Bristol, North Somerset
and South Gloucestershire
Clinical Commissioning Group

70 YEARS OF THE NHS 1948 - 2018

Primary Care Commissioning Committee (PCCC)

Date: Tuesday 25th September
Time: 9-11.15am
Location: Vassall Centre, Gill Avenue, Bristol, BS16 2QQ

Agenda number: 6

Report title: Thornbury Primary and Community Care

Report Author: Ruth Thomas, Head of Locality Development, South Gloucestershire
Report Sponsor: David Jarrett, Area Director, South Gloucestershire

1. Purpose

The purpose of this paper is to update the PCCC on progress made regarding plans for an enhanced Primary and Community Care hub in Thornbury, which forms a key strand of the South Gloucestershire 3Rs programme (Rehabilitation, Reablement and Recovery), and to seek approval for proposed next steps.

2. Recommendations

The PCCC is requested to:

- approve the preferred option identified through the attached (Appendix-1) Outline Business Case (OBC) to develop a new health centre which will bring together the three local Thornbury GP practices alongside pharmacy, OPD (outpatient department), mental health and community services, to create an enhanced Primary and Community Care Hub.
- approve commencement of the Full Business Case

3. Executive Summary

The BNSSG CCG's Governing Body approved next steps around its 3Rs Plan in April, which set out a vision for the provision of Rehabilitation, Reablement and Recovery services in South Gloucestershire.

A key component of this programme is the development of a new enhanced primary and community care hub at Thornbury. To support delivery of the 3Rs programme, Capita was

engaged to work with local stakeholders and develop an Options Appraisal in 2016/17, which led to the attached draft Outline Business Case (OBC). Estates Technology and Transformation Fund (ETTF) monies have been secured to progress development of a Full Business Case (FBC) now the preferred option has been identified.

There are a number of contextual issues outlined in the full paper, including: demographic growth - significant numbers of new housing under development and in planning; issues with service delivery from the current estate for outpatient and community services; ability of the current estate to service new ways of working and models of care including at scale provision and access to 7/7 primary care services.

The Options Appraisal and OBC considered a number of options, with the preferred option being the development of new premises which will **bring together the three local Thornbury GP practices alongside other services to create an enhanced primary and community hub** (option 5b). This option is confirmed as being best-placed to deliver sustainable primary and community care for the local population.

The FBC will explore the preferred site options alongside procurement options.

4. Financial resource implications

The capital costs to build the preferred option are estimated to be c£10m (including construction, contingency, fees, equipment, VAT and optimism bias). This does not include the land purchase price. A bid has been submitted into the STP Capital process for funding, with announcements on next steps due to be made by NHS England in November 2018.

5. Legal implications

No legal implications are identified at this stage. The FBC will confirm the procurement approach, and development of the facility will be in accordance with relevant Primary Care regulations.

6. Risk implications

Description of risk	Mitigating actions	Mitigated risk score Likelihood x Impact
No identified capital	STP Capital – bid submitted	3 x 3 = 9
GP practice support and engagement	Meetings with practices arranged to understand individual practice issues issues and gain their continued input	3 x 3 = 9
NBT land sale value	Negotiation with NBT and Partners to ensure all commitments can be met. FBC exploration of site options.	2 x 3 = 6

7. Implications for health inequalities

None identified

8. Implications for equalities (Black and Other Minority Ethnic/Disability/Age Issues)

An Equality Impact Assessment has been completed for the 3Rs programme which was previously reviewed and accepted by Governing Body.

9. Implications for Public Involvement

There has been ongoing engagement with local stakeholders through local councillors and Thornbury Town Council, and engagement with South Gloucestershire Council was undertaken as part of the development of the Options Appraisal. A full stakeholder engagement plan will be developed as part of the FBC process.

Agenda item: 6

Report title: Thornbury Primary and Community Care

1. Background

The BNSSG CCG's Governing Body approved next steps around its 3Rs Plan in April, which set out a vision for the provision of **r**ehabilitation, **r**eablement and **r**ecovery services in South Gloucestershire. A key component of this programme is the development of a new enhanced primary and community care hub at Thornbury.

