

NHS Lothian Capital Investment Group
29th September 2011

General Manager, Edinburgh CHP

Firrhill Partnership Centre

1 Purpose of the Report

- 1.1 The purpose of this report is to seek the approval of the Capital Investment Group to the Initial Agreement for the Firrhill Partnership Centre.

2 Recommendations

The Committee is invited to:

- 2.1 Note that the Initial Agreement puts forward the Strategic Case for the Partnership Centre and outlines the three main options for further consideration in the Outline Business Case.
- 2.2 Note that a paper on this project was approved by NHS Lothian Executive Management Team (EMT) in October 2007 which conferred priority within the Primary and Community Premises Modernisation Programme for 2008-09. Note too that a sum of £820,000 from Hub South East Scotland (HubSE) capital enabling funds has been agreed in order to support this project.
- 2.3 Note that the capital value of this project exceeds £5 millions and will require to be submitted to the Scottish Government Health Department Capital Investment Group for final consent.
- 2.4 Note that there is a risk of additional financial outlays and the dislocation of General Practice services in the local community if the project is not successfully completed by October 2014.
- 2.5 Note the investment objectives, benefits and risks which are outlined in the Initial Agreement.
- 2.6 Approve the Initial Agreement in its present form.
- 2.7 Give consent for Edinburgh CHP to issue a New Project Request to HubSE for the production of a Hub Stage 1 Report that will support an Outline Business Case for this project. If the Stage 1 Report presents a verifiable value for money solution and NHS Lothian then decides not proceed with the project, a fee cost of £93,152 will be payable to HubSE.

3 Background

- 3.1 In October 2007, the NHS Lothian EMT accepted a report which proposed a joint premises development in Firhill that would allow NHS Lothian and the City of Edinburgh Council to co-locate a range of community based health and care services in south central Edinburgh as well as providing a new surgery for the Craiglockhart Medical Group, currently operating from two clinical bases in Craiglockhart and Oxfords. The projected capital costs amounted to £5.758m of which the NHS Lothian share would be £3.858 millions.
- 3.2 Work then commenced on the preparation of a Standard Business Case in 2008. Consideration was given to extending the project brief so that service teams which would benefit from co-location with GP and nursing staff and which required new accommodation because of estates rationalisation elsewhere in Edinburgh could be offered space in the Centre. This resulted in clinical facilities for Community Child Health services as well as some accommodation for the locality Community Mental Health, the Community Learning Disabilities and Older Persons Mental Health teams being added to the brief. A full schedule of accommodation is attached as Appendix I of this report.
- 3.3 At the same time the feasibility of providing a full range of community health services on the site has diminished because of reductions in service capacity in some departments. For this reason Community Physiotherapy has been taken out of the brief, as it is not possible to provide an effective full time service in Firhill without closing well-used clinical facilities elsewhere. Every effort will be made at the design stage to ensure that the Centre can offer flexible spaces that can be used by a mix of disciplines,, and so respond flexibly to future demands.
- 3.4 Similarly the City of Edinburgh Council has reviewed its own demands for accommodation within the Centre and has now withdrawn its earlier proposal to relocate day services for older persons, as well as office facilities for the full Sector Practice team, from the schedule. Instead the Council will locate the day services provision elsewhere in the community whilst it will take up only a limited amount of workstations in the Centre for touchdown purposes, in line with emerging Council policies on workstyle transformation.
- 3.5 At this stage some elements within the project scope are subject to further review and will be considered as part of the OBC process. The core elements remain as before:
- the development of a new single surgery for the Craiglockhart Medical Group
 - the provision of new clinical facilities for relevant community health services
 - the creation of modern office accommodation for community health services that require an operational base in the area for patient and client visits
 - the inclusion of space to enable and enhance joint working with relevant local authority services.
- 3.6 The preferred site consists of 0.31 hectares of vacant land situated on Colinton Mains Drive, next to Firhill Medical Centre. The land is owned by the City of Edinburgh Council under the Children & Families account. The site area is limited although it is likely to be sufficient for a new development of around 2,000 sq m over

three floors, with approximately 50 on site car parking spaces. The Firrhill Practice has provisionally accepted a plan to conjoin its existing surgery to the new Centre.

- 3.7 In accordance with Scottish Capital Investment Manual three options have been shortlisted at this stage, including the mandatory “do nothing/minimum” option. The two other options consist firstly of a new build development which is conjoined to the existing Firrhill Medical Centre and secondly the purchase and reprovision of Firrhill Medical Centre as part of a larger new development on the assembled site.
- 3.8 Craiglockhart Medical Group operates from two surgeries, one of which is situated in rented property in Oxbgangs. The lease for this property expires in October 2014 and there is a significant risk that the terms offered by the owner for any temporary extension of the lease may be prohibitive.
- 3.9 There has been a high level of interest in the project from the local community and recently concern has been expressed at the delays in delivering the project. Other issues that have arisen include the increase in travelling distance that some patients of the Craiglockhart practice will experience and potential traffic congestion on Colinton Mains Drive. At the same time the provision of new community health services in the locality has been broadly welcomed.
- 3.10 HubSE has provided an assessment of the indicative capital costs for this project. A sum of £820,000 of capital enabling funds has been allocated to the project by the Scottish Futures Trust. It is anticipated that SPACE, the HubSE Private Sector Partner will work in tandem with the Project Steering Group to produce a Stage One Report which will underpin the Outline Business Case.
- 3.11 The estimated completion date for this project is mid 2014.

4 Resource Implications

- 4.1 The capital costs presented in the Initial Agreement indicate a maximum cost for NHS Lothian of £5,800,000 for Option 2. A sum of £820,000 of capital enabling funds has been allocated to the project by the Scottish Futures Trust.
- 4.2 The recent changes, set out in circular CEL 32 (2010), to the way capital resources are distributed nationally means that NHS Lothian’s potential contribution to this project is above its revised delegated limit.
- 4.3 At this stage no decisions have been made on the preferred procurement route for the project. This will be addressed within the Financial Case of the OBC. As well as public sector capital procurement, Hubco can offer private finance routes as well as the opportunity to “bundle” the project with others to achieve value for money.
- 4.4 A contribution from the Scottish Government towards the unitary charge has been assumed if the project is progressed via a revenue funded route based on the letter dated 22nd March 2011 sent to NHS Board Chief Executives from Acting Director-General Health and Social Care and Chief Executive NHS Scotland, Derek Feeley.

Robert Aitken
Acting General Manager
15th September 2011