is service user, carer, and staff participation in the process of Mental Health Service Redesign. For this reason separate meetings were held at each existing site that will be affected by the proposed closure of Hartwoodhill Hospital and the subsequent redesign of mental health care in Lanarkshire. The purpose of these meetings were to update all interested parties on the progress NHS Lanarkshire is making in regard to this matter but more importantly to gain participation from the users carers and staff to ensure that their views were helping to lead the direction of this process.

Meetings were held at:

- Hartwoodhill Hospital
- Airbles Road Centre
- Caird House

Service users, carers, staff and voluntary organisations who will be affected by this proposal were invited to attend these meetings. At these meetings a review of the progress of this project was presented and a review of the long list of options initially available was discussed and a summary of the short-listed options and their respective strengths and weaknesses was tabled to each person present. The participants were encouraged to comment on each of the options available and a procedure was set up to allow us to collect their comments after a period of reflection. It was stressed that not only did we want feedback on the respective options open to us but that we were looking for views and issues with regard to the whole process that we could feed back to the project steering group.

What follows is a general summary of the views expressed at the various meetings and this will be followed by a more site specific option views.

General Views From the Focus Group Meetings

Overview of General Comments

There is an understanding that this is not only about re-provision of existing beds, but that the idea is to change the ethos of the service. The aim of this new service is to try and ensure patients are cared for in the community with as much support as they require. There is a recognition that the patient mix will thus be different to what is currently provided at Caird House and Airbles Road and at Hartwoodhill Hospital. Provision will need to be made for some adults with more complex needs while at the same time ensuring that there is flexibility in the service to care for other types of patients and any possible relapse of a patient in the community. Some issues were raised with regard to the change in existing service and the need to ensure rehabilitation facilities were continued. It was agreed that staff should be more involved in operational issues surrounding this redesign and involved in the internal arrangement of the new facilities. It was noted that these new buildings will be future proofed as much as possible to allow for flexibility in any change in demand. There is a commitment that facilities will be available to maximise patient's abilities.

General Issues from the Meetings

- There were many operational concerns that require to be addressed with regard to this process.
- The general consensus is that staff do not feel that they have been involved in the discussions surrounding operational change and models of care that will occur as part of this project. Better interaction between Acute, primary, and community care staff is required.
- Comment was made about possible under provision in the proposed service.
- Patients have concerns over how any change will affect them.
- Difficulties currently exist with regard to getting tenancies from council, leading to bed blocking.
- What will happen with regard to existing referral process? How will patients currently waiting be accommodated?
- How will Hartwoodhill patients be amalgamated with the current patients at existing facilities at Caird House and Airbles Road Centre.
- Any new unit needs to provide a range of facilities.
- Community based units will be more conducive to better care.
- Greater clarity is needed with regard to operational issues.
- Concerns over lack of public involvement in these decisions.
- Feeling that this options appraisal was a sham and that the decision had been made already, as proposals have already been published in the Picture of Health Document.

Additional Issues Raised over Options

Beckford Lodge/Caird House – Option 1

It was acknowledged that if Caird House was chosen the existing service would be affected during the building work:

- Concerns over accommodation being over two levels.
- Concerns over how the service will operate during any change.
- Patients have concerns over how a change would affect their rehabilitation; they feel the service runs 'just fine now' and that any change will have a detrimental affect on them.
- Any change would be detrimental to the good work Caird House is currently undertaking.
- Busy Road at entrance to Caird House, safety issues for patients with higher complex needs.
- Caird House would lose its unique atmosphere with any change.
- Considerations need to be made for other existing users of Caird House facilities who will be affected by any disruption (example OT).
- Comments on the benefits of having a low secure unit co-located with adults with complex needs unit with regard to continuity of care.
- If Caird House was chosen the clinical viewpoint was that during any disruption to service, the service should be decanted as one to another location. Genuine concern was expressed over the possibility of any dispersal of patients.
- The local mental health team has a very good reputation with service users for person centred care and well established groups exist for mental health service users and for carers.