To support delivery of the 3Rs programme, Capita was engaged to work with local stakeholders and develop an Options Appraisal in 2016/17, which led to the attached (Appendix 1) draft Outline Business Case (OBC). Estates Technology and Transformation Fund (ETTF) monies have been secured to progress development of a Full Business Case (FBC) now the preferred option has been identified.

1.1 Local area and context

Thornbury is a thriving market town in South Gloucestershire, serving a population of around 47,000 residents from the town and surrounding area. There are five GP practices working together in a cluster, three of whom are based in Thornbury itself. Of these, two are co-located in the same NHS Property Services (NHSPS) Health Centre (Streamside Surgery and Dr Foubister & Partners). The third practice, St Mary's Street Surgery, is also located in the town centre and is owner-occupied.

The Health Centre is next to Thornbury Hospital, which consists of two buildings – a red brick building housing inpatient beds (out of scope of the OBC) and a second building housing outpatient services (currently provided by the acute provider (North Bristol Trust) and the community provider (Sirona) and in scope). The site is owned by North Bristol Trust. Some community services also operate from the Health Centre.

1.2 Current service issues

- Future population growth - Thornbury is an area of significant growth with several housing developments already under construction. South Gloucestershire Council have approved several housing developments in the Thornbury area, with 800 homes already under construction, planning permission approved for a further 125 homes and applications for a further 600 homes anticipated in the future. In addition to this the Thornbury area is also included as a location for further housing development as part of the West of England Joint Spatial Plan. Within 10 years Streamside Surgery and Dr Foubister & Partners would need to increase their Gross Internal Area (GIA) by a third, and St Mary's Surgery by two thirds in order to meet the projected population growth. The new facility will ensure sustainable delivery of primary care service and will also enable a greater degree of acuity to be managed in a community setting, with correspondent reduction in acute activity.

- Current estate configuration limits new ways of working and models of care including at scale provision and provision of 7/7 primary care services and Improved Access – the GP cluster is working hard to develop these models and estate is a key enabler to delivery

- The building housing outpatients is not fit for purpose. Only a third is operationally viable, which limits the services that can be delivered locally. Additionally, both the community services provider and mental health provider deliver services locally from other locations which could be rationalised and brought into an integrated facility delivering a patient-centred model

- Supporting sustainable community services and the development of integrated community localities is a key strategic priority for the CCG. The new facility would offer an opportunity to maximise the opportunities of integrated working for the Thornbury area and support the development of new pathways and delivery of community services close to patient's home.

- The CCG's 3Rs (Rehabilitation, Recovery and Re-ablement) programme also includes a new-build for co-located Local Authority commissioned services in Thornbury – a new nursing home of c80 units and 50-80 units of Extra Care Housing, plus 6-10 CCG-commissioned rehabilitation beds for step-up / step down provision. The development of a Primary Care and Community care hub will enable integrated and comprehensive Health and Social care services to be provided to these developments.

1.3 Preferred Option

Against this context, Capita completed an Options Appraisal and OBC. The Options Appraisal long-listed 9 possible options which were evaluated against investment objectives, benefit criteria and Critical Success Factors. This led to a shortlist of five options which were evaluated against economic and qualitative criteria, giving a Combined Investment Appraisal (VFM).

The preferred option is confirmed as **the development of new premises which will bring together the three local Thornbury GP practices alongside pharmacy, OPD (outpatient department), mental health and community services, to create an enhanced Primary and Community Care Hub.** This option was identified as being best-placed to deliver sustainable primary and community care for the local population and to meet future strategic need.

1.4 Site Location

Four potential sites were considered in the option appraisal including the existing Thornbury Health Centre site (NHS PS), Thornbury Hospital site and two alternative sites within Thornbury. The site master plan for Thornbury Hospital includes a new-build for co-located Local Authority commissioned services – a new nursing home of c80 units and 50-80 units of Extra Care Housing, Work is underway to identify the preferred site, and negotiations continue with NBT as the land owner of the Thornbury Community Hospital site as part of the broader 3Rs programme.

