

# Appendix H

## EQUALITY IMPACT ASSESSMENT

When completed, a copy of this EQIA form should be emailed to [elaine.savory@aapct.scot.nhs.uk](mailto:elaine.savory@aapct.scot.nhs.uk)

<b>Name of Strategy</b>	North Ayrshire Community Hospital – Full Business Case		
<b>Name of Division</b>	NHS Ayrshire & Arran		
<b>Names and role of Review Team:</b>	John Scott Head of Capital Planning Linda Boyd Health Care Manager John Ord Project Manager Karen Turner Clinical Services Coordinator Iain Fairley Project Manager Elaine McClure Programme Office Manager	<b>Date(s) of assessment:</b>	14 February 2014

### PART ONE: RAPID IMPACT ASSESSMENT (INITIAL SCREENING PROCESS)

#### SECTION ONE                      AIMS OF THE PROGRAMME

**1.1. Is this a new or existing Policy :** New

**1.2. What is the aim or purpose of the Strategy:**

This Full Business Case (FBC) sets out proposals for the proposed Acute Mental Health Facility and North Ayrshire Community Hospital (“the Development”) on the site of the Ayrshire Central Hospital campus in Irvine, North Ayrshire. The programme will be facilitated through a mix of new build and refurbished accommodation. The new build accommodation on the Ayrshire Central Hospital site will provide 206 beds within mental health and older people wards plus a range of clinical support accommodation. The programme also provides for the refurbishment of wards within Elderly Mental Health on Ailsa Hospital campus.

**1.3. Who is this strategy intended to benefit or affect? In what way? Who are the stakeholders?**

Stakeholders and beneficiaries include; Adult Mental Health patients, Addiction patients, Elderly Mental health patients, Child

and Adolescent mental health patients, Older People services, those with learning disabilities, NHS Ayrshire & Arran mental health staff, other NHS staff, relatives and carers, non NHS staff Third sector parties..

**Patients and families/carers** – improved access and treatments for patients with new and improved clinical pathways and efficient clinical management and patient flows Reduce unnecessary waits and delays in assessment, care and treatment. It will provide a purpose built environment which is designed to be patient centred with enhanced privacy, dignity and therapeutic benefits.

**Staff** – staff will be working in a purpose built development and/or refurbished wards which will enhance care provision leading to greater staff integration and satisfaction. The area will allow for efficient inter departmental / multi-disciplinary working which will ultimately lead to enhanced patient care. The new working arrangements will lead to greater career development opportunities

**Aligned NHS Services** – Improved bed utilisation and a reduction in hospital admissions as community care packages will be made available that will support many more patients than currently to receive treatment via community and primary care based care. A potential for some impact on primary care workload

**Associated non-NHS services/Third Sector** – There will be a beneficial impact on local authority social services due to quicker, and more evenly distributed discharge arrangements, ensuring that patients maintain independence in the community with no need to stop/start packages of care as is the case currently. All in patient services on one site which will encourage efficiency and equity.

#### **1.4. What is the socio-economic impact of this policy / service change on Ayrshire and Arran? (Consider the impact on community benefit e.g. procuring national contracts)**

The development proposes a number of community benefits. During construction these will include Recruitment and Training Initiatives, for example: Guaranteed interview for North Ayrshire residents that meet skills requirements, Annual Careers Day x 2, Targeted recruitment initiatives for former mental health patients working with Look Ahead and job protection/creation.

Once operational benefits will include Work placements for 14-19 year olds, Work placements for Look Ahead candidates and guaranteed interview for North Ayrshire residents that meet skills requirements

There will also be a number of supply chain opportunities to ensure that companies, local and national (Scotland) receive a percentage of the total contract spend.

Other Community Benefits will include the supporting of local mental health charities, joint charitable foundation, provision of professional support and expertise to Ailsa Workshop and a CPD Scholarship programme for NHS A&A staff based on the Ayrshire Central site

## 1.5. What outcomes are intended from this Strategy

The requirement for new build and refurbished premises will not only remove the many constraints on the quality of care due to environmental limitations but also acts as a catalyst in the quality improvement of services and service user outcomes and is based on the following key drivers:

- Responding to and managing future demographic change & epidemiology – providing facilities that will meet changing population rates within NHS Ayrshire & Arran;
- Provision of person centred, safe and effective care as well as care which is equitable, efficient and timely. This respects individuals needs and values and ensures receipt of healthcare in an appropriate, clean and safe environment;
- Workforce, ensuring the right staff in the right place at the right time; and
- Enable the improvement of service models and ensure that NHS A&A realise our clinical and investment objectives.

**Clinical Quality:** To ensure that the proposed Development provides the infrastructure for clinical services that are clinically safe, secure, effective and sustainable for at least 25 years.

**Environmental Quality:** To provide high quality internal & external public progression to private environments which meets the therapeutic needs and expressed expectations of patients, relatives, carers and staff. The Development will meet all relevant building standards and will provide 100% single rooms, mixed and single sex social and therapeutic accommodation as specified

**Strategic Fit/Sustainability:** To provide a flexible, adaptable and sustainable property that can respond to the inevitable changes in future service demand.

**Affordability/Value for Money:** To provide a development that is affordable both in terms of capital and revenue.

**Effectiveness and Efficiency:** Maximise the use of all available resources – property, staff and financial to meet or exceed performance requirements and improve efficiency. Enable the recruitment and retention of high quality skilled staff to support the delivery of high quality patient care.

**Access:** To maximise access, when required, to inpatient and community services for the local population

NHS Ayrshire & Arran's approved new purpose, commitment and values statements have been incorporated into the strategy. Within Ayrshire & Arran, the localities of North, East and South Ayrshire have significant demographic variance and health needs. Our values require equity of health outcomes for all residents of Ayrshire & Arran. The Development in this context can deliver significant improvements in health, social care and community benefit outcomes for the residents of North Ayrshire. From an Ayrshire wide perspective the delivery of specialist mental health care in purpose built and refurbished premises will address all current constraints to provide safe, effective and quality clinical care.

### **1.6. How have these people been involved in the development of this policy?**

The project has a consistent and evolving Stakeholder Management Plan, a key component of which is ensuring effective communication amongst stakeholders through a communication plan.

Consultation with clinical staff (medical, nursing, AHPs) has taken place. Clinical staff views taken on board during dialogue with bidders and further input was obtained via the clinical services coordinator during the final evaluation period.

Master plan event on 11/11/14 where over 70 people (staff and members of the public) attended.

Public seminars were arranged on Monday 19 August 2013 at Crosshouse Hospital and Tuesday 27 August 2013 at Ayr Hospital.

Public representation on the NACH Programme Board.

Members of the project team have attended Mental Health Public Reference Group on a number of occasions

### **1.7. What resource implications are linked to this strategy?**

The new build element at Ayrshire Central Hospital will be procured through the NPD model with a funding cap of £50.04m. The remaining refurbishment work at Ayrshire Central Hospital and Ailsa Hospital will be procured through traditional public capital investment at a cost of £5.794m and associated fees/equipment costs of £2.176m met from the Board Capital Allocation.

Additional revenue costs associated with the development include projected pay costs with the enhancement of the nurse establishment to reflect appropriate and safe staff nursing levels and to respond to the proposed improvements in assessment provision and models of care. A number of staff will relocate from existing wards within the hospitals to the new units which will incur excess travel costs.

Some furniture and Equipment will be relocated to the development however £1m has been secured for the purchase of additional new pieces of equipment.

## **SECTION TWO**

## **IMPACT ASSESSMENT**

**Complete the following table, giving reasons or comments where:**

**The Programme could have a positive impact by contributing to the general duty by –**

- **Eliminating unlawful discrimination**
- **Promoting equal opportunities**
- **Promoting relations within the equality group**

- Taking account of disabilities

The Programme could have an adverse impact by disadvantaging any of the equality groups. Particular attention should be given to unlawful direct and indirect discrimination.

If any potential impact on any of these groups has been identified, please give details - including if impact is anticipated to be positive or negative.

**Equality Target Groups**

	<b>Positive impact</b>	<b>Adverse impact</b>	<b>No impact</b>	<b>Reason or comment for impact rating</b>
<b>2.1. Age (young and old)</b>	x			<p>The development will provide a safe service for all patients, carers, visitors and staff. Clinical risks will be assessed, managed and minimised. The provision of services should do no harm and aim to avoid preventable adverse events.</p> <p>Mental health/psychology/Child &amp; Adolescent Mental Health Services related outpatient activity will be within the new build “consultation and interventional area”. Good adjacency with CAHMS and LDS accommodation within The Horseshoe</p> <p>Facilities for those with children and babies to encourage family visits.</p>

<p><b>2.2. Disability</b> (incl. physical/ sensory problems, learning difficulties, communication needs; cognitive impairment)</p>	<p>x</p>			<p>The physical build has taken into consideration all aspects of physical disability such as wheelchair friendly; single rooms; bariatric patients and anti-ligature design for mental health</p> <p>A barrier free development where all users feel comfortable and welcome. This includes wheelchair users, those with walking aids and those with other mobility issues and sensory loss (with loop systems being incorporated).</p> <p>The design of the older people and elderly mental health wards will be dementia friendly and designed in accordance with the Dementia Services Development Centre, NHS Design Audit Tool. The development will be compliant with equalities legislation and will also include lift access, adult changing facilities and assisted WCs</p> <p>The consultation and interventional area will be the area for mental health and elderly outpatient activity. This area will be accessed by services including elderly mental health services. Older People will access outpatient services from the existing hospital.</p>
<p><b>2.3. Gender Reassignment</b></p>	<p>x</p>			<p>Single room occupancy will support both the patient and staff when regards to locate patients with dignity and respect.</p>
<p><b>2.4 Marriage and Civil partnership</b></p>	<p>x</p>			<p>Single room occupancy offers flexibility for patient's relatives / carers to remain with them for longer due to the reduced disruption to other patients as previously in shared rooms.</p>
<p><b>2.5 Pregnancy and Maternity</b></p>	<p>x</p>			<p>Single room occupancy will support both the patient and staff when regards to locate patients with dignity and respect.</p>

<b>2.6 Race/Ethnicity</b>	x			Single room occupancy offers more flexibility for patients' family / relatives / carers to remain with them for longer due to the reduced disruption to other patients as previously in shared rooms. In particular for some communities having family members around aids wellbeing and recovery.
<b>2.7 Religion/Faith</b>	x			The spiritual care area will be accessible 365 days, 7 days per week, 24 hours a day and will be in a quiet area of the main entrance.  All patients, relatives and carers will have access to this area in the new development.
<b>2.8 Sex (male/female)</b>	x			Single rooms with en-suite accommodation will prevent mix sex rooms and wards. Promotes dignity of patients. Opportunities for patients to mix socially in shared sitting areas. Provides individual with a choice
<b>Sexual Orientation incl.</b> <b>2.9 Lesbians</b> <b>2.10 Gay men</b> <b>2.11 Bisexuals</b>	x			Single rooms will offer privacy to patients and also reduces the potential for verbal or physical abuse from other patients. This will have a positive impact on the patients' wellbeing and recovery.
<b>2.12 Staff</b> (This could include details of staff training completed or required in relation to service delivery)	x			Potential for new roles and staff development within all areas of the multi-disciplinary team. Staff across all disciplines have the potential to be up skilled to undertake additional or new roles. Working within a purpose built environment will lead to improved staff morale and commitment Enable the recruitment and retention of high quality skilled staff to support the delivery of high quality patient care. The overall vision for the workforce is to ensure the right staff are available in the right place with the right skills and competences to deliver high quality care and services

<b>2.13 Carers</b>	x			Carers and visitors will be able to access the building to support patients on their recovery pathway. For some patients this may be restricted to a meeting in the interview room at the ward entrance supervised by staff. For other patients, visitors will be allowed into the ward either within open plan day spaces or patient bedrooms. The central entrance offers a public place for families, carers and visitors to engage with patients. The wider site offers safe, well lit walking routes.
<b>2.14 Homeless</b>			x	No change for this community.
<b>2.15 Involved in criminal justice system</b>	x			Secure access to development via private ambulance entrance which is close to IPCU and Forensic/low secure wards. Single room occupancy allows for privacy for patients who may be accompanied by police officers or others involved in the criminal justice system.
<b>2.16 Language/ Social Origins</b>	x			A system of way finding symbols and colours is used to help people find their way around the new building. Way finding strategy gives users equal consideration and provides way finding aids making it easier for those with impairments to find their way. For those who are unable to rely on their sight to locate and read way finding information, strategy provides audio information, Braille and embossed tactile signs. Signs will use clear, standard, internationally recognised symbols
<b>2.17 Literacy</b>	x			As for 2.16
<b>2.18 Low income/poverty</b>			x	No change to existing practice.

<b>2.19 Individuals with Mental Health issues</b>	x			<p>Positive consideration given to mental health patients – adult, elderly, addictions. It is essential that in-patient care is embedded as part of the integrated mental healthcare network. The new development will ensure a world class inpatient setting that is fit for purpose, meets all regulatory standards and provides a therapeutic environment. The design will be based on single sex single rooms with en-suite facilities, to provide maximum flexibility.</p> <p>The development shall provide a safe, welcoming, therapeutic, comfortable, non institutional environment and will play an important role in the recovery, rehabilitation and re-enablement of all of its patients. The design space will be uplifting, will support the aims and needs of the services and create an optimal caring environment.</p>
<b>2.20 Rural Areas</b>	x			<p>There are considerable health inequalities throughout Ayrshire and Arran – particularly in east and north Ayrshire, with an increasing number of areas of high deprivation. The Development will provide a geographical and organisational hub for local health service delivery in the north of the area, enabling Ayrshire and Arran residents to benefit from convenient, accessible services.</p>

<b>SECTION THREE CROSSCUTTING ISSUES</b>				
<b>What impact will the proposal have on lifestyles? For example, will the changes affect:</b>				
	<b>Positive impact</b>	<b>Adverse impact</b>	<b>No impact</b>	<b>Reason or comment for impact rating</b>
<b>3.1 Diet and nutrition?</b>	x			<p>Allied Health Profession (AHP) input from a dietetic perspective. Number of self catering and Activities of Daily Living (ADL) kitchens provided throughout development to support activities associated with diet and nutrition</p>

<b>3.2 Exercise and physical activity?</b>	x			Provision of external green space, courtyards, fitness suites, multi-function rehab rooms, cycle paths and walking routes to encourage exercise and physical activity
<b>3.3 Substance use: tobacco, alcohol or drugs?</b>	x			Moving to smoke free NHS premises although Mental health exempt at present. Addiction services will be within development and will have links to all other services on site. Development will support the pathway for detox beds.  Windows will be of an anti pass nature.  Potential slight adverse impact due to single room occupancy where a patient may attempt to smoke a cigarette via the window.
<b>3.4 Risk taking behaviour?</b>	x	x		Development has been designed to minimise the opportunities for risk taking behaviour and the majority of accommodation will be ligature free and will incorporate secure doors etc.  There a slight adverse impact due to the fact that patients will be cared for in single rooms. Changes to staffs working practices will be considered.
<b>3.5 Education and learning, or skills?</b>	x			Opportunities to encourage patients to learn new skills via support from support services e.g. within the Cafe. See also community benefits  Education and up skilling of staff referred to under section 2.12.
<b>3.6 Other</b>			x	

<b>SECTION FOUR CROSSCUTTING ISSUES:</b>				
<b>Does your Programme consider the impact on the social environment? Things that might be affected include:</b>				
	<b>Positive impact</b>	<b>Adverse impact</b>	<b>No impact</b>	<b>Reason or comment for impact rating</b>
<b>4.1 Social status</b>	x			The development will reduce stigma associated with mental health and support patients to integrate within the community
<b>4.2 Employment (paid or unpaid)</b>	x			Consideration has been given to supporting patients with mental health to fulfil some roles e.g. within cafe area  With increased care pathways patients may continue to work while undergoing treatment / investigation.
<b>4.3 Social/family support</b>	x			See section 2.13
<b>4.4 Stress</b>	x			The development incorporates dedicated spaces to reduce stress and enhance the patient and staff environment Access to external spaces and the provision of a therapeutic interior creates a sense of calm which assists in reducing the instances of dangerous behaviours. Ground floor garden spaces with good direct access and observation are provided to all inpatient units. The corridors create a sense of space with natural day light and views out reducing the feeling of enclosure and stress levels. The design of the open plan day spaces helps to reduce potential flash points. Quiet rooms provide choice and the special care areas and distressed rooms are designed to de-stress patients through the use of specialist furniture and neutral interiors.