Uddingston MRU – Option 2

- Site is actually 1 mile away from shops.
- Bus stop is actually 0.25 miles away from the site.
- It is a rather isolated site.
- The possibility of subsistence problems at site raised.
- Fast Road at entrance to site, safety problems.
- All accommodation could be on one level.

Actions and Responses to these Comments

- An operation policy group will be established to look at some of the operational concerns, future referral process. The Service Development Manager, Mental Health will be leading this group.
- Senior Clinicians to contact line management with regard to operational issues.
- A communication plan is in place which has council involvement.
- It was noted that Caird House and Coathill were strong options.
- Schedule of Accommodation had been distributed for comment and was also discussed at each of the meetings and changes were made in light of this.
- Internal layout of the Schedule of Accommodation has not been finalised and it is proposed staff are involved in this (footprint size has been agreed).
- Lanarkshire Links and the Hartwoodhill Patient Council have met separately to discuss the options available. Hartwoodhill Patient Council held an additional public meeting to gather further views. All of these comments have been returned to NHS Lanarkshire and have been included in this summary report.
- Comment sheets were left at all the sites and staff were asked to speak to all patients carers and staff who were not able to attend to have a chance to comment on the options. Comments have been collected and amalgamated into this report. This summary report should also be read in conjunction with the initial Strengths and Weakness report that formed the basis of these meetings.
- Noted that the new CHP structure may help better joint working with Social Work.
- Noted that future patient's needs need to be balanced against present patient's experiences.

I would like to take this opportunity to thank Hartwoodhill Patient Council and Lanarkshire Links for their involvement and hard work in this process and also all of the people who attended the meetings for their comments and their endeavours in collecting all the opinions that are shown here.

Financial & Economic Appraisal

Capital Costs

Accommodation to be located in South Lanarkshire comprises a 15 bed low secure ward for forensic patients and a 20 bed ward for adults with complex needs, it is proposed that a single site option is required and the site options for consideration are Caird House and Uddingston Medical Rehabilitation Unit (MRU).

The agreed schedule of accommodation identifies the combined floor area for both wards and communal areas as 2,455 sq. m. plus an additional 1,500 sq. m. for parking requirements (40 spaces) and landscaped areas.

The options:

Caird House – Option 1

The Caird House site is within Beckford Lodge, Hamilton. Caird House is an operational establishment with ten Non Acute Mental Health beds. It is proposed that the existing Beckford Lodge building is demolished and a new build is erected to accommodate a 20 bed Adults with Complex Needs Ward and a 15 bed Low Secure Ward with a centrally located portion of shared accommodation and Mental Health Tribunal accommodation.

The agreed schedule of accommodation indicates a combined floor area of 2,455 sq. m. is required for the entire complex, to facilitate the utilisation of this site it has been agreed that the building can be of two storeys accommodating one ward on each floor with a core of communal spaces.

Uddingston MRU – Option 2

The site is currently occupied providing accommodation for clinical, I.T. and Estates operational activity, the site comprises 1.68 ha in total and there is sufficient space to the rear of the existing buildings to accommodate the new wards as a single storey building with car parking and landscaped areas. The portion of the site required for this is 3,566 sq.m.or 0.36 ha.

Plans are in place to relocate services and dispose of this site, the District Valuer has valued the site at £230,000 thus there is an opportunity cost to any healthcare development at this location.

Financial Assumptions

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

Construction Costs

Building Costs are based on Probable Cost estimates provided by Quantity Surveyors, Armour Construction who are part of the project design team led by Duncan Davis Architects. These have been developed with reference to the Caird House site but have been used as a basis to derive costs for the Uddingston MRU site option.

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. The same Optimism Bias factor has been applied to both Options as the designed facility would be provided on either site.

Revenue Costs

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

Nursing salary costs have been computed to allow for Agenda for Change pay rates.

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.