1.5 Procurement options

A source of capital has not yet been identified for the build. A bid has been submitted into the STP Wave 4 capital programme which successfully progressed from Expression of Interest (EoI) to full bid, and feedback is expected around November 2018. The FBC will explore procurement options.

1.6 Model of Care

The modelling to date has been predicated on a ‘lift and shift’ of current provision, which is a mixture of NBT-delivered outpatient services and nursing / therapeutic services delivered by Sirona. There will be a need for the FBC to align with and be informed by two key initiatives – the reprocurement of adult community services and the development of the Integrated Community Localities model. These have the potential to shape and transform delivery of care for the population, and the design and configuration of the estate will need to respond to these requirements. The timescales for this are well-matched.

1.7 Stakeholder Engagement

There has been ongoing engagement with local stakeholders through local councillors and Thornbury Town Council, and engagement with South Gloucestershire Council was undertaken as part of the development of the Options Appraisal. A full stakeholder engagement plan will be developed as part of the FBC process.

The three affected GP practices have been engaged in the development of the OBC and there is on-going communication and dialogue with the individual practices and across the three practices together. Dr Foubister & Partners and Streamside Surgery are co-located in an NHSPS-leased building, St Mary’s Street Surgery is owner-occupied.

Through the development of the FBC the practices will need to be fully engaged and involved in the programme to ensure that any concerns and issues are addressed. The draft OBC has been shared, and individual meetings with the practices have taken place to discuss their positions. Practice support and engagement is key for the preferred option to be taken forward.

2. Financial resource implications

The capital costs are estimated to be £10m – the OBC states the costs as below but the sq. m cost is likely to increase in line with recent guidance. Costs will be fully worked up as part of the FBC process.

Option 5b	
GIA	2138
Sq. m cost	£2,546 Sq. m
Construction Cost	£5,442,540

Contingency @ 5%	£272,127
Fees @ 15%	£816,381
Equipment @ 10%	£1,088,508
VAT @ 20%	£1,360,635
Sub Total	£8,980,191
Optimism Bias @ 10.76%	£966,269
Total	**£9,946,459**

These costs do not include the land purchase price, which form part of the negotiations around the preferred site.

3. Legal implications

No legal implications are identified at this stage. The FBC will confirm the procurement approach, and development of the facility will be in accordance with relevant Primary Care regulations.

4. Risk implications

Description of risk	Mitigating actions	Mitigated risk score Likelihood x Impact
No identified capital	STP Capital – bid submitted	3 x 3 = 9
GP practice support and engagement	Meetings with practices arranged to understand concerns and gain their input	3 x 3 = 9
NBT land sale value	Negotiation with NBT and Partners to ensure all commitments can be met. FBC exploration of site options.	2 x 3 = 6

5. Implications for health inequalities

An Equality Impact Assessment has been completed for the 3Rs programme which was previously reviewed and accepted by Governing Body.

6. Implications for equalities (Black and Other Minority Ethnic/Disability/Age Issues)

None identified

7. Consultation and Communication including Public Involvement

As per section 1.6, there has been ongoing engagement with local stakeholders through local councillors and Thornbury Town Council. Full consultation will be undertaken as part of the FBC process.

8. Recommendations

The PCCC is requested to:

- Approve the preferred option identified through the Outline Business Case (OBC) - to develop a new health centre which will bring together the three local Thornbury GP practices alongside pharmacy, OPD (outpatient department), mental health and community services, to create an enhanced Primary and Community Care Hub.
- Approve commencement of the Full Business Case

Report Author: Ruth Thomas, Head of Locality Development, South Gloucestershire
Report Sponsor: David Jarrett, Area Director, South Gloucestershire

Appendices

Outline Business Case, Thornbury Primary and Community Hub and associated Annexes

Bristol, North Somerset
and South Gloucestershire
Clinical Commissioning Group

Outline Business Case for a sustainable primary healthcare service in Thornbury

June 2018

This document is Confidential and should not be disseminated or reproduced
(in part or in full) to any third party without our express permission