<b>4.5 Income/Expenditure</b>	x			Staff relocating to the development will receive protected travel expenses to ensure there is no detriment to their income.
<b>SECTION FIVE CROSSCUTTING ISSUES</b>				
<b>Will the proposal have an impact on the physical environment? For example, will there be impacts on:</b>				
	<b>Positive impact</b>	<b>Adverse impact</b>	<b>No impact</b>	<b>Reason or comment for impact rating</b>
<b>5.1 Living conditions?</b>	x			Purpose built development will include single room accommodation with en suite facilities, choice of social sitting spaces and access to outdoor space.
<b>5.2 Working conditions?</b>	x			Purpose built development with staff support facilities to include changing rooms, showers and staff restrooms, access to external private staff space.
<b>5.3 Pollution or climate change?</b>	x			All current legislation and guidance will be incorporated.
<b>5.4 Accidental injuries or public safety?</b>		x		Concerns regarding increased slips especially in older people's service as a result of moving to single rooms. However all flooring will be anti slip, appropriate handrails/grab rails will be incorporated and bed monitoring/Telemetry systems in place.  Potential for an increase in violence (verbal or physical) towards staff going un-noticed due to single room occupancy.
<b>5.5 Transmission of infectious disease?</b>	x			Single room accommodation and appropriate clinical hand washing facilities

<b>5.6 Other</b>			x	
<b>Will the Programme have any impact on...</b>				
<b>Discrimination?</b>	x			Care provision will ensure that all patients will receive the right care, in the right place, at the right time and be treated by appropriate members of staff. In line with the person-centred care programme, patients should be treated in accordance to their individual needs.
<b>Equality of opportunity?</b>	x			All patients are treated appropriate to their individual needs. Access to the new unit is open to all members of the local population. The single room occupancy will also ensure patients' equalities considerations such as religious needs can be accommodated.
<b>Relations between groups?</b>	x			Care provision will ensure the consultants, nursing staff, AHPs and pharmacy staff will require to work together to meet the needs of patients thus establishing closer working relationships. As well as NHS staff, the new model will ensure closer working relations with social work staff and other aligned service providers such as the third and voluntary sector.  The development will reduce stigma associated with mental health and support patients to integrate within the community
<b>Other</b>			x	
<b>Will the proposal affect access to and experience of services? For example:</b>				

	<b>Positive impact</b>	<b>Adverse impact</b>	<b>No impact</b>	<b>Reason or comment for impact rating</b>
<b>Health care</b>	x			<p>The new Development will provide new ways of providing care to the local population and will support a model of not only Recovery, rehabilitation and re-enablement, depending on individual service user circumstances but personal growth.</p> <p>patients wellbeing has been undertaken by providing access to internal and external therapeutic environments, including choices to address a spectrum of health and social care needs, which typically include physical, social, interpersonal, cultural, psychological needs.</p> <p>A therapeutic environment will be achieved with ease of access to supporting therapy provision;</p>
<b>Social Services</b>	x			<p>Health and Social Care Partnership in each of the three local authority areas using the “body corporate” model. This includes discussion in relation to the incorporation of all community hospitals including the Hospital development.</p> <p>The aim of the partnerships is to improve the quality of health and social care services in each area, and to enhance the experience of patients and service users. This will be done by developing a culture which is about giving people much more choice and control, so that they can live safe, healthy lives in the community.</p>
<b>Education</b>			x	

<b>Transport</b>	x			The relocation of Mental Health In-patient Services brings services closer to the larger population clusters in Ayrshire, and significantly closer to the majority of those people who currently use these in-patient facilities. The development offers access to improved public transport services making it easily accessible.
<b>Housing</b>			x	No change

## PART TWO

### SECTION SIX

### EXAMINATION OF AVAILABLE DATA AND CONSULTATION

**Data could include: consultations, surveys, databases, focus groups, in-depth interviews, pilot projects, reviews of complaints made, user feedback, academic or professional publications, reports etc)**

**Name any experts or relevant groups / bodies you should approach (or have approached) to explore their views on the issues.**

Scottish Government; NHS Staff; Patients; Carers; Aligned NHS Services; Aligned Non-NHS Services; Public

**What do we know from existing in-house quantitative and qualitative data, research, consultations, focus groups and analysis?**

A review of mental health services - *Mind Your Health*;

A review of primary care services – *Your Health: We're in it together*;

The development of the *eHealth & Information Services Strategy 2010-2013*.

The development of an *Estates Strategy*

**What do we know from existing external quantitative and qualitative data, research, consultations, focus groups and analysis?**

- Community Hospitals Strategy Refresh (April 2012)- commitment to integrating adult health and social care, and the planned 'Intermediate Care Framework', will have significant impact on the care provided within and associated with the development.
- Building for Better Care (current Programme) - improved rehabilitation, recovery and re-enablement and integration with local community based services ensure that return home is as soon as possible.
- The Healthcare Quality Strategy for NHS Scotland (2010) - sets out a number of drivers and ambitions aimed at ensuring the delivery of the highest quality healthcare services to people in Scotland, and through this to ensure that NHS Scotland is recognised by the people of Scotland as amongst the best in the world.

- Dementia Strategy (2012) - describes and refers to best practice in dementia design and dementia care and all aspects of this have been incorporated into our specification for the new development.
- Mental Health Strategy for 2012-2017 and Suicide Prevention Strategy 2013-16 – the development is cognisant of the strategy commitments with a special focus on opportunities for Peer Support Workers, reduction of self harm and efficient use of inpatient estate adequately supported by community services especially Crisis Services
- Public Bodies (Joint Working) (Scotland) Bill (2013) (Health & Social Care Integration) - The aim of the partnerships is to improve the quality of health and social care services in each area, and to enhance the experience of patients and service users.
- Reshaping Care for Older People – Ten Year Vision for Joint Services (2010) - sets out a high level vision, future direction of travel, as well as specific areas for action, to show how the Ayrshire services will work together to develop new models of care and support to reshape services and improve outcomes for older people, their families and carers.
- 2020 Vision for Health and Social Care- “Achieving sustainable quality in Scotland’s healthcare” set out a vision for Scotland’s healthcare and key action required to deliver the vision that everyone is able to live longer healthier lives at home, or in a homely setting
- Towards a Mentally Flourishing Ayrshire & Arran (2011) (TMFAA)
- Changing Scotland’s Relationship with Alcohol (2009) - The interventions and the new model of care for Recovery that the new Addiction unit will deliver are in line with key elements of ‘Changing Scotland’s relationship with alcohol

**What gaps in knowledge are there?**

Nil

**In relation to the groups identified:**

**What are the potential impacts on health?**

By putting patients at the heart of the design, consideration of their wellbeing has been undertaken by providing access to internal and external therapeutic environments, including choices to address a spectrum of health and social care needs, which typically include physical, social, interpersonal, cultural, psychological needs.

Patients are managed by a dedicated clinical team supported by other disciplines including input from social workers to facilitate integrated decision making and ensure continuity of care.

**Will the Programme impact on access to health care? If yes - in what way?**

Improved access to area wide and local health services for an increased proportion the people of Ayrshire and Arran. The new development will provide new ways of providing care to the local population through a model of integrated care provision, ensuring that patients receive the right care, in the right place, at the right time and be treated by appropriate members of staff. To maximise access, when required, to inpatient and community services for the local population

**Will the Programme impact on the experience of health care? If yes - in what way?**

The Healthcare Quality Strategy for Scotland continues to be our central policy driver. The vision that this sets out for world-leading, safe, effective and person-centred healthcare services provides the context for all strategic and operational decision making within our organisation. NHS A&A continue to progress our patient safety work as part of the Scottish Patient Safety Programme (SPSP) and endeavour to improve our services through our quality improvement activity. Patients' carers and relatives should receive a quality experience in that the care and treatment they receive should be effective, safe and patient centred.

**SECTION SEVEN                      HAVE ANY POTENTIAL NEGATIVE IMPACTS BEEN IDENTIFIED?**

**If so, what action been proposed to counteract these? Negative impacts (if yes, state how) e.g.**

- **Is there any unlawful discrimination? NO**
- **Could any community get an adverse outcome? NO**
- **Could any group be excluded from the benefits of the Programme/function? NO**
- **Does it reinforce negative stereotypes? NO**

**Recommendations (This should include any action required to address negative impacts identified)**

3.4 – Potential impact on risk taking behaviour due to single occupancy rooms. This is being addressed through changes in staff working practices.

**SECTION EIGHT                      MONITORING**

**How will the outcomes be monitored?**

The outcomes identified in section one will be monitored pre and post development via the Benefits Realisation Plan

**What monitoring arrangements are in place?**

As above

**Who will monitor?**

NACH Programme Board or equivalent.

**What criteria will you use to measure progress towards the outcomes?**

**Examples include**

Patient Survey

Length of stay

Length of time to consultant review

Admission/Discharge rates

Complaints/Feedback

Datix analysis (Figures/trends)

Staff Surveys

Sickness/absence figures

Staff turnover figures

**SECTION NINE FOR NEW POLICIES ONLY****What research or consultation has been done?**

See Section six

**What stage is the Programme at?**

Outline Business Case submitted and approved, Full Business Case will be submitted to Scottish Government April 2014. Preferred bidder appointment February 2014

**What is the target date for completion?**

March 2016

**Is a more detailed assessment needed? (It is not necessary to subject all proposals to a detailed assessment.) If so, for what reason?**

No – full engagement, involvement and consultation with both patients and staff has taken place.

**COMPLETED PROGRAMME****Who will sign this off?**

NHS Ayrshire and Arran Board

**When?**

Prior to submission to Scottish Government – March 2014

**PUBLICATION****How will this be published?**

Public website

**Copy given to Equality & Diversity Adviser**

Yes

**Carried Out by**

Elaine McClure

**Title**

Programme Office Manager

**Signature**

Elaine McClure

**Date**

18/02/14

**Authorised by**

John Scott

**Title**

Head of Capital Planning

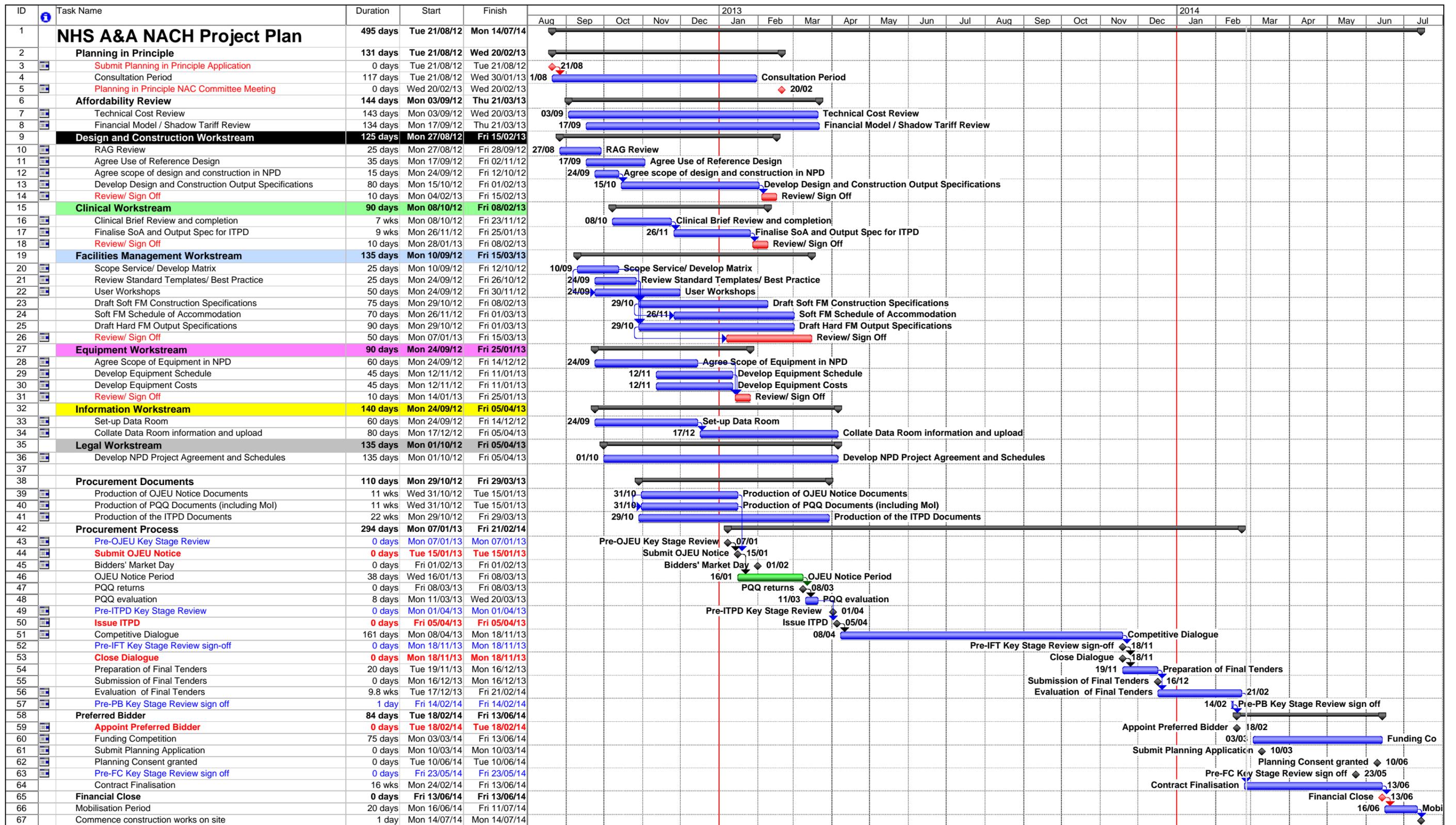
**Signature**

John Scott

**Date**

18/02/14

# Appendix I



# Appendix J



**Acute Mental Health and North Ayrshire Community  
Hospital**

**Pre-Qualification Questionnaire Evaluation Report**

*(Anonymised)*

North Ayrshire Community Hospital Programme Office  
23 Lister Street  
University Hospital Crosshouse  
KA2 0BB

22 March 2013

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# North Ayrshire Community Hospital

## PQQ Evaluation Report

### 1.0 Process

The Pre-Qualification has been conducted in accordance with the PQQ Evaluation Manual agreed by the Steering Group and Programme Board.

#### 1.1 Pre-Qualification Submissions

Six submissions were received on 8 March 2013. These were from:

- Balfour Beatty
- BAM
- Eglinton Care
- Interserve Kajima
- Prospect Healthcare
- You in mind

#### 1.2 Evaluation Weightings

As detailed in Table A, the PQQ is divided into four sections which address:

- Details of the Candidate (Section A);
- Construction Contractor(s) (Section B);
- FM provider(s) (Section C); and
- Advisers (Section D).

The sections of the PQQ and associated weightings to be applied between them are set out below:

<b>PQQ Section –</b>	<b>Total (%)</b>
Section A – The Candidate	30
Section B – Construction Contractor	30
Section C – Facilities Management	30
Section D – Advisers	10
<b>Grand Total</b>	<b>100</b>

### **1.3 Evaluations**

#### 1.3.1 Compliance Checks

A compliance check was carried out which confirmed that all submissions were compliant.

#### 1.3.2 Individual Evaluations

Individual evaluations took place utilising the Evaluation Question Allocation spreadsheet (Table A) agreed as part of the PQQ Evaluation Manual. Individual evaluators undertook a review of the submissions and scored their allocated questions from 12 – 14 March 2013. The scored questions were discussed, challenged and moderated by the Evaluation Group meeting on 15 March 2013.