Capital Cost Summary

Cost	Option 1 Caird House		Option 2 Uddingston MRU	
		£000's		£000's
Building Costs		4,749		5,029
Demolition		130		0
Refurbishment of Caird House		114		0
Optimism Bias	10.80%	539	10.80%	543
VAT (Building Costs)		968		975
Inflation (Building Costs)		780		780
Fees (including Planning/Building Warrant)		609		613
Equipment (including I.T.)		200		200
VAT (Equipment Costs)		35		35
Specialist Removal/Decanting		20		20
Total		8,144		8,196

Revenue Cost Summary

			Option 1 Caird House	Option 2 Uddingston MRU
Full Year Revenue Cost			£000's	£000's
Nursing Costs	54.08	W.T.E.	1,379	1,379
Clinical Supplies			190	190
Heat, Light & Power			45	45
Water/Waste (inc. Clinical Waste)			24	24
Day to Day Maintenance			41	41
Life Cycle Maintenance			61	61
Domestic Services (Inc. Laundry & Linen)			104	104
Catering			88	88
Portering			25	25
Other Miscellaneous			20	20
Telecoms			4	4
Total Annual Revenue Cost			1,980	1,980

Capital Charges Summary

			Option 1 Caird House	Option 2 Uddingston MRU
Full Year			£000's	£000's
Depreciation Buildings			132	133
Depreciation Equipment			24	24
Interest Charge			285	287
Total Capital Charges			440	443

NET PRESENT VALUE	Option 1 Caird House	Option 2 Uddingston MRU
	£000's	£000's
NPV	59,969	60,014
EAC	2,183	2,185

Financial Assumptions

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

Construction Costs

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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. The same Optimism Bias factor has been applied to both Options as the designed facility would be provided on either site.

Revenue Costs

Clinical and 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.

Nursing salary costs have been computed to allow for Agenda for Change pay rates.

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 Value

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

Economic Appraisal

Caird House – Adults with Complex Needs & Low Secure Unit

OPTION APPRAISAL – NET PRESENT VALUE

Option - 1

Excl. VAT & capital charges (£000's)
2,183EAC

Annual Revenue Costs 1,980

Years	NPV %	CAPITAL £000's	REVENUE £000's	TOTAL £000's	NPV £000's	£000's
0	1	7,141		7,141	7,141	
1	0.966184		1,980	1,980	1,913	9,054
2	0.933511		1,980	1,980	1,848	10,902
3	0.901943		1,980	1,980	1,786	12,688
4	0.871442		1,980	1,980	1,726	14,414
5	0.841973		1,980	1,980	1,667	16,081
6	0.813501		1,980	1,980	1,611	17,692
7	0.785991		1,980	1,980	1,556	19,248
8	0.759412		1,980	1,980	1,504	20,752
9	0.733731		1,980	1,980	1,453	22,205
10	0.708919	200	1,980	2,180	1,546	23,750
11	0.684946		1,980	1,980	1,356	25,107
12	0.661783		1,980	1,980	1,310	26,417
13	0.639404		1,980	1,980	1,266	27,683
14	0.617782		1,980	1,980	1,223	28,906
15	0.596891		1,980	1,980	1,182	30,088
16	0.576706		1,980	1,980	1,142	31,230
17	0.557204		1,980	1,980	1,103	32,333
18	0.538361		1,980	1,980	1,066	33,399
19	0.520156		1,980	1,980	1,030	34,429
20	0.502566	200	1,980	2,180	1,096	35,525
21	0.485571		1,980	1,980	961	36,487
22	0.469151		1,980	1,980	929	37,416
23	0.453286		1,980	1,980	898	38,313
24	0.437957		1,980	1,980	867	39,180
25	0.423147		1,980	1,980	838	40,018
26	0.408838		1,980	1,980	810	40,828
27	0.395012		1,980	1,980	782	41,610
28	0.381654		1,980	1,980	756	42,366
29	0.368748		1,980	1,980	730	43,096
30	0.356278	200	1,980	2,180	777	43,872
31	0.399987		1,980	1,980	792	44,664
32	0.388337		1,980	1,980	769	45,433