Contents

Document control 7
Document history 8

1. Executive Summary 9
1.1 Introduction 9
1.2 Strategic Case 9
1.3 Economic Case 11
1.4 Commercial Case 16
1.5 Financial Case 17
1.6 Management Case 19

Key roles and responsibilities include: 19
1.7 Next Steps 20

2. Introduction 22
2.1 Structure and content of this document 22
2.2 Clinical objectives of the project 22

3. Strategic Case 24
3.1 Introduction 24
3.2 National Strategic Context 24
3.3 Local Strategic Context 27
3.4 The Case for Change 30
3.5 Investment Objectives 32
3.6 Benefits Criteria 34
3.7 Risks 34
3.8 Constraints 35
3.9 Dependencies 36

4. Economic Case 37
4.1 Development of Options 37
4.2 Critical Success Factors 37
4.3 The Weighted Benefits and Scoring Methodology 38
4.4 Long List of Options 39
4.5 Short list 39
4.6 Design development 41
4.7 Qualitative Appraisal: (Non-Financial) 41
4.8 Economic Appraisal 42

4.9 The Preferred Option ±Combined Investment Appraisal ± Value for Money 45

5. Commercial Case 46

5.1 Procurement Strategy 46

5.2 Key Factors affecting outcomes 47

6. Financial Case 50

6.1 Introduction 50

6.2 Capital Costs 51

6.3 Revenue Costs 55

6.4 Sources of Finance 58

6.5 Impact on CCG Balance Sheet 58

6.6 Contingency 58

6.7 Affordability 58

6.8 Sensitivities 59

7. Management Case 60

7.1 Project Governance Arrangements 60

7.2 Use of special advisors 61

7.3 Stakeholder Engagement 61

7.4 Programme Plan 62

7.5 Programme Quality & Assurance Management 63

8. Next Steps 66

Appendices 67

Appendix 1 ± Schedule of Accommodation 68

Appendix 2 ± OB Forms 69

Appendix 3 ± Design Massing 70

Appendix 4 ± Full Financial Pack 71

Schedule of tables and figures

Table 1 ± Investment objectives 10
Table 2 ± Outline of the long list to short list options 12
Table 3 ± Raw scoring of options 14
Table 4 ± Key results of Economic Appraisal 15
Table 5 ± Summary of Economic and Value for Money Appraisal 15
Table 6 ± Supply chain for professional and construction services 16
Table 7 ± Summary of capital costs 17
Table 8 ± Summary of Future Revenue Costs 18
Table 10 ± Key project milestones 19
Map 1 ± Housing development locations around Thornbury 30
Table 11 ± Population growth 32
Table 12 - Population growth 32
Table 13 - investment objectives 33
Table 14 ± Main risks and counter measures 35
Table 15 - Weighted scores 38
Table 16 - Explanation of scoring 38
Table 17 - Expanded long list of options 39
Table 18 ± Summary of the shortlisted options 40
Table 19 - Raw scoring of options 42
Table 20 - Weighted scoring of options 42
Table 21 - Overall NPC Summaries Based on Costs & Cash Flows 43
Table 22 -Summary of Net Present Costs 44
Table 23 - Combined Qualitative and Quantitative ranking 45
Table 24- Key External Advisors & Construction Services 46
Table 25 - risk transfer 48
Table 26 - Capital add-on to basic construction cost 52
Table 27 - Backlog maintenance requirements 53
Table 28 - Optimism Bias 54
Table 29 -Summary of Capital Costs 55
Table 30 - Existing Revenue Costs 56
Table 31 - Summary of Future Revenue Costs 57
Table 33 - Specialist Advisers 61
Table 34 - Stakeholders 62
Table 35- key project milestones 62

Document control

Client	Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group
Title	Outline Business Case for Sustainable Primary Healthcare Service in Thornbury
Capita File ref	\\CSLWISFS01V\Groups\3 PROJECTS BY CLIENT\South Glos CCG\Thornbury primary care\Business Case\Output Docs\Documents
Date	June 2018
Prepared by	Eithne Burt ± Capita
Authorised by	Sandra Reading ± Capita
Authorised by	Brian Johnson- Capita

Document history

Version	*Date*	*Summary of Change*	*Author*
2.0		First draft report	E Hodgson
2.1		Economic Case (non -financial)	E Hodgson
2.3		Update of commercial section	E Hodgson
2.4	23.04.2018	Update finance section	M Stevens
2.4	24.04.2018	Draft issued to CCG for comment: Ben Bennett	E Hodgson
2.5	25.04.2018	Updated draft	E Hodgson
2.6	08.05.2018	Updated finance and economic case sections	M Stevens
2.7	09.05.2018	Executive summary	E Hodgson
3.0	10.05.2018	2nd Draft issued to CCG	E Hodgson
3.1	13.06.2018	Reissued final draft to CCG with appendix	E Hodgson
3.2 FINAL	26.06.2018	Issued following review meeting 25.06.2018 incorporating comments.	E Hodgson
6	22.08.18	Revised version following client feedback. Project Board table deleted.	M James

1. Executive Summary

1.1 Introduction

This Outline Business Case (OBC) selects a preferred way forward for the re-provision of sustainable primary care services in Thornbury. It proposes to develop a primary care facility that will support the changes required in primary care as outlined in the General Practice Forward View (GPFV) for the provision of a healthcare estate that is flexible and enables change to clinical pathways and models of care.

Five shortlisted options were identified with the preferred option being (5b) to develop a new build (for 3 practices with growth), pharmacy, OPD, mental health and community services.

South Gloucestershire has a total resident population estimated to be 275,000[1]. Around 63% of South Gloucestershire's population live in the Bristol 'fringe', 17% of the population live around Yate, Chipping Sodbury and Thornbury and the remaining 20% live in more rural areas, giving Thornbury (and the surrounding area) a population of approximately 46,750 residents. The General Practice registered population for South Gloucestershire is 269,544 and is used when planning developments in healthcare services.

Thornbury is an area of growth with several housing developments already under construction. It is anticipated that there will be further expansion as South Gloucestershire Council completes its local development plan. This plan guides where new homes, businesses, and other services or facilities are to be developed.

This business case is intended to support the development of primary and community infrastructure to provide a sustainable solution for the local area. The preferred option recommended in this business case to be taken forwards will address the capacity and quality issues following a review of all co-location options for primary care and community services. It will mitigate risk and reduce backlog maintenance issues whilst supporting the establishment of new care pathways for future care provision.

The business case will also demonstrate how the proposed investment is aligned with the Bristol, North Somerset and South Gloucestershire (BNSSG) Clinical Commissioning Group (CCG) objectives.

1.2 Strategic Case

The strategic objective of the CCG that forms the basis of this project is to assess the future need for primary care and ensure the provision of sustainable primary care services that can deliver care locally at scale and within accommodation that is fit for purpose.

The strategic objectives are underpinned by the following investment objectives for the project:

[1] Office of National Statistics 2015 (mid-year population)

Table 1 ± Investment objectives

No.	Title	Description
1.	**Improved clinical effectiveness**	‡ Aligns with Sustainability and Transformation Plan (STP): ‡ Aligns with the *&&¶VRSHUDWLRQDOSODQIRU66DQG6RXWK* Gloucestershire Area Locality. ‡ Aligns with the GP Five Year Forward View ‡ Enables workforce developments including GP and multi-professional staff training ‡ Aligns with the BNSSG primary care strategy ‡ Care will be delivered in the right place, at the right time and by staff with the right skills.
2	**Supports delivery of sustainable estate in primary care**	‡ Provides the required space for primary care services in cluster 1 based on population growth. ‡ Reduces unscheduled hospital attendances and admissions ‡ Enables resilience and sustainability for primary care. ‡ Supports integrated IM&T services ‡ Provides an estate that is fit for purpose
3	**Supports delivery of sustