

# Report

## Brunton Place Surgery Re-provision

### Edinburgh Integration Joint Board

8 February 2019



## Executive Summary

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1. The purpose of this report is to present the Initial Agreement for the re-provision of Brunton Place Surgery.
2. Since the proposal seeks capital funding from NHS Lothian the Business Case has been prepared in line with the guidance contained in the Scottish Capital Investment Manual.

## Recommendations

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3. The Edinburgh Integration Joint Board (EIJB) is asked to:
  - i. Note that the Brunton Place Medical Practice presently operates from a building with severely restricted space and which is not compliant with modern health care standards.
  - ii. Note that the Practice is willing to increase its current patient list from 8,300 to 10,000 if provided with sufficient clinical space to do so.
  - iii. Note that NHS Lothian invited Edinburgh Health and Social Care Partnership (EHSCP) to submit an Initial Agreement for this proposal following the conclusion of the 2018-19 Capital Prioritisation Process.
  - iv. Note the Initial Agreement was supported by EHSCP Executive Team on 6 December 2018.
  - v. Agree to the submission of the Initial Agreement to NHS Lothian Capital Investment Group in accordance with the Capital Prioritisation Process.

## Background

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4. Brunton Medical Practice provides General Medical Services (GMS) from its surgery at 9 Brunton Place, Edinburgh. The property is owned by the practice partners.
5. The Practice serves 8,300 patients who reside mainly in the inner-city area of the north east locality. Entry to the list has been restricted to 25 new patients per week since 2016.
6. The surgery from which the Practice operates occupies an area of 330 sqm over three floors of a mid terrace Georgian town house. This is an extremely confined space in which to deliver the level of service demanded by the size of the patient list. A typical surgery dealing with this number of patients would be designed with 700sqm+.
7. The lack of space inhibits opportunities for other services to work alongside the General Practice. Confidentiality at reception is difficult to maintain, patients often have to wait in corridors before appointments and there is no staff room or meeting facility.
8. Entry to the building is impaired as there is no disabled access ramp to the building due to the local planning constraints of World Heritage site status. It also lacks a fully compliant disabled toilet. Only three consulting rooms are situated on the ground floor with the remainder requiring the use of stairways. The building is significantly non-compliant with modern disability standards.
9. Consecutive assessments of the property, dating from 1999, have commented that there was no conceivable design solution to bring the building up to current standard and replacement was the only realistic option.
10. As a result, EHSCP has identified the replacement Brunton Place as its joint top priority in the most recent round of capital investment prioritisation and this was approved by NHS Lothian in June 2018. A notional capital funding allocation of £2 million was included in NHS Lothian's Property and Asset Management Plan
11. The recent introduction of the new GP contract has resulted in action to stabilise and transform primary care in Scotland. In June 2018, the EIJB approved a Primary Care Improvement Plan which identified work which could be delivered outside the GMS contract. One element of this was the Community Treatment and Care services (CTACs) concept which depends on space and staff provided by EHSCP to perform this work. The development of a new surgery in a strategic location presents an opportunity to do this when options elsewhere are very limited. Further work needs to be done on the modelling of CTACs, but a typically sized facility could be expected to provide treatments for a combined patient population of c50,000.

12. EHSCP has already approved the report “Population Growth and Primary Care Premises Assessment 2016-2026” which states that additional capacity in General Practice is necessary in order to meet the rising demands from a population that is both increasing in numbers and aging. A major development is currently planned for the nearby Meadowbank site which is within the catchment area of the Brunton practice.
13. In recent years NHS Lothian has supported and delivered some elements of the GameChanger PSP at Easter Road stadium. During this period Hibernian Football Club has encouraged NHS Lothian to consider using the stadium to provide a range of community based clinical services that can benefit from the synergies arising from the health promotion and prevention activities that underpin the GameChanger approach. This is an option for the practice that is considered further in the Initial Agreement.

## Main report

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14. The project scope is limited to the provision of high quality clinical accommodation with adequate ancillary space for the Brunton Place Practice to serve a list size of 10,000 patients with the inclusion of a CTAC clinical suite that would be sufficient for a catchment of circa 50,000 patients. The proposed accommodation schedule consists of 712 sqm of which 82.3% would be occupied by the Practice and 17.7% by the CTAC.
15. The Initial Agreement identifies two potential sites at Meadowbank and Easter Road, either of which could offer an acceptable location for the delivery of such a project. In both cases the fit out of an existing (or newly developed) property, owned by an external party is the assumed procurement route. The Initial Agreement also indicates that a new build option on a yet unidentified site could offer a better value for money alternative, if a suitable site became available.
16. EHSCP has been approached by the Council to consider locating General Practice within a major development on the Meadowbank site which is subject to the approval of a master plan. If planning consent is obtained it is envisaged that site works would commence in 2021.
17. The location is 0.7 miles from the existing surgery, but site is well served by public transport and the project team can have an input into the design of the property as it develops.
18. The capital cost of fitting out the unit on the Meadowbank site estimated at £3.25 million including VAT. Since the project could not be delivered before 2021 price inflation has been taken into account.

19. The space identified in Easter Road stadium is an internal area of about 800 sqm on the second floor of the north stand. It enjoys good levels of natural light and the consulting rooms could be arranged to offer pitch side views. It also has some potential for future expansion.
20. There is a second option at Easter Road which is for a new build surgery on a vacant corner site that is currently used for overflow car parking. This option requires a much higher level of capital investment and is presented in the Initial Agreement for comparative purposes
21. It should be noted that although the Easter Road options are within the current Practice boundary, the location is not well served by public transport and pedestrian routes to it are not straightforward. The existing access to the second floor would require substantial alteration to allow public use as demanded by the standards applied to a new general practice building.
22. To date, no design proposals to improve entry arrangements to the stadium have been formulated and the cost of creating a new entrance and access to the upper floors will add to the overall capital outlay required for the project. The Initial Agreement presents an indicative cost of £3.95 million for this option.
23. Rental costs for each of the options are shown in the Initial Agreement. A rental cost initially was proposed by Hibernian Football Club and was referred by NHS Lothian to the District Valuer's Office. The developers of Meadowbank have also suggested a rental figure. Both initial estimates have helped with the Initial Agreement but require further exploration as part of the Business Case process.
24. At this stage both options remain under active consideration, but an exercise held with the practice partners to review the non-financial benefits did result in a clear preference for Meadowbank based on its superior accessibility. A final choice between the two options cannot be made without obtaining more detailed information on the site opportunities and constraints, design solutions, delivery timescales and the capital and revenue costs. Only when this information becomes available will it be possible to conclude an option appraisal.
25. As a result, the Initial Agreement recommends that both options are carried forward for further investigation in a future Standard Business case which will require NHS Lothian to commit some enabling funding for this purpose.

## Key risks

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26. The constraints of inadequate General Practice (GP) premises are identified as a risk in the NHS Lothian part of EHSCP's risk register.
27. The Meadowbank option is subject to a planning application as a major development and the outcome of this and the timing of any eventual approval remain uncertain.

## Financial implications

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28. The project will require a capital investment of between £3.25 and £3.95 million (including VAT) at 2018 prices from NHS Lothian, depending on the option that is selected for delivery. (This is at variance with the original estimate of £2m based on preliminary assessments of the Easter Road option).
29. The proposed creation of accommodation for the CTAC, occupying 17.7% of the total internal area, will result in an additional annual property and facilities costs to EHSCP of between £31K and £42K per annum depending on the option that is selected for delivery. At this early stage in the development of the project, the costs are indicative as rental charges have still need to be negotiated. The facilities costs to be met will be defined by a future service level agreement with NHS Lothian Estates.

## Implications for Directions

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30. The Integration Joint Board has issued direction EDI\_2017/18\_4 Primary Care, which includes the following:
  - 4 d) produce business cases that support the need for capital investment based on agreed priorities

## Equalities implications

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31. The project will allow all patients to be treated in clinical rooms that are accessible for people with impaired mobility and other disabilities.

## Sustainability implications

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32. Provision of a new surgery, most likely situated in a property leased by NHS Lothian, will support the sustainability of general practice in the area.

33. The additional c2000 population able to be registered by the re-housed practice is key to continuing to provide access to the growing population.

## **Impact on plans of other parties**

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34. The re-location of Brunton Medical Practice may influence the adjustment of the catchment area boundaries of other practices that are currently operating in north east Edinburgh.

## **Report author**

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**Judith Proctor**

**Chief Officer, Edinburgh Health and Social Care Partnership**

Contact: David White, Strategic, Planning and Quality Manager – Primary Care

E mail: [David.White@nhslothian.scot.nhs.uk](mailto:David.White@nhslothian.scot.nhs.uk) | Tel: 0131 469 3935

## **Appendices**

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Re-provision of Brunton Place Medical Practice Initial Agreement



# Proposal for the Re-provision of Brunton Place Medical Practice

## NHS Lothian Initial Agreement

***Project Owner:*** Steven Whitton

***Project Sponsor:*** David White

***Date:*** 29<sup>th</sup> November 2018

***Version:*** Final Draft

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## 1 Executive Summary

The proposal has already been the subject of a Strategic Assessment approved by both NHS Lothian Capital Investment Group and the Edinburgh Integration Joint Board (EIJB). The Assessment is presented in Appendix I of the Initial Agreement.

## The Strategic Case

### 2.1 Existing Arrangements

- 2.1.1 Brunton Place Medical Practice provides General Medical Services (GMS) to 8,300 patients, the majority of whom reside in the inner-city area of the north east Edinburgh locality. A map of the catchment area showing the distribution of patient households is contained in Appendix II.
- 2.1.2 The practice population consists of a relatively large number of working age patients and the profile indicates a relatively low level of deprivation when compared with other practices in the city. One notable feature is the high level of turnover in the patient list which suggests a base population that is comparatively mobile as a result of demographic churn.
- 2.1.3 Since 2010 the list size has grown by over 1,000, from 7,250 to its current level, and the Practice has had to restrict its acceptance of new patients during much of this period. At the present time it operates a policy of accepting 25 new patients each week which is not sufficient to meet demand. It is also recognised that other neighbouring General Practices also operate restricted lists and do not have the capacity to meet existing demand.
- 2.1.4 The surgery from which the Practice operates occupies an area of 330 sqm over three floors of a mid terrace Georgian town house. This is an extremely confined space in which to deliver the level of service demanded by the size of the patient list. A typical surgery dealing with this number of patients is usually enjoys at least double the floor area. The lack of space obviously inhibits any opportunities for other services to work alongside General Practice. It also means that confidentiality at reception is difficult to maintain, patients often have to wait in corridors before appointments and no staff room or meeting facility.
- 2.1.5 There is no disabled access ramp to the building because of the constraints of World Heritage site status nor is there a fully compliant disabled w/c on the premises. Only three consulting rooms are situated on the ground floor with remainder requiring the use of stairways. The building is non-compliant with modern disability standards.
- 2.1.6 It is apparent that Brunton Place surgery is not a suitable setting for the provision of General Practice. This has been the case for many years and consecutive assessments of the property, dating from 1999, have commented that there was no conceivable design solution to bring the building up to standard and replacement was the only realistic option.
- 2.1.7 As a result EHSCP has identified the replacement of Brunton Place (along with a solution to increase GP capacity in the outer area of South East Edinburgh) as its joint top priority in the most recent round of capital investment prioritisation and this was approved by NHS Lothian in June 2018. A notional capital funding allocation of £2 million is now included in NHS Lothian's Property and Asset Management Plan for the Brunton Place re-provision.

### 2.2 Drivers for Change

- 2.2.1 The population of Edinburgh continues to expand with an additional 55,000 persons expected to reside in the city by 2026, all of whom will seek to register with a local General Practice. Some of this additional demand may be met by the creation of new practices but the majority will have to be absorbed by existing Practices.

- 2.2.2 EHSCP has already approved the report “Population Growth and Primary Care Premises Assessment 2016-2026” which states that additional capacity in General Practice is necessary to meet the rising demands from a population that is increasing both in numbers and in age. A major residential housing and student accommodation development is currently planned for the nearby Meadowbank site which is within the catchment area of the Brunton practice.
- 2.2.3 The recent introduction of the new GP contract demands action to stabilise and transform primary care in Scotland. In 2018 the EIJB approved a Primary Care Improvement Plan which identified a range of routine tasks and treatments that could be delivered out-with the GMS contract and by doing so relieve some of the pressures on General Practice. The Community Treatment and Care concept assumes that space and staff are provided by EHSCP to perform this work and the development of a new surgery in a strategic location presents an opportunity to do this when options elsewhere are very limited.
- 2.2.4 The ability of General Practice to meet service demand is not simply a response to an increasing and more elderly population. It is also a function of Practice resilience and stability. Practices which own their own premises are particularly vulnerable to service disruption and even closures. The new contract seeks to address this by introducing measures that mean over time NHS Boards take on responsibility for all GP accommodation in their areas.

The table below summarises the need for change and the impact it is having on present service delivery.

**Table 1: Summary of the Need for Change**

What is the cause of the need for change?	What effect is it having, or likely to have, on the organisation?
Existing premises are inadequate in size for acceptable levels of service delivery	Practice struggles to meet current patient demand.
Demographic trends leading to increased demand on general practice in Edinburgh.	Additional numbers of patients are seeking to register with a general practice in the locality.
Clinical facilities not compliant with current clinical or disability standards	Practice is restricted in its ability to treat patients with disabilities. Increased risk of adverse incidents.
Implementation of the new GMS contract in Scotland	Practice is unable to accommodate additional services which can support the delivery of the PCIP
Premises are owned by the Practice partners	This may result in future instability if one or more partners seeks equity release on retirement

## 2.3 Investment Objectives

From the assessment of the current situation and the drivers for change we can identify what has to be achieved in order to deliver the changes required. These are defined as the investment objectives and are summarised in the table below:

**Table 2: Investment Objectives**

Effect of the need for change on the organisation	What has to be achieved to deliver the necessary change? (Investment Objectives)
Practice struggles to meet current patient demand	To improve service capacity to enable everyone to have access to General Practice.
Additional numbers of patients are seeking to register with a general practice in the locality.	To increase physical capacity to allow an additional 2000 patients to access GMS.
Practice is restricted in its ability to treat patients with disabilities. Increased risk of adverse incidents.	To provide accessible premises from which to deliver services safely and with optimum clinical functionality
Practice is unable to accommodate additional services which can support the delivery of the Primary Care Improvement Plan.	To provide space for appropriate services to support the delivery of GMS
Risk of future instability if one or more partners seeks equity release on retiral	To provide premises which are sustainable and address service needs for the foreseeable future

## 2.4 Benefits

2.4.1 The Strategic Assessment for Brunton Place Practice was completed in 2015 identifying the need for change, benefits of addressing these needs and their link to the Scottish Government's five Strategic Investment Priorities below:

- Safe;
- Person-Centred;
- Effective Quality of Care;
- Health of Population;
- Value and Sustainability

2.4.2 The above investment objectives and the Strategic Assessment have informed the development of a Benefits Register. In line with the Scottish Capital Investment Manual guidance on `Benefits

Realisation`, this initial register is intended to record all the main benefits of the proposal. A full Benefits Realisation Plan will be developed at Business Case stage.

2.4.3 A summary of the key benefits to be gained from the proposal are described below:-

- Improved quality and physical condition of the healthcare estate
- Improved functional suitability of the healthcare estate
- Increased capacity to address population growth
- Full compliance with statutory standards
- Reduction in the occurrence of adverse incidents
- Fewer emergency admissions to hospital and attendance at A&E
- Improved health of the general population
- More efficient financial and resources performance

## 2.5 Strategic Risks

The table below highlights key strategic risks that may undermine the realisation of benefits and the achievement of the investment objectives.

**Table 3 Strategic Risks**

Risk	Proposed Action/Safeguard
Premises costs are unacceptable to the Practice partners	Inform the Practice of the high level indicative facilities costs in advance of submission of the business case.
Proposed solution not well received by Practice patients	Ensure that patients are aware of the justification for any future re-location
The lease terms for property options are not assessed as offering value for money	Explore other procurement options. If a new build option is selected achieve an acceptable offer before construction commences
Failure to recruit additional staff to deliver the enhanced service	Action to be taken by both EHSCP and NHSL to facilitate GP and nurse recruitment
Project costs exceed allocation in NHS Lothian capital plan	Obtain cost certainty at Business Case stage
Revenue costs of CTAC	Obtain cost certainty at Business Case stage when staffing and property requirements are finalised

## 2.6 Project Scope

- 2.6.1 The project seeks to explore ways by which the investment objectives can be achieved by examining the options for the re-provision of Brunton Place Medical Practice in new premises. Any premises solution that is pursued must be both affordable and provide best value for money.
- 2.6.2 The scope extends to include additional service elements which can potentially underpin the roll out of the new GP contract and the implementation of the Primary Care Improvement Plan. In this particular case the creation of a Community Treatment and Care Centre that can serve patients from a wider catchment area.
- 2.6.3 The project scope is limited to the provision of high quality clinical accommodation with adequate ancillary space for the Brunton Place Practice to serve a list size of 10,000 patients with the inclusion of a CTAC clinical suite that would be sufficient for a catchment area of circa 50,000 patients. The proposed accommodation schedule consists of 712 sq. m of which 82.3% would be occupied by the Practice and 17.7% by the CTAC. The schedule is presented in Appendix III.
- 2.6.4 It is reasonable that consideration should be given to how the project could complement other current EHSCP sponsored activities in the area with particular reference to the GameChanger initiative that is underway at Hibernian FC.
- 2.6.5 As always with proposals of this nature involving the re-provision of General Practices, there may be wider opportunities to generate additional benefits which can arise from addressing the business needs of other Practices that operate in the area. The EHSCP Primary Care Support Team is aware that there are economic benefits in co-locating Practices and that there are also some adjacent Practices that are working in unsatisfactory premises. However, for the purpose of this Initial Agreement the core project scope is restricted to meet the needs of the Brunton Place Practice which has been prioritised by both the NHS Lothian and EHSCP capital planning process.

## 3 Economic Case

### 3.1 Do nothing/baseline

- 3.1.1 The “do nothing” option will be carried forward as a comparator. It assumes that the existing arrangements for the delivery of General Practice to the existing patient list will continue to be provided from the Brunton Place surgery. The problems associated with this arrangement have already been described in section 2.1.
- 3.1.2 Consideration has been given to a “do minimum” option which could address some of the business needs outlined in section 2.2. In simple terms this would require the surgery to at least double its current operational space ideally at ground floor level and completely remodel its internal layout. No solution of this nature presents itself and this has been the case for many years. The Lothian GP Premises Audit Report produced in 1999 stated that “the building could not be brought up to standard and requires replacement”.

### 3.2 Engagement with Stakeholders

- 3.2.1 Practice staff and patients are the key stakeholders in this project. The Practice has been active in visiting other recently upgraded GP surgeries and has participated in the identification of the long-listed options and the assessment of the shortlisted options.
- 3.2.2 Patients who attend appointments at the existing surgery are inevitably aware of its shortcomings. Some patients have provided a number of comments on the Practice on a review website, examples of which are: -
- “surgery seems unfit for purpose”
  - “saturated reception”
  - “the surgery is stretched to breaking point”
  - “typical overworked and understaffed city centre doctor’s office”
- 3.2.3 However at this stage there has not yet been any formal engagement on the optimal solution. Meaningful consultation can only take place when the project can demonstrate a range of potential options and proposed design solutions. Location and ease of access are two factors which are likely to figure prominently in any future engagement which will be conducted during the development of the business case.

### 3.3 Long Listed Options

- 3.3.1 Table 4 on the following page summarises the long list of options identified by the project group.

**Table 4: Long-listed options**

	Option	Advantages	Disadvantages	
A	Do Nothing	Minimal costs	Does not achieve any of the investment objectives.	Retain
B	Do Minimum	Reduced costs	Constraints of existing premises inhibit any realistic design solutions	Discount
C	Fit out of second floor North Stand, Easter Road Stadium	Proximity to patients' place of residence. Site immediately available Re-inforces GameChanger PSP.	Pedestrian routes to stadium not good Public transport routes limited Patient access to the second-floor area	Retain
D	Fit out of both floors of North Stand, Easter Road Stadium combining accommodation with GameChanger	As above Creates improved access participants in GameChanger activities Benefits from GameChanger synergies	As above Results in a larger take up of space than what is needed for the practice population	Discount
E	Fit out of both floors of North Stand, Easter Road Stadium combining accommodation with GameChanger and another General Practice	As above Allows EHSCP to re-provide another Leith practice currently based in poor accommodation	As above Inclusion of another practice in the project brief not sanctioned by the NHSL prioritisation process. Will require use of subprime space on 1F area	Discount
F	Fit out of suitable NHSL property in the vicinity	Reduced costs	No property available	Discount
G	Fit out of vacant premises at 61 London Road (previously Boots Opticians)	Location well served by public transport. Car parking available.	GIA of 400 sq. m not sufficient for expansion of patient list	Discount
H	Fit out of prebuilt commercial space at Meadowbank	As above for public transport. New development can offer optimum design of new surgery on GF level.	Subject to approval of master plan and not able to be delivered before 2021.	Retain
I	New build by NHS Lothian.	No rental charges.	Increased risk involved in site purchase and construction. No site yet identified. Costs in excess of allocation in capital plan	Retain

- 3.3.2 All the long-listed options assume the complete re-provision of Brunton Place surgery and in most cases involve the fit out of a suitable existing property in an acceptable location. An option to build a new surgery on a suitable but as yet unidentified site has been included and this assumes that NHS Lothian will develop and own the property.
- 3.3.3 Several of the options are focused on the possibility of re-providing the surgery inside the North Stand at Easter Road stadium. This builds upon the success of the GameChanger initiative which is currently hosting a range of activities in both the first floor of the North Stand and elsewhere in the stadium. Many of these activities are in fact delivered by third sector partner organisations several of which receive referrals from General Practice in the form of social prescribing. All this activity takes place at the present time without any formal lease agreement with Hibernian Football Club and this arrangement would be expected to continue independently with or without the re-location of the Practice into the stadium.
- 3.3.4 There are a number of scenarios with Easter Road that merit consideration but the most obvious one is the use of the second floor of the North Stand which offers up to 800 sqm of accommodation. It enjoys good levels of natural light and the consulting rooms could be arranged to offer pitch side views. It also has some potential for future expansion if this became desirable.
- 3.3.5 The drawbacks of both Easter Road options are that although it is within the Practice catchment boundary the location is not well served by public transport and most pedestrian routes to it are not straightforward. There may also be some restrictions to service delivery when match days occur.
- 3.3.6 More significantly the existing access to the second floor is far from ideal and will require substantial alterations before it can be made acceptable for public use. A minimum requirement would be to create a new entrance allowing access to an open stairway giving a visible approach to second floor. A new lift would also have to be installed. If this work was carried out it would also realise the benefit of improving access to GameChanger activities on the first floor.
- 3.3.7 To date no design proposals to improve entry arrangements to the stadium have been formulated and the cost of creating a new entrance and access to the upper floors will add to the overall capital outlay required for the project. The Initial Agreement presents an indicative cost of £3.95 million for this option.
- 3.3.8 The other main alternative to Easter Road is the Meadowbank site which is 0.7 miles away from the existing surgery but within the Practice boundary. Development of the site is subject to the approval of a master plan that currently proposes 250 residential units and accommodation for up to 900 students. As this is regarded as a major development there are rigorous conditions and extensive consultation standards that have to be met before it can be approved. If planning consent is obtained it is envisaged that site works would not commence before 2021.
- 3.3.9 The Council has indicated that it would be prepared to offer NHS Lothian a pre-let of space at ground level on the Meadowbank site. The site is well served by public transport and the project team can have an input into the design of the property as it develops.
- 3.3.10 The capital cost of fitting out the unit on the Meadowbank site is estimated at £3.25 million including VAT. Since the project could not be delivered before 2021 price inflation has been taken into account.

### 3.4 Short-listed Options and Preferred Way Forward

3.4.1 The table below identifies the short-listed options, retained from the long list, which can now be further assessed in terms of how each can contribute towards the realisation of the benefits associated with the project. This assessment was performed at a meeting attended by the practice partners along with NHSL and EHSCP staff in October 2018.

**Table 5: Short Listed Options**

Option	Description
Option 1	Do Nothing
Option 2	Fit Out of 2 <sup>nd</sup> Floor Easter Road North Stand
Option 3	Fit out of planned commercial space at Meadowbank
Option 4	New build on a suitable site

3.4.2 The method used for this exercise was to take the anticipated benefits arising from the project to generate a list of success criteria each of which was given a weighted value. The short-listed options were then examined and given a score out of 10 under each of the criteria. The scores are presented in table 6 below.

3.4.3 During this process the scoring panel were aware that there were fundamental gaps in the knowledge relating to the short-listed options. In order to carry out the task the group assumed that an acceptable design solution for entry to the North Stand area was in place and that any option at Meadowbank could be delivered within 3 years. The eventual final scores were heavily skewed by the Practice's view that location and accessibility factors as well as the design potential at Meadowbank were better than at Easter Road.

3.4.4 At this stage both options remain under active consideration and final choice between them cannot be made without obtaining more detailed information on the site opportunities and constraints, design solutions, delivery timescales and the capital and revenue costs. Only when this information becomes available will it be possible to conduct a robust option appraisal.

**Table 6 Non-Financial Benefits Scoring**

	Weighting	Do Nothing	Fit out of second floor North Stand, Easter Road Stadium	Fit out of prebuilt commercial space at Meadowbank	New Build
<b>Clinical Effectiveness and Service Improvement</b> Does the option meet the service requirements to enable delivery of effective clinical care? Does the option enable co-location with appropriate services that can support GMS delivery?	25	75	200	200	200
<b>Accessibility</b> Does the option allow for easy access by users of public transport and facilitate safe and easy access by pedestrians? Will the option allow for appropriate levels of car parking?	30	210	120	210	210
<b>Quality of Physical Environment</b> Statutory compliance – Does the option meet all necessary guidance parameters? Does the option provide a suitable working environment including acceptable management of light, air quality, and noise?	25	25	125	175	200
<b>Sustainability</b> Will the option enable the service to respond to future demographic trends? Does the option provide an energy efficient infrastructure and working environment?	15	30	90	120	120
<b>Deliverability</b> Does the option deliver the development within acceptable timescales? Will the option avoid /minimise disruption to services?	5	50	35	35	20
<b>Total Non-Financial Score (out of 1000)</b>		<b>390</b>	<b>570</b>	<b>740</b>	<b>750</b>

## Indicative costs

3.4.5 Table 7 below details the indicative whole life costs associated with each of the shortlisted options. For further explanation of the determination of the costs in contained in section 5 – the Financial Case.

3.4.6 The additional assumptions associated with the calculation of the NPV of costs are:

- A discount rate of 3.5% has been used in line with Government guidelines.
- A useful life of 20 years has been determined for the leased options (1 and 2) in line with the anticipated terms of the lease. A life of 50 year has been estimated for the new build option (Option 3). An annualised cost has been calculated to allow for comparison of the options with differing lives.
- Phasing of the costs reflects the useful life and the programme of works will depend the actual option that is delivered.

3.4.7 The table also indicates the annualised cost per benefit point calculated using the benefits scores outlined above. Ranking the options in this manner results in Option 4 (new build) being ranked 1<sup>st</sup>, followed by Option 3 (Meadowbank fit out). However, it should be noted that no cost for the acquisition and associated fees for Option 4 is included as there is no information available on this at present. There are also increased risk arising from the purchase of any site, additional construction risks and the responsibility of property ownership. This should therefore impact adversely on the estimate of optimism bias for the new build option.

**Table 3: Indicative Costs of Shortlisted Options**

Cost (£k)	Do Nothing	Option 2: Refurbishment of Easter Road + Extension (£k)	Option 3 Meadowbank Fit Out (£k)	Option 4: New build on new site (£k)
Capital cost	0	3,184	2,619	4,313
Whole life capital costs	0	3,184	2,619	4,313
Whole life revenue costs	0	601	442	290
<b>Estimated Net Present Value (NPV) of Costs</b>	0	3,785	3,061	4,603
Annualised Cost	-	189	153	92
Benefit Points	390	570	740	750
<b>Annual Cost per Benefit Point</b>	0.00	0.33	0.21	0.12
<b>Rank</b>		<b>3</b>	<b>2</b>	<b>1</b>

3.4.7 Despite the above ranking, the focus of the project remains on the two options that are achievable through the fit out of commercially rented space.

## Assessment and identification of preferred solutions

3.4.8 Each of the short-listed options can also be assessed in terms of the extent to which they meet the investment objectives that are outlined in Section 2.3. This confirms that the two fit out options are the options examined in a future Standard Business Case with a preference being for the Meadowbank option but retaining Easter Road as a possible alternative.

**Table 8: Assessment of Short Listed Options**

	Option 1 Do Nothing	Option 2: Refurbishment of Easter Road	Option 3: Meadowbank Fit Out	Option 4: New build on new site
	Does it meet the Investment Objectives (Fully, Partially, No, n/a):			
Investment Objective 1	Partly	Fully	Fully	Fully
Investment Objective 2	No	Partly	Partly	Partly
Investment Objective 3	No	Fully	Fully	Fully
Investment Objective 4	No	Fully	Fully	Fully
Investment Objective 5	No	Partly	Partly	Partly
	Are the indicative costs likely to be affordable? (Yes, maybe/ unknown, no)			
Affordability	Yes	Yes	Yes	Unknown
<b>Preferred/Possible/Rejected</b>	Rejected	Possible	Preferred	Rejected

3.4.9 This paper recommends that Option 2 and Option 3 from the short list are carried forward for a more detailed examination in an options appraisal to be presented in a future Standard Business Case where the implementation of the solutions can be further developed and tested for value for money.

## 3.5 Design Quality Objectives

3.5.1 The project will use the Achieving Excellent Design Evaluation Toolkit (AEDET) to assess design quality throughout the procurement and design process and as part of the Post Project Evaluation.

3.5.2 An initial AEDET workshop will be held prior to the submission of the Business Case once a design team is appointed. The team will work with GPs, patients and EHSCP to identify design criteria to be addressed as a priority at the design develops.

## 4 Commercial Case

### 4.1 Procurement Strategy

- 4.1.1 As this is an Initial Agreement with a proposed solution with a value less than £5m, it is within NHS Lothian's delegated limit and will not require to be submitted to the SGHD for approval.
- 4.1.2 The total indicative costs for the preferred option at this stage are £3.25 including VAT. It is anticipated that the procurement of the project will be led by NHS Lothian. The project will be delivered in accordance with NHS Scotland construction procurement policy and it is anticipated that Hub South East Scotland (HubSE) will be the best option.
- 4.1.3 The hub initiative provides the assumed default route for the development of community-based NHS facilities in Scotland. The hub procurement route provides guarantees the delivery of the project will be achieved within a set affordability cap.
- 4.1.4 HubSE will be commissioned to supply the initial designs and costings that are required to substantiate any future Business Case. Once the Business Case is approved HubSE will be issued with a new project request to deliver the project on behalf of NHS Lothian, in accordance with the requirements of the EHSCP.
- 4.1.5 Both options under consideration are assumed to require NHS Lothian to agree lease terms with the property owner prior to investing any capital in the required fit out. Of course, subsequently NHS Lothian may elect to seek a revenue funded scheme in which the investment is funded by the property owner in return for a higher rental charge.
- 4.1.6 The Practice will occupy space that is lease to NHS Lothian and will be responsible for paying its share of any facilities costs.

### 4.2 Timetable

- 4.2.1 In view of the decision to keep both options open for further investigation in the Business Case it is not possible to provide a project timetable at this stage. The time impediments relating to the Meadowbank development have already been noted and only when there is certainty that the development will go ahead can a credible programme be developed.

## 5 The Financial Case

### 5.1 Capital Affordability

The estimated capital cost associated with each of the short-listed options is detailed in the table below. Construction costs were provided by independent quantity surveyors.

**Table 4: Capital Costs**

Capital Cost (£k)	Do Nothing	Option 1: Refurbishment of Easter Road + Extension (£k)	Option 2: Meadowbank Fit Out (£k)	Option 3: New build on new site (£k)
Construction	-	1,830	1,482	2,570
Construction Risk	-	50	40	70
Professional Fees	-	460	390	590
Equipment	-	66	61	61
IT & Telephone Costs	-	78	71	71
Site Acquisition	-	-	-	TBC
Inflation	-	110	88	160
Optimism Bias	-	700	576	951
<b>Total Cost (excl VAT)</b>	-	<b>3,294</b>	<b>2,707</b>	<b>4,473</b>
VAT	-	659	541	895
<b>Total Capital Cost</b>	-	<b>3,953</b>	<b>3,249</b>	<b>5,367</b>

5.1.1 The assumptions made in the calculation of the capital costs are:

- Optimism bias is included at 27% of all capital costs.
- Preliminaries are included at 20% on the refurbishment options and 12% on the new build.
- An inflation allowance of 7.89% has been included using a base date of October 2018 and the construction timeline detailed in Section 6.2.
- VAT has been included at 20% on all costs. No VAT recovery has been assumed. VAT recovery will be further assessed in the SBC.
- Information is not available at present on the availability or cost of acquiring a suitable site for option 3, therefore no cost has been included for this. This has been highlighted as a key risk associated with this option.

## 5.2 Revenue Affordability

The estimated recurring incremental revenue costs associated with each of the shortlisted options are detailed in the table below. These represent the additional revenue costs when compared to the 'Do Nothing' option.

**Table 5: Incremental Revenue Costs**

Please note the figures have been redacted due to commercial sensitivity:

Incremental Revenue Cost/year (£k)	Do Nothing	Option 1: Refurbishment of Easter Road + Extension (£k)	Option 2: Meadowbank Fit Out (£k)	Option 3: New build on new site (£k)
Facilities	-			
Property Costs	-			
Depreciation	-			
<b>Total Annual Revenue Cost</b>	-			

5.2.1 The assumptions made in the calculation of the revenue costs are:

- The existing practice provides purely GMS services and the practice partners are responsible for all the facilities and property costs associated with providing general medical services through the practice. The future service model is anticipated to include both GMS services and a Community Treatment and Care (CTAC) area.
- All costs associated with the provision of GMS services have been excluded from the above calculation as it is not expected that there will be any revenue implication for overall GMS costs on NHS Lothian.
- The service model for the CTAC area is presently being developed therefore no staffing costs have been included in the above analysis until this has been refined. It is anticipated that any staffing required for this area will be funded through the Primary Care Improvement Fund (PCIP).
- Property (rent, rates, and waste) and facilities costs (domestics) are based on a standard sqm rate applied to the footprint of each of the proposed options. These are for the CTAC area only (anticipated to be 17.7% of the total floor area) as GMS costs will not impact NHS Lothian.
- Depreciation is based on a useful life of 50 years for Option 3 (new build) and assumed to be funded from the existing NHS Lothian depreciation funding allocation. No depreciation has been included for options 1 & 2 as these are anticipated to be leased spaces for which separable assets will not be recognised and depreciated by NHS Lothian.

5.2.2 No funding has been identified for the additional revenue costs at this stage, other than depreciation. Revenue costs will continue to be refined through the SBC process.

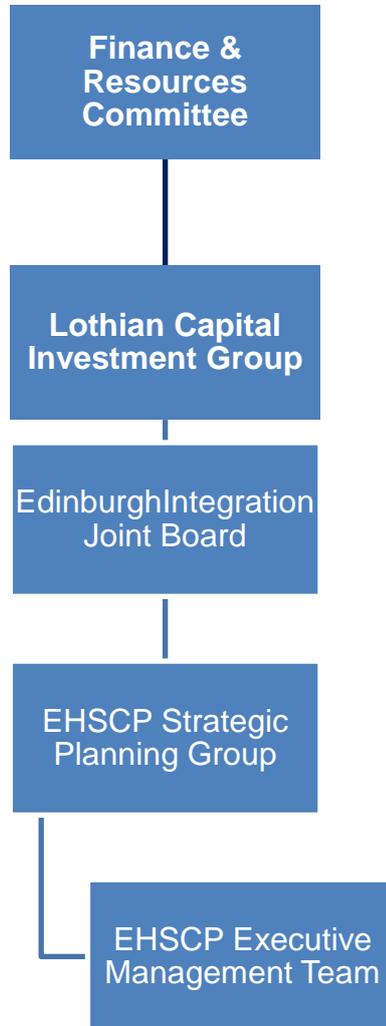
### 5.3 Overall Affordability

- 5.3.1 The capital costs detailed above are predicted to be funded through traditional capital funding through NHS Lothian's formula allocation. This project has been prioritised by NHS Lothian and the Edinburgh Health and Social Care Partnership and the estimated costs noted above are included in the NHS Lothian Property and Asset Management Five Year Investment Plan. No funding has been identified for the additional revenue costs at this stage, other than depreciation. All costs will continue to be refined through the SBC process.

- **The Management Case**

- **Governance support for the proposal**

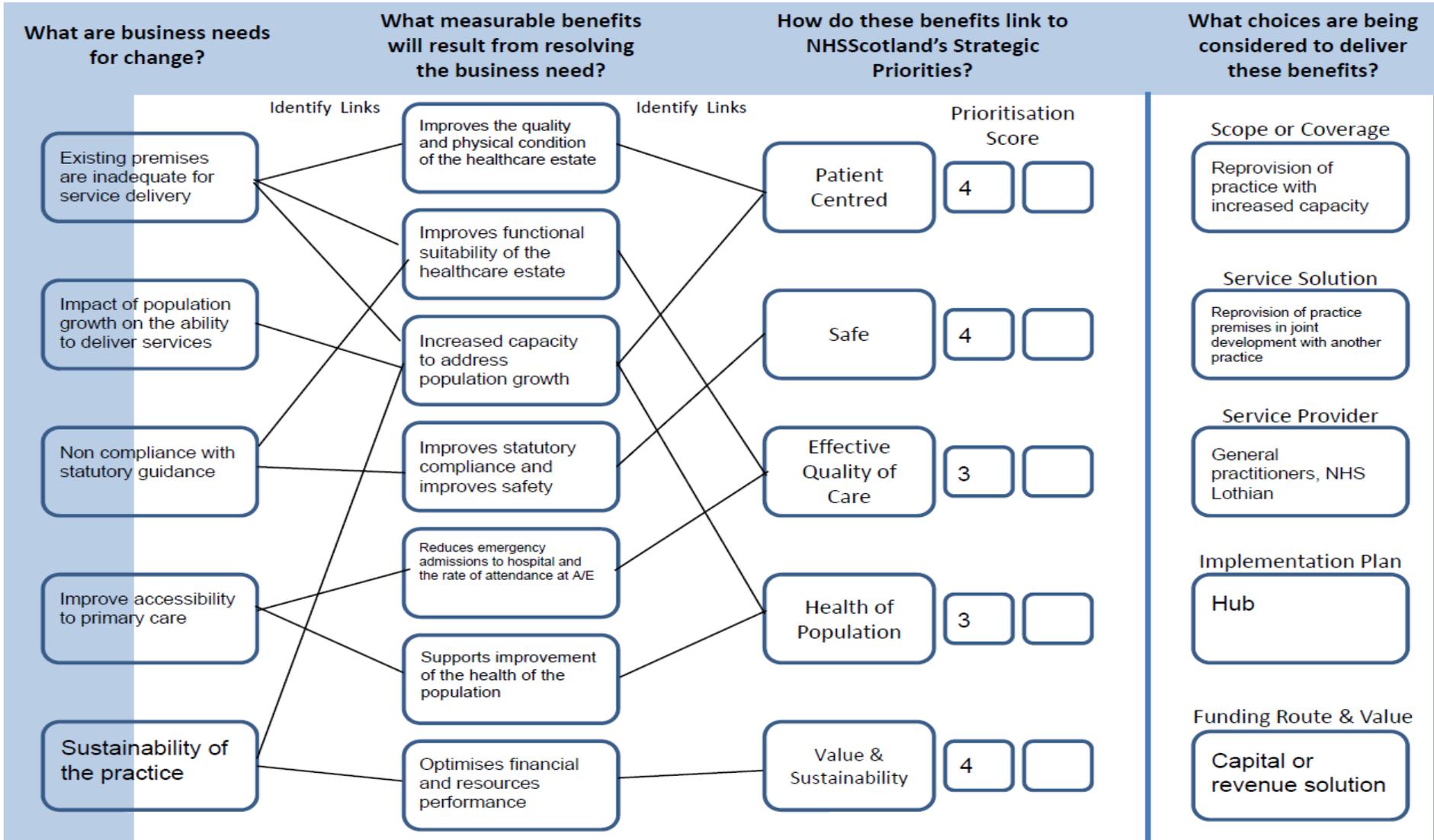
The diagram below shows the organisational governance and reporting structure that will be in place to take forward the proposed solution.



At this early stage when there is no clear certainty on the option to be delivered and its timescales, or procurement route it is premature to make definite statements on the management arrangements.

# Appendix 1: Strategic Assessment

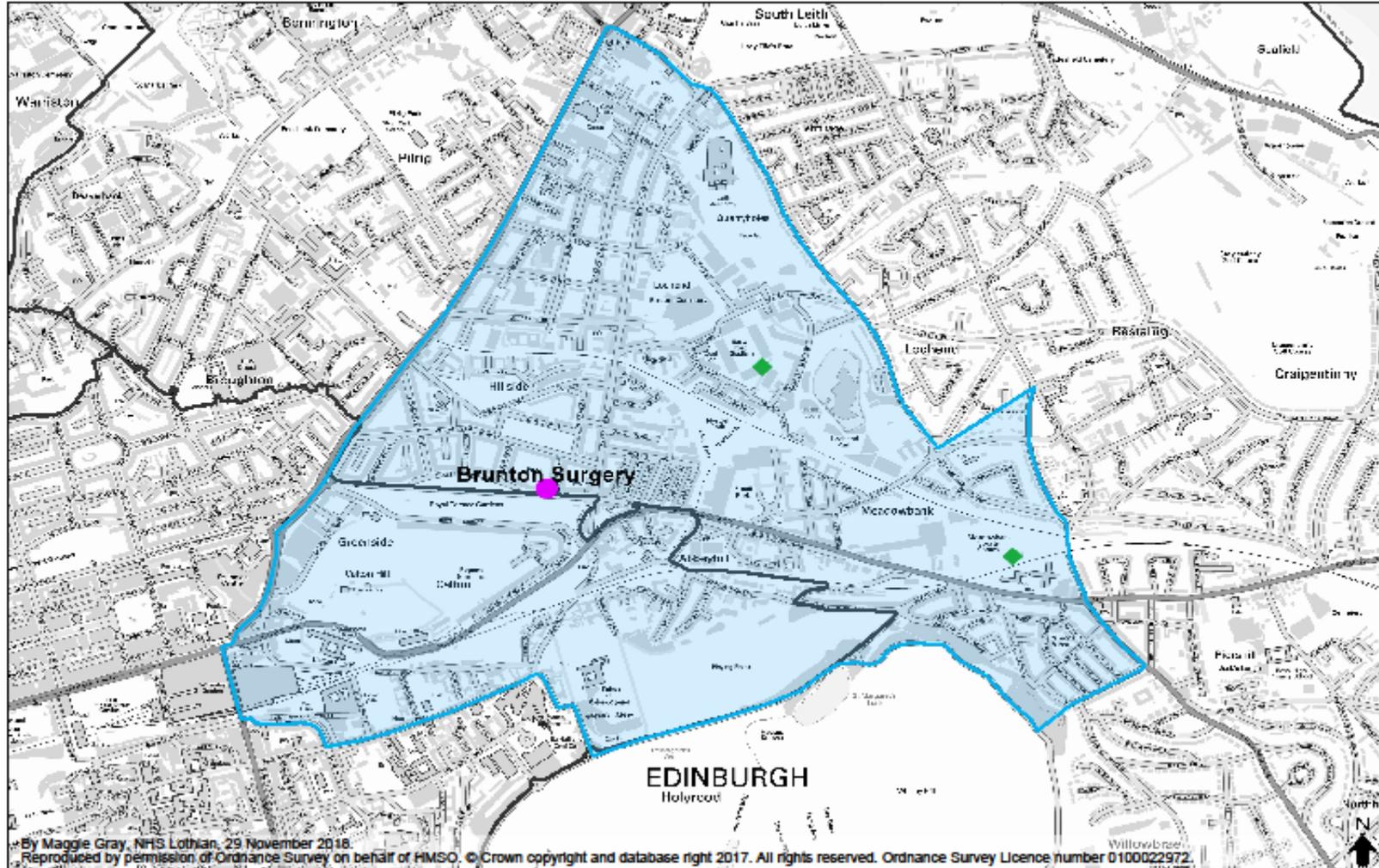
**PROJECT:** Brunton Medical Practice



## Appendix 2: Map



### Brunton Surgery Practice Boundary



## Appendix 3 Schedule of Accommodation

### Schedule of Accommodation

For 8 GPs and Approx. 10,000 patients

Room	Qty	Area m <sup>2</sup>	Total Area m <sup>2</sup>	Comments
Consulting Room	6	15	90	
Minor Surgery	1	18	18	Usage to be reviewed dependent on CTAC
Utility Room				Usage to be reviewed dependent on CTAC
Nurse Consulting Room	3	15	45	Usage to be reviewed dependent on CTAC
Interview/Upset Room	1	9	9	
Main Entrance Lobby	1	10	10	
Reception	1	14	14	
Waiting Area	1	70	70	
Patients WC	2	3	6	
Patients W/Chair WC/ Baby changing	1	5	5	
Records Storage Area	1	20	20	On site because of high turnover
Admin/Secretaries/Data Input etc	1	44	44	7 workstations
Practice Manager	1	12	12	
Meeting/Library Room	1	25	25	
General Storage	2	10	20	
Staff Room	1	18	18	
Kitchen	1	10	10	
Staff WC	2	2	4	
Staff Changing	1	10	10	
DSR	1	10	10	
Disposal	2	6	12	
Communications Room	1	10	10	
Plant Room	1	20	20	
<b>CTAC Suite</b>				
Treatment Rooms	2	18	36	
Interview Rooms	2	9	18	
				<b>Practice Area is 82.35% of dedicated GIA</b>
				<b>CTAC Area is 17.65% of dedicated GIA</b>

Net Area	536
Circulation @ 33%	177
Total Area	712

red font - assumed shared facilities