33	0.377026		1,980	1,980	747	46,180
34	0.366045		1,980	1,980	725	46,905
35	0.355383		1,980	1,980	704	47,608
36	0.345032		1,980	1,980	683	48,292
37	0.334983		1,980	1,980	663	48,955
38	0.325226		1,980	1,980	644	49,599
39	0.315754		1,980	1,980	625	50,224
40	0.306557	200	1,980	2,180	668	50,892
41	0.297628		1,980	1,980	589	51,482
42	0.288959		1,980	1,980	572	52,054
43	0.280543		1,980	1,980	556	52,609
44	0.272372		1,980	1,980	539	53,149
45	0.264439		1,980	1,980	524	53,672
46	0.256737		1,980	1,980	508	54,181
47	0.249259		1,980	1,980	494	54,674
48	0.241999		1,980	1,980	479	55,153
49	0.23495		1,980	1,980	465	55,619
50	0.228107	200	1,980	2,180	497	56,116
51	0.221463		1,980	1,980	439	56,555
52	0.215013		1,980	1,980	426	56,980
53	0.20875		1,980	1,980	413	57,394
54	0.20267		1,980	1,980	401	57,795
55	0.196767		1,980	1,980	390	58,185
56	0.191036		1,980	1,980	378	58,563
57	0.185472		1,980	1,980	367	58,930
58	0.18007		1,980	1,980	357	59,287
59	0.174825		1,980	1,980	346	59,633
60	0.169733		1,980	1,980	336	59,969
	27.46717					2,183

Uddingston MRU – Adults with Complex Needs & Low Secure Unit

OPTION APPRAISAL – NET PRESENT VALUE

Option - 2

Excl. VAT & capital charges (£000's)

2,185EAC

Annual Revenue Costs 1,980

Years	NPV %	CAPITAL £000's	REVENUE £000's	TOTAL £000's	NPV £000's	£000's
0	1	7,186		7,186	7,186	
1	0.966184		1,980	1,980	1,913	9,099
2	0.933511		1,980	1,980	1,848	10,947
3	0.901943		1,980	1,980	1,786	12,733
4	0.871442		1,980	1,980	1,726	14,459
5	0.841973		1,980	1,980	1,667	16,126
6	0.813501		1,980	1,980	1,611	17,737
7	0.785991		1,980	1,980	1,556	19,293
8	0.759412		1,980	1,980	1,504	20,797
9	0.733731		1,980	1,980	1,453	22,250
10	0.708919	200	1,980	2,180	1,546	23,795
11	0.684946		1,980	1,980	1,356	25,151
12	0.661783		1,980	1,980	1,310	26,462
13	0.639404		1,980	1,980	1,266	27,728
14	0.617782		1,980	1,980	1,223	28,951
15	0.596891		1,980	1,980	1,182	30,133
16	0.576706		1,980	1,980	1,142	31,275
17	0.557204		1,980	1,980	1,103	32,378
18	0.538361		1,980	1,980	1,066	33,444
19	0.520156		1,980	1,980	1,030	34,474
20	0.502566	200	1,980	2,180	1,096	35,570
21	0.485571		1,980	1,980	961	36,531
22	0.469151		1,980	1,980	929	37,460
23	0.453286		1,980	1,980	898	38,358
24	0.437957		1,980	1,980	867	39,225
25	0.423147		1,980	1,980	838	40,063
26	0.408838		1,980	1,980	810	40,873
27	0.395012		1,980	1,980	782	41,655
28	0.381654		1,980	1,980	756	42,410
29	0.368748		1,980	1,980	730	43,141
30	0.356278	200	1,980	2,180	777	43,917
31	0.399987		1,980	1,980	792	44,709
32	0.388337		1,980	1,980	769	45,478
33	0.377026		1,980	1,980	747	46,225
34	0.366045		1,980	1,980	725	46,950
35	0.355383		1,980	1,980	704	47,653
36	0.345032		1,980	1,980	683	48,337
37	0.334983		1,980	1,980	663	49,000
38	0.325226		1,980	1,980	644	49,644

