NORTH AYRSHIRE
Health and Social Care Partnership

FOXGROVE (NATIONAL SECURE ADOLESCENT INPATIENT SERVICE)

FULL BUSINESS CASE

29th March, 2021

Project ID	Full Business Case
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Glossary of Terms

ADHD- Attention Deficit Hyperactivity Disorder

ADS – Architecture & Design Scotland

ASD - Autistic Spectrum Disorder

COS – Clinical Output Specification

EUPD- Emotionally Unstable Personality Disorder

FBC – Full Business Case

HFS - Health Facilities Scotland

IA – Initial Agreement

LD - learning disability

NPV – Net Present Value

OBC – Outline Business Case

PD - Personality Disorder

PTSD- Post Traumatic Stress Disorder

PBS - Positive Behavioural Support

SCIM – Scottish Capital Investment Manual

SHC – Scottish Health Council

1 Executive Summary

The OBC was approved by Scottish Government Health and Social Care Directorate (SGHSCD) on 13th May 2020. The conformation letter invited the Board to submit a Full Business Case. No specific conditions were outlined in the approval letter.

This Full Business Case will justify and demonstrate the proposal for the development of the new National Secure Adolescent Inpatient Service facility.

Specifically the purpose of this FBC is to review work undertaken within the OBC, detailing any changes in scope and updating information as required. It will: -

- Describe the value for money option including providing evidence to support this;
- Set out the negotiated commercial and contractual arrangements for the project;
- Confirm Capital and Revenue cost;
- Demonstrate that the project is affordable;
- Establish detailed management arrangements for the successful delivery of the project.

1.1 Assessment of Need

In these challenging times the need for this facility has been reinforced and is demonstrated through the continuous review and assessment of need that was set out in the Initial Agreement (IA)and Outline Business Case (OBC).

Within this FBC the needs assessment will confirm that twelve young people met the referral criteria for NASIS in the 18 months from April 2019 to November 2020 and that of those 12, only 2 young people actually received inpatient care in a specialist secure adolescent mental health service. Also that there continues to be significant barriers to young people accessing specialist care, including a lack of beds in English secure services and in delays pertaining to cross border transfers.

Services within Scotland are trying to provide care for our most vulnerable young people in a safe manner, in some cases that care is provided within inappropriate settings resulting in young people receiving enhanced observations at very intensive levels to try and maintain that young person's safety.

These young people have a variety of diagnoses including psychosis and mood disorders, and a significant number have neurodevelopmental difficulties, present a significant risk to others in terms of physical and sexual violence, and in the majority of cases the young people also presented a significant risk to themselves.

The care required to support these young people will be delivered within a caring and secure environment that is managed and staffed by a highly trained multi-disciplinary workforce.

This Full Business Case (FBC) clearly reaffirms the need for the service; explains the preferred option and related benefits that will be realised by the project; demonstrates best value; and clearly makes the case for the investment required.

Provision of a Scottish facility for vulnerable adolescents who require a secure inpatient services will result in the young people identified being cared for nearer to home in a facility that will provide appropriate care, treatment, therapies, security, and age appropriate education.

1.2 Review and Changes since OBC

Specific areas reviewed and confirmed for this FBC include:

- Policy/procedure and/or external factors – No change
    - There has been no significant change in over-arching policy; this development continues to implement Action 20 of the Mental Health Strategy for Scotland 2017-27. It is recognised as part of the care pathway within the new specification for NHS Scotland Child & Adolescent Mental Health Services (Feb 2020). The Project Team will contribute to the Independent Review of Forensic Mental Health Services, the findings of which will be available after this FBC has begun its overall approval process. Any significant changes that affect the care pathway in the wider forensic estate will be taken account of going forward with implementation. Review of Scottish mental health legislation is also ongoing and the proposed service will operate within the current, and any future, legislative framework;

    - There has been the publication of the CAMHS NHS Scotland National Service Specification indicating that young people with forensic risks and those transitioning into and out of secure facilities should receive appropriate, timely and specialist mental health support;

- Bed Numbers/Service Model – No change;
- Workforce – reverting back to security staff and rationalising Nursing and Healthcare Assistants;
- Scope of the project – No change;
- Benefits to be realised and Risks to the project – Benefits have been updated and Risks monitored and reviewed/revised appropriately;
- Stakeholder and service user expectations and needs – No change;
- Change from NEC Option C to Option A.

All of the work originally undertaken to look at the provision of a secure inpatient service for this vulnerable group of adolescent patients remains valid and confirms that a firm need for the new unit remains.

In re-examining all of the stated objectives, benefits and risks in relation to the proposed new inpatient facility and model of care to be implemented, it has become even clearer that this vulnerable group of young people require a facility, located in Scotland, to deliver safe, secure, therapeutic and educational services

that will support recovery, wellbeing and independence. Therefore all of the stated objectives remain the same.

1.3 Changes to Design since OBC

Since OBC approval, final design work has been taken forward, taking cognisance of comment and enquiry from both Scottish Government, Health Facilities Scotland and any additional areas of challenge identified through the NDAP and AEDET assessments.

Some changes have been incorporated into the final design and these include:

- Revised entrance design to improve all aspects of security
- Confirmation of Heat Sourcing/Provision
- A revised fire strategy and case for the omission of fire suppression
- Elevation treatment of the proposed facility

1.4 Summary of Finance Case

The proposed National Secure Adolescent Inpatient Service will be delivered through the Frameworks Scotland 2 procurement route and this FBC has been developed in accordance with those requirements and also the Scottish Capital Investment Manual. Detailed capital and revenue costs are expanded upon in the Financial Case and **Appendices FC1** and **FC3.**

1.4.1 Capital Cost Summary

Capital Costs of the project are as follows:

		OBC	**FBC**	**Difference**
Building capital cost – incl External works and Value Engineering		£6,735,196	£8,026,875	£1,291,679
PSCP Costs – incl Agreed Compensation Events only		£455,000	£640,592	£185,592
Lead Advisor fees – incl Agreed Compensation Events only		£143,025	£201,728	£58,703
NHS in-house staffing costs		£296,064	£419,852	£123,788
Art - Fees		0.00	41,900	41,900
Art - Projects		0.00	175,000	175,000
Planning Fees and Building Warrant		£32,000	£11,228	(£20,772)
Allowance for Client Risk/ Optimism Bias		£637,666	£435,000	(£202,666)
Furniture & Equipment Costs – VAT incl		£297,085	£304,263	7,178
Sub-Total		**£8,596,036**	**£10,256,437**	**£1,660,401**
VAT (Currently applied to building cost, inflation and PSCP cost (excl PSCP Building Warrant Cost)	20%	£1,438,039	£1,730,054	£292,015
VAT Recovery	12%	£(172,565)	£(207,607)	(£35,042)
Total		**£9,861,510**	**£11,778,884**	**£1,917,374**

A full breakdown of the capital cost is detailed within the Financial Case, including a detailed report on the build-up of the Target cost at **Appendix FC1 and sub appendices 1 to 4.**

These capital costs will be funded by Scottish Government, with funding being utilised in 2021/22 and 2022/23.

1.4.2 Revenue Cost Summary

Revenue costs within the OBC were noted as £4,088,994M. Adjusting cost for Pay inflation and Pension contributions, revenue is broadly in line with expectations. Tables below summarise the revenue consequences for the facility.

	OBC	FBC	Increase
Staffing	3,578,752	4,501,990	923,238
Supplies	510,242	537,526	27,284
Total	**4,088,994**	**5,039,516**	**950,522**

Key Reason for Increase	
Pay Inflation	461,000
Pension Contribution	198,000
RRP	141,000
05. increase in Psychiatry & 0.6 Increase in Psychology	99,000
	899,000

There is a difference of £51.5K which is made up of a number of minor changes to the workforce model.

The agreed NRAC figures are shown in the table overleaf:

Board	2016/17 share		2018/19 share		2020/21 share	
Ayrshire & Arran	7.43%	303,861	7.39%	355,648	7.38%	371,873
Borders	2.15%	88,115	2.11%	101,545	2.11%	106,209
Dumfries & Galloway	3.10%	126,904	2.97%	142,933	2.97%	149,628
Fife	6.71%	274,474	6.81%	327,735	6.82%	343,606
Forth Valley	5.39%	220,424	5.43%	261,322	5.43%	273,653
Grampian	9.63%	393,883	9.90%	476,443	9.87%	497,454
Greater Glasgow & Clyde	23.09%	944,239	22.28%	1,072,238	22.31%	1,124,431
Highland	6.40%	261,847	6.44%	309,929	6.42%	323,376
Lanarkshire	12.29%	502,710	12.34%	593,870	12.31%	620,567
Lothian	14.33%	585,784	14.85%	714,665	14.96%	754,049
Orkney	0.48%	19,576	0.48%	23,100	0.48%	24,421
Shetland	0.47%	19,349	0.49%	23,582	0.49%	24,529
Tayside	7.77%	317,578	7.85%	377,786	7.80%	393,049
Western Isles	0.74%	30,250	0.65%	31,282	0.65%	32,751
Total	**100.00%**	**4,088,994**	**100.00%**	**4,812,078**	**100.00%**	**5,039,516**

Boards have been informed and fully updated in relation to the revenue consequences through the National Services Division's, National Specialist Services Committee (NSSC) meetings, the draft minute of the NSSC meeting dated 20th December 2020 is attached at **Appendix ES3**. The final revenue costs are confirmed within the Financial Case of this FBC.

1.5 Conclusion

Against a backdrop of a national pandemic, EU Withdrawal and an increased demand for Child and Adolescent Mental Health Services, it is expected that the proposed National Secure Adolescent Inpatient Service will support current and future need for a particularly vulnerable patient group.

The National facility will provide a high quality service that will meet the needs of young people in Scotland who are severely unwell and present a risk to others, with a key benefit being the provision of a much needed service closer to the young person's home and provide a catalyst for national and regional working.

NHS Ayrshire & Arran have secured the best value commercial option for delivering this national project, given the challenges faced by all public sector bodies at this current time.

2 Strategic Case

2.1 Introduction

Since submission of the OBC a period of re-assessment has confirmed the appropriate number of residential places for the proposed facility is 12 beds. The specific challenges noted in the OBC associated with capacity modelling, were verified and remain unchanged. They included:

- There is no single existing pathway for managing patients who will be cared for within the new unit in future;
- There is no single information repository to help understand the specific care needs of this patient group that is complete and comparable;
- There is no single existing dataset relating to this patient group that would support a traditional capacity modelling methodology based on likely admission numbers over time and length of stay based on an alternative/enhanced model of care;
- There is no published data relating to patients who might benefit from the proposed unit in Scotland, however, have not been referred to existing services because these are deemed unsuitable/inappropriate for whatever reason (unmet need).

The proposed new inpatient service will address these and many other identified risks and challenges by providing safe and secure care for adolescents aged 12 to 18 years old within Scotland.

All stakeholders have continued to engage and input to the project through each stage of the Business Case process and remain committed to the delivery of a much needed service within Scotland. The issues with the current service, noted at IA and OBC, remain unchanged and continue to be challenging for service users, carers and clinical staff.

At initial stages of National Commissioning, Health Boards opted for one national secure inpatient service with Intensive Psychiatric Care and community Forensic CAMHS functions to be provided on a regional basis. These proposed provisions remain unchanged at time of FBC. NSAIS Project Team have consistently advocated that the need for community FCAMHS and an adolescent IPCU needs to be considered by the three regions. At the time of writing the adolescent IPCU scoping work is being undertaken by the Clinical Director of NHS Greater Glasgow and Clyde CAMHS.

Whilst it would be ideal if FCAMHS and adolescent IPCU developments progressed in tandem with NSAIS, recent events have led to regions within Scotland having different priorities over the course of this project. The NSAIS project team will therefore continue to work with key decision makers across the country to promote development of capacity across the system and be a driver for future developments.

2.1.1 Needs Assessment

From the updated needs assessment (April 2020), it is clear the national child and regional inpatient units will be an important, but a minor source (13%) of “referral to” and “stepdown” from, NSAIS. A summary of the Needs Assessment is noted below, with Full details of the results attached in **Appendix SC1.**

Twelve young people met the referral criteria for NASIS in the 18 months from April 2019 to November 2020 however only 2 young people received inpatient care in a specialist secure adolescent mental health service. There continues to be significant barriers to young people accessing specialist care, including a lack of beds in English services and difficulty and delays incurred by the cross border transfer processes. The result is that services in Scotland are trying to provide care in a safe manner in either adult or other inappropriate settings leading to increased numbers of young people receiving enhanced observations at very intensive levels.

The twelve young people noted above originated from various regions across Scotland and tended to be aged between 16- 18 yrs. and were predominately female. These young people have a variety of diagnoses including psychosis, mood disorders and a significant number had neurodevelopmental difficulties. These young people also present a significant risk to others in terms of physical and sexual violence and a majority of the young people also presented a significant risk to themselves. The needs analysis confirms that there is a significant number of high risk young people in Scotland that are not having their mental health needs currently met; the National Secure adolescent inpatient unit will address the need for this specific patient group.

Anonymised detail was provided about regarding the12 young people including, their age, gender, Health Board of origin and diagnosis. Referrers were also asked whether a referral to a secure inpatient service had been made, and the outcome, as well as care provided within alternative hospital or other services.

2.2 Policy Review

The Board note that there is an ongoing review of Mental Health legislation, and, while it was originally anticipated that this would be available early in 2020, it is now more likely to be published later at the end of 2020/beginning of 2021. This review will support the current Mental Health Strategy 2017-2027.

The Child and Adolescent Mental Health Services (CAMHS) NHS Scotland National Services Specification was released in February 2020. This specification highlights that CAMHS services across the country must provide care to young people where there is a forensic risk. The service specification also highlights the requirement for robust transitions for young people entering and leaving placements where their liberty is restricted such as secure care and young offender institutes. This would include transitions into and out of the proposed facility. The issue of transitioning into and out of secure care is addressed in the model of care and clinical pathway.

2.3 Service Arrangements

The original modelling process developed a total of 27 separate scenarios that identified a requirement for between 4 and 14 beds as a baseline. 12 beds supported the estimated requirements in 96% of these scenarios whilst 9 beds only met the needs of 70% of the scenarios modelled. These scenarios and modelling data behind them were discussed at a national and local level. Nationally through the national clinical reference group and locally through the project governance route.

The challenges noted above at section 2.1, specifically the lack of any single database of relevant information and no published data relating to patients who might benefit from the proposed unit in Scotland, made scenario planning difficult, however, the Project Team were able to undertake significant modelling activity making best use of the data available which included the collection of data from Scottish services and, referrers, that was benchmarked against data published by NHS England. As well as being used to determine appropriate bed numbers, this data also informed elements of the clinical brief, wider schedule of accommodation and costing model to ensure that the facility constructed is able to deliver the appropriate Model of Care developed for this patient group and will ensure their optimal future management in Scotland.

The model of care describes the quality of care and how it will be provided within the facility and this is explained in detail in the Clinical Output Specification attached at **Appendix SC2**. Staff will deliver a multi-disciplinary approach to the quality of care that will promote recovery, wellbeing and independence, through wrapping care around the key themes outlined within the NHS Scotland Quality Strategy, where young people and their families will be encouraged to be partners in their own care, with the ultimate aim of returning the young person to their community.

2.3.1 Clinical Pathways

To further inform the Clinical Pathway a national workshop took place on 18th November. 2019 at Stirling University. The full outputs from that workshop are attached at **Appendix SC3**. Key points to emerge from the workshop, which have been incorporated into the planning, included:

- Integration with Youth Justice and Social Care systems;
- Third Sector involvement as commissioned through social work where appropriate;
- Involvement of public reference forums in engagements with young people and families;
- Clarity on what discharge planning will look like and who it will involve;
- The model of care and how this will be supported through digital communications systems and processes;
- The need for further information and data on how needs assessments will be taken forward;
- Workforce planning implications in health, social care and education;
- Consistent approach to forensic risk assessment across NHS Scotland CAMHS.

2.3.2 Patient Wellbeing

Patient wellbeing sits at the heart of the clinical pathway. It is recognised as an extremely important criteria with “holistic care, treatment and education of young patients, permeating through all of the criteria identified.

A challenge of the option appraisal process is to explain what such criteria actually mean in a practical sense in order to ensure that they are considered effectively. Specific explanatory statements documented within defined criteria that present “patient well-being” include:

- Reduce inappropriate placements, e.g. Young people being placed in Adult IPCU’s and adult forensic mental health units through lack of any suitable alternatives within Scotland or out with an appropriate hospital setting such as a social care setting;
- Improve links to/from referring and after care services;
- Support timeous assessment and earliest possible commencement of treatment;
- Reduce length of stay;
- Deliver a single NHS Scotland pathway;
- Reducing adverse events pending admission to the preferred facility/unit;
- Optimise capacity available at all times;
- Meet current and future needs;
- Ensure that buildings in use optimise flow;
- Provision of an environment which promotes physical activity, development and wellbeing of young people;
- Provision of specialist physical health monitoring and treatments for young patients.

The effectiveness of the proposed facility in improving patients’ wellbeing will be assessed and monitored via Key Performance Indicators. Young people will be supported to achieve the National Health and Wellbeing Outcomes (including “*Outcome 1 - People are able to look after and improve their own health and wellbeing and live in good health for longer”*). In addition, as a children’s service, all staff within the proposed facility will adopt the principles outlined in Getting It Right For Every Child (GIRFEC) in provision of care, treatment and education. Wellbeing indicators will be employed to ensure that young people cared for in the proposed facility are Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible and Included (SHANARRI)

Throughout all phases of this development, careful attention has been paid to CAMHS, social care and the youth justice network and other parts of the wider system which is concerned with high risk adolescents across Scotland to foster closer working relationships to aid the transition into and discharge from the proposed facility. This reflects the Whole system approach of working in this sector which would be a cornerstone of the working practices in the facility.

2.3.3 Referral and Discharge

Increased admissions and occupancy rates within the regional adolescent units are challenging but can be welcomed as they demonstrate improved access to inpatient care for young people with a wider range of mental health needs than before. There has been an increase in the number of young people that are detained under the Mental Health (Care and Treatment) (Scotland) Act 2003 in the last 5 years as reported by the Mental Welfare commission to Scotland. Referral criteria for the proposed facility is clear and has been consistent from the outset. Clinical staff and the Project Team continue to discuss and refine referrals at the Workshops and the National Stakeholders group to ensure that clinicians, medics and Key Stakeholders remain engaged in all elements of CAMHS pathways. The service will have a key role in supporting the assessment and management of high risk patients across services, whether or not admitted to the facility and will act as a driver for change across Scotland.

2.4 Workforce and Recruitment

The workforce model has been mapped against the clinical pathway and model of care to ensure that it is appropriate and sustainable.

The project team and key stakeholders held two cross check workshops in July and August 2020 to confirm the workforce model. During these workshops the participants completed a day in the life of the facility and job plans for the clinicians within the facility. One of the key elements of the workshop was to test the security function. As previously set out in the OBC, the onus for security was placed on clinical staff. As the workshop detailed and described the tasks required for the security role, concerns were raised by other clinical and key stakeholders that the level of nursing support available would be diminished if nursing staff were either unavailable or diverted to undertake security tasks. Unanimously the delegates agreed that the Security function should be undertaken by specialist staff and not nursing or clinical staff.

2.4.1 Changes within Workforce

The workforce cross check workshops highlighted the level of complexity of the security arrangements and the resource required to achieve a safe and secure environment. This resulted in a rethink on who is best placed to undertake the security function for the facility. With the reinstatement of the security team, the workshop focussed on the implications on the nursing compliment. Removing the security role from the nursing staff, will allow the nursing team time to focus on care and treatment. This change in the workforce model has allowed for a slight reduction in the Band 5 registered nurses. The line management for the Safety and Security team will be provided by the Band 5 Admin and Security Manager, who is responsible to the Service Manager for Fox Grove.

Prior to the introduction of a Safety and Security workforce, the Band 5 Registered Nursing workforce would have been responsible for both internal and external security provision across the footprint of the facility, including supporting education staff as and

when required. The inclusion of a modified workforce model with a focus on a Safety and Security team removes accountability across the 24hr operational day of the facility from the Nursing workforce and in real terms allowed for a reduction in the Whole Time Equivalent Registered Nurses with this revenue being used to invest in the separate Safety and Security Team.

The table overleaf highlights the changes made to the nursing workforce from the OBC to the FBC.

OBC Staffing	WTE	FBC Staffing	WTE	Differences between OBC to FBC
Nursing				
Band 8b nurse consultant	1.00	Band 8a service manager	1.00	Change from Nurse Consultant to service manager and from band 8b to 8a in FBC
Band 7	1.00	Band 7	1.00	
Band 6 (7 days per week 9-5)	6.00	Band 6	6.00	
Band 5 (50%days 50% nights	33.40	Band 5	23.00	Reduction of 10.40WTE in band 5 staff
Band 3 (2/3 days 1/3 nights	12.00	Band 3	22.00	10.00WTE increase of band 3 staff in FBC
Band 2 (2/3 days 1/3 nights)	12.50		0.00	Band 2 staff removed in FBC
Flexible additional hours	4.00		0.00	
	0.00	Safety and security staff Band 4	1.00	Nursing complement reviewed and in FBC Safety and security staff reintroduced at 7WTE.
	0.00	Safety and Security staff Band 3	6.00	
Total	**69.90**	**Total in FBC**	**60**	**9.90 WTE reduction overall in FBC**

2.4.2 Recruitment

As noted in the IA and OBC, the new facility will implement an early recruitment plan. This will provide the service with the opportunity to implement and test realistic training scenarios before commencement of the service. The Project Team have commenced recruitment of the senior multidisciplinary clinical team who will inform the final development decisions to progress the project into its operational phase. This includes multidisciplinary specialists in child and adolescent and forensic mental health, who have expertise and capacity to identify suitable patients for the early

stage of admission, train staff and build the service.

NHS Ayrshire and Arran have engaged with our Human Resources Department, Communication Department and the Nursing Times to develop and implement a recruitment strategy which is attached at **Appendix SC4**. It is anticipated that the two senior clinical roles of Service Consultant Psychiatrist and Service Manager will be recruited during the period this FBC is submitted.

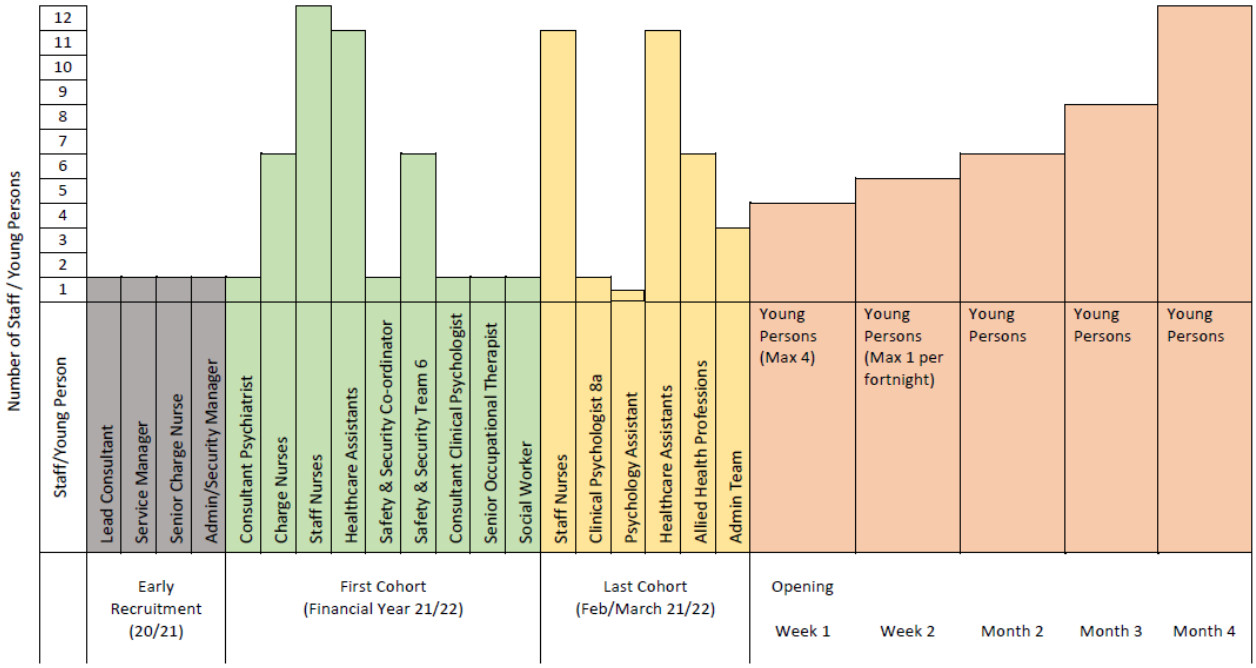
As previously highlighted within the OBC, recruitment and retention of an appropriately trained and skilled team will be challenging. Therefore it was agreed to apply Recruitment and retention premium (RRP) for clinical staff as an enhancement and incentive to aid recruitment. The revenue is discussed in more detail within the financial case.

2.4.2.1 Phased Admission

It is the intention to admit young people to the facility on a phased basis to allow the young people acclimatise to their new environment and manage the level of risk associated with the disruption to the young person's admission.

The plan is to admit a maximum of 4 young people within the first week, these young people will then be given a chance to adjust to their new surroundings for 4 weeks before any further admissions. Admissions would then average one young person every two weeks until either capacity is reached, or new admissions have ceased.. Within four months the service will be working at capacity.

The table below depicts the current recruitment and phased admission plan.



The proposed recruitment and admission plan allows for a rigorous induction and scenario training programme that will maximise staff training and induction and minimise the disruption to the Young People admitted to the facility.

2.4.2.2 Training

Professional development and training will be agreed individually with each member of staff, from awareness raising through to developing expert knowledge of forensic adolescent services.

A short life working group was created to develop training plans for staff members who are new to Forensic CAMHS. NES and University of West of Scotland (UWS) supported the development of appropriate knowledge and skills. The online module Working with Children Who Pose a Risk of Harm should be coded and accessible from March 2021. This is an introduction for all staff who will be working with young people both within the proposed facility and within community CAMHS and will complement Essential CAMHS which is already in place.

The project team continue to work with Stakeholders across Scotland to develop a stand-alone module at level 11 within the School of Forensic Mental Health, UWS. The same stakeholders are supporting the development of the induction programme for the staff team within the facility and a risk protocol for the facility which will in turn identify the risk assessments that will be utilised within the facility and the training required.

2.5 Changes to Investment Objectives and Risk

2.5.1 Benefits

The investment objectives and realisation of the benefits remain as stated in the OBC.

In summary the investment objectives are extensive and focus on the key outcomes for young people within this patient group and include:

- Clinical Outcomes
  - A co-operative healing context within which all multidisciplinary care takes place;
  - Improve links to/from referring and after care services;
  - Support timeous assessment and earliest possible commencement of treatment;
  - Planning for and delivering an appropriate range of clinical interventions that address young people's mental health needs within a medium secure environment;
  - The right staff in the right place with the right skills and competences to deliver high quality care and services to the young people of Scotland;
  - Reduce length of stay;
  - A single process for managing patients;
  - A single information repository to help understand the specific care needs of the individual;
  - Reducing adverse events pending admission to the preferred facility/unit;

- Provide an appropriate level of security to meet forensic risks and needs;
- Reduce the number of young people under the age of 18 years held in locked adult facilities.

- Educational Attainment
  - Deliver all services within the Scottish educational system;
  - Actively supporting on-going engagement between a young person and their referring team including education and partner agencies, thereby ensuring that they "stay connected" to local systems in order to make transitioning to and from the unit easier and quicker;
  - The design accommodates the delivery of as full an age appropriate educational curriculum as possible, consistent with relevant legislation and GIRFEC principles.

- Health Outcomes
  - Reduce in-appropriate placements, e.g. Outwith the appropriate hospital setting;
  - Delivering responsive, individualised care coordinated through the use of Care Programme Approach (CPA) framework, including liaison with other services, agencies and facilities as appropriate;
  - Providing a safe, secure, therapeutic environment, which is the least restrictive necessary to ensure the welfare of patients, staff and visitors.
  - Take more responsibility for their own care;
  - Promote independence and self-management to prevent re-admission.

Other objectives include:

- Provide local (Scottish) access to services;
- Reduce Carbon Footprint;
- A successful recruitment and training plan supports the staffing requirements for the new facility;
- Improved communications with the young person and their family/carer, communication with referring clinicians and local Health & Social Care Partnerships, and team communications;
- Building compliance with all relevant regulatory and best practice guidance including all published Scottish Government requirements including BREEAM, NDAP and AEDET.

These objectives have been detailed and updated in the Benefits Realisation Plan which is attached **at Appendix MC4**.

2.5.2 Key Service Risks

The project team have ensured continued focus on the review, management and mitigation of risks throughout the development of the final elements of the project. The updated Risk Register is attached at **Appendix MC5** and will continue to operate as a "live" document going forward throughout the construction, commissioning and operational implementation phases.

Key changes since OBC submission include:

- Workforce Model;
- Capital Cost;
- Change from NEC Option C to Option A;
- Reconfiguration of reception area to create a security function;
- Programme.

2.5.3 Changes to Design

There have been two changes to the design submitted at OBC, these are:

1) Reconfiguration of Reception to create a security function;
2) Bedrooms 4 & 9 en-suites redesigned to improve maintenance accessibility. The final General Arrangement plan is attached in **Appendices EC3A** and **EC3B**.

2.6 Conclusion

This strategic case has been reviewed and updated to reflect a key part of Mental Health Strategy 2017-2027, Action 19, which states the capital funding for the development of a Forensic CAMHS in-patient unit. This FBC is the culmination and realisation of a much needed project that will provide appropriate care in suitable accommodation for a particularly vulnerable and severely unwell adolescents in Scotland and confirms the need for investment.

A key part of the Strategic Case is to confirm the need for change. Young people who are at risk to others and severely unwell continue to be placed in secure accommodation in England, if there is a place available. The Needs Assessment highlights that there continues to be a number of young people who are placed in either, inappropriate care settings, such as Adult metal health wards or within non health related secure accommodation. The proposed solution of a purpose built medium secure facility located in Scotland will address the issue of geographical location and bring the young person closer to their support, whether that is family or carers.

The model of care has remained largely unchanged from what was described within the Initial Agreement and Outline Business Case; however the project team have continued to refine and develop detail taking into cognisance the NHS Quality Strategy, Royal College of Psychiatry QNIC standards and relevant mental health and child legislation.

The overall vision for the proposed facilty is to ensure we have the right staff in the right place with the right skills and competences to deliver high quality care and services to the young people of Scotland. In order to realise this vision the workforce needs to be aligned with both service and financial plans to ensure affordability and sustainability.

The Project Team consulted with comparable peers across the UK during the review of the Strategic Case, and through this we have made some minor changes to the

workforce model reverting back to the suggested model within the Initial Agreement which provided a Safety and Security Team.

The plan to provide a National secure facility for adolescents is a key strand of the Mental Health Strategy 2017-2027 that is underpinned by an ambition to provide the best service possible for young people and their families offering person centred services as locally and as timely as can be achieved; and to manage a high quality service efficiently within available resources.

3 Economic Case

3.1 Economic Case Introduction

When undertaking the review of the Economic Case, NHS Ayrshire & Arran took full account of all data and information, including any new or revised factors supporting the preferred option, and can confirm that the selected option will provide a facility to support and deliver the investment objectives and Model of Care.

3.2 Historical Overview of Options

The unique national nature of the proposed development resulted in a complex and robust appraisal of the service option across multiple levels of stakeholders commencing at a national level and working its way through to local stakeholder groups to ensure that a national aim and vision for the project was agreed by all involved.

As the facility represents the physical presentation of a national service, the process of agreeing a short-list of implementation options has been more complex and involved than is normally the case. It has, in effect, been taken forward through 5 different phases:

- Agreeing the preferred model for provision. (National level);
- Agreeing a preferred national delivery location (host authority). (National level);
- Identifying a preferred geographical (site) location within the host board area. (National Level);
- Confirming the preferred configuration and size (capacity) of the proposed unit. (Host Board – with National Stakeholder Group support – membership is attached at **Appendix EC1**);
- Agreeing the preferred location for the new unit on the preferred site. (Host Board).

In March 2016, the Scottish Government Health & Social Care Directorates National Planning Forum endorsed a report from the National working group on secure care for young people. The report recommended that a National Secure Adolescent Inpatient Service be established in Scotland. Once this decision was taken nationally, NHS Ayrshire & Arran subsequently undertook a full location Option Appraisal based on the physical layout of the existing Hospital site.

The path to the selection of the preferred option was informed by following distinct steps. These were:

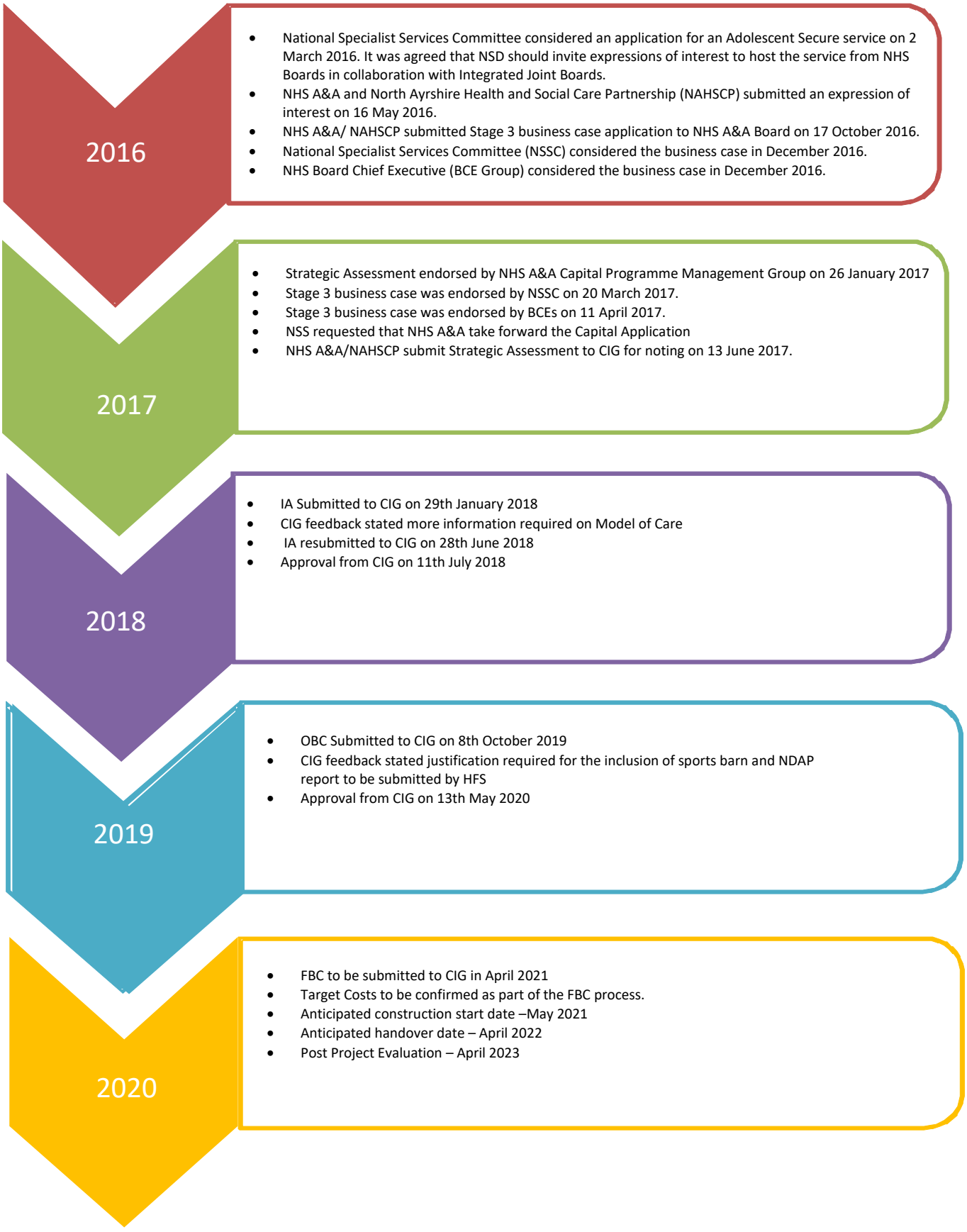
- Identification of a short-list of implementation options;
- Identification and quantification of monetary costs and benefits of options;
- Estimation of non-monetary costs and benefits;
- Calculation of Net Present Value of options;
- Presentation of appraisal results;
- Sensitivity Analysis of results.

The option appraisal was taken forward taking account of the guidance as detailed in the Treasury Green Book.

The challenge, as with any health-related option appraisal activity, is to turn subjective opinion into objective scoring in order to determine the relative benefits of complex, frequently unmonetizable values. It is noted that participants scored options based on agreed criteria that included a series of confirmatory statements that provided guidance on what would be required to realise a score. Since OBC submission this has been reviewed and the Board believe this to have been a robust and fair process to capture stakeholder views and concerns in relation to the preferred option.

An internal review of the options for FBC, looking specifically at any changes in the preferred design and of the service delivery requirements was undertaken in November 2020. While it was noted that some of the national needs and demands have changed, this is largely in relation to changes in referrals to centres in England which is no longer happening. Key elements to note here are that the processes to place in the unit and the resulting service criteria for step up and step down care will evolve but none of this has altered the need to address more patients being placed in inappropriate facilities such as adult IPCUs. The group agreed that the original criteria, weightings and overall scoring remained unchanged and verified that they have not altered the rankings originally developed including further sensitivity analysis. The various scenario planning models were also revisited, and this again confirmed that the 12 bed option as originally determined by the National Clinical Group has not been affected by any significant changes that would alter the outcome. Therefore the preferred option remains a new 12 bedded facility on the Ayrshire Central Hospital site. All scores remained unchanged.

As can be seen in the diagram overleaf the project had now been running since 2016 and all approvals up to and including OBC have been confirmed.


2016
National Specialist Services Committee considered an application for an Adolescent Secure service on 2 March 2016. It was agreed that NSD should invite expressions of interest to host the service from NHS Boards in collaboration with Integrated Joint Boards.
NHS A&A and North Ayrshire Health and Social Care Partnership (NAHSCP) submitted an expression of interest on 16 May 2016.
NHS A&A/ NAHSCP submitted Stage 3 business case application to NHS A&A Board on 17 October 2016.
National Specialist Services Committee (NSSC) considered the business case in December 2016.
NHS Board Chief Executive (BCE Group) considered the business case in December 2016.
2017
Strategic Assessment endorsed by NHS A&A Capital Programme Management Group on 26 January 2017
Stage 3 business case was endorsed by NSSC on 20 March 2017.
Stage 3 business case was endorsed by BCEs on 11 April 2017.
NSS requested that NHS A&A take forward the Capital Application
NHS A&A/NAHSCP submit Strategic Assessment to CIG for noting on 13 June 2017.
2018
IA Submitted to CIG on 29th January 2018
CIG feedback stated more information required on Model of Care
IA resubmitted to CIG on 28th June 2018
Approval from CIG on 11th July 2018
2019
OBC Submitted to CIG on 8th October 2019
CIG feedback stated justification required for the inclusion of sports barn and NDAP report to be submitted by HFS
Approval from CIG on 13th May 2020
2020
FBC to be submitted to CIG in April 2021
Target Costs to be confirmed as part of the FBC process.
Anticipated construction start date –May 2021
Anticipated handover date – April 2022
Post Project Evaluation – April 2023

3.3 Changes/Responses from OBC and OBC Queries

3.3.1 Final Schedule of Accommodation Review

The accommodation for this new facility is detailed in the Schedule of Accommodation attached at **Appendix EC2**, which is the baseline for the current 1:200/1:50 layouts. This Schedule has been reviewed and remains the same as at OBC.

The full Schedule of Accommodation is based on HBN 03-02 Facilities for Child and Adolescent Mental Health Services, which is noted in the Initial Agreement and had an overall Gross internal floor Area (GIFA) of 1855 m² and subsequently refined to 1533 m² in the approved OBC. The 1:200 design was frozen in August 2020 and therefore the Board is confident that the current area of 1533 square metres will remain stable. The 1:50 design work completed for the FBC has again confirmed this. Layouts for the revised Ground Floor and First floor are attached at **Appendices EC3A and EC3B**

Since approval of the OBC the Project Team have undertaken final design elements with the design team. It has also taken cognisance of comments made by the Capital Investment Group regarding provision of a Sport Barn and Educational facilities. The responses provided at OBC are noted below and remain unchanged.

The table below provides commentary on the evolution of the Schedule of Accommodation.

	GIFA	Comments
Feasibility Study	1257	A Feasibility Study was commissioned by the Project Team to determine a procurement route.
Initial Agreement	1855 (1452)	The Strategic Case included a Schedule of Accommodation based on HBN 03.-02 Facilities for child and adolescent mental health services (1850) CIG colleagues asked, “Page 106: would it be possible to provide some more detail on how the capital cost range has been calculated? The response included a draft of a SoA detailing GIFA of 1452m², which was then used to provide an upper and lower capital cost estimate.
Outline Business Case	1533	The current GIFA is the basis of the design and cost estimates for the Outline Business case
Full Business Case	1533	The reception area has been redesigned to include a security function. This has had no impact on GIFA

3.4 Summary of Revised Net Present Value

The NPV calculations have been re-done and are attached at **Appendix EC4.** The outcome of this is shown below.

Discount rate has been amended to 3% from year 30 onwards. The amendment changes the NPV slightly in summary:

Summary of Net Present Values

				BENEFIT SCORE	
OPTION	**NPV**	**NET NPV**	**GROSS NPV**		
	£	**£**	**£**	**score**	**per gross npv**
No change	(138,592,457)		(138,592,457)	416	333.15
12 bed unit		(7,347,662)	(145,940,119)	871	167.55

3.5 Value for Money

A detailed assessment of the Whole Life Cost for the project is attached in **Appendix EC5.** This shows that the cost per bed per annum equates to approximately £418k. Current known existing costs of a patient being transferred to a facility in England show a potential cost in excess of £600k per annum dependent on level of care required i.e. two to one observation. There is the potential for significant revenue savings, and evidence of value for money. This is further enhanced by the benefits to be delivered within the new unit which include:

- Shorter inpatient stays;
- Care and support closer to home;
- Closer proximity for relatives visits;
- Less time spent in inappropriate accommodation ie Adult IPCU;
- Closer co-operation with NHS Boards;
- Removal of legal delays in transferring patients between Scottish and English legal systems;
- Retention within the Scottish Educational system.

Within the WLC please note that VAT and Recoverable VAT have been allocated against individual elements of the construction costs.

3.6 Specific OBC Queries and changes

A number of queries were raised following submission of the OBC and responded to at that time. A summary of those responses and changes is attached at **Appendix EC6**

These included:

Sports Barn
Educational Space
Equality and Diversity
Seclusion Suite – see also **Appendix EC7**
Security Technical and Operational Systems – see also **Appendices 8 and 9**
Fire Strategy – see **also Appendix 10**
Digital Platform, eHealth and ICT provision – see also **Appendices 11, 12 and 13**
Wall & Floor Finishes
External Landscaping

4 Commercial Case

4.1 Overview

Within the Initial Agreement, NHS Ayrshire & Arran outlined the rationale for selecting Frameworks Scotland 2 as the preferred procurement route.

This approach was reviewed and confirmed at OBC and using HFS Frameworks Scotland 2 process supported by HFS. Using Framework Scotland 2 brings the following benefits:

- earlier and faster delivery of projects;
- certainty of time, cost and quality;
- value for money;
- well-designed buildings procured within a positive collaborative working environment.

A summary of the steps and processes carried out are attached in **Appendix CC1.**

4.2 Contract Arrangements

As part of the review of the Target Cost Kier put forward an option to change from Option C to Option A. This will realise a cost saving in the order of £200K. In practice this will take the High Optimism Scenario Total Share of £ 197,137 rounding to £200,000 and taking this off the Total of the Prices. Kier then proceed on a fixed price, Option A, for completing the works.

Apart from the reason stated above, changing to Option A, Priced Contract with Activity schedule will provide some other key advantages, such as:

- Parties have worked together as partners in an open and transparent approach and have ensured that this partnering ethos is maintained going forward into construction;
- Activity, programme and payments are linked;
- A clear and transparent system is “on the table” to enable negotiation to take place on prices;
- Price certainty has been established with a clear risk allocation;
- Greater cashflow certainty is possible in relation to specified Activities;
- The PSCP will carry the risk for delivering the project for the agreed price;
- All price thresholds have been set using quantitative risk analysis.

As set out in the Frameworks Scotland 2 guidance notes, NHS Ayrshire & Arran (The Authority) and Kier are joint owners of the Project Risk Register. On this basis, risks have been allocated to the party who is best placed manage the risk subject to Value for Money; responsibility for these risks is also clearly identified. The agreed Risk Allocation is shown in section 4.3.1 overleaf.

4.3 Risk Allocation

4.3.1 Transferred Risks

Inherent construction and operational risks are to be allocated as shown overleaf.

	Risk Category	Allocation		
		NHS	PSCP	Shared
1	Design Risk		**X**	
2	Construction and Development Risk		**X**	
3	Transitional and Implementation Risk			**X**
4	Availability and Performance Risk			**X**
5	Operating Risk	**X**		
6	Variability of Revenue Risk	**X**		
7	Termination Risk	**X**		
8	Technology and obsolescence Risk	**X**		
9	Control Risk	**X**		
10	Residual Value Risk	**X**		
11	Finance Risk	**X**		
12	Legislative Risk			**X**

4.3.2 Shared Risks

The risks identified as shared include “Transitional and Implementation”, “Availability and Performance”, and “Legislative Risk”.

The risk of “Transitional and Implementation” is carried predominantly by the PSCP, although a risk will still exist for NHS Ayrshire & Arran with respect to the authority’s requirements.

The risk for “Availability and Performance” is shared between the Authority and PSCP. The PSCP are responsible for the performance of the facility as they are responsible for the design, however the availability risk shall be carried by the Authority.

Finally, “Legislative Risk” is shared between both parties, the PSCP are responsible for designing and constructing a facility that is compliant with current building standards legislation; any changes to legislation will however result in changes to the design and likely a Compensation Event; this is the risk to the Authority

The Project Board has agreed to use Option A within the NEC3 contract. There are no variations to the standard at this time

4.4 Final NDAP Assessment and BIM Compliance

4.4.1 NDAP

Communication and engagement with Health Facilities Scotland and representatives from Architecture & Design Scotland (A&DS) has continued

through the development of the Full Business Case (FBC) to address all the essential and advisory recommendations put forward following submission of the OBC.

The Board has held a series of 3 meetings with HFS and A&DS, agendas, notes and final NDAP outputs are attached at **Appendix CC2**.

Below are some visuals of the project.

<table>
<tr><td colspan="2">Front Elevation</td></tr>
<tr><td colspan="2"> 
</td></tr>
<tr><td>Entrance Lobby</td><td>Classroom</td></tr>
<tr><td> 
</td><td>  </td></tr>
<tr><td>Bedroom 6 (Fence View)</td><td>Bedroom 11 (Yard View)</td></tr>
<tr><td>  </td><td>  </td></tr>
</table>

Dining & Activity	Dining & Activity
	

4.4.2 BIM

NHS Ayrshire & Arran have engaged a specialist (Integrated Facilities Solutions) to assist the Project Team and PSCP to provide and setup, coordination, production, and support of Digital Construction Handover Information. This will be a comprehensive information source and guide for the PSCP. The information provided will facilitate a complete understanding of the building and facility, its intended performance, its systems enabling it to be operated and maintained efficiently and safely.

NHS Ayrshire & Arran will require all Project Stakeholders, including the PSCP and their supply chain to work to the principles of Building Information Modelling (BIM) Level 2 (PAS 1192-2: 2013) or in accordance with ISO 19650 series.

All project information generated across the design and build phases of the project will be captured in the Common Data Environment (CDE) and submitted as part of the handover information. NHS Ayrshire & Arran's Project Manager will be responsible for managing the CDE.

The Digital Construction Handover Information (DCHI) and all its specified elements and requirements will be collated and managed by a competent DCHI Manager.

NHS Ayrshire & Arran requires a DCHI, BIM Delivery & Soft Landings process to obtain the best performance from the building through an integrated design/construct/operate approach. Soft Landings requires the Project Stakeholders to stay involved with the new building and systems beyond practical completion and into the initial period of occupation. Soft Landings is to be provided for a period of 24 months (or period agreed with the client) following issue of Certificate of Practical Completion.

The DCHI Manager will oversee the processing of "as installed" information throughout the project duration. All Project Stakeholders commit to providing information to support the Soft Landings process throughout the project.

On a quarterly basis the DCHI Manager will hold a DCHI, BIM Delivery & Soft Landings workshop. The DCHI Manager shall:

- At project commencement engage with NHS Ayrshire & Arran Capital Projects & Facilities Management team to ensure their Building Information Management needs are input into all stages of the project;
- The Digital Construction Handover Information and all its specified elements; implementation of Soft Landings activities, Asset Information & BIM Delivery are to be coordinated and managed by the DCHI Manager;
- Support NHS Ayrshire & Arran Capital Projects & Facilities Management team in developing and implementing the Aftercare Plan and Post Occupancy Evaluation studies;
- Coordinate and include client Soft Landing activities in the Main Contractors BIM Execution Plan (BEP);
- Prepare a Digital Construction Handover Information Index for review and approval by NHS Ayrshire & Arran Capital Projects & FM teams;
- On a monthly basis hold DCHI, BIM Delivery & Soft Landings meetings with design team, client, Project Information Manager (Main Contractor), Mechanical & Electrical Contractors;
- BIM Level 2 & DCHI workshop to review development of the asset tagging process – to cover Field levels / naming conventions / Interoperability & Traceability of information / Global Individual Asset Identifier / Global Location Number for approval with NHS Ayrshire & Arran Capital Projects & FM teams;
- Support and review Field link development for Core Maintainable Asset in the AIM to the relevant DCHI platform;
- Coordination of DCHI & BIM project programme to ensure delivery of BIM Level 2 maturity for FM to be reviewed and agreed with NHS Ayrshire & Arran Capital Projects & FM teams.

All relevant supporting documents for BIM are attached in **Appendices CC3 to CC12**

4.5 Project Bank Account

In line with Scottish Government CPN1/2019 the Board has agreed with the Framework Scotland PSCP that a Project Bank Account will be utilised throughout the construction of the new facility. A Project Bank Account Champion has been appointed to manage activity including both internal processes and external relationships.

In conjunction with the appointed PSCP as main contractor, the Board will ensure that:

- the bank account will be in their joint names;
- both parties will be named as trustees in the trust deed;
- will jointly instruct the bank to authorise payments from the PBA.

4.6 Payment Structure

As noted previously in the OBC, the PSCP, Keir, will use Option A, priced contract with Activity Schedules of the NEC3 contract.

The Authority will pay for the facility in the form of staged payments through the construction period for Activities which have been completed at defined stages. These works and costs will be submitted by the PSCP to the Lead Advisor verified for sign off by the Lead Advisor.

A standard contract form of NEC Option A will be adopted within the Final Stage 4 Proposal with specific amendments to reflect the relative size of the project, availability standards, core times, gross service units and a range of services specified in the Service Requirements.

4.7 Revised Construction Critical Milestones

Milestone	Current programme forecast date
Planning Submission & Approval	18th October 2019 – 10th January 2020
Building Warrant Submission & Approval (Stage 1 substructure & drainage)	18th October 2019 – 10th January 2020
Building Warrant Submission & Approval (Stage 2 Superstructure/building)	8th November 2019 – 31st January 2020
Building Warrant Submission & Approval (Stage 3 M&E)	15th November 2019 – 7th February 2020
Demolition Works	12th November 2018 – 1st February 2019 (complete)
Start on Site	May 2021
Project Completion	April 2022
Post Project Evaluation	April 2023

It is anticipated that construction of the project should take approximately 49 weeks; including time for mobilisation, construction, completion, commissioning and handover.

4.8 Construction Community Benefits

As part of this contract the PSCP has committed to deliver community benefits during the ongoing construction process.

The Board's Project Manager will provide monitoring support and assist the PSCP with the delivery of community benefit requirements. This includes but is not limited to support for recruiting new starts and apprentice candidates; support to identify work experience candidates and to agree awareness raising outcomes.

The full Construction Community Benefits are attached at **Appendix CC13.**

5 Financial Case

5.1 Overview

The Financial Case illustrates the final agreed Target Cost and the overall revenue cost of the preferred option and identifies a requirement for:

- Funding for the total Agreed target Cost at Stage 4 of £11,275M. This is an overall total and includes Stage 2 & 3 costs already expended (£893K);
- Total recurring annual revenue costs of £5,039m to be funded through the agreed and confirmed NRAC process.

5.2 Capital Costs

Approval to proceed to FBC was given on 13th May 2020. An integral part of the FBC is an agreed Target Cost and holistic cost plan, based on the Capital Cost set out in the OBC. The Target Cost for construction has been agreed between NHS Ayrshire & Arran, the PSCP (Kier Construction), Lead Advisor (AECOM).

Since completion of the OBC, work packages and detailed Bills of Quantities for NSAIS, based on detailed designs developed in partnership with the Principal Supply Chain Partner (PSCP), AECOM (PSC) and NHS Ayrshire & Arran have been issued to the PSCP's supply chain for market testing, to provide a Target Cost for the works. An initial Target Cost was submitted on 28th August 2020 which identified a cost significantly higher than was detailed in the OBC.

A rigorous evaluation of work package returns was undertaken to determine why the costs had increased and to target specific areas for value engineering (VE).

Value Engineering was carried out in order to reduce the costs as much as was reasonably possible. Clinical user representatives, external design team members, PSCP and their supply chain partners were all fully involved in a series of workshops to identify areas for possible 'VE'. Lists of 'VE' items were prepared in order of priority and impact on the clinical environment. The final Target Price for NSAIS was submitted to NHS Ayrshire & Arran on 2nd February 2020. Detailed Capital Costs are contained in **Appendix FC1 and sub appendices 1 to 4 of the Cost report.**

5.2.1 Capital Cost Implications

The table below shows the total capital cost for the project, based on the PSCP Target Price of £8,026,875m.

		OBC	FBC	Difference
Building capital cost – incl External works and Value Engineering		£6,735,196	£8,026,875	£1,291,679
PSCP Costs – incl Agreed Compensation Events only		£455,000	£640,592	£185,592
Lead Advisor fees – incl Agreed Compensation Events only		£143,025	£201,728	£58,703
NHS in-house staffing costs		£296,064	£419,852	£123,788
Art - Fees		0.00	41,900	41,900
Art - Projects		0.00	175,000	175,000
Planning Fees and Building Warrant		£32,000	£11,228	(£20,772)
Allowance for Client Risk/ Optimism Bias		£637,666	£435,000	(£202,666)
Furniture & Equipment Costs – VAT incl		£297,085	£304,263	7,178
Sub-Total		**£8,596,036**	**£10,256,437**	**£1,660,401**
VAT (Currently applied to building cost, inflation and PSCP cost (excl PSCP Building Warrant Cost)	20%	£1,438,039	£1,730,054	£292,015
VAT Recovery	12%	£(172,565)	£(207,607)	(£35,042)
Total		**£9,861,510**	**£11,778,884**	**£1,917,374**

5.2.2 Construction Cost

AECOM have carried out detailed examinations of every sub-contracted package submitted to ensure accurate market value costs were obtained. A detailed scrutiny of Preliminary costs and the relationship with individual sub-contractors was particularly important in ensuring no duplications existed. This was prevalent for scaffolding which has been extracted from the main and all sub-contractor prelims and included as a standalone package.

These cleansing and clarification process was vital as it became clear that the original OBC budget was coming under strain as a result of a number of factors from increasing material costs to the continued market uncertainty associated Brexit and Covid-19 pandemic. In addition, a number of sub-contractors have requested price uplifts for agreeing to hold their offer until mid- 2021 when the works are due to commence as a result of a programme delay.

5.2.3 Reasons for Cost Increases

There are a number of reasons that have influenced the outcome of the Final FBC Target Cost, which is £1,477,271*, excl VAT, over the OBC budget.
These factors can be summarised as follows:

**N.B, the £1,477,271 referenced above relates to the increase on Kier's cost only, this is shown as reference 16 in Cost Report Appendix 2. The overall increase to the project is £1,917,374, reference 39 within Cost Report Appendix 2.*

- **Net Zero Carbon Target & Sustainability** – To meet the current specification for Thermal Comfort as set out in section 2.2 of the NZCT report, and the table below, insulation around the fabric of the building has been increased e.g. slab insulation has increased by 80mm to110mm.

	U-Value (W/m^2K)	G-value	Comment
External Wall	0.14	-	As per typical good practice standard
Exposed Floor	0.1	-	As per typical good practice standard
Roof	0.12	-	As per architect proposal
Glazing	1.60	-	As per typical good practice standard
	-	0.59	As per 'Humber Secure' literature
Rooflight	1.60	-	As per typical good practice standard
	-	0.59	As per 'Humber Secure literature'
External Doors	1.60	-	As per typical good practice standard

- **Security System** – Cost increase due to a change in specification for security systems including the introduction of a Security Management System, Enhanced Staff Attack and Nurse Call system;
- **Cost of Raw Materials** – Steel has increased in price by £140/T in Q1 of this year, with further increases expected in Q2. Timber has increased by 20% in Q1 of this year, with a further 4.8% increase predicted in Q2. Plasterboard has also increased in price by approximately 40%, although this varies from region to region depending on suppliers.
- **EU Withdrawal**– Included within a number of sub-contractor Work Packages are elements of risk that have been factored into rates and allowances in order to cover price increases as a result of EU Withdrawal. These cost uplifts are to take account of expected shortages/ delays associated with materials and or labour. Although not quantifiable, it is clear from the prices that a high degree of risk has been included by the supply chain;
- **Covid-19** – Within the FBC Target Cost there is an allowance within the PSCP costs for the additional effect of Covid-19 on their Preliminaries cost. This is to cover additional welfare facilities, hand sanitisation stations and the like. In addition to this, several Work Package contractors have priced for an element of risk associated with the pandemic and uncertainty of market conditions and working conditions, that are applicable over and above those included by the PSCP.

5.2.4 Cashflow

The table below provides a holistic cash flow and the funding requirements for Financial Year 2021/22 and 2022/23.

	FY 17/18 Total	FY 18/19 Total	FY 19/20 Total	FY 20/21 Total	FY 21/22 Total	FY 22/23 Total	Overall Total
Overall PSCP Costs	-	212,475	222,262	332,475	7,537,002	363,252	8,667,468
AECOM Lead Advisor	-	111,010	73,733	6,700	68,842	-	260,286
NHS Direct Costs	3,176	98,605	117,685	134,334	974,285	600	1,328,685
Sub Total	3,176	422,090	413,682	473,509	8,580,129	363,852	10,256,438
VAT	-	42,493	41,013	68,497	1,507,400	72,650	1,730,054
VAT Recovery		5,099	4,922	7,979	180,888	8,718	207,605
Total	3,176	459,484	449,773	532,028	9,906,641	427,784	11,778,886

5.2.5 Quantified Risk

NHS Ayrshire & Arran have moved from Optimism Bias to costed risk in the amount of £435,000 excl VAT which constitutes just over 5% of the PSCP Construction Cost/Design Target Cost.

AECOM have benchmarked the risk allowance against similar projects and deem this a reasonable value given the level of design undertaken and diligence on the project.

This £435,000 is set against Client Risks as per the Risk Register – Client Risk Priced inclusion and is included in **Appendix FC1 – Cost Report Appendix 4**.

5.2.6 Equipment

Equipment has been identified and costed and is broadly in line with the estimated included in the OBC, with a slight movement from £297,085 to £304,263 an increase of £7,178.

5.2.7 VAT

VAT has been calculated at 20% of the construction cost and other costs, where applicable, and assuming a 12% VAT recovery. VAT recovery of 100% has been assumed on professional fees. It should however be noted that NHS Ayrshire & Arran, in conjunction with their VAT Advisors (VAT Liaison) have applied for the project to be zero rated, siting Pennine Care Services as precedent. The outcome of the application is expected in April or May 2020.

5.2.8 Inflation

Development of the final Target Cost has now eliminated the need to include inflation in the final calculation.

5.2.9 Optimism Bias

As part of the ongoing development of the Target Cost, Optimism Bias has now been removed from the costs as this is now dealt with in the fully costed risk register.

5.2.10 Overall Capital Cost Summary

Capital Costs:	Total £000s	Funding		
		Existing Resources £000s	Partner Contributions £000s	SG Additional Funding Requirement £000s
Building capital cost – incl External works and Value Engineering	8,026,875			
PSCP Costs – incl Agreed Compensation Events only	640,592			
Total Construction costs:	**8,667,467**			
Site acquisition	n/a			
Other enabling works	n/a			
Additional itemised costs	n/a			
Total other construction related costs:	**0**			
Furniture	304,263			
IT	Incl in Furniture			Incl in Furniture
Medical Equipment	n/a	n/a	n/a	n/a
Total furniture and equipment	**304,263**			
Additional Quantified Risk (Board retained)	435,000			
Total Estimated cost before VAT and fees	**435,000**			
VAT	1,730,054			
Recoverable VAT	-207,607			
Professional Fees	201,728			
Planning Fees	11,228			
NHS in-house Staffing Cost	419,852			
Art – Fees	41,900			
Art – Projects	175,000			
Total cost including VAT and fees	**2,372,155**			
Total cost	**11,778,885**			

5.2.11 Capital Contingency

All risk has now been fully costed and sits within the Costed Risk Register allocated to the Board. The PSCP has a defined risk cost allocation also. There is no other allowance for capital contingency.

5.3 Revenue Costs

This section of the FBC will detail any changes to the revenue cost submitted at OBC. The table below summarises the anticipated annual recurring revenue costs that will be associated with the project in the first full year of operation following commissioning.

	OBC	FBC
Staffing	3,578,752	4,501,990
Supplies	510,242	537,526
Total	**4,088,994**	**5,039,516**
Cost per bed	340,750	419,960

Detailed Revenue Costs are contained in **Appendix FC2**

5.3.1 Workforce

As stated within the Strategic case, there have been some changes to the workforce model. One of the main changes is the reintroduction of a safety and security team. The rationale for this change is set out in the Strategic case, however, in summary, the role of security is too important to be a secondary task delegated to nursing staff. To balance the introduction of Security staff, the nursing compliment has been reduced. All changes to the workforce model are detailed in the table overleaf. The net effect of the changes in staff noted above is a reduction of 5.97 WTE, mainly in the nursing compliment.

A summary of the revenue implications for the Financial Year(s) leading up to the operation of the facility are detailed in **Appendix FC2**, a summary is provided in the table below.

Phased Staffing Costs	First Cohort Recruit + Key Posts	Second Cohort - All Posts
	FY 2021/2022	FY 2022/2023
	£633,670	£4,501,990

A summary of the changes to the workforce model between OBC and FBC is detailed in the table overleaf

OBC post	OBC WTE	FBC post	FBC WTE	Movement WTE	Reason/Description
Staff Grade Psychiatrist	0.50	Speciality Dr	1.00	0.50	Loss of Staff Grade and introduction of Specialty Dr and increase in sessions to 1.00 WTE
Total Medical	**0.50**		**1.00**	**0.50**	
Band 8b nurse consultant	1.00	Band 8a service manager	1.00	-	Change from Nurse Consultant to Service Manager & reduction in banding from 8b to 8a
Band 5 (50%days 50% evening	33.40	Band 5	23.00	- 10.40	Reduction of 10.40 WTE in band 5 staff - note introduction of security team
Band 3 (2/3 days 1/3 nights	12.00	Band 3	22.00	10.00	Reduction in band 2
Band 2 (2/3 days 1/3 nights)	12.50	Band 2	-	- 12.50	increase in band 3 posts above
Flexible additional hours	4.00	Safety and security	1X Band 4 & 6x Band 3	3.00	re-introduction of Safety and security staff, also linked to reduction in nursing cohort
Total Nursing	**62.90**		**53.00**	**- 9.90**	
Clinical Psychologist band 8a	-	Clinical Psychologist band 8a	0.60	0.60	Increase of 0.6 WTE
Psychology band 5	1.00	Psychology assistant band 5	0.50	- 0.50	Psychology assistant has reduced from 1.00 WTE to 0.5 WTE
Total Psychology	**1.00**		**1.10**	**0.10**	
Dietetics band 6	0.40	Dietetics band 6	0.50	0.10	Increase of 0.10WTE
Physiotherapist band 7	0.10	Physiotherapist band 6	0.50	0.40	Change from a band 7 to a band 6 and increase of 0.40 WTE
Total AHP	**0.50**		**1.00**	**0.50**	
Band 3	1.50	Admin support band 3	2.00	0.50	Increase of 0.50 WTE band 3 admin
Band 2	1.00	Receptionist band 2	4.00	3.00	Increase of 3.00 WTE band 2 reception staff in FBC
Total Admin	**2.50**		**6.00**	**3.50**	
Advocacy	1.00	Advocacy band 4	0.50	- 0.50	Advocacy Reduced to 0.50WTE
Facilities (domestic, portering, Estates & facilities)	3.80	Facilities (domestic, portering, Gardner & Estates	3.73	- 0.07	Reduction of 0.07WTE facilities in FBC
Total Others	**4.80**		**4.23**	**- 0.57**	
Total changes	**71.20**		**65.23**	**- 5.97**	

5.3.2 Operational Revenue Costs (Non-Staff)

The changes to the non-staff revenue costs are detailed in the table below. Changes have been made for the following reasons:

- most recent information available from specialists;
- information from other similar units (eg. Dudhope);
- inflation;
- a fresh review of needs from a new service manager, including some real practical issues that have been identified such as the need for a vehicle assigned to the unit and the need for ADL kitchen and laundry resources.

	OBC	FBC	movement
Pharmacy	24,720	12,000	- 12,720
Catering	20,600	32,850	12,250
Domestic	3,090	5,000	1,910
Accommodation			-
- rates	51,250	62,000	10,750
- capital charges	233,730	200,000	- 33,730
- estates	10,300	52,000	41,700
- energy	65,560	53,000	- 12,560
- portering	10,352		- 10,352
- replacement furniture		10,000	10,000
- gym equipment rental costs		3,821	3,821
Training	41,200	45,000	3,800
Travel	10,300	10,000	- 300
Transport	15,450	21,000	5,550
Educational Resources	10,300	10,000	- 300
Other	13,390	20,855	7,465
TOTAL	**510,242**	**537,526**	**27,284**

As stated previously within this section, NHS Ayrshire & Arran, through their VAT advisors, have applied to HMRC to have the project zero rated. The decision by HMRC could have a significant impact on the amount of the build cost being capitalised and the resultant capital charges.

NHS Ayrshire &b Arran have engaged with Avison Young regarding rates relief on the facility. It is possible that the Authority could receive 100% disabled person's rates relief, however, we cannot make an application before the build is completed and included in the site rateable value. This could trigger a further reduction in supplies costs.

NHS Ayrshire & Arran's Finance and project team have benchmarked where possible to try and estimate costs more accurately over the last few months, however, variances may exist due to there being no like for like unit within NHS Scotland.

5.3.3 Impact on Board Income, Expenditure and Balance Sheet (NRAC shares)

The change on the total cost due has resulted in the following shares being applicable to NHS boards:

Board	2016/17 share		2018/19 share		2020/21 share	
Ayrshire & Arran	7.43%	303,861	7.39%	355,648	7.38%	371,873
Borders	2.15%	88,115	2.11%	101,545	2.11%	106,209
Dumfries & Galloway	3.10%	126,904	2.97%	142,933	2.97%	149,628
Fife	6.71%	274,474	6.81%	327,735	6.82%	343,606
Forth Valley	5.39%	220,424	5.43%	261,322	5.43%	273,653
Grampian	9.63%	393,883	9.90%	476,443	9.87%	497,454
Greater Glasgow & Clyde	23.09%	944,239	22.28%	1,072,238	22.31%	1,124,431
Highland	6.40%	261,847	6.44%	309,929	6.42%	323,376
Lanarkshire	12.29%	502,710	12.34%	593,870	12.31%	620,567
Lothian	14.33%	585,784	14.85%	714,665	14.96%	754,049
Orkney	0.48%	19,576	0.48%	23,100	0.48%	24,421
Shetland	0.47%	19,349	0.49%	23,582	0.49%	24,529
Tayside	7.77%	317,578	7.85%	377,786	7.80%	393,049
Western Isles	0.74%	30,250	0.65%	31,282	0.65%	32,751
Total	**100.00%**	**4,088,994**	**100.00%**	**4,812,078**	**100.00%**	**5,039,516**

5.3.4 Affordability and Funding

In early stages of the designation process for the service, NSS indicated costs of c£2m from expenditure they were incurring via national risk share funding for those young people who were cared for in secure facilities in NHS England. The updated needs analysis suggested that 13 young people would have been referred to NSAIS during the 18 months since the last needs analysis. Twelve of the patients identified meet NSAIS criteria (including one not previously reported whose care was from Apr 17-19).

Further to the points raised within the needs assessment document, there are potentially suitable young people currently resident within local authority secure estate such as Kibble/Good Shepherd, who would be better suited to the supported environment that NSAIS offers and therefore is likely to deliver savings under LA funding streams, rather than NHS streams.

5.3.5 Contingency Arrangements

There is no contingency built into the revenue budget. The staffing model has been reviewed in detail, in conjunction with the Project Team, key stakeholders, Healthcare Planners and Nationally through the National Stakeholders Group to plan for various “day in the life of” scenarios. In terms of supplies, due consideration has been given to expected costs, using information where possible from other similar units to provide the most robust estimates.

NSS risk share contribution underwrites any “in year” overspends as part of their portfolio management process, resulting in no unexpected costs for boards in any single year. NSS fund this as part of their top-slice arrangements with boards, which is re-evaluated on an annual basis.

5.3.6 Stakeholder(s) support & sign-off

Final confirmations have now been received from all stakeholder’s confirming their specific and explicit commitment to the project. These signed statements note confirmation of engagement and consultation at all stages of the project development and also confirm that each stakeholder has a full understanding of the financial implications of the contract obligations and their contributions to capital and revenue requirements going forward. All confirmations are attached in **Appendix FC3**

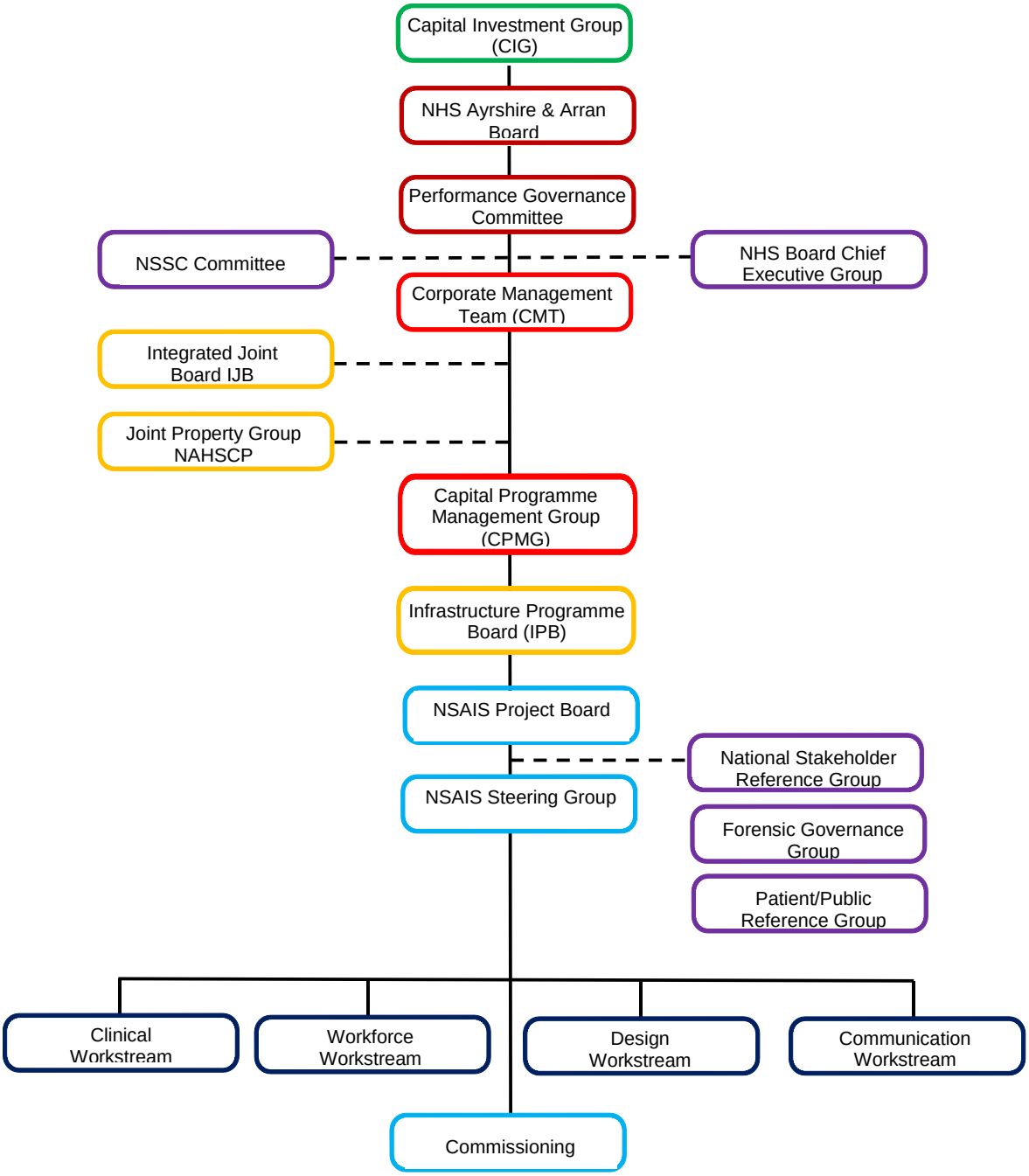
6 Management Case

6.1 Project Management Arrangements

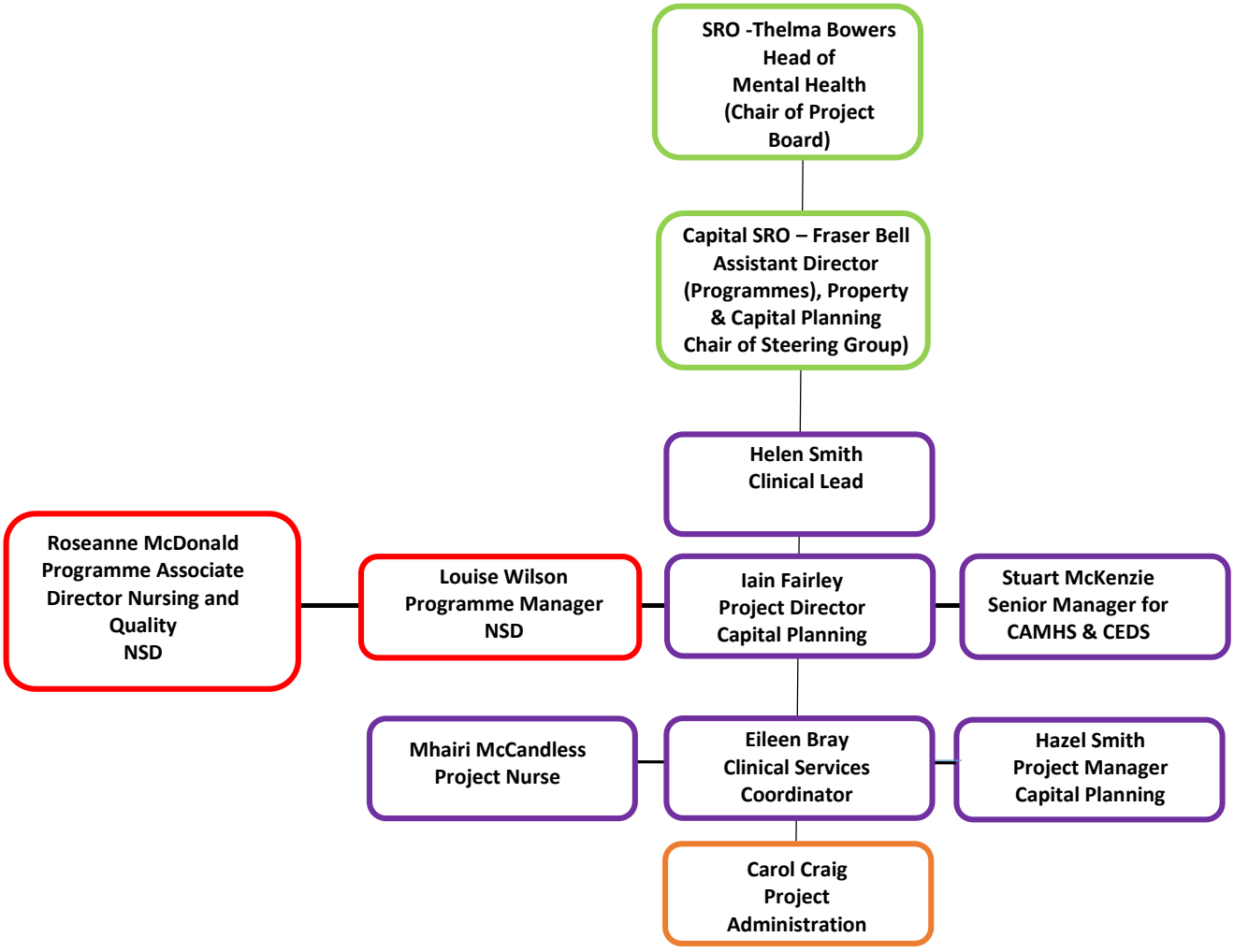
This section will provide an update on all Project Management, associated documentation and plans in place to demonstrate that the authority is ready to proceed to construction and implementation of the service.

Project Governance arrangements and Project Structure remain as noted at OBC. The Diagram below shows the detailed and robust internal Governance route being followed prior to submission of the FBC to CIG.

6.1.1 Project Governance Structure



6.1.2 Project Structure and Personnel



Full details of the Governance groups within the structure and individual Project Team member's skills and experience remain as set out previously in the OBC. The team Skills and experience is attached for information at **Appendix MC1**

6.2 Recruitment

Recruitment is fully detailed in the Strategic Case. The Project Team have set out a comprehensive road map for recruitment. The commissioning programme outlines the key steps and dates that aligns with the recruitment strategy, which is attached at Appendix **SC4**.

To ensure that key personnel are in place during the critical construction and pre-operational phase of the project, NHS Ayrshire & Arran have embarked on a programme of early recruitment.

The key personnel identified for early recruitment are:

- Consultant Psychiatrist and Clinical Lead;
- Service Manager;
- Senior Charge Nurse;
- Administrative Manager.

The Board note that the full risk of initial recruitment will lie with NHS Ayrshire & Arran and North Ayrshire Health and Social Care Partnership until approval of the FBC.

6.3 Updated Project Programme Key Dates

A fully updated Project Plan is attached at **Appendix MC2.** Key dates going forward include submission of FBC to CIG, Construction Start Date, Facility Handover Date, Commissioning Completion Date and Service Operations Start Date.

Task	Programme	Forecast date	Approved
Strategic Assessment	18 April 2017	Complete	Noted by Capital Investment Group (CIG) June 2017
Initial Agreement	28 June 2018	Complete	Approved to proceed with OBC June 2018
OBC Submission to CIG	Sept 2019	Submitted to CIG October 2019	Approved to proceed to FBC 13 May 2020
Full Business Case	July 2020	March 2021	
Anticipated Construction start date	Winter 2020	May 2021	
Anticipated handover	Late Summer 2021	April 2022	
Commissioning Completion		May 2022	
Service Operational		May 2022	
Post Project Evaluation	Spring 2023	April 2023	

6.4 Change Management Arrangements

The partners in the project have developed a series of principles that were outlined in the OBC and will underpin the change process:

- Recognise the need to maximise the benefits of this service for young people in Scotland;
- Take advantage of the time available to develop processes and procedures for the proposed facility and thereby avoid risks related to a ‘big bang’ approach;
- Test and prove the changes through careful planning of all aspects of the workforce model and operational processes that can be implemented before the new facility is commissioned;
- The change management philosophy and principles outlined in the OBC will be communicated to all staff;

- Work in partnership with staff and other stakeholders to engage all those involved in the delivery of care for young people in Scotland; and
- Focus on staff skills and development required so that staff are both capable and empowered to deliver care effectively and to a high-quality standard in the new facility.

6.5 Stakeholder Engagement and Communication Plan

The overall strategy for engagement and communication has been revised due to the COVID pandemic. In agreement with stakeholders and Scottish Health Council (SCH) the decision was taken to use Microsoft Teams and use existing social media platforms to communicate with Staff, Public and National groups.

The principals outlined in the OBC have been adhered to. Contacts with NHS Boards is being maintained as well as Health and Social Care Partnerships across Scotland. An updated version of the Communication Plan is attached at **Appendix MC3.**

6.6 Benefits Realisation Plan

The benefits from the project will require active management if they are to be fully realised. The Benefits Realisation Plan (BRP) is an iterative process involving identification, planning, execution and review of the benefits to be realised.

In developing the BRP shown in **Appendix MC4** the key stakeholders have sought to ensure that young people are at the centre of the benefits realisation process. In this regard a number of workshops and meetings have been held involving members of the Project Team as well as wider clinical, non-clinical stakeholders and informed members of the public.

As part of the workshop activities a number of stages were identified in the development of the BRP process, namely:

- How benefits will contribute to the Local and to National Strategies;
- How benefits will be delivered;
- The owner's roles and responsibilities for defining, realising and managing benefits;
- The mechanism for monitoring benefits and identify corrective actions, if required;
- The arrangements for transition to the operational phase; and
- The schedule for benefit reviews and identification of further benefits.

The benefits of each Investment Objective were identified in the Initial Agreement and have been reviewed and updated throughout the development of the business case process.

6.6.1 Benefits Evaluation

NHS Ayrshire & Arran is aware that in order to assess the success of the project, a meaningful evaluation has to be undertaken and that this is essential to improving future project performance, achieving best value for money from public resources,

improving decision-making and learning lessons for both the Board and their partners in this project. In addition Post Project Evaluations (PPE) will measure how well the project has met its objectives and benefits.

NHS Ayrshire & Arran has carried out 8 Post Project evaluations over the past 3 years and has developed and refined the process to comply with the current SCIM guidance and requirements.

The evaluation will use a number of quantitative and qualitative methods to gather information, this will include, structured questionnaires, semi- structured interviews, team workshops and retrospective audit of project records.

The PPE will be split into two distinct stages. The first part of the evaluation will deal with project performance and evaluate time, cost, quality and risk. The second part of PPE will measure the benefits as outlined in the benefits realisation plan.

6.6.2 Project Monitoring of Benefits Evaluation – Key Dates

As stated above the PPE will be undertaken in two distinct stages. The first stage will evaluate the project performance evaluating programme, cost (revenue and capital), quality, and will include design and energy performance, a review the project risks, identify any residual risks and any risks that were introduced during the project that had an impact on time, cost and quality.

The majority of the first stage, including lessons learned will be undertaken within the first three months following practical completion, which is forecast for the spring of 2022.

The second stage of the evaluation will measure the benefits as stated in the benefits realisation plan. To allow for the qualitative data to be gathered and assessed this activity is planned to take place 12 months after operational commencement, which is expected to be winter/spring of 2022.

To gather the information and present as a holistic PPE will take approximately 3 months. The PPE will follow Governance as set out in item 6.1.1 with an anticipated submission to Scottish Government late summer 2023. A detailed programme for completion and submission of the PPE will be detailed in the FBC.

6.6.3 Service Benefits Evaluation Programme

The Evaluation Team will consist of the core Project Team and representatives from appropriate stakeholder groups. A detailed evaluation programme will be developed in line with the key dates shown at point 6.3 in relation to project monitoring of benefits evaluation generally. The table at 6.6.4 details the roles and responsibilities related to key themes within the defined Benefits Register.

6.6.4 Resource Requirements

The core Project Team and representatives from the PSC and PSCP will have the responsibility for drafting, editing and finalising the Project Evaluation. The table below details the roles and responsibilities

Name	Role & Responsibility
Iain Fairley	Project Director – Final Approval
Hazel Smith	Project Manager – Design Questionnaires/Author
Mhairi McCandless	Clinical services Co-ordinator – Clinical Liaison/Author
Carol Craig	Administrator
Chris Kelso	PSC – Cost & Project Management inc. Risk, Cost & Programme.
Ian Boyd	PSCP – Construction Programme, Cost & Quality

6.7 Risk Register

The Project Team in conjunction with all the project's key stakeholders have identified the key high level risks associated with this project. These were set out in the Initial Agreement and Outline Business Case. This formed the basis of a more detailed risk register which has been regularly reviewed and updated as the FBC has been developed.

The Board's philosophy for managing risks is to take a holistic view to effective risk management as a way of achieving the project's wider aims, rather than a mechanistic exercise, to comply with guidance. Inadequate risk management would reduce the potential benefits to be gained from the project.

The partners recognise the value of an effective risk management framework to systematically identify, actively manage and minimise the impact of risk. This is done by:

- Having strong decision making processes supported by a clear and effective framework of risk analysis and evaluation;
- Identifying possible risks before they crystallise and putting processes in place to minimise the likelihood of them materialising with adverse effects on the project;
- Putting in place robust processes to monitor risks and report on the impact of planned mitigating actions;
- Implement the right level of control to address the adverse consequences of the risks if they materialise.

The Risk Register has been reviewed monthly by the Project Team as the FBC has been developed. The initial activities focused on establishing a range of project risks reflecting the scope of the project as well as the likely procurement route. Primary risks were identified across a range of categories incorporating:

- Steering Group risks;
- Commercial risks;
- Technical risks;
- Clinical & Workforce risks;
- Early Warning Notices.

These risks were further allocated across a range of categories depending on where these risks would apply within the overall structure of the project. These include:

- The phase of the project to which they apply;
- Those that would have a major impact on the cost of the project;
- The ownership of the risks including those which can be transferred to the PSCP.

Each risk has subsequently been assessed for its impact and likelihood, and where relevant its expected value. Where risks have been valued this has resulted in the following key outputs:

- A risk value of c£259,751.00 is attached to risks transferred to the PSCP. These risks have been priced by Kier and form part of their overall Target Cost proposals as described within the Financial Case;
- A risk value of c£435,000.00 is attached to risks retained by the public sector which would result in an increased capital cost of the project.

The risk register is maintained as a dynamic document and will continue to be reviewed and updated as the project progresses through the FBC stages to contract close. The top risks are reported to the Project Steering Group and Board on a regular basis. The Risk Register is attached at **Appendix MC5**.

6.8 Commissioning Plan

A commissioning group will be established based on the model used for the Woodland View project using the template provided at OBC in appendix MC12. All soft and hard services will be an integral function of the group. This is the same philosophy that was adopted for the design stage of the project. A template of the commissioning plan is attached at **Appendix MC6** and the Commissioning Requirements Brief is attached at **Appendix MC7.**

Key areas within the Plan include:

- Pre-Occupancy Commissioning;
- Recruitment;
- Beneficial Access Plan;
- Proposed Migration Plan;
- Scenario Testing and Contingency;
- F&E Programme Plan;
- Room Scheduling;
- Handover and Contractual;
- Post-Handover Commissioning;
- Occupancy to Programme Shutdown.

6.8.1 Commissioning (Soft Landings)

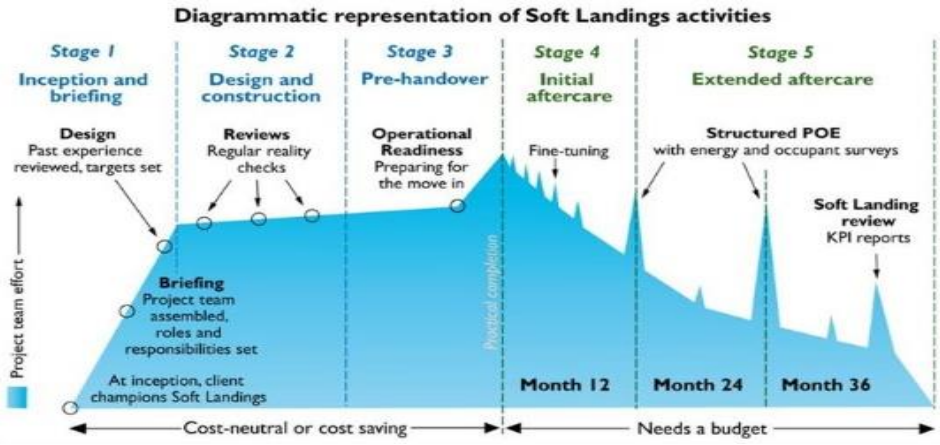
The Project Team will adopt the key principles of “soft landings” to ensure that the commissioning process is well planned and executed.

The British Standards Institute describes Soft landings as a graduated handover of a

built asset from the design and construction team to the operation and maintenance team to allow structured familiarisation of systems and components and fine tuning of controls and other building management systems [from PAS 1192-2].

"A process for the graduated handover of a new or refurbished asset/facility, where a defined period of aftercare by the design and construction team is an owner's requirement that is planned and developed from the outset of the project [from BS 8536-1]"

Essentially soft landings strives for better outcomes for built assets through early engagement of the operational team. It is not just a handover protocol but a commitment from the design team, through construction and into operation providing emphasis on improving operational readiness and performance in use. The diagram from BSRIA overleaf, conceptualises the typical soft landings process and activities.



Soft landings will enable the Project Team to deliver:

- A progressive demonstration, where everyone collaborates, understands and is aligned to deliver a well-planned commissioning programme;
- A robust integrated mechanism to take stock at key gateways throughout the project;
- A high-level visual report that allows the team to focus on the right things at the right time;
- Certainty of delivery to all stakeholders involved in the Project.

6.8.2 Project Lead(s)

The "soft Landings" process will be led by the Capital Project Manager supported by the Core Team, comprising:

- Project Director;
- Clinical Services Co-ordinator;

- Project Administrator.

In addition to the team members listed above the project will be assigned an Assistant Project Manager from NHS Ayrshire & Arran's Capital Planning team to assist with commissioning and equipping.

A "Soft Landings" Group will be established prior to construction starting with membership from the various stakeholders in the project including, clinical; non-clinical; eHealth; Telecoms; Estates; Procurement; Facilities Management; Infection Control and Health & Safety.

The Group will be led by the Capital Project Manager drawing on experience of previous new builds (including Woodland View) to develop an agreed commissioning and equipping programme in conjunction with users. The Group will also be responsible for the development of a migration programme for identifying and planning for the transfer of young people who meet the criteria for admission to the new facility; and co-ordination of all the service teams to achieve the commissioning programme.

6.8.3 Key Stages and Timetable

Full details of the key stages and dates can be found within the Commissioning Plan attached at **Appendix MC7**.

6.9 Project Monitoring Report

A detailed Project Monitoring Report is attached at **Appendix MC8.**

Key elements of the report include:
- Risks;
- Early Warning Notices;
- Compensation Events;
- Programme;
- Cashflow.

6.9.1 Project Cost Monitoring

The project cost will be monitored by way of monthly Cost Report's produced by the PSC Cost Advisors, as part of their Lead Advisor appointment. These reports will be produced after each Valuation and will show the actual spend of the PSCP against the pre-agreed Target Cost, as per the NEC Option C Contract.

The Cost Report will factor in Compensation Event's that have been agreed and implemented as well as submitted but not yet agreed Compensation Event's and Early Warning's raised, these will have the potential to raise the Target Cost and will therefore be rated in order to track the Cost.

Factors affecting the wider budget, Optimism Bias, Risk and Contingency will also be tracked in this Cost Report. As the project progresses and risks are realised/ not incurred, the risk allowance will be adjusted suitably.

NHS direct costs, such as staff salaries, will be included in the Report to provide a holistic Project Cost.

In order to supplement the Cost Report, the Cost managers will also produce a summary sheet that will compare the previous Cost Report to the current in order to accurately track increases/ decreases.

In NEC Option C only Actual Cost incurred is payable with the Pain/Gain mechanism process utilised. The Cost Advisor will track and monitor these actual costs to ensure an up to date understanding of spend/outturns in always visible.

6.9.2 Construction Cost Plan – Updating Target Costs / Final Accounts

The Construction Cost will be monitored through the NEC Option C Contract. The PSCP will be required to demonstrate all costs they have incurred on a monthly basis and this will be checked/ audited by the Cost Managers.

The Cost manager will carry out a monthly site inspection of the works complete to ensure all work claimed has been complete in its entirety. The onus will be on the PSCP to ensure no appointed sub-contractor is paid more than the agreed Target Price for the Work Package, without an agreed Compensation Event to uplift the package.

In the event that a sub-contractor breaches the pre-set Target, the PSCP will be responsible for bridging this gap by means of the “Pain: Gain Share” contractual implementation. The use of the “Pain: Gain Share” will be an effective means of incentivising the PSCP to stay within their budget, penalising overspends and rewarding underspend at fifty percent of a pre-agreed cap.

6.9.3 Construction Programme Monitoring

Project monitoring will be led by the Project Manger supported by the Lead Advisor, Supervisors and key internal stakeholders, such as:

- Estates;
- Health & Safety;
- Fire Safety Advisors;
- Infection control; and
- Support services.

Monthly reports will be prepared over the life of the project and submitted to:
- Capital Planning Management Group;
- Project Steering Group; and
- Project Board.

A final Project Monitoring report will be submitted to the Scottish Government shortly after project completion and will incorporate detail from each of the packages. An overview of achievement of the project’s objectives and their delivery along with recommendations for any future improvements will be contained within this Project Monitoring Report. The rationale for a project will have identified the potential benefits

to be gained from the successful delivery of that project. All benefit within the Benefits Realisation Plan will be assessed as part of the Service Benefits Evaluation process.

6.10 Gateway Review

In March 2019 the Project Director wrote to Directorate of Internal Audit and Assurance, Portfolio, Programme and Project Assurance requesting a Gateway 3 assurance audit. Due to the pandemic planning for the review was rescheduled until late summer 2020. The purpose of the Gateway review is to seek independent assurance that the project is ready to proceed to construction.

The gateway review took place from Tuesday 6th of October until Thursday 8th of October 2020. The delivery confidence assessment is amber/green. The full Gateway Report is attached at **Appendix MC9**

Following 2 days of interview the report submitted 5 recommendations, 3 Essential and 2 Recommendations. The Project Team accepted and addressed all the recommendations made. The table below provides a summary of the recommendations.

Ref No.	Report Section	Recommendation	Status	Aligned with SG PPM Principal	Aligned with Profession
1.	**2.**	It is recommended that the Project Director should seek approval of NDAP, in full consultation with HFS, at the earlies opportunity.	E	Planning	Project Delivery
2.	**2.**	It is recommended that the Project Board, consider an appointment into the role of a construction experienced SRO (or similar executive role) to strengthen the executive oversight of the construction element of the project to give a strong supportive but challenging oversight to support the Project Director and allow the Programme, and current SRO to maintain oversight and momentum on the care service delivery.	E	Roles and Responsibilities	Project Delivery
3.	**3.**	It is recommended that the SRO should ensure that the Risk Register is actively maintained, and	E	Risk	Risk

		its use encouraged, as delivery risk materialise as the service design develops and delivered facility functionalities emerge.			
4.	**4.**	it is recommended that the Project Director should ensure that a well organised and structured project management record and documentation is in-place to record detailed service and design decisions and that this is brought to the attention of relevant stakeholders.	R	Approach	Project Delivery
5.	**5.**	It is recommended that the Project Director ensures that NHS A&A's Authorising Engineers and expert advisers provide technical reviews of the proposed installations with consultation with the Lead Advisers and provide recommendations to avoid any safety or operational, technical and compliance issues.	R	Risk	Project Delivery

7 Conclusion

This FBC sets out a robust case for the provision of a much needed National Secure Adolescent Inpatient Service for the population of Scotland.

The capital investment addresses a number of actions outlined in the Mental Health Strategy for Scotland 2017-27 (Actions 17 - 20), by providing highly specialised care for young people in a secure environment, and closer to ta young person's support network. Commissioning of this facility will also address:

- The number of inappropriate placements, e.g. Young people being placed in Adult IPCU's and adult forensic mental health units through lack of any suitable alternatives within Scotland or out with an appropriate hospital setting such as a social care setting;
- Links to/from referring and after care services;
- Support timeous assessment and earliest possible commencement of treatment;
- Reduce length of stay;
- Deliver a single NHS Scotland pathway;
- Reducing adverse events pending admission to the preferred facility/unit;
- Optimise capacity available at all times;
- Meet current and future needs;
- Ensure that buildings in use optimise patient flow;
- Provision of an environment which promotes physical activity, development and wellbeing of young people;
- Provision of specialist physical health monitoring and treatments for young patients.

All of the points raised above will go some way to redress the major deficiencies in CAMHS at the moment. The development will provide enhanced services and quality for patients and enable staff to work more efficiently and effectively, in modern, safe and sustainable facilities located in Scotland.

The FBC describes the management, planning and the governance structure established by the Board to take the prject forward on an affordable basis, monitored at every stage. In submitting the FBC, approval and support is sought to move to the next stage of the Development.

NHS Ayrshire & Arran would like to acknowledge the effort, energy and enthusiasm of everyone who has been involved in the development of this FBC.

7.1 Support for the Project

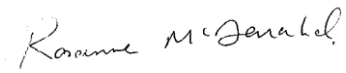
The National Adolescent Inpatient Service FBC is signed off by the NHS Ayrshire & Arran Chairman and Chief Executive on behalf of the NHS Ayrshire & Arran Board, for submission to the Scottish Government for FBC

Mr John Burns
Chief Executive
NHS Ayrshire & Arran

Mrs Roseanne McDonald
Associate Director, National Services Division
NHS National Services Scotland

NATIONAL SECURE ADOLESCENT INPATIENT SERVICE

NHS Ayrshire & Arran have proactively engaged with multi-agency partners via the National Secure Adolescent Inpatient Service (NSAIS) Stakeholder Reference Group on the pathways and design of the adolescent secure care service. National Services Division (NSD) have been kept informed and been involved in the service design and capital plan. The to date recurring revenue for the unit has been advised via the National Specialist Services Committee (NSSC) and final revenue costs will be considered for approval by NHS Board Chief Executives (BCEs) in due course.

Signature	
Block Capitals	Roseanne McDonald
Designation	Associate Director, National Services Division, NHS National Services Scotland
Date	16 February 2021

Chief Executive's
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Private and Confidential

Date 11th March 2021
Your Ref
Our Ref JGB/MW
Enquiries Margaret Weir
Extension 13648
Direct line 01292 513648
E-mail Margaret.Weir2@aapct.scot.nhs.uk

Dear colleague,

Full Business Case Statement of Support for the National Secure Adolescent Inpatient Service

I am writing to confirm my support to the project regarding the National Secure Adolescent Inpatient Service.

I can confirm I have been satisfactorily consulted on the projects development and sight on the full business case, which has been progressed through our governance arrangement for approval by the relevant Committees. This has allowed a clear understanding of the financial implications of the proposed commercial arrangements, associated spend and contractual obligations.

I hope this is satisfactory. If you require any further information please do not hesitate to contact me.

Yours sincerely

www.nhsaaa.net