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# North Ayrshire Community Hospital

## PQQ Evaluation Report

### Table A - Evaluation Question Allocation

PQQ Evaluation Score Matrix with Evaluators and Reviewers

Re-provision of Acute Mental Health and North Ayrshire Community Hospital

PQQ EVALUATION CRITERIA - Commercial In Confidence

A - The Candidate 30%				B - Construction Contractor 30%				C - Facilities Management 30%				D - Advisers 10%			
PQQ No.	Weighting %	Evaluation Objective	Evaluators	PQQ No.	Weighting %	Evaluation Objective	Evaluators	PQQ No.	Weighting %	Evaluation Objective	Evaluators	PQQ No.	Weighting %	Evaluation Objective	Evaluators
A1	Not scored	Information - Details of the Candidate	EMcC	B1	Not scored	Information - Construction contact details	EMcC	C1	Not scored	Information - FM contact details	EMcC	D1	Not scored	Information - Advisers contact details	EMcC
A2	Not scored	Information - Candidate status	EMcC	B2	Not scored	Information - Organisation type	EMcC	C2	Not scored	Information - Organisation type	EMcC	D2	Not scored	Information - Organisation type	EMcC
A3	Not scored	Information - Candidate limited company details	EMcC	B3	Not scored	Information - Parent Holding company details	EMcC	C3	Not scored	Information - Parent Holding company details	EMcC	D3	45	To assess comparable healthcare PPP project experience	JO, JS, Mott, LB
A4	Not scored	Information - Relevant Organisation Roles	EMcC	B4	40	To assess comparable healthcare PPP project experience	JO, JS, Mott, LB	C4	40	To assess comparable health PPP project experience	JO, M, Mott	D4	10	To assess other PPP experience	JO, JS, Mott, LB
A5	Not scored	Information - Organisational Chart	EMcC	B5	20	To assess comparable healthcare (non PPP)	JO, JS, Mott, LB	C5	20	To assess organisations non PPP healthcare experience	JO, M, Mott	D5	35	To assess comparable healthcare (non PPP)	JO, JS, Mott, LB
A6	Not scored	Information - Organisations resourcing of the project	EMcC	B6	15	To assess comparable experience in delivering facilities within an operational live site	JO, JS, Mott, LB	C6	15	To assess organisations other relevant experience	JO, M, Mott	D6	10	To assess other relevant experience	JO, JS, Mott, LB
A7	30	To assess the relevant individuals previous experience over last 5 years	JO, JS, Mott	B7	10	To assess organisations other relevant experience	JO, JS, Mott, LB	C7	10	To assess organisations interface experience	JO, M, Mott	D7	Not scored	Client references - moderation of scoring of D3	EMcC
A8	10	To assess the relevant individuals capacity up to and including Financial Close	JO, JS, Mott	B8	5	To review the organisation's claims record in the last five years	JO, JS, Mott	C8	5	To review the organisation's claims record in last 5 years	JO, M, Mott				
A9	30	To assess the candidate or any member organisations previous experience of working together in last 5 years on projects and stage reached including client references	JO, JS, Mott	B9	Not Scored	Client references - moderation of scoring of B4, B7	EMcC	C9	Not scored	Client references - moderation of scoring of C4, C7	EMcC		100		
A10	Pass/Fail	Potential Conflicts	EMcC	B10	Pass/Fail	Quality Assurance - To assess whether the organisation's quality management system is accredited, and if not - details of previous policy	JO, JS, Mott	C10	Pass/Fail	Quality Assurance - To assess whether the organisation's quality management system is accredited, and if not - details of previous policy	JO, M, Mott				
A11	30	Raising Finance - To assess Subordinated debt providers experience in raising both debt and risk capital financing on PPP type projects in last 5 years	SS, E&Y	B11	Pass/Fail	Health & Safety - To assess whether the organisation's Health & Safety system is accredited, and if not accredited - details of relevant policy	JO, JS, BJ	C11	Pass/Fail	Health & Safety - To assess whether the organisation's Health & Safety system is accredited, and if not accredited - details of relevant policy	JO, M, BJ, Mott				
A12	Not scored	Identity of Candidate Key Organisations	SS, E&Y	B12	Pass/Fail	Details of any HSE prosecutions in the last five years	JO, JS, BJ	C12	Pass/Fail	Details of any HSE prosecutions in the last five years	JO, M, BJ, Mott	E	Not scored	PQQ declaration	EMcC
A13	Not scored	Election to Rely on a Parent Company for the Purposes of Evaluation	SS, E&Y	B13	Pass/Fail	To review Sub-contractors assessment of competence and monitoring procedures	JO, JS, BJ	C13	Pass/Fail	To review Sub-contractors assessment of competence and monitoring procedures	JO, M, BJ, Mott	F	Not scored	Statement of Good Standing	EMcC
A14	Pass/Fail	Minimum turnover threshold	SS, E&Y	B14	Pass/Fail	Environmental - To assess whether the organisation's Environmental Management system is accredited, and if not accredited - details of relevant policy	JO, JS, Mott	C14	Pass/Fail	Environmental - To assess whether the organisation's Environmental Management system is accredited, and if not accredited - details of relevant policy	JO, M, Mott				
A15	Not scored	(Not Used)	SS, E&Y	B15	Pass/Fail	Employment - To review organisation's compliance with its (employment) statutory obligations	JO, JS, Mott	C15	Pass/Fail	Employment - To review organisation's compliance with its (employment) statutory obligations	JO, M, Mott				
A16	Pass/Fail	Key Financial Information	SS, E&Y	B16	Pass/Fail	To review organisation's policy against discrimination	JO, JS, Mott	C16	Pass/Fail	To review organisation's policy against discrimination	JO, M, Mott				
A17	Pass/Fail	Construction Contractor and Designated Organisations meet the required standards that are identified within Appendix 4 of the CDM Approved Code of Practice (ACoP)	JO, JS, BJ	B17	5	To review any findings against organisation of unlawful discrimination in the last three years	JO, JS, Mott	C17	5	To review any findings against organisation of unlawful discrimination in the last three years	JO, M, Mott				
				B18	5	To review any investigations by the Equality and Human Rights Commission in the last three years	JO, JS, Mott	C18	5	To review any investigations by the Equality and Human Rights Commission in the last three years	JO, M, Mott				
				B19	Pass/Fail	Codes of Practice on employment	JO, JS, Mott	C19	Pass/Fail	Codes of Practice on employment	JO, M, Mott				
				B20	Pass/Fail	To confirm organisation's policy on equal opportunities	JO, JS, Mott	C20	Pass/Fail	To confirm organisation's policy on equal opportunities	JO, M, Mott				
				B21	Pass/Fail	To confirm organisation's training on equal opportunities	JO, JS, Mott	C21	Pass/Fail	To confirm organisation's training on equal opportunities	JO, M, Mott				
	100				100				100						

# North Ayrshire Community Hospital

## PQQ Evaluation Report

### 1.3.3 References

Three references were sought from each PQQ response against the Lead Architect, Construction Contractor and FM Service Provider. From the 18 references therefore requested only six were returned by the deadline of 12noon on Friday 15 March. Of the references returned no concerns were raised to alter or moderate any of the evaluation scores.

### 1.3.4 Group Evaluation Meeting

A Group Evaluation meeting was held on 15 March 2013. This was attended by the following NHS staff and Advisers:

#### **NHS Ayrshire & Arran Project Team**

John Scott	-	Programme Director
Stuart Sanderson	-	Finance Lead
Linda Boyd	-	Clinical Services Lead
Iain McInally	-	Head of Estates
Katie Bryant	-	Health & Safety Advisor
Elaine McClure	-	Programme Office Manager
Vikki Fullarton	-	Administration Assistant

#### **Advisers Team**

Brian Johnstone	-	Brian Johnstone Associates (CDM)
Andrew Scott	-	Mott MacDonald
Paul Fisher	-	Mott MacDonald
Stewart Maciver	-	Dundas & Wilson
David McIntosh	-	Ernst & Young
John Ord	-	Turner Townsend

As set out in the Evaluation Manual the Group reviewed, discussed and agreed the moderated scores for each Pre-Qualification question. The methodology of the moderated scores was based on close interrogation of each individual score and rationale where there were outliers these were challenged.

The Technical Advisers (Mott MacDonald) provided the scoring spreadsheet for the Pre-Qualification Submissions.

## **North Ayrshire Community Hospital**

### PQQ Evaluation Report

The Legal Advisers (Dundas & Wilson) performed a scrutinising role of the process at the meeting.

Discussions were captured at the Evaluation Group Meeting and a recording was also taken.

An evaluation of all scoring, all moderation and formulas has been undertaken by Ernst & Young.

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# North Ayrshire Community Hospital

## PQQ Evaluation Report

### 1.4 Outcome

The provisional outcome following Group Evaluation Meeting on 15 March 2013 is detailed below and shows the following ranking:

1. Bidder B – score 79.43
2. Bidder F – score 78.33
3. Bidder D – score 78.15

		Bidder A	Bidder B	Bidder C	Bidder D	Bidder E	Bidder F
<b>A</b>	<b>Candidate</b>	23	23	21	25	21	22
<b>B</b>	<b>Construction Contractor</b>	22	24	16	23	20	24
<b>C</b>	<b>Facilities Management</b>	24	25	22	23	18	24
<b>D</b>	<b>Advisers</b>	8	8	7	8	5	8
<b>TOTAL SCORE</b>		<b>77.23</b>	<b>79.43</b>	<b>65.73</b>	<b>78.15</b>	<b>63.75</b>	<b>78.33</b>
<b>RANK</b>		<b>4</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>2</b>

## **1.5 Clarifications**

The outcome was predicated on a number of clarifications being confirmed following the 15 March 2013 Group Evaluation Meeting. These were all followed up and resolved.

## **1.6 Summary**

A meeting took place with the SRO for the project, Jim Crichton, Director of Primary Care and Mental Health Services on Monday 18 March 2013. At this meeting the Evaluation Group presented a draft report on the prequalification questionnaire evaluation for consideration. This report was well discussed and was approved for presentation to the Steering Group on 25 March and North Ayrshire Community Hospital Programme Board on 26 March 2013. It is recommended that the following consortia's are shortlisted and will then participate in Competitive Dialogue.

- Bidder B
- Bidder F
- Bidder D

Written feedback will be provided to the unsuccessful consortia.

**North Ayrshire Community Hospital**  
PQQ Evaluation Report

**1.8 Key Dates**

The key dates for the PQQ stage are as follows:

<b>Stage</b>	<b>Start Date</b>	<b>End Date</b>
OJEU Dispatch		15 January 2013
Bidder Day		01 February 2013
Submission of PQQ Initial compliance check and distribution to evaluators		08 March 2013
Individual and work stream evaluations	11 Mar 2013	15 March 2013
Evaluation Team Group Meeting		15 March 2013
Progress update to SRO		18 March 2013
Evaluation Team Short listing Report to Steering Group		25 March 2013
Steering Group reports to Programme Board		26 March 2013
Programme Board (to approve shortlist)		
Successful short list announced (letters sent to all)		1 Apr 2013
Issue Invitation to Participate in Dialogue		5 Apr 2013
Bidder debriefs (written only feedback)	8 Apr 2013	End Apr 2013

# Appendix K



**Acute Mental Health and North Ayrshire Community  
Hospital**

**Final Tender Evaluation Report**

*(Anonymised)*

North Ayrshire Community Hospital Programme Office  
23 Lister Street  
University Hospital Crosshouse  
KA2 0BB

5 February 2014

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## **1.0 Purpose of the Report**

The purpose of this report is to seek Programme Board approval to appoint a Preferred Bidder for the North Ayrshire Community Hospital project. Once the further approvals required of the Capital Programme Management Group, and Corporate Management Team, (on behalf of the NHS A&A Board) are in place, the Preferred Bidder appointment letter can be issued and the Full Business Case will be finalised.

## **2.0 Background**

NHS Ayrshire and Arran invited three Bidders to develop and submit tenders for the Acute Mental Health and North Ayrshire Community Hospital Project. Procurement of the new facilities is being conducted using the Scottish Government's non-profit distributing or "NPD" Funding Model.

Tender documentation in the form of an Invitation to Participate in Dialogue (ITPD) was issued to Bidders on 5 April 2013. Following an eight month Competitive Dialogue period, Final Tenders were submitted on 16th Dec 2013. These tenders are evaluated to select a Preferred Bidder, who, it is anticipated, will take the project through to Financial Close, construction, and operation.

The evaluation of the Final Tenders is a key and pivotal stage in the project. Bidders have invested heavily in preparing their tenders. The authority has invested considerable time and effort over an eight month period in developing bidder understanding of expectations in anticipation of receiving tenders that meet or exceed the Authority's published requirements. The criteria for the Tender evaluation was agreed and published in the Invitation to Submit Final Tender (ISFT) documentation. An Evaluation Manual was prepared by the Authority, consistent with this documentation, and was agreed by the Programme Board on 15 July 2013. The Manual describes the internal processes that NHS Ayrshire and Arran with their advisers, adopted to ensure that the evaluation is conducted in a comprehensive and correct manner.

## **3.0 The Evaluation Framework**

### **3.1 Introduction**

The Final Tender evaluation is governed by guidance issued by Scottish Futures Trust (SFT) across all the NPD projects under their jurisdiction. The guidance requires a weighting on price of at least 60% and no more than a 40% weighting for quality. This is considered to be an appropriate apportionment in ensuring value for money whilst at the same time encouraging high quality design and technical solutions. The ultimate aim of the Final Tender evaluation is to determine the most economically advantageous tender.

The criteria establish that each Bidder will receive a total mark out of 100. Up to 60 of these marks are determined from their cost submission and a further 40 marks determined from their quality submission.

### **3.2 Economic Cost Score**

The economic cost of the submission is determined by calculating the Net Present Value (NPV) of each submission over the 25 year period of the NPD Concession Period.

The economic cost established from the NPV is then scored as shown in the table below with the Bidder with the lowest economic cost scoring the maximum 60 marks available from the Price Evaluation mark. This will form the benchmark, with the economic cost of the other submissions receiving marks in proportion to the difference in price from the lowest awarding to the example below.

**Example;**

Bid A    Lowest = 60 marks = 60%  
Bid B    6% Higher = 54 marks = 54%  
Bid C    60% Higher = 0 marks = 0%

### **3.3 Quality Score**

The quality score of each submission is determined from the Bid Response Requirements and Quality Evaluation Criteria established by the Authority and contained in the ITPD and ISFT.

The Bid Response Requirements (BRRs) fall into the four categories as noted below, with the apportionment of the quality marks;

Section A – Executive Summary	(0%)
Section B – Strategic and Management Approach	(5%)
Section C – Approach to Design and Construction	(27%)
Section D – Approach to Facilities Management	(8%)
Total	(40%)

The full list of Technical Bid Response Requirements (BRR's), the basis for evaluation and, where relevant, their weightings and the marks achieved by each Bidder are attached in Appendix 1. Each requirement was evaluated on a "pass/fail" basis or on a scored basis.

The Authority in determining the BRRs which were either scored or pass/fails, gave particular weighting to the BRRs that were considered the greatest importance as a quality measure. Overall design quality, interior design, landscape, and aspects such as community benefits were given relatively high weightings within the 40 marks available to each Bidder in respect of quality.

The BRRs evaluated on a pass/fail basis were evaluated in accordance with the Pass/Fail Criteria set out in Appendix 2.

For those BRRs to be scored each was given a score out of 10 in accordance with the Quality Evaluation Criteria also included in Appendix 2. A total score for quality was then calculated by applying the score to each of the BRR weightings and adding up the weighted score for each BRR to give a total out of 40.

### 3.4 Combining Price and Quality Evaluation

For each Bidder, the mark for the Economic Cost (out of 60) was added to the mark for the Quality Score (out of 40) to give a total mark out of 100. The tender with the highest combined mark was deemed by the Authority to be the most economically advantageous tender.

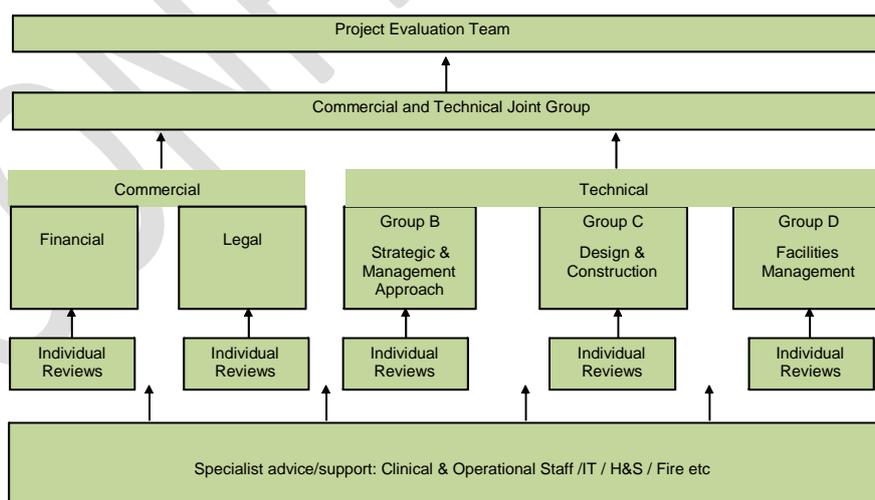
## 4.0 The Evaluation Process

### 4.1 Introduction

The evaluation process involved the inputs of the NHS Ayrshire & Arran Project Team, the advisers, and Authority stakeholders drawn from both clinical and operational services. In addition, specialist inputs were provided from NHS Ayrshire & Arran staff on matters such as Information Technology, Health and Safety, Fire Safety, and Human Resources.

The full evaluation process is described in the Evaluation Manual which was established and agreed prior to the bid submission. For the Design & Construction and Facilities Management Evaluation, the process involves each of the Bid Response Requirements being independently reviewed by identified individuals and these individual's "scores" being then considered by sub-groups comprising of Design and Construction, and Facilities Management. The consensus scores from the sub-groups were then considered by the overall Project Evaluation Team comprising the Project Senior Responsible Officer supported by the NHS Ayrshire & Arran Project Team and the external advisers. The Project Evaluation Team also considered the legal and financial evaluations undertaken by the appropriate advisers.