39	0.315754		1,980	1,980	625	50,269
40	0.306557	200	1,980	2,180	668	50,937
41	0.297628		1,980	1,980	589	51,527
42	0.288959		1,980	1,980	572	52,099
43	0.280543		1,980	1,980	556	52,654
44	0.272372		1,980	1,980	539	53,194
45	0.264439		1,980	1,980	524	53,717
46	0.256737		1,980	1,980	508	54,226
47	0.249259		1,980	1,980	494	54,719
48	0.241999		1,980	1,980	479	55,198
49	0.23495		1,980	1,980	465	55,664
50	0.228107	200	1,980	2,180	497	56,161
51	0.221463		1,980	1,980	439	56,599
52	0.215013		1,980	1,980	426	57,025
53	0.20875		1,980	1,980	413	57,439
54	0.20267		1,980	1,980	401	57,840
55	0.196767		1,980	1,980	390	58,229
56	0.191036		1,980	1,980	378	58,608
57	0.185472		1,980	1,980	367	58,975
58	0.18007		1,980	1,980	357	59,332
59	0.174825		1,980	1,980	346	59,678
60	0.169733		1,980	1,980	336	60,014
	27.46717					2,185

Optimism Bias

Scheme name: Adults with Complex Needs/Low Secure Unit - Caird House

Contributory Factor to Upper Bound	% Factor Contributes	% Factor Contributes after mitigation	Explanation for rate of mitigation
Progress with Planning Approval	4	3	Initial discussions have taken place with South Lanarkshire Council but application for full Planning Approval will only be made once the OBC is approved.
Other Regulatory	4	3	The nature of this facility will mean that there will be significant involvement of regulatory bodies.
Depth of surveying of site/ground information	3	1	The proposed site for the development currently has existing buildings on it.
Detail of design	4	2	The design of the facility is well advanced with full involvement of the users.
Innovative project/design (i.e. has this type of project/design been undertaken before)	3	1	This type of building and service have been delivered previously the only issue is around the increased level of security that will be required in respect of the Low Secure Unit beds.
Design complexity	4	2	As above some design considerations in respect of security levels for the Low Secure element of the facility.
Likely variations from Standard Contract	2	1	No major variation from standard contracts are envisaged.
Design Team capabilities	3	1	Design team appointed in May 2006 have previous experience of developing NHS facilities
Contractors' capabilities (excluding design team covered above)	2	2	Contractors not yet appointed.
Contractor Involvement	2	2	Contractors not yet appointed.
Client capability and capacity (NB do not double count with design team capabilities)	6	3	NHSL staff within the project team have previous experience in projects of this nature.
Robustness of Output Specification	25	15	Design team appointed in May 2006 and work on the design is at an advanced stage. Appropriate consultation and engagement with stakeholders and building users has taken place.
Involvement of Stakeholders, including Public and Patient Involvement	5	5	Although there has been appropriate stakeholder and user involvement it is anticipated that this is going to be a particularly sensitive local issue.
Agreement to output specification by stakeholders	5	2	Stakeholders and building users have been fully engaged throughout the design phase.
New service or traditional	3	2	This is not a new service but is moving towards a more community based model and this facility will support that move.
Local community consent	3	3	This is a highly sensitive issue and there is likely to be a degree of local concern due to the nature of the patient group.
Stable policy environment	20	10	The building will be completed to current building policies and standards. The operational policies are in line with the strategic direction of NHSL Mental Health services.
Likely competition in the market for the project	2	2	Due to the current buoyant nature of the construction industry no mitigation has been applied to this factor.
TOTAL	100	60	

Note: Across all contributory factors, mitigation would be expected to be greater the greater the extent of risk quantification and risk management.

Risk Register

A Risk Register was developed as a basis for assessing the individual project risks, this was compiled in conjunction with the project team and discussed with NHS Lanarkshire's Risk Manager. 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. These reviews should include relevant stakeholders. When full agreement is reached, "sign off" will be required.
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.
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.
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. Ensure sufficient contingency and risk sums are included.
Unforeseen Ground conditions	A risk exists that unforeseen Ground Conditions may result in delays	Carry out early site survey to confirm suitability for building.
Problems with Utility Connections	Problems may arise with regard to gas, electricity, water connections. May affect both timescales and price	Need to ensure our requirements are accurate. Early discussions and agreement with utilities providers.
Delay in Vacating Site	There may be a delay in vacating the site. Alternative accommodation for services to be secured. May have cost implications.	Develop relocation plan with service users.
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. Ensure robust design details are provided. Contractor details must be explicit stating any penalty clauses.
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. Ensure a rigorous pre and post tender selection process is undertaken.

Risk	Risk Description and Effect	Risk Management
Design and Construction Risks		
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.	Secure input and consult with Local Authority Planners at initiation stages and consult throughout the project design. Secure support of local Councillors.
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 could accommodate a range of care needs. Materials used in construction to allow easier internal re-organisation 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		
Staff support for the proposal weakens. Staff unwilling to transfer working location	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. 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.

Schedule of Accommodation

ACCOMMODATION FOR ADULTS WITH COMPLEX NEEDS CAIRD HOUSE

1.1. <u>Ward Areas</u>	<u>Quantity</u>	<u>Area</u>	<u>Total Area</u>	<u>Comments</u>
1.1 Bedroom single	18	10.5	189	
1.2 En-suite shower/wc/wash	18	4.45	80.1	
1.3 Bedroom mother & baby/disabled	2	11.5	23	
1.4 En-suite bath/wc/wash	2	7	14.4	
2.0. <u>Sanitary Facilities</u>				
2.1 Patients bathroom/wc/wash	1	13.7	13.7	
2.2 Patients wheelchair wc	1	4.2	4.2	
2.3 Patients ambulant/assisted wc	2	2.5	5	
3.0. <u>Patients Day Spaces</u>				
3.1 Sitting room/TV lounge 15 spaces	1	32	32	
3.2 Quiet room 6 spaces	1	16	16	
3.3 Quiet room 6 spaces women only	1	27.9	27.9	
3.4 Smoking lounge 15 place	1	19.9	19.9	
3.5 Multi Purpose room 10 place	1	21.9	21.9	
3.6 Dining room 20 place	1	35.5	35.5	
3.7 Servery	1	8.7	8.7	Doubles as Ward Pantry
3.8 Assessment Kitchen	2	11	22	
3.9 Patients utility/laundry room	1	12.3	12.3	located near communal areas
4.0. <u>Ward Administration</u>				
4.1 Office 2 place: ward	2	17.5+13.2	30.7	
5.0. <u>Support Spaces</u>				
5.1 Treatment/ clean utility room	1	16.3	16.3	
5.2 Dirty utility	1	11.9	11.9	
5.3 Disposal hold	1	9.4	9.4	
5.4 Store patients property	1	15	15	
5.5 Store general	1	9.3	9.3	
5.6 Store equipment	1	11.9	11.9	
5.7 Store linen	1	9	9	
5.8 Cleaners store	2	9.0+8.5	17.8	Cleaner's requirements increased
5.9 Switchgear cupboard	1	3	3	
5.10. Plant room	1	22.5	21	M+E requirements
5.11. Lift	1	4+4	6.2	Standard 8prs lift only
6.0. <u>Staff Facilities</u>				
6.1 Staff rest room 8 Persons	1	16	16	
6.2 Staff wc/ wash	3	3.5	10.4	
6.3 Regeneration kitchen	1	36.9	36.9	Located Between Ward Serveries
<u>Total</u>			750.40	
<u>Engineering Allowance</u>			69.20	9.2% 1600 wide corridors
<u>Circulation Allowance</u>			298.40	39.7% 1600 wide corridors
<u>TOTAL</u>			1118.00	

**CAIRD HOUSE ADULTS WITH COMPLEX NEEDS / LOW SECURE
AREAS COMMUNALLY LOCATED**

	<u>Quantity</u>	<u>Area</u>	<u>Total Area</u>	<u>Comments</u>
7.0. <u>Patient Areas</u>				
7.1 Visiting Family Room	1	14	14	
8.0. <u>AdminAreas</u>				
8.1 Reception office 1 place:	1	10.7	10.7	Entrance area
8.2 office 1 place: staff grade	2	14.3	28.7	Entrance area
8.3 Waiting Area with disabled WC	1	24.8	24.8	Entrance area
8.4 Admin Base 3 place	1	18	0	Moved to Caird House
8.5 Filing Store	1	15.1	15.1	Entrance area
8.6 Mental Health Tribunal room	1	12.3	12.3	Entrance area
8.7 Interview room	2	9.1	18.2	Entrance area
8.8 Office 2 place Clinical Support Team	1	16	0	Moved to Caird House
8.9 Consultants Room 1 Place	2	11	0	Moved to Caird House
8.10. 2 consultants	1	13	0	Moved to Caird House
8.11. office 2 place: 1 OT & 1 Psychologist	1	16	0	Moved to Caird House
8.12. Multi Professional Office 3 Place	1	18	0	Moved to Caird House
8.13. 5 nurses inc team leader	2	16	0	Moved to Caird House
15 <u>Additional Spaces</u>				
15.1 Stores			13.7	
15.2 IT Cpd			5.2	
15.3 Service Risers			21.6	
15.4 Plant and water storage			165	
			329.30	
			32.93	10.00%
			62.47	37% not including water storage area
			<u>TOTAL</u>	
			424.70	
TOTALS				
		LSU	CNU	COMM
Gross Internal	2445	902.3	1118	424.7
Net Internal	1724.3	644.6	750.4	329.3
Circulation	557.57	196.7	298.4	62.47
Engineering	163.13	61	69.2	32.93

ACCOMMODATION FOR LOW SECURE UNIT AT CAIRD HOUSE (Single Storey)

9.0.	<u>Ward Areas</u>	<u>Quantity</u>	<u>Area</u>	<u>Total Area</u>	<u>Comments</u>
9.1	Bedroom single	14	10.4	145.6	
9.2	En-suite shower/wc/wash	14	4.3	64.4	
9.3	Bedroom mother & baby/disabled	1	11.5	11.8	
9.4	En-suite bath/wc/wash	1	7	7.1	
10.0.	<u>Sanitary Facilities</u>				
10.1	Patients bathroom/wc/wash	1	15.9	15.9	
10.2	Patients wheelchair wc	1	5.8	5.8	
10.3	Patients ambulant/assisted wc	2	2.5	5	
11.0.	<u>Patients Day Spaces</u>				
11.1	Patients utility/laundry room	1	11.7	11.7	
11.2	Sitting room/TV lounge 10 spaces	1	21.8	21.8	
11.3	Quiet room	1	17.4	17.4	
11.4	Smoking lounge 10 place	1	19	19	
11.5	Group room 10 place	1	26.1	26.1	
11.6	Dining room 10 place	1	33.6	33.6	
11.7	Ward pantry	1	10.5	10.5	Ward Pantry and servery combined
11.8	Servery	1	0	0	
11.9	Activity Room	2	19	28	
12.0.	<u>Ward Administration</u>				
12.1	Staff base	1	17.4	17.4	
12.2	Office 2 place: clerical admin	2	13	26.1	
12.3	Interview room	1	9.6	9.6	
13.0.	<u>Support Spaces</u>				
13.1	Treatment/ clean utility room	1	22.5	22.5	
13.2	Dirty utility	1	12.6	12.6	
13.3	Disposal hold	1	1.9	1.9	
13.4	Store patients property	1	24.6	24.6	
13.5	Store general	2	7	14	
13.6	Store equipment	1	15.4	15.4	
13.7	Store linen	1	9.6	9.6	
13.8	Cleaners store	1	9.9	9.9	
13.9	Switchgear cupboard	1	3	3	
13.10.	Plant room	1	15.7	15.7	
13.11	Staff WC	1	4.1	4.1	
14	<u>Additional Rooms</u>				
14.1	Staff Room	1	13.3	13.3	
14.2	Service spaces	7	3	21.2	
	Total			644.60	
	Engineering Allowance			61.00	9.2%, 1600 wide corridors
	Circulation Allowance			196.70	29.4%, 1600 wide corridors
	<u>TOTAL</u>			902.30	