An illustrative diagram of the evaluation process is provided below.



The views and opinions of clinical staff was an intrinsic component of the evaluation. The clinical functionality of design solutions and departmental layouts with related operational advantages was considered e.g. ward and departmental adjacencies, ground or first floor placement, bedroom views and proposed therapeutic space. These views and opinions were collated by the Clinical Services Co-ordinator as a key individual and team member in the Bid evaluation.

## Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

A key feature of the evaluation process was the advice and engagement of technical and estates professionals, internal and external to the Authority. The Bidders' proposals were assessed alongside the clinical staff who interpreted the impact of the proposals on the clinical environment created.

Evaluators were also aware and benefited from the comments and feedback provided to Bidders following the Draft Final Tender submissions. Where areas for improvement had been identified and suggested to Bidders, evaluators were able to ascertain the extent to which Bidders had responded in their Final Tender submissions.

### 4.2 Clarifications

A further component of the evaluation process was in seeking formal clarifications from Bidders during the course of the evaluation in respect of any incomplete or ambiguous information contained in the Final Tenders. These clarifications were collated and issued to Bidders with a deadline to respond. The responses were then further assessed and scored and evaluation outcomes adjusted accordingly. The clarifications process was also used as the mechanism to give Bidders reasonable opportunity to ensure Pass/Fail BRRs achieved a Pass where an initial evaluation of a Fail had been recorded.

### 5.0 Evaluation outcome – Cost Comparison

The Authority's financial advisers, Ernst & Young (EY), have evaluated the final financial submissions provided by each of the three Bidders.

This evaluation has been put into tabular form and is presented below.

	Bidder A	Bidder B	Bidder C
	£'000	£'000	£'000
<b>General</b>			
Total Project NPV (including surpluses)	60,518	61,724	56,013
Score	51.96	49.80	60.0
<i>Variance from maximum score</i>	<i>(8.04)</i>	<i>(10.20)</i>	-
<b>Capital costs (Out turn prices)</b>			
Capital Costs	46,661 (1)	48,167	43,113
Final Scottish Government Cap	50,040	50,040	50,040
Over / ( Under) Cap	(3,379)	(1,873)	(6,927)
<b>Other construction period costs (Out turn prices)</b>			
Development costs	1,809	2,077	2,131
SPV Running costs during construction	745	835	586
<b>Subtotal SPV development and construction period costs</b>	<b>2,554</b>	<b>2,912</b>	<b>2,717</b>
<i>As a % of capital costs</i>	<i>5.48%</i>	<i>6.1%</i>	<i>6.3%</i>
<b>Operating period costs (2013 prices)</b>			
Lifecycle maintenance costs	7,720	8,082	7,129
Operational costs – FM (Annual)	353 (2)	318	293
Operations costs – SPV (Annual)	154 (2)	130	132 (2)

# Acute Mental Health and North Ayrshire Community Hospital

## Final Tender Evaluation Report

<b>Subordinated debt</b>			
IRR (Nominal Terms)	11.82%	10.75%	10.72%
<b>Unitary Charge</b>			
1 <sup>st</sup> year UC	5,100	5,202	4,753
Board's Proportion	540	513	471
<b>Revenue Savings</b>			
Revised overall revenue saving	(170)	(197)	(239)

### Notes

- (1) - Includes £397,000 of mobilisation costs.  
(2) - This is the average amount over the life of the project

## 6.0 Financial Commentary

The financial analysis demonstrates the following points:

- The price element of the evaluation had 60 marks available to bidders. The price of each bid was measured through the NPV of the unitary charge payable over the 25 year operational period less forecast surplus payments. To reflect the uncertain nature of surplus payments those cash flows were discounted at a higher rate.
- The bids have been subject to equalisation adjustment in relation to the forecast costs of electricity and gas. The adjustment amounted to £0.330m and £0.204m for Bidder A and Bidder C respectively. No adjustment was required for Bidder B.
- Marks have been calculated by applying the scoring methodology set out in the tender documentation and as described in 3.2 above. Bidder C with the lowest combined NPV was awarded the full 60 marks, with Bidder A and Bidder B awarded 51.96 and 49.80 marks respectively.
- The construction costs range from the lowest amount of £43.113m from Bidder C to £48.167m for Bidder B, with Bidder A costs amounting to £46.661m.
  - The costs include the £50,000 provisional sum for builders work in connection with the Arts Strategy implementation.
  - Each bidder has included the demolition works (Pavilions 1, 2 and 3) at £246,000 separately within their model. This element of the expenditure will be funded by the Board by way of a single payment during the construction period. It does not form part of the unitary charge.
  - All of the construction costs are below the cap set by Scottish Government. Accordingly the element of the unitary charge attributable to capital costs will be met in full by Scottish Government funding. Similarly Scottish Government funding will meet the proportion of the unitary charge related to bid development costs, SPV running costs, 50% of lifecycle maintenance costs, taxation and financing costs.

## Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

- The Board will be required to meet the element of the annual unitary charge attributable to the hard facilities management costs and 50% of the lifecycle maintenance costs. In the first full year of operations this amounts to £540,000, £513,000 and £471,000 respectively for Bidder A, Bidder B and Bidder C. Each of these amounts will be met out of the current funding envelope for all operating costs while still producing an overall revenue saving to the NHS Board.
- Bidder A has the highest level of investor return at 11.82%, followed by Bidder B with 10.75% and Bidder C at 10.72%.
- The financial quality evaluation covers the deliverability of the funding; this covers such points as the due diligence carried out, support from key parties and details of security package. This was a Pass/Fail test and all bidders were awarded a pass.

### 7.0 Evaluation Outcome – Qualitative Evaluation

The Quality Score achieved by each Bidder across the categories of;

Section B – Strategic and Management Approach (5%)  
 Section C – Approach to Design and Construction (27%)  
 Section D – Approach to Facilities Management (8%)

are as follows:

	Bidder A	Bidder B	Bidder C
	(%)	(%)	(%)
Section B – Strategic & Management Approach (5%)	4.04	4.17	2.81
Section C – Design & Construction Approach (27%)	21.38	19.05	12.03
Section D – Approach to Facilities Management (8%)	6.30	4.90	4.10
<b>TOTAL</b>	<b>31.72</b>	<b>28.12</b>	<b>18.94</b>

(Detailed scores are contained in appendix 1)

## 8.0 Qualitative Commentary

### 8.1 Section B Strategic and Management Approach

This section provided Bidders with the opportunity to describe their strategic approach to responding to the key project drivers and required outcomes and also the management process they have in place to deliver the project. Of the 5 points available within this section, 2 points are allocated to Community Benefits, aimed at ensuring that Bidders make significant commitments to delivering real benefit to the local community through the project.

A précis of the strengths and weaknesses of each Bidder, as reflected in the score achieved, is as follows:-

## Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

### Section B - Bidder A

#### Strengths

- Consistently well written, structured and evidenced submissions covering all the Authority requirements.
- Evaluators consistently scored the submissions in the “very good” scoring categorisation.
- The Community Benefits submission was “very good” and demonstrated clear commitments, targets and initiatives to benefit the local community.

#### Weaknesses

- No material weaknesses recorded

### Section B - Bidder B

#### Strengths

- Consistently well written and evidenced submissions covering all of the Authority requirements.
- Evaluators consistently scored the submissions in the “good” or “very good” scoring categorisation.
- The Community Benefits section was evaluated as a “very good” submission that demonstrated clear commitments, targets and initiatives to benefit the local community.

#### Weaknesses

- No material weaknesses recorded however scored lower on integration of design and staff development

### Section B - Bidder C

#### Strengths

- Well evidenced understanding of the strategic aims and objectives of the Authority.
- Evaluators consistently scored the submissions in the “satisfactory” or “good” scoring categorisation.

#### Weaknesses

- The submission on collaborative working describes what is considered good practice without much evidence of how this is to be achieved on the project.
- Whilst the Community Benefits submission did exceed the Authority's target figures for recruitment and training opportunities, it did not demonstrate clear commitments, targets and initiatives to benefit the local community. The added initiatives also lacked the extensive qualitative benefits aimed at a range of stakeholders including the disadvantaged or young.

## 8.2 Section C Design and Construction

This section accounts for 27 of the 40 quality marks available. The Authority gave particular weighting to design quality; achieving clinical functionality, interior design, landscape and future adaptability and flexibility. Further scored response requirements include: delivering innovation; way finding and signage; mechanical and electrical; lighting; energy; equipment; and construction programme and management.

## Acute Mental Health and North Ayrshire Community Hospital

### Final Tender Evaluation Report

This section gave Bidders the opportunity to demonstrate how their design and construction proposals meet the clinical and technical requirements of the brief and where these requirements have been exceeded.

The Bidders strengths/weaknesses précis is as follows:-

#### Section C - Bidder A

##### Strengths

- Well written, structured and evidenced submissions describing clearly the design and its component parts. Each element of the Authority's Construction Requirements is evidenced leaving no ambiguity as to what is included in the tender.
- Evaluators consistently scored the submissions in the "very good" or "good" scoring categorisation.
- Design concept based primarily on single sided bedroom corridors wrapped around external courtyards creating a domestic feel.
- All wards and key clinical support services are at ground floor level, with courtyard access. This exceeds the Authority's stated baseline requirements.
- Design gives opportunity of future flexibility to wards through swing beds and the therapy "clusters" through their internal configuration.
- Simple but effective elevational treatments enhancing the domestic setting.
- Strong landscape proposals bespoke to patient groups.
- Interior design proposals are well considered and detailed in a high quality presentation.
- Building Services proposals, including their resilience and control, are clear and effective.
- Bidder clearly demonstrates how the Authority's Building Services requirements have been met, including good methodology for assessing day light and natural ventilation proposals.
- Access, maintenance and replacement proposals for Building Services are clear and out with clinical areas.
- The Authority's energy target is exceeded and BREEAM requirements met, through robust and clear assessments.
- Bidder has demonstrated that they have listened and fully addressed Authority's concerns through dialogue.

##### Weaknesses

- The single sided bedroom corridors (with increased travel distances within wards) challenges ease of direct observation from central day areas.
- A few areas of double banked bedroom corridors remain affecting natural light, however written assurance is provided that this can be improved at Preferred Bidder stage.
- General arrangement drawings for Building Services are shown for two 'typical' areas only and do not provide coverage of the complete Facilities as required in the ISFT documentation.

#### Section C - Bidder B

##### Strengths

- Consistently well written and evidenced submissions describing the design and its component parts. It is clear that the Bidder wishes to deliver a quality project that fully complies with the Authority requirements.
- Evaluators consistently scored the submissions in the "good" scoring categorisation.
- Strong design concept of grouping the clinical functions around central courtyards. Inherent interest created by the form of the building.
- Design concept based primarily on single sided bedroom corridors wrapped around external courtyards creating a domestic and non-institutional feel.
- Well considered landscape proposals backed by a high elemental cost.
- Building Services design solutions are clear and effective.
- Bidder clearly demonstrates how design solutions optimise performance for the Facilities, such as day light, overheating and energy efficient/renewable technology analysis.
- The Building Services design is well co-ordinated with use of BIM (building information modelling).

## Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

- Building Services can be accessed, maintained and replaced out with the clinical areas.
- The Authority's energy target has been exceeded and BREEAM requirements met, through robust, clear and detailed assessments.
- Design deliverables have been well executed in line with the requirements of the ISFT documentation.
- Good demonstration of co-ordinated design input from the whole team who have a good grasp of key issues, reflected in the building's design.

### Weaknesses

- Design concept limits opportunity for operational flexibility through the use of swing beds.
- Concern over light penetration into some courtyards and support areas of the deep plan wards.
- Single sided bedroom corridors (with increased travel distances within wards) challenges ease of direct observation from central day areas.

## Section C - Bidder C

### Strengths

- Strong initial design concept and relationship with existing on-site facilities.
- Cruciform ward layout provides good levels of direct observation from central areas of the ward.
- Landscape proposals are well described and illustrated.
- Building Services design solutions are generally sound in principle.
- The Authority's energy target is exceeded and BREEAM requirements met, through robust and clear assessments.

### Weaknesses

- The strong and attractive initial design concept is limited to the public areas and beyond which the design is very institutional and uninspiring.
- Evaluators consistently scored the submissions in the "poor" or "satisfactory" scoring categorisation.
- The first floor layout (Addictions ward, Pharmacy, Out-patients and ECT) is unsatisfactory in its current configuration as acknowledged within Bidder Clarification response.
- There are a number of rooms in wards which are not of sufficient width for their purpose.
- Limited detail inherent within the proposals to provide evidence that the Authority requirements are being met. Very little evidence of design quality.
- Double sided bedroom corridors inhibit opportunity to provide natural light. Part alleviated through the use of limited roof lights.
- The design solution requires two FM/ambulance entrances to work safely.
- Interior design proposals are poor. There is no strategy to the proposals and the sample boards are lacking and where provided are minimalistic.
- There is a lack of demonstration on how Building Services solutions have been calculated, designed and optimised for the Facilities.
- Internal plant and service risers are poorly detailed, reducing confidence that the space allowance and services co-ordination is adequate.
- Some Building Services general arrangement drawings are incomplete and do not provide coverage of the complete Facilities as required in the ISFT documentation.
- Bidder has failed to demonstrate that they have listened and addressed the Authority's concerns through dialogue.

## 8.3 Section D Approach to Facilities Management

This section provided Bidders with the opportunity to describe how Facilities Management Services (estate and lifecycle maintenance) will be resourced and managed on site to provide a responsive and accountable service that exceeds the expectation of the operational and clinical services.

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The Bidders strengths/weaknesses précis is as follows:-

Section D - Bidder A
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>➤ Very clear and well-structured submission that fully addresses the Authority's requirements.</li> <li>➤ A very clear emphasis on partnership working with proactive management of operational issues and interfaces.</li> <li>➤ Strong helpdesk proposal that includes handhelds for live updates.</li> <li>➤ The Electronic visitor system is a useful management tool for Bidder has provided clear development processes for aspects that will be finalised at preferred bidder or mobilisation stages .</li> <li>➤ Processes are supported by relevant examples of bidder's experience .</li> <li>➤ Detailed approach to resource build-up that provides confidence in the delivery of the service</li> <li>➤ Bidder has its own in-house energy management and procurement specialist company.</li> <li>➤ Bidder sets out a process for communicating exactly what will happen, when and for how long works will impact notifying all departments and carrying out impact assessments for every single department within the facility.</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>➤ Some case studies and added value elements highlighted have limited relevance to this project.</li> <li>➤ Unclear what critical spares are held on site.</li> <li>➤ Light on detail of how works to courtyards will be managed including transporting equipment.</li> </ul>
Section D - Bidder B
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>➤ Concise submission that covers the Authority's Requirements</li> <li>➤ Strong resource model that is based on tested approach.</li> <li>➤ The submission states that all works will be patient centred.</li> <li>➤ Bidder has provided a clear and robust response on Business Continuity Planning</li> <li>➤ Supply chain management is robust, with detailed procedures and process in place.</li> <li>➤ An indicative list of supply chain members has been supplied for the project</li> <li>➤ "Find and Fix" concept is a good idea in principle</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>➤ Generally responses are light on detail and can be quite generic.</li> <li>➤ Location of some offsite functions with reference often made to both locations.</li> <li>➤ Utilities response is weakened by the poor Utility Strategy response.</li> </ul>
Section D - Bidder C
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>➤ Bidder provides a clear demonstration of the resources on the project.</li> <li>➤ Bidder looking to implement BS 11000 (Collaborative Business Relationships – A Framework Specification) as a partnership exercise to cement working relationships.</li> <li>➤ Bidder sets out approaches to maintenance that are in line with the industry norm.</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>➤ High-level responses often failing to set out any detail, approach or proposal of how the requirements will be met.</li> <li>➤ Significant duplication throughout the document without tailoring to the specific question asked.</li> <li>➤ Bidder's process for notifying the Authority of a change to working practice or service delivery change does not meet the criteria set out in contract.</li> </ul>

## Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

- Very poor response on Fire Safety that barely addresses the key requirements
- Process development is often deferred to preferred bidder or Mobilisation period without explaining how a finalised approach would be achieved.
- Energy Procurement focuses on limited probability of achieving a better price for utilities.
- Approach to demonstrating vfm in energy procurement is limited.
- Large focus on the procurement of biomass/fuels which are not in the design solution provided.
- Management and administration response devotes large sections to Programmed Maintenance etc. and not management of contract.

### 9.0 Cost and Qualitative Outcome

The table below illustrates the overall outcome when the price and quality evaluation scores are combined.

	Bidder A	Bidder B	Bidder C
Cost Score	51.96	49.80	60.00
Quality Score	31.72	28.12	18.94
Total Score	<u>83.68</u>	<u>77.92</u>	<u>78.94</u>

The Final Tender evaluation shows that Bidder A has achieved the highest combined score and therefore Bidder A's Final Tender submission represents the most economically advantageous tender.

Although Bidder A was second rated in the financial evaluation, it scored significantly better on quality than the lowest cost submission from Bidder C.

The quality submission from Bidder C scored less than half of the quality marks available and this reflects the generally poor standard of Bidder C's Bid Response Requirement submissions.

Bidder B achieved a good quality score from their comprehensive and imaginative design solution. However their Total Project NPV was 10.2% in excess of the lowest cost bid.

### 10.0 Clinical Stakeholder Commentary

During the course of the Specific Clinical Requirements preparation, Competitive Dialogue process, and from the submission of the Final Tenders, clinical stakeholders from the services being provided, have been actively involved. Their opinion has been sought on all aspects of clinical and operational functionality as the Bidders design solutions have emerged and this has enabled robust evaluation.

## **Acute Mental Health and North Ayrshire Community Hospital**

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The Clinical Services Co-ordinator has measured the opinion of these key stakeholders and has taken into account the views and comments into the evaluation submission.

#### **Clinical stakeholders involved in this process include the following;**

- Nurse Director
- Associate Medical Director
- Associate Nurse Director
- Consultant Medical staff
- Senior Charge Nurses, Staff Nurses and Nursing Assistants (OPS and Mental Health)
- Manager for Older People and Vulnerable Adults
- Clinical Service Managers (OPS and Mental Health)
- Clinical Operations Managers and Clinical Nurse Managers (OPS and Mental Health)
- Dietetic Lead Integrated Services
- Occupational Therapy Service Lead
- Physiotherapy Team Lead
- Principal Pharmacist

## **11.0 Legal Commentary**

The Authority's legal advisers, Dundas & Wilson (D&W), have evaluated the final tender legal submissions provided by each of the three Bidders.

D&W have given the Authority a written report on each Bidder's legal submission. These reports confirm the following with regard to the legal submission:

- each of the three Bidders submitted to the Authority the documents requested of them pursuant to the ISFT Letter;
- the submissions were evaluated against the pass / fail criteria set out within the ISFT Letter (see Appendix 2);
- to the extent that clarification requests were made of the bidders, those requests have been satisfactorily met for the purposes of the carrying out of the evaluation; and
- D&W's recommendation to the Authority, in respect of all three Bidders, is that a 'pass' should be awarded for the purposes of the overall evaluation of all three final tenders.

D&W have confirmed that they are satisfied that the contract position reached with each of the Bidders is as it would expect at this stage of the procurement and for a contract of this nature. To the extent that there are final items which it would be prudent to record and acknowledge at this stage of the procurement, this will be dealt with under the terms of the Preferred Bidder Letter.

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### 12.0 Risk

The Project Team have reviewed the project Risk Register following the tender evaluation.

There are no new risks identified, however some risks have had their values or descriptors changed in anticipation of the Preferred Bidder appointment.

NHS Ref N°	Risk Title	Risk Description (there is a risk that)	Impact Description (which if it occurs will)	Primary Category (Business/Staff/Clinical/Reputational)	Secondary Category (Business/Staff/Clinical/Reputational)	Impact	Likelihood	Combined Score	Mitigation Strategy	Owner	Date Raised	Raised by	Last updated	Date of next review	Status	Progress / Update
SG 25.0	Bidders challenge to process	Unsuccessful bidders could challenge the processes adopted e.g. Evaluation leading to preferred bidder appointment	have the potential to delay the project	B	R	3	3	9	Prepare constructive feedback to unsuccessful Bidders. Provide evidenced examples of weak areas. Maintain all records and documentation.	SG	08/04/13	Risk workshop	27/01/14	End March 2014	Open	Risk reviewed following evaluation. Mitigation strategy adjusted
SG 8.0	Failure to meet Programme - Preferred Bidder appointment	the Preferred Bidder appointment target date of 28th February 2014 may be delayed	delay the programme overall with consequential financial and reputational impact to the Board.	B	R	3	1	3	Preferred Bidder appointment could be brought forward from 28th Feb to 18th Feb. This will ultimately benefit the PB to FC period.	SG	08/04/13	Steering Group	27/01/14	Feb-14	Open	Risk reviewed following evaluation. Likelihood risk reduced on anticipation of PB appointment being earlier than programmed.
SG 29.0	Failure to meet programme Preferred Bidder to Financial Close period	the present target date of 13th June 2014 for Financial Close may be delayed.	delay the programme overall with consequential financial and reputational impact to the Board.	B	R	3	3	9	Programme period could increase to 17 weeks if PB appointment is made earlier. This will enable comprehensive engagement in any design improvements and sign off during PB period. Tight control of project plan required and early planning permission application as critical path.	SG	04/07/13	JO	27/01/14	Mar-14	Open	Risk reviewed in light of possibility of earlier PB appointment, but values remain due to anticipated intensity of input required to meet programme dates.

## 13.0 Conclusion

The Project Team and advisers have undertaken an exhaustive analysis and assessment of the Final Tender submissions provided by the three Bidders. The process undertaken is considered to be both compliant and auditable, and provides due assurance to the Authority.

It is concluded that **Bidder A's** Final Tender submission achieves the highest combined mark for price and quality and so is deemed to be the most economically advantageous tender.

## 14.0 Next Steps

The following table indicates the programme and key actions to be undertaken pre and post Preferred Bidder appointment.

Event	Date (2014)
Programme Board Preferred Bidder Approval	5 <sup>th</sup> Feb
Capital Programme Management Group Preferred Bidder Approval	12 <sup>th</sup> Feb
SFT Pre-Preferred Bidder Key Stage Review	14 <sup>th</sup> Feb
Corporate Management Team Preferred Bidder Approval	18 <sup>th</sup> Feb
Issue Preferred Bidder Letter/Preferred Bidder Appointment	18 <sup>th</sup> /19 <sup>th</sup> Feb
Notify Unsuccessful Bidders	18 <sup>th</sup> /19 <sup>th</sup> Feb
Commence Standstill Period <i>*Note 1*</i>	18 <sup>th</sup> /19 <sup>th</sup> Feb
Unsuccessful Bidder Debriefs	25 <sup>th</sup> Feb
End of Standstill Period	28 <sup>th</sup> Feb/1 <sup>st</sup> Mar
Preferred Bidder Initiation Workshop <i>*Note 2*</i>	TBC
Submit Planning Application <i>*Note 3*</i>	10 <sup>th</sup> March
Planning Approval	28 <sup>th</sup> May
Full Business Case Approval (subject to Capital Investment Group approval)	22 <sup>nd</sup> April
Financial Close	13 <sup>th</sup> June
Construction commences	end July
Anticipated completion	March 2016

### Note 1

EU Public Procurement Law provides that the Authority must allow a period of at least 10 days to elapse following the Preferred Bidder announcement date (the 'standstill period') in order to provide unsuccessful Bidders with the opportunity to challenge the outcome of the evaluation process. It is also best practice for the Authority to provide unsuccessful Bidders with an opportunity of a debrief meeting during the 10 day standstill period.

## Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

### Note 2

The Preferred Bidder to Financial Close period is particularly intense. The Preferred Bidder Initiation Workshop shall establish the structure, programme and obligations on each party, that are required to achieve the deliverables and maintain the programme. The period will be particularly demanding on clinical staff in agreeing and signing off the detailed design proposals and associated specifications.

### Note 3

The Planning Application submission to North Ayrshire Council Planning Committee and subsequent approval is the critical path item within the Preferred Bidder to Financial Close period. It is essential that the Preferred Bidder submits the application early in March 2014 to enable achievement of the projected Financial Close date.

## 15.0 Recommendations

It is recommended that the North Ayrshire Community Hospital Programme Board approve the following;

- a) to appoint **Bidder A** as Preferred Bidder; and
- b) to authorise the preparation and release of the Preferred Bidder letter, subject to further NHS Ayrshire & Arran internal approvals.

# Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

## Appendix 1 - Tender Evaluation Criteria and Scores

Final Tender Evaluation Score Matrix with Evaluators and Reviewers  
Acute Mental Health and North Ayrshire Community Hospital

Strategic and Management Approach 5%					
ISFT Qu	Weighting %	Evaluation Criteria	Bidder A	Bidder B	Bidder C
B1	0.2	Clarity, robustness and quality of <b>strategic approach and understanding of policy framework and issues</b>	8	7	7
B2	Pass/Fail	Acceptable approach to contribution to <b>delivering the Authority's 'vision'</b> and robustness of performance management regime	Pass	Pass	Pass
B3	0.5	Clarity, robustness and quality of <b>understanding of project outcomes</b> and approach to contribution to delivering these	8	8	5.5
B4	0.5	Clarity, robustness and quality of approach to <b>partnership and collaborative working</b> with the Authority and its partners	8	8.5	4
B5	0.3	Clarity, robustness and quality of approach to <b>staff development</b> including recruitment, training, induction and HR issues	8	6.5	5
B6	2.0	Clarity, robustness and quality of approach to delivering <b>Community Benefits</b>	8.2	9.4	5.6
B7	0.5	Clarity, robustness and quality of approach to <b>integration of design</b> with facilities management considerations.	8	6	5
B8	Pass/Fail	Acceptable approach to <b>Consortia management</b> including approach to sub contractors	Pass	Pass	Pass
B9	0.5	Quality of proposed <b>personnel</b>	8	8	8
B10	Pass/Fail	Acceptable approach to <b>continuity</b> throughout the Project	Pass	Pass	Pass
B11	Pass/Fail	Acceptable <b>organisational diagrams</b> for each stage of the Project	Pass	Pass	Pass
B12	Pass/Fail	Acceptable approach to <b>health and safety</b>	Pass	Pass	Pass
B13	Pass/Fail	Acceptable approach to environmental, quality and health and safety <b>management systems</b>	Pass	Pass	Pass
B14	0.5	Clarity, robustness and quality of approach to management of design development including integration with the Authority and its Partners	8	8.5	5.5
B15	Pass Fail	Acceptable <b>programme from appointment as preferred bidder to Financial Close.</b>	Pass	Pass	Pass

# Acute Mental Health and North Ayrshire Community Hospital Final Tender Evaluation Report

Final Tender Evaluation Score Matrix with Evaluators and Reviewers  
Acute Mental Health and North Ayrshire Community Hospital

Design & Construction 27%					
ISFT Qu	Weighting %	Evaluation Criteria	Bidder A	Bidder B	Bidder C
C1	5.0	Clarity, robustness and quality of approach to meeting the <b>stakeholder requirements in their design</b>	8	7.5	4
C2	2.5	Clarity, robustness and quality of strategic approach to <b>design quality</b>	7.5	7.5	4.5
C3	5.0	Clarity, robustness and quality of <b>architectural and landscape design</b> strategy	8	7.5	4
C4	1.5	Clarity, robustness, quality of approach to <b>delivering innovation</b>	7	7	5
C5	2.0	Clarity, robustness, quality of approach to <b>adaptability and flexibility</b>	8	5.5	5
C6	1.0	Clarity, robustness, quality of <b>way finding and signage</b> proposals	8	6.5	6
C7	4.0	Clarity, robustness, quality of <b>interior design</b> proposals	8.5	6.5	3.5
C8	1.5	Clarity, robustness, quality of <b>M&amp;E engineering service</b> design proposals	8	8	5
C9	1.5	Clarity, robustness, quality of <b>natural and artificial lighting</b> proposals	7	6.5	5
C10	1.0	Clarity, robustness and quality of <b>Energy Management</b> proposals	7	7.5	6
C11	1.0	Clarity, robustness and quality of <b>Equipment</b> proposals	9	7	5
C12	Pass/Fail	Compliance with <b>Mandatory and Indicative Design Requirements</b>	Pass	Pass	Pass
C13	Pass/Fail	Acceptable approach to achieving <b>Planning Permission</b>	Pass	Pass	Pass
C14	Pass/Fail	Acceptable <b>vertical and horizontal movement strategy</b>	Pass	Pass	Pass
C15	Pass/Fail	Acceptable <b>ICT Strategy</b>	Pass	Pass	Pass
C16	Pass/Fail	Acceptable <b>Fire Planning Strategy</b>	Pass	Pass	Pass
C17	Pass/Fail	Acceptable <b>Civil and Structural Design</b> Proposals	Pass	Pass	Pass
C18	Pass/Fail	Acceptable <b>services, Utilities and Infrastructure</b> proposals	Pass	Pass	Pass
C19	Pass/Fail	Acceptable approach to achieving required <b>BREEAM rating</b>	Pass	Pass	Pass
C20	Pass/Fail	Acceptable Post Preferred Bidder Stage <b>Design. Development Proposals &amp; Design Programme</b> to Financial Close	Pass	Pass	Pass
C21	Pass/Fail	Compliance with Authority's Construction Requirements	Pass	Pass	Pass
C22	Pass/Fail	Acceptable <b>Design Life</b> Proposals.	Pass	Pass	Pass
C23	1.0	Acceptable <b>construction programme</b> and approach to monitoring	8	6.5	5.5
C24	Pass/Fail	Clarity, robustness and quality of <b>construction and demolition methodology</b>	Pass	Pass	Pass
C25	Pass/Fail	Acceptable approach to <b>commissioning and handover</b>	Pass	Pass	Pass
C26	Pass/Fail	Acceptable approach to <b>quality and environmental management systems</b>	Pass	Pass	Pass
C27	Pass/Fail	Acceptable approach to <b>health and safety</b> management	Pass	Pass	Pass
C28	Pass/Fail	Acceptable approach to compliance with <b>CDM regulations</b>	Pass	Pass	Pass
C29	Pass/Fail	Robustness of <b>Technical costs</b>	Pass	Pass	Pass
C30	Pass/Fail	Acceptable list of summary <b>assumptions, clarifications and derogations</b>	Pass	Pass	Pass

# Acute Mental Health and North Ayrshire Community Hospital

## Final Tender Evaluation Report

Final Tender Evaluation Score Matrix with Evaluators and Reviewers					
Acute Mental Health and North Ayrshire Community Hospital					
Facilities Management 8%					
ISFT Qu.	Weighting %	Evaluation Criteria	Bidder A	Bidder B	Bidder C
D1	2.0	Clarity, robustness and quality of approach to <b>management and administration</b> of the Services and Contract	8	6	5
D2	Pass/ Fail	Acceptable approach to <b>integration with Authority Policies and Operation</b>	Pass	Pass	Pass
D3	Pass/ Fail	Acceptable approach to ensuring <b>Quality management</b>	Pass	Pass	Pass
D4	Pass/ Fail	Acceptable approach to ensuring <b>Environment management</b>	Pass	Pass	Pass
D5	Pass/ Fail	Acceptable approach to ensuring health & safety management	Pass	Pass	Pass
D6	Pass/ Fail	Acceptable approach to interfacing with the Authority for undertaking <b>works outside of Access Times</b>	Pass	Pass	Pass
D7	2.0	Clarity, robustness and quality of approach to <b>partnership and resources</b> including liaison, resources and supply chain management	8	7	5
D8	Pass/ Fail	Acceptable approach to <b>business continuity</b> planning	Pass	Pass	Pass
D9	Pass/ Fail	Acceptable <b>Fire safety</b> policies and procedures	Pass	Pass	Pass
D10	3.0	Clarity, robustness and quality of approach to <b>performance and information management</b>	8	6	5
D11	Pass/ Fail	Acceptable approach to <b>un-programmed maintenance</b>	Pass	Pass	Pass
D12	1.0	Clarity, robustness and quality of <b>approach to service elements</b> including: utilities management and grounds maintenance elements	7	5	6
D13	Pass/ Fail	Robustness of <b>FM costs</b> which shall align with quality submission in terms of resourcing levels and market rates in terms of proposed resource types / experience	Pass	Pass	Pass
D14	Pass/ Fail	Acceptable list of summary <b>assumptions, clarifications and derogations</b>	Pass	Pass	Pass
D15	Pass/ Fail	Acceptable approach to <b>mobilisation</b> of Facilities Management Services	Pass	Pass	Pass

## Appendix 2 – Quality Evaluation Criteria

**Table B - Pass / Fail Criteria for Legal, Financial and selected Final Tender Bid Response Requirements**

Pass / Fail Criteria	
Pass	The Bidders approach: <ul style="list-style-type: none"> <li>demonstrates a satisfactory understanding of the Authority's requirements; and</li> <li>delivers a satisfactory level of compliance with the Authority's requirements.</li> </ul>
Fail	The Bidders approach: <ul style="list-style-type: none"> <li>fails to demonstrate a satisfactory understanding of the Authority's requirements; or</li> <li>fails to deliver a satisfactory level of compliance with the Authority's requirements.</li> </ul>

**Table C – Quality Evaluation Criteria for Final Tender Bid Response Requirements**

Scoring Range 0 – 10	Categorisation	Description
0-1	Very Poor	The Bidder's approach: <ul style="list-style-type: none"> <li>fails to demonstrate any understanding of all or most of the Authority's requirements; and/or</li> <li>proposes a solution which performs poorly in complying with all or most of the Authority's requirements.</li> </ul>
2-4	Poor	The Bidder's approach: <ul style="list-style-type: none"> <li>fails to demonstrate a satisfactory understanding of some aspects of the Authority's requirements; and/or</li> <li>proposes a solution which performs poorly in complying with some of the Authority's requirements.</li> </ul>
5	Satisfactory	The Bidder's approach: <ul style="list-style-type: none"> <li>demonstrates a satisfactory understanding of all aspects of the Authority's requirements; and/or</li> <li>proposes a solution which performs satisfactorily in complying with the Authority's requirements.</li> </ul>
6-7	Good	The Bidder's approach: <ul style="list-style-type: none"> <li>demonstrates a satisfactory understanding of all aspects of the Authority's requirements and a good understanding of most aspects of the Authority's requirements; and/or</li> <li>proposes a solution which performs well against the Authority's requirements.</li> </ul>
8-9	Very Good	The Bidder's approach: <ul style="list-style-type: none"> <li>demonstrates a good understanding of all aspects of the Authority's requirements and a very good understanding of most aspects of the Authority's requirements; and/or</li> <li>proposes a solution which performs very well against the Authority's requirements.</li> </ul>
10	Excellent	The Bidder's approach: <ul style="list-style-type: none"> <li>demonstrates a very good understanding of all aspects of the Authority's requirements and an excellent understanding of some aspects of the Authority's requirements; and/or</li> <li>proposes a solution which performs very well in complying with the Authority's requirements and excels in complying with some of the Authority's requirements.</li> </ul>

# Appendix L

## Key Elements of the funding structure

BB adopted to authority term sheet set out in the ISFT. This proposes a senior debt facility as the main element of the funding structure for this project. The facility is combined with subordinate debt funds and pinpoint equity. The key components of the funding structure are as follows

	<b>Nominal</b>	<b>%</b>
Senior debt	49,072	91%
Subordinated debt – Injected	4,590	9%
Equity	0.1	0%
<b>Total funding</b>	<b>53,662</b>	<b>100%</b>

The anticipated level of senior debt funding for the scheme is 91%, based on the proposed funding structures. The remaining 9% of funding will be provided as subordinated debt and pin-point equity.

The subordinated debt will be provided as follows:

<b>Subordinated Debt</b>	(£'000)
Balfour Beatty	4,590
<b>Total</b>	<b>4,590</b>

The subordinated debt will be injected in full at financial close and carries a coupon of 11.5%.

### Level of debt and of principal terms

BB funding structure involves the using a secured institutional investor structure for the provisions of senior debt. The key characteristics of this structure are:

- All of the senior debt funding is provided by a single party, an annuity holder (for instance a pension recipient) who require a fixed annual payment in return for their lump sum amount.
- The debt is provided at a fixed price for the duration of the loan, this is priced as a margin (currently 2.1%) above a reference government gilt rate (currently

## Key Elements of the funding structure

assumed as 3.00% plus a buffer of 0.50%). The Board retains the risk of movements in the underlying gilt rate up to financial close.

- This fixed interest payment profile allows the investor to match its long term liability, the payment to the annuity holder, with a long term asset, the payments from the Sub hub-co.
- As the investor uses the structure to match its liability to the annuity holder it requires additional protections from loss on the early repayment of the debt. This early repayment fee means that typically this type of structure is less likely to be refinanced, given the requirement for the early redemption fee.
- As the cost of debt is fixed and not priced by reference to a floating LIBOR there is no requirement to put in place an interest rate hedging instrument.

The lending terms are as follows:

<b>Funding Term</b>	
Maximum Gearing	95%
<b>Senior Debt Facility</b>	
Amount of senior debt facility (£'000)	£53,662
Arrangement fee	1.0%
Commitment fee	2.1%
Gilt assumption (including a 50bps margin)	3.5%
Margin during construction and operations	2.1%
Average Debt Service Cover Ratio	1.15
Debt Service Reserve Account / Facility (£'000)	3 months
Maintenance Reserve Account Look forward (Years)	100% / 50%

Note: The maximum gearing level of 95% is met in the base case model

### Inflation in the Financial Model

Construction costs are quoted on a fixed price basis and development costs are input in nominal prices.

The Annual service payment, operating costs and lifecycle costs are input into the financial model in April 2013 prices, and are assumed to index annually on the 1st April. In the case of the Annual service payment, only 18.5% of the charge has been forecast to inflate, reflecting the fixed price nature of a substantial proportion of the costs. This produces a natural hedge position within the model, consistent with current SFT policy.

## **Key Elements of the funding structure**

RPI is assumed to be 2.5% per annum in accordance with the Board bid instructions

### Selection of senior funder

The Board intends to require the preferred bidder to complete a funding competition.

The results of this process will be set out in the BFC addendum.

# Appendix M

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**Strictly Private & Confidential**

Mr Phillip Dorin  
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Date: 18<sup>th</sup> February 2014  
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Extension: 26787  
Direct line: 01563 826787  
E-mail: Johnscott1@nhs.net

Dear Phillip,

**ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL NPD PROJECT  
(the Project)  
APPOINTMENT OF BALFOUR BEATTY INVESTMENTS LIMITED AS PREFERRED BIDDER**

On behalf of and as authorised by NHS Ayrshire & Arran (the **Board**), I am pleased to advise you that:

- a) the Final Tender submitted by Balfour Beatty Investments Limited (**Balfour Beatty**) on 16 December 2013 (as amended by the clarification responses and further comments listed in Appendix C) has been evaluated as the most economically advantageous Final Tender, and
- b) subject to Balfour Beatty accepting the conditions set out in this letter and attached Schedule, Balfour Beatty is appointed as Preferred Bidder.

It is a condition of this appointment that if Balfour Beatty:

- a) fails to
  - i. materially comply with the conditions of this appointment
  - ii. submit applications for planning consent for the Project in accordance with the programme contained in Appendix A to the Schedule to this letter;

and

- b) fails to remedy such failure within a reasonable period notified by the Board,

or if any of the certificates included in the Final Tender are materially incorrect or no longer valid, the Board shall be entitled to terminate Balfour Beatty's appointment as Preferred Bidder and treat Balfour Beatty's Final Tender as having been withdrawn.

By their signature of this letter each of the parties agree and acknowledge that this letter does not, and is not intended to, create a contractual obligation on the parties to enter into the Project Agreement.

Please confirm Balfour Beatty's acceptance of the terms of this appointment by returning a signed PDF copy (or individually signed PDF copies) of this letter signed on behalf of Balfour Beatty Investments Limited, Balfour Beatty Construction Limited and Cofely Workplace Limited by email to me at johnscott1@nhs.net not later than 3pm on Thursday 20 February 2014 and provide original hard copy letters by post to me at NACH Programme Office, 23 Lister Street, University Hospital Crosshouse, Kilmarnock, KA2 0BB as soon as practicable.

Yours sincerely



**John M Scott**  
**Programme Director**

On behalf of Balfour Beatty Investments Limited I agree to the foregoing terms

Full Name	
Signed for and on behalf of Balfour Beatty Investments Limited by	
Date	

On behalf of Balfour Beatty Construction Limited I agree to the foregoing terms

Full Name	MURRAY EASTON
Signed for and on behalf of Balfour Beatty Construction Limited by	Murray → Easton
Date	20.2.14

On behalf of Cofely Workplace Limited I agree to the foregoing terms

Full Name	
Signed for and on behalf of Cofely Workplace Limited by	
Date	

## Schedule

Ref.	Action
<b>GENERAL</b>	
1.	Balfour Beatty will use best endeavours to diligently progress the Project to financial close in accordance with the programme included in Appendix A to this Schedule. Balfour Beatty may amend the programme from time to time subject to the Board's approval, such approval not to be unreasonably withheld where amendments are required for reasons out with the control of Balfour Beatty or its contractors.
<b>TECHNICAL &amp; DESIGN ISSUES</b>	
2.	Following appointment of Balfour Beatty as Preferred Bidder Balfour Beatty shall use best endeavours to reach an agreed position with the Board with regard to the specific matters listed in Appendix B to this Schedule and shall comply with any and all requirements of Appendix B. For the avoidance of doubt, the matters listed in Appendix B (i) do not represent a complete and exhaustive list of matters to be addressed prior to Financial Close and (ii) shall be actioned and completed by Balfour Beatty at no cost to the Board.
3.	Balfour Beatty accept that the revisions in relation to the agreement and operation of an Energy Strategy proposed by the Board and included in Appendix D to this Schedule will be incorporated into the NPD Project Agreement. The revisions detailed in Appendix D are generally consistent with the Authority's Dialogue Period Bulletin issued on 20 November 2013. Balfour Beatty shall work with the Authority during the Preferred Bidder stage to agree an Energy Strategy (as defined in Appendix D) for the facilities prior to Financial Close.
<b>LEGAL/CONTRACTUAL</b>	
4.	Following appointment of Balfour Beatty as Preferred Bidder Balfour Beatty shall work with the Board to develop, agree and finalise any incomplete elements of the NPD Project Agreement, NPD Project Agreement Schedules and NPD Articles of Association.
5.	Any issues not raised by Balfour Beatty during the Dialogue Period will not be considered by the Board following this appointment if they involve changes to the fundamental features of Balfour Beatty's Final Tender submission or the Project that are likely to distort competition or have a discriminatory effect. Following this appointment, the Board will only address fine tuning and clarification of the NPD Project Agreement as discussed during the Dialogue Period and in accordance with Balfour Beatty's bidder specific commentary table.
6.	Following appointment of Balfour Beatty as Preferred Bidder Balfour Beatty shall work with the Board to ensure that the Appendices to Schedule Part 16 to the NPD Project Agreement are fully aligned with the terminology, specification and rates associated with Preferred Bidder's final method statements and design at Financial Close.
<b>FINANCIAL</b>	
7.	<p><b>Preferred bidder funding competition</b></p> <p>Balfour Beatty commits to completing a preferred bidder funding competition in accordance with the proposals in the Final Tender response. This commitment includes working collaboratively with the Authority, its financial advisors and Scottish Futures Trust in the selection of a senior debt funding package.</p>

8.	<p>Following appointment of Balfour Beatty as Preferred Bidder Balfour Beatty shall work with the Authority to ensure that contractual amendments are agreed which are generally reflective of the terms of the correspondence between Dundas &amp; Wilson and Pinsent Masons and between Dundas &amp; Wilson and Balfour Beatty dated 14 and 17 February 2014 respectively, in both cases in relation to the treatment of lifecycle/MRA surpluses.</p>
9.	<p><b>Tax optimisation – Aviva Funding Option</b></p> <p>If Aviva is selected as the preferred funder Balfour Beatty commits to take the steps set out in the Final Tender response to secure the necessary clearance from HMRC for a composite trade tax structure to apply.</p> <p>Further Balfour Beatty commits to work collaboratively with the Authority, its financial advisors and Scottish Futures Trust to optimise the financial model for the tax treatment developed.</p> <p>The Authority acknowledges that should Balfour Beatty be unable to obtain the necessary clearance the model will be optimised to apply a Capital Allowances Tax Structure and that the impact on price will be reflected in the Annual Service Payment. Balfour Beatty will work with the Authority on an open book basis to achieve an optimised Capital Allowance based model.</p>
10.	<p><b>Financial model optimisation</b></p> <p>Balfour Beatty confirms that each version of the financial model will be optimised so that the junior debt coupon does not exceed 11.50%. The overall IRR will not exceed 11.82% (Nominal blended equity “Summary F39”).</p>
11.	<p><b>Security Package Costs</b></p> <p>Balfour Beatty undertakes to amend the Financial Model in order that the costs of the financial security package are separately identified as an input to the Financial Model.</p>
12.	<p><b>Financial Model Updates</b></p> <p>Balfour Beatty undertakes to work with the Authority to update the financial model as necessary to reflect the Senior Debt Funding structure developed in the period to financial close.</p> <p>Any changes to the Financial Model will be subject to full tracking by Balfour Beatty with a clear description and cell reference to denote each item of change for review by the Authority and its advisers. The impact on the Annual Service Payment for each change should be provided. This may involve providing intermediate step financial models in order to show a clear audit trail where required by the Authority. This will be submitted to the Authority’s financial advisers as a line in a “model update audit trail” sheet in the Financial Model at the time of updating the Financial Model. The content of this audit trail worksheet is to be agreed with the Authority’s financial advisers.</p>
13.	<p><b>Financial model inputs</b></p> <p>Balfour Beatty will clearly identify as financial model inputs the following items:</p> <ul style="list-style-type: none"> <li>• The £50,000 provisional sum for builders work in connection with Arts. Currently 'Fin Monthly AA54 and AB54', no amendment required.</li> <li>• The £75,000 provisional sum for the Independent Tester. Currently included in PF4 C9, to be separately included as a financial model input.</li> </ul>

	<ul style="list-style-type: none"> <li>• The NPD surplus buffer at no more than 2 months of the indexing proportion of the annual service payment. Currently included within calculation on line 135 Inputs – Semi, to be separately identified as an input.</li> <li>• Security package costs, currently included as £120,000 for the construction adjudication bond within construction costs and £109,000 at inputs Monthly Line 35. Both amounts to be separately identified as model inputs.</li> </ul>
<b>14.</b>	<p><b>Independent Tester</b></p> <p>Following appointment of Balfour Beatty as Preferred Bidder Balfour Beatty shall develop and agree with Authority a process for identification and appointment of an Independent Tester. The Authority would expect the Preferred Bidder to manage the agreed process, assuming the Authority has appropriate approval rights with respect to the identity, cost and terms of the proposed IT appointee.</p>

Plus the following attachments:-

- Appendix A – Project Programme and Timetable
- Appendix B – Clinical and Technical Design Issues
- Appendix C – Balfour Beatty Final Tender Clarifications
- Appendix D – Energy Strategy Drafting for NPD health projects

# Appendix N

**Private & confidential**

John Scott  
Project Director  
NACH Programme Office  
23 Lister Street  
University Hospital Crosshouse  
KA2 0BB

18 February 2014

Ref:  
Your ref:

Direct line: 0131 777 2130

Email: nthomson@uk.ey.com

Dear John

## **North Ayrshire Community Hospital Project – Appointment of Preferred Bidder**

The NHS Ayrshire & Arran (“the Board”) North Ayrshire Community Hospital project (“the Project”) has now reached the appointment of the preferred bidder. You have requested that we are able to confirm, in writing, that we, as your advisors, advise you on the readiness for the Project to proceed with the appointment. We, as the Board’s financial advisors can confirm that:

- ▶ The procurement process has been consistent with the other NPD projects and has followed Scottish Futures Trust best practice guidance.
- ▶ During the period following receipt of the Final Tender submissions from the participants we have worked with the Board to review the submissions. This has included the issue of clarification questions and meeting the participants. The schedule of meetings has been completed and no financial clarification questions are outstanding.
- ▶ We have provided the Board with details of the affordability implications of the respective submissions. All of the proposals have construction costs that are within the Scottish Government funding cap, as stated in the ISFT. The full details of this assessment are set out in our separate report “Final Tender Financial Evaluation Report” dated 12 February 2014.

Therefore, we deem it appropriate from a financial perspective for the Board to appoint the preferred bidder.

This letter is confidential and is addressed to you solely for your benefit and for the purpose of this Project. You may disclose neither its content nor its existence to any person without our prior written consent. We do not accept, and hereby exclude, any liability or responsibility to any third party who may seek to rely on this letter.

We look forward to continuing to assist the Board with the Project.

Yours sincerely



Neil Thomson  
Director

# Appendix O



**NHS Ayrshire and Arran**

FINAL VERSION TAKING ACCOUNT OF ACTUAL OUTTURN ACHIEVED IN 2012/13

DISCUSSION AT CMT MEETING ON 9 JANUARY 2014) plus alloc's from contingency

**CAPITAL INVESTMENT PLAN (INCORPORATING BUILDING FOR BETTER CARE / NACH INCLUDING MENTAL HEALTH PRIORITIES + CAP ON FUNDING CONTRIBUTIONS FROM SGHD)**

PER CAPITAL PLAN APPROVED BY PERFORMANCE COMMITTEE AT MEETING ON 4 MARCH 2013 (LDP approved by SGHD end of March 2013)

with all planned adjustments to allocations as per control total to month 8 2013/14

	Prior Year 09/10 Actual £000	Prior Year 10/11 Actual £000	Prior Year 11/12 Actual £000	Prior Year 12/13 Actual £000	Prior Year Impairment Adjustment £000	Year 0 13/14 Projected £000	Year 1 14/15 Estimate £000	Year 2 15/16 Estimate £000	Year 3 16/17 Estimate £000	Year 4 17/18 Estimate £000	Year 5 18/19 Estimate £000	Sub-Total Plan Period Five Years £000	Grand Total Ten Years £000
eHealth- infrastructure refresh(final adj)	-	-	-	25	-	-	-	-	-	-	-	0	25
Estates Priority - Theatre Light rep (Ayr)	-	-	-	22	-	-	-	-	-	-	-	0	22
Form alloc year end u/s in 12/13	-	-	-	(30)	-	-	-	-	-	-	-	0	(30)
EME-Renal Home Dialysis(from contingency)	-	-	-	-	-	25	-	-	-	-	-	0	25
EME - Cancer Allocation(Detect Early Prog)	-	-	-	-	-	60	-	-	-	-	-	0	60
Estates - Renal Osmosis	-	-	-	-	-	-	-	-	-	-	-	0	0 (Revenue Item - £360k)
Estates - EACH Burnock Ward	-	-	-	-	-	-	-	-	-	-	-	0	0 Value Adding Element £55k (Revenue element - £243k NVA)
Estates - Theatre Lights UHC	-	-	-	-	-	100	-	-	-	-	-	0	100
EME b/fwd from 14/15 to 13/14	-	-	-	-	-	520	(520)	-	-	-	-	(520)	0
EME - Potable FibroScan Machines	-	-	-	-	-	97	-	-	-	-	-	0	97
EME additional formula allocation(from increase in core alloc 15.16 on)	-	-	-	-	-	-	-	399	601	601	601	2,202	2,202
EME additional capital allocation(already app by CPMG)	-	-	-	-	-	-	300	300	300	300	300	1,500	1,500
EME - Renal Home Dialysis allocation from contingency	-	-	-	-	-	-	25	-	-	-	-	25	25
F&E - Dishwasher replacement allocation from contingency	-	-	-	-	-	-	100	-	-	-	-	100	100
eHealth supp to formula alloc for Infrast / Telephony 5Yr Plan	-	-	-	-	-	-	890	0	142	297	0	1,329	1,329 (15/16 b/fwd to 14/15)
<b>Sub-Total Formula Allocation</b>	<b>8,183</b>	<b>7,620</b>	<b>2,161</b>	<b>5,393</b>	<b>0</b>	<b>2,184</b>	<b>2,977</b>	<b>2,881</b>	<b>3,225</b>	<b>3,380</b>	<b>3,083</b>	<b>15,546</b>	<b>41,087</b>

**2. Earmarked Allocations**

Community Projects(inc Dental):-													
Patna	1,707	-	-	-	-	-	-	-	-	-	-	0	1,707
Prim Care Store /Dental Man, Ailsa	860	-	-	-	-	-	-	-	-	-	-	0	860
Medical Centre, Lamlash, Arran	187	-	-	-	-	-	-	-	-	-	-	0	187
Crosshouse Resource Centre	89	-	-	-	-	-	-	-	-	-	-	0	89
EACH - Dental Services (internal)	203	591	0	-	-	-	-	-	-	-	-	0	794
EACH - Reinstatement Works	-	-	(23)	430	-	-	-	-	-	-	-	0	407 (£930k - £500k NVA)
Dental Cumnock&Surrounding Area	-	-	-	-	-	-	-	-	-	-	-	0	0
CapitalGrantstoDental Practitioners	-	-	-	-	-	-	220	-	-	-	-	220	220 (Revenue Item)
OtherDentalpriorities incArranBung	-	-	-	682	-	15	-	-	-	-	-	0	697 (£268k+£698k+£274kcc to rev12.13=£1240k)
ARC&ADC(FeesMillerRd/DamPark)	-	48	-	-	-	-	-	-	-	-	-	0	48
Ayr Community Health/Out PatientsProg	-	-	-	-	-	-	-	-	-	-	-	0	0
Dental - Ayr Hospital	-	-	52	449	-	933	-	-	-	-	-	0	1,434
Out Patients - Ayr Hospital	-	-	51	401	-	1,117	-	-	-	-	-	0	1,569
Renal Dialysis Unit	-	-	-	1	-	1,380	-	-	-	-	-	0	1,381 (Revenue element - £545k NVA)
Car Parking - Ayr Hospital	-	-	297	71	-	-	-	-	-	-	-	0	368
Podiatry - Arrol Park	-	-	-	32	679	-	-	-	-	-	-	0	711
Phsio/Podiatry/Admin - Biggart	-	-	42	451	-	-	-	-	-	-	-	0	493
Sexual Health - North Ayr HC	-	-	70	626	-	-	-	-	-	-	-	0	696
Decontamination uits replacement	94	-	-	-	-	-	-	-	-	-	-	0	94
Dental Decontamination Grants GDPs	-	571	229	-	-	-	-	-	-	-	-	0	800
Ophthalmic Services Equip cap grants	66	-	-	-	-	-	-	-	-	-	-	0	66
Additional EME Earmarked Allocation	2,207	2,207	-	-	-	-	-	-	-	-	-	0	4,414
EME Equip Allocation Cancer Treatment	-	-	37	-	-	-	-	-	-	-	-	0	37
IM&T Demonstrator Proj-Patient Portal	100	-	-	-	-	-	-	-	-	-	-	0	100
eHealth alloc from SGHD-infrastructure	161	740	-	-	-	-	-	-	-	-	-	0	901
eHealth alloc NHSGG&C -infrastructure	-	406	-	-	-	-	-	-	-	-	-	0	406
eHealth alloc Prison Healthcare	-	47	(16)	-	-	-	-	-	-	-	-	0	31
LTC - SPARRA Patient Alerts	-	10	100	-	-	-	-	-	-	-	-	0	110
Ayr Endoscopy Unit improvements	961	-	-	-	-	-	-	-	-	-	-	0	961
Pandemic Flu - ventilators for ICU	57	-	-	-	-	-	-	-	-	-	-	0	57
ETB Charges From NSS	140	-	-	-	-	-	-	-	-	-	-	0	140
Rev To Cap - Labs Safety / PACS	22	-	-	-	-	-	-	-	-	-	-	0	22
Rev To Cap-Blood Borne VirusClinic(XH)	-	120	-	-	-	-	-	-	-	-	-	0	120
Supp-BoodBorneVirusClinic / Day Cent	-	159	-	-	-	-	-	-	-	-	-	0	159
BloodBorneVirus-underspend on alloc	-	(7)	-	-	-	-	-	-	-	-	-	0	(7)
ACH Pavilions 10 / 11-top up to alloc	-	150	-	-	-	-	-	-	-	-	-	0	150
ACH Pavilions 1 / 2 remedial work	-	28	-	-	-	-	-	-	-	-	-	0	28
Biggart Anderson Ward to Ayr	-	50	-	-	-	-	-	-	-	-	-	0	50
Crosshouse Ward Remedial Works	-	750	-	-	-	-	-	-	-	-	-	0	750
Storage Accommodation (Ailsa)	-	594	308	-	-	-	-	-	-	-	-	0	902
Estates - top up for backlog maint	-	176	-	-	-	-	-	-	-	-	-	0	176
Girvan - rectification works	-	40	-	-	-	-	-	-	-	-	-	0	40
Ayr Pharmacy Robot-build alterations	-	106	122	-	-	-	-	-	-	-	-	0	228
Crosshouse MRI Room Alterations	-	120	-	-	-	-	-	-	-	-	-	0	120
CrosshouseWard Remedial Works(2C)	-	450	-	-	-	-	-	-	-	-	-	0	450
Arrol Park - Staff House 8 (CLDT)	-	-	88	-	-	-	-	-	-	-	-	0	88
Ailsa - Ballantrae Ward (CMHT)	-	-	137	-	-	-	-	-	-	-	-	0	137
CrosshouseWardRemedialWorks(U/S)	-	(75)	-	-	-	-	-	-	-	-	-	0	(75)
Car Parking / Traffic Management Plan	-	-	-	-	-	7	-	-	-	-	-	0	7
Arrol Park - Additional Car Parking	-	-	-	-	-	-	-	-	-	-	-	0	0
Ayr Accommodation - Fees for Office relocation	-	-	-	-	-	3	-	-	-	-	-	0	3
Tele-Consultation Service to Arran	-	-	-	-	-	12	-	-	-	-	-	0	12
Closure of Fergushill Clinic, Kilwinning	-	-	-	-	-	15	-	-	-	-	-	0	15
Acute Physicians Team Base UHC	-	-	-	-	-	6	-	-	-	-	-	0	6
Changes to form Interim CDU, A&E, Ayr	-	-	-	-	-	20	5	-	-	-	-	5	25
ICU/HDU XH-Feasibility review of changes	-	-	-	-	-	2	-	-	-	-	-	0	2
eHealth - Digital Dictation(use of Patna)	-	-	-	40	-	-	-	-	-	-	-	0	40
EME Equip Allocation Speech Therapy	-	-	-	-	-	13	-	-	-	-	-	0	13

**NHS Ayrshire and Arran**

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NSD Approval Cochlear Equip	46	-	-	-	-	14	-	-	-	-	-	0	60
<b>Sub-Total Earmarked Allocations</b>	<b>6,900</b>	<b>7,281</b>	<b>1,526</b>	<b>3,830</b>	<b>0</b>	<b>3,537</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225</b>	<b>23,299</b>
<b>3. Prioritisation Process - Must Do</b>													
Clinical Systems Procurement	750	750	-	-	-	-	-	-	-	-	-	0	1,500
Brooksby Medical & Resource Centre	91	-	-	-	-	-	-	-	-	-	-	0	91
Girvan Community Hospital	10,796	-	-	-	-	-	-	-	-	-	-	0	10,796
Holmhead demolition costs	114	-	-	-	-	-	-	-	-	-	-	0	114
Catering shared Service	93	-	-	-	-	-	-	-	-	-	-	0	93
Crosshouse Pathology Facilities	385	-	-	-	-	-	-	-	-	-	-	0	385
Acute Medicine Enabling	49	-	-	-	-	-	-	-	-	-	-	0	49
ADOC Admin / NHS 24 Call Centre	528	717	-	-	-	-	-	-	-	-	-	0	1,245
Road Traffic Imp - Ayr traffic lights	-	238	-	-	-	-	-	-	-	-	-	0	238
Top-up to MH ph1 (cap to save on rev)	-	150	-	-	-	-	-	-	-	-	-	0	150
Mental Health Phase 1-o/s on alloc 10/11	-	65	-	-	-	-	-	-	-	-	-	0	65
Road Changes C'house (HSE Imp Not)	-	-	22	490	-	-	-	-	-	-	-	0	512
Ward Refurb Prog (Renal 2F C'house)	-	-	15	0	-	-	-	-	-	-	-	0	15
Dermatology (Ward 2E changes C'house)	-	-	286	-	-	-	-	-	-	-	-	0	286
Arran Rehabilitation Unit	-	-	-	-	-	-	157	-	-	-	-	157	157
Value Add Charge From Revenue (former Ward Refurb alloc)	-	-	-	-	-	633	750	750	750	750	750	3,750	4,383 (Revenue schemes)
Infrastructure Replacements	-	65	-	-	-	244	278	304	1,130	1,130	1,130	3,972	4,281 (reduced for carparking / main entrance improvements)
Endoscopy New Decontam Regs & Equip	-	-	-	-	-	-	1,106	172	-	-	-	1,278	1,278
Endoscopy New Decontam Regs & Equip	-	-	-	-	-	-	1,053	171	-	-	-	1,224	1,224
Estate Utilisation - Lanfine Way/Breehill	-	-	-	-	-	-	-	-	-	-	-	0	0 (Capital Grant)
ACPPB - ACH toilets for ADOC	-	-	-	10	-	-	-	-	-	-	-	0	10
ACPPB - ITU Patients Waiting	-	-	-	22	-	-	-	-	-	-	-	0	22
ACPPB - Ophthalmology Clinic alters	-	-	-	6	-	-	-	-	-	-	-	0	6
Car Parking / Road Improvements XH	-	-	-	-	-	-	2,174	-	-	-	-	2,174	2,174 (£972k funding transfer from Infrastructure Imp & £188k from BIBC XH)
Car Parking / Road Improvements Ayr	-	-	-	-	-	300	-	-	-	-	-	0	300 (£300k funding transfer from BIBC Ayr)
Main Entrance Improvement Works XH	-	-	-	-	-	-	-	-	472	-	-	472	472 (assumed £472k funding transfer from Infrastructure Improvement)
Main Entrance Improvement Works Ayr	-	-	-	-	-	-	-	-	354	-	-	354	354 (assumed £354k funding transfer from Infrastructure Improvement)
Care of Elderly Reconfiguration (Kilm'k)	-	200	-	-	-	-	-	-	-	-	-	0	200
<b>Sub-Total Prioritisation Process</b>	<b>12,806</b>	<b>2,185</b>	<b>323</b>	<b>528</b>	<b>0</b>	<b>1,177</b>	<b>5,518</b>	<b>1,397</b>	<b>2,706</b>	<b>1,880</b>	<b>1,880</b>	<b>13,381</b>	<b>30,400</b>
<b>4. Building For Better Care (BFBC)</b>													
<b>a. C'house / Ayr Sites - Front Door</b>													
Phase 1 - Prior Year fees up to 12.13	398	855	0	890	(2,143)	-	-	-	-	-	-	0	0
Phase 1 - C'house new CAU / Ayr-new A&E	-	-	-	-	-	1,600	8,696	8,604	-	-	-	17,300	18,900 (£19.305m XH + £18.624m Ayr = £37.929m (£35.829m + £0.1m Fees + £2m Index))
Car Parking adjustment Ayr	-	-	-	-	-	(300)	-	-	-	-	-	0	(300)
Car Parking adjustment XH	-	-	-	-	-	-	(188)	-	-	-	-	(188)	(188)
Phase 1 - Vat Refund	-	-	-	-	-	(25)	-	-	-	-	-	0	(25) less sav'g £14.950m cap on cent.cont and red. £1.0m index allow/£0.050m OBC
Phase 2 - Ayr CAU (internal upgrade to former A&E)	-	-	-	-	-	-	-	4,000	4,709	-	-	8,709	8,709 (Phasing to be confirmed in FBC)
Phase 3 - C'house / Ayr Critical Care Service Improvements	-	-	0	-	-	-	-	-	-	7,000	7,000	14,000	14,000 (Phasing to be confirmed in FBC)
<b>Total C'house and Ayr Site Priorities</b>	<b>398</b>	<b>855</b>	<b>0</b>	<b>890</b>	<b>(2,143)</b>	<b>1,275</b>	<b>8,508</b>	<b>12,604</b>	<b>4,709</b>	<b>7,000</b>	<b>7,000</b>	<b>39,821</b>	<b>41,096</b>
<b>5. Other Key Board Priorities</b>													
<b>North Ayrshire Community Hospital (NACH)</b>													
Kitchen & Dining room	2,450	-	-	-	-	-	-	-	-	-	-	0	2,450
Extension / Refurbishment to OPD	785	208	-	-	-	-	-	-	-	-	-	0	993
Horseshoe Refurbishment	1,016	-	-	-	-	-	-	-	-	-	-	0	1,016
Ext. to Breast Screening Unit	502	187	-	-	-	-	-	-	-	-	-	0	689
Breast Screening Equipment	233	-	-	-	-	-	-	-	-	-	-	0	233
Dental Surgery (4 additional surg)	269	-	-	-	-	-	-	-	-	-	-	0	269
Sexual Health / GUM Hub	1,495	-	-	-	-	-	-	-	-	-	-	0	1,495
Enabling Work - new utilities cable	324	-	-	-	-	-	-	-	-	-	-	0	324
NACH New Build (Com Hosp+MH)	2,155	761	250	-	(3,166)	-	-	-	-	-	-	0	0
NACH Refurbishment (ACH+Ailsa)	201	71	18	0	(290)	-	-	447	2,001	3,346	-	5,794	5,794
NACH Equipment	-	-	-	-	-	-	-	1,000	-	-	-	1,000	1,000
NACH Adviser Fees (Leg/Tech/Fin)	-	-	-	476	-	580	190	-	-	-	-	190	1,246
NACH Site Continuity Plan/Car Park	-	-	-	1,190	-	814	-	-	300	-	-	300	2,304 (demo costs charged to rev)
NACH Vat Recovery	-	-	-	-	-	(240)	-	-	-	-	-	0	(240)
CDU New Build (TSSU)	627	4,667	-	-	-	-	-	-	-	-	-	0	5,294
Girvan Health Centre Disp - site survey	-	20	-	-	-	-	-	-	-	-	-	0	20
Fees associated with asset sales	-	60	60	63	-	103	155	50	50	-	-	255	541
Fees for Estate Strategy Review	-	56	22	-	-	-	-	-	-	-	-	0	78
Main Entrance XH/Ayr Feasibility Fees	-	-	-	-	-	20	-	-	-	-	-	0	20
Funding - Other Priority Developments	-	-	-	-	-	-	-	-	-	-	-	0	0
Infrastructure Improvements	-	-	-	-	-	-	-	1,359	381	1,847	-	3,587	3,587 (minus £800k funding towards eHealth 5 Year Plan)
Electro Medical Equipment (EME)	-	-	-	-	-	-	-	650	650	650	-	1,950	1,950
F&E additional formula allocation	-	-	-	-	-	-	-	21	21	21	-	63	63
Rankistion	-	-	-	-	-	-	-	100	-	-	-	100	100
Tarbolton - HUB Design & Build	-	-	-	-	-	-	-	200	300	-	-	500	500
Office Review	-	-	-	-	-	-	-	450	-	-	450	925	925
<b>Sub-Total Other Board Priorities</b>	<b>10,057</b>	<b>6,030</b>	<b>350</b>	<b>1,729</b>	<b>(3,456)</b>	<b>1,277</b>	<b>370</b>	<b>1,797</b>	<b>5,131</b>	<b>4,398</b>	<b>2,968</b>	<b>14,664</b>	<b>30,651</b>
<b>6. Other Elements:-</b>													
Non-Value Adding - recharge to rev	(3,604)	(3,298)	(500)	0	-	0	0	0	0	-	-	0	(7,402)

**NHS Ayrshire and Arran**

FINAL VERSION TAKING ACCOUNT OF ACTUAL OUTTURN ACHIEVED IN 2012/13

DISCUSSION AT CMT MEETING ON 9 JANUARY 2014) plus alloc's from contingency

**CAPITAL INVESTMENT PLAN (INCORPORATING BUILDING FOR BETTER CARE / NACH INCLUDING MENTAL HEALTH PRIORITIES + CAP ON FUNDING CONTRIBUTIONS FROM SGHD)**

**PER CAPITAL PLAN APPROVED BY PERFORMANCE COMMITTEE AT MEETING ON 4 MARCH 2013** (LDP approved by SGHD end of March 2013)

with all planned adjustments to allocations as per control total to month 8 2013/14

	Prior Year 09/10	Prior Year 10/11	Prior Year 11/12	Prior Year 12/13	Prior Year Impairment	Year 0 13/14	Year 1 14/15	Year 2 15/16	Year 3 16/17	Year 4 17/18	Year 5 18/19	Sub-Total Plan Period Five Years	Grand Total Ten Years
	Actual £000	Actual £000	Actual £000	Actual £000	Adjustment £000	Projected £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	Estimate £000	£000	£000
Capital Grants - recharge to rev	-	(571)	(229)	-	-	-	-	-	-	-	-	0	(800)
Capital to Save on Revenue Alloc	773	2,469	-	-	-	-	-	-	358	203	500	1,061	4,303
- General													(reduced for eHealth Delivery Plan)
- Wind Turbine Ayr,Ailsa								1,300					1,300
- Boiler Ayr,Ailsa							500					500	500
													(phasing deferred)
													(phasing brought forward)
Revenue To Capital Allocation	22	-	-	-	-	-	-	-	-	-	-	0	22
Grouped equipment	600	600	248	248	-	248	248	248	248	248	248	1,240	3,184
<b>Sub-Total Other Elements</b>	<b>(2,209)</b>	<b>(800)</b>	<b>(481)</b>	<b>248</b>	<b>0</b>	<b>248</b>	<b>748</b>	<b>1,548</b>	<b>606</b>	<b>451</b>	<b>748</b>	<b>4,101</b>	<b>1,107</b>
<b>Total Planned Expenditure</b>	<b>36,135</b>	<b>23,171</b>	<b>3,879</b>	<b>12,618</b>	<b>(5,599)</b>	<b>9,698</b>	<b>18,346</b>	<b>20,227</b>	<b>16,377</b>	<b>17,109</b>	<b>15,679</b>	<b>87,738</b>	<b>167,640</b>
Less:Receipts for Asset Sales(sch.1att.)	-	(208)	(75)	(475)	-	(502)	(3,610)	(1,000)	(1,500)	(1,430)	0	(7,540)	(8,800)
Less:Overcommitment(assumedslippage)	0	-	-	(5)	-	(37)	-	-	-	-	-	0	(42)
Add:Overcommitment (shortfall prior year)	12	0	-	-	-	3	37	-	-	-	-	37	52
Retention Adjustment	-	-	-	-	-	(50)	-	-	-	-	-	0	(50)
Contingency/Balance Available	-	-	-	3	-	-	318	482	474	500	500	2,274	2,277
<b>Total Planned Expenditure Net of Sales</b>	<b>36,147</b>	<b>22,963</b>	<b>3,804</b>	<b>12,141</b>	<b>(5,599)</b>	<b>9,112</b>	<b>15,091</b>	<b>19,709</b>	<b>15,351</b>	<b>16,179</b>	<b>16,179</b>	<b>82,509</b>	<b>161,077</b>
<b>DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NACH PROJECT - PROFILE OF NPD EXPENDITURE**

Contracting Consortium - Construction costs	0	0	21,380	25,281	0	0	0	0	0	0	0	46,661	46,661
(Subject to cap of £50.04m for NPD capital value taking account of inflation adjustments from BCIS index)													

**SURGICAL ADMISSIONS UNIT - CHARITABLE FUNDING PROVIDED BY CROSSHOUSE VOLUNTEERS**

Alterations to provide improved facilities for patients undergoing elective surgery - project costs	0	827	0	0	0	0	0	0	0	0	0	827	827
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**RESOURCE CENTRE PROGRAMME - HUB DBFM PROCUREMENT**

North Ayrshire - project costs	0	0	5,000	0	0	0	0	0	0	0	0	5,000	5,000
East Ayrshire - project costs	0	0	0	0	0	0	3,500	0	0	0	0	3,500	3,500

**Note** - North Ayr Primary Care Neighbourhood Services project terminated following withdrawal by South Ayrshire Council.

£1.310m PCCPMP funding from this project (£1.453m less £143k fees incurred), together with £2.220m for Ardrossan Resource Centre (being effected by 3rd party route), £1.368m for Dental Improvements in the Ayr area (£2.220m less £0.8m applied for Dental Decontamination Grants and a £0.052m underspend in 10/11), along with £0.760m (£0.808m former Fullerton Health House Project funding less £0.048m fees incurred in 10/11 on abortive Miller Road / Dam Park site options) and £0.015m contingency from Board funding, is to be applied in favour of the Ayr Community Health / Out Patient project to give a total allocation of £5.673m for the six main elements subject to individual business cases.

**Note**- Planned EACH Dental Variation aborted in August 2011. Capital costs totalling £794k (09/10 £203k, 10/11 £591k) incurred as Work In Progress (WIP) has been written off as abortive costs to revenue account after adjusting for £150k value adding costs for permanent work effected (car park, door widening and floor improvements). The assumed cost of £250k non value adding expenditure for the NHS Board share of reinstatement work will also be written off to revenue. Capital funding for these costs and up to £0.3m for value adding enhancement work will be met out of the £2.530m PCCPMP allocation from SGHD leaving a balance of £1.2m from the PCCPMP allocation for other Dental Improvements in Cumnock and Surrounding Area and additional provision has been made from Board funds for up to £350k value adding elements in the reinstatement work. The £570k internal funding transfer from the Ayr Community Health / Out Patient project in favour of the EACH Dental project as part of the £3.1m total allocation, has been returned to the Ayr project.

# Appendix P

## Total Financial Costs

NHS AYRSHIRE AND ARRAN – NPD MODEL (New Build) / PUBLIC CAPITAL FUNDING (Refurbishment)

ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL

NPD New Build ACH /  
Refurbishment Ailsa  
Public Capital

**(Option 2A)**

£

### TOTAL FINANCIAL COSTS

#### DIRECT COSTS OF RE-PROVISION OF SERVICE

	CAPITAL INVESTMENT (Schedule 1)	<b>54,701,000</b>
	NON CLINICAL RUNNING COSTS (Schedule 2)	10,010,984
	DIRECT CARE COSTS (Schedule 5)	19,576,419
Less:	CURRENT NON CLINICAL RUNNING COSTS (Schedule 3)	(4,872,846)
	CURRENT DIRECT CARE COSTS (Schedule 5)	(20,165,419)
Less:	SAVINGS IDENTIFIED FROM ESTATE RATIONALISATION (Schedule 6)	(154,110)
	<b>ADDITIONAL/(REDUCED) RUNNING COSTS</b>	<b>4,395,028</b>
Less:	<u>NPD Funding provided by SGHD</u>	
	Unitary Charge	(4,438,000)
	50% Lifecycle Costs	(156,500)
	<b>BOARD NET REVENUE COSTS/(SAVINGS)</b>	<b>(199,472)</b>

#### NON-RECURRING COSTS TO BE FUNDED BY NHS BOARD

	ANNUAL RUNNING COSTS OF VACANT PROPERTIES (Schedule 4)	622,207
	EXCESS TRAVEL COSTS (Schedule 5)	101,863
	<b>TOTAL OF NON-RECURRING COSTS</b>	<b>724,070</b>

#### FUNDED BY SGHSCD IN 2013/14

	NON VALUE ADDING FEES ACCOUNTED AS NON_CASH DEL IMPAIRMENT	<b>3,456,000</b>
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Schedule 1

**NHS AYRSHIRE AND ARRAN**

**ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL – NPD MODEL (New Build) / PUBLIC CAPITAL FUNDING (Refurbishment)**

**SCHEDULE 1 - DIRECT CAPITAL COSTS FOR RE-PROVISION OF SERVICES**

			New Build ACH / Refurbishment Ailsa <b>(Option 2A)</b>			
			<b>SGHD</b>	<b>AANHS</b>		
			<b>Public Capital</b>	<b>Public Capital</b>		
			<b>Funding</b>	<b>Funding</b>		
			<b>Premises Improvement</b>	<b>Equipment/Fees</b>		<b>TOTAL</b>
<b>NPD</b>						
<b>New Build</b>						
<b>£</b>			<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>CAPITAL COST ANALYSIS</u></b>						
Building Costs	New Build	ACH	46,661,000	0	0	46,661,000
	Improvement Programme	ACH/Ailsa	0	4,828,333	0	4,828,333
Furniture, Fixtures and Equipment			0	0	833,333	833,333
Legal/Technical/Financial Advisers			0	0	1,246,000	1,246,000
VAT			0	965,667	166,667	1,132,334
Optimism Bias			0	0	0	0
Assumed Non Value Adding Element of Capital Costs			0	0	0	0
<b>TOTAL CAPITAL INVESTMENT</b>			<b>46,661,000</b>	<b>5,794,000</b>	<b>2,246,000</b>	<b>54,701,000</b>
	New Build		46,661,000	0	0	46,661,000
	Improvement Programme		0	5,794,000	0	5,794,000
	Design/Legal/Financial Adviser Fees		0	0	1,246,000	1,246,000
	Furniture & Equipment		0	0	1,000,000	1,000,000
<b>TOTAL CAPITAL INVESTMENT</b>			<b>46,661,000</b>	<b>5,794,000</b>	<b>2,246,000</b>	<b>54,701,000</b>

## Schedule 2

### NHS AYRSHIRE AND ARRAN ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL – NPD MODEL (New Build) / PUBLIC CAPITAL FUNDING (Refurbishment)

#### SCHEDULE 2 - NON CLINICAL RUNNING COSTS FOR RE-PROVISION OF SERVICES

**NPD (New Build)  
Traditional Public  
Capital Refurbishment/  
Equipment  
& Fees  
(Option 2A)  
£**

#### ANALYSIS OF NON-CLINICAL COSTS

Catering		915,000
Rates	£24 per m <sup>2</sup> New/£20 per m <sup>2</sup> Refurb (factored for DPRR)	255,408
Energy	£33 per m <sup>2</sup> New/£36 per m <sup>2</sup> Refurb	822,576
Domestic	£50 per m <sup>2</sup>	1,211,750
Maintenance	£25 per m <sup>2</sup> New/£29 per m <sup>2</sup> Refurb	231,170
Allowance for Flooring and Decoration		114,000
<b><u>NPD Costs (from preferred bidder model)</u></b>		
Unitary Charge for New Build under NPD		4,438,000
Lifecycle Costs to maintain Building		313,000
Hard FM		354,000
Capital Charges Depreciation (based on 50 years new/25 year refurbishment, 10 years equipment)		1,356,080

#### **TOTAL RUNNING COSTS**

**10,010,984**

Schedule 3

**NHS AYRSHIRE AND ARRAN  
ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL – NPD MODEL (New Build) / PUBLIC CAPITAL FUNDING  
(Refurbishment)**

**SCHEDULE 3 - EXISTING NON CLINICAL RUNNING COSTS**

	<b>Ailsa</b>	<b>ACH</b>	<b>ACH</b>	<b>ACH</b>	<b>Crosshouse</b>	
	<b>Wards</b>	<b>Pav 1 &amp; 2</b>	<b>Pav 3, 5 &amp; 6</b>	<b>Pav 4, 7, 8, 9 &amp; Day Hospital</b>	<b>1D/1E</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>ANALYSIS OF EXISTING NON-CLINICAL RUNNING COSTS</u></b>						
Catering	506,810	115,650	582,000	0	98,000	1,302,460
Rates	48,000	16,484	24,662	43,892	36,000	169,038
Energy	557,598	59,496	89,099	158,550	73,424	938,167
Domestic	632,073	99,254	148,011	252,500	104,000	1,235,838
Maintenance	350,778	44,105	65,770	120,000	51,388	632,041
Depreciation	365,203	41,282	45,478	73,654	69,686	595,303
<b>TOTAL RUNNING COSTS</b>	<b>2,460,462</b>	<b>376,271</b>	<b>955,020</b>	<b>648,596</b>	<b>432,498</b>	<b>4,872,846</b>

Schedule 4

**NHS AYRSHIRE AND ARRAN**

**ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL – NPD MODEL (New Build) / PUBLIC CAPITAL FUNDING (Refurbishment)**

**SCHEDULE 4 - NON CLINICAL RUNNING COSTS OF RETAINING VACANT BUILDINGS ON EXISTING SITES**

	<b>Ailsa</b>	<b>Crosshouse</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>RUNNING COST OF RETAINING VACANT PROPERTY</u></b>			
Rates	48,000	36,000	84,000
Energy (10% of Appendix 3)	55,760	7,342	63,102
Maintenance (10% of Appendix 3)	35,078	5,138	40,216
Depreciation (based on existing on Appendix 3)	365,203	69,686	434,889
<b>TOTAL RUNNING COSTS</b>	<b>504,041</b>	<b>118,166</b>	<b>622,207</b>

Schedule 5

**NHS AYRSHIRE AND ARRAN  
ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL – NPD MODEL (New Build) / PUBLIC CAPITAL  
FUNDING (Refurbishment)**

**SCHEDULE 5 - SUMMARY OF DIRECT CARE COSTS**

	<b>Current Costs £</b>	<b>Both Options New Build ACH/Refurb Option 2 £</b>
<b>Recurring Costs</b>		
Nursing Salaries	15,113,196	14,573,196
Nursing Supplies	233,584	229,584
Senior Medical	1,675,265	1,675,265
Junior Medical	1,277,600	1,232,600
Pharmacy Supplies	334,163	334,163
Pharmacy/AHP	1,531,611	1,531,611
<b>TOTAL RECURRING COSTS</b>	<b>20,165,419</b>	<b>19,576,419</b>
<b>Excess Travel</b>		<b>101,863</b>

Schedule 6

**NHS AYRSHIRE AND ARRAN**

**ACUTE MENTAL HEALTH AND NORTH AYRSHIRE COMMUNITY HOSPITAL – NPD MODEL (New Build) / PUBLIC CAPITAL FUNDING (Refurbishment)**

**SCHEDULE 6 - ESTATE RATIONALISATION IDENTIFIED FROM BUSINESS CASE**

	<b>Strathdoon £</b>	<b>Hartfield £</b>	<b>Nightingale £</b>	<b>Westmount £</b>	<b>TOTAL £</b>
<b><u>SAVINGS PERTAINING FROM ESTATES RATIONALISATION</u></b>					
Depreciation	11,858	26,438	6,905	8,889	54,090
Energy	16,915	13,985	2,790	3,433	37,123
Maintenance	2,000	1,600	1,600	1,000	6,200
Rates	15,813	11,709	20,813	8,362	56,697
<b>TOTAL SAVINGS FROM ESTATES RATIONALISATION</b>	<b>46,586</b>	<b>53,732</b>	<b>32,108</b>	<b>21,684</b>	<b>154,110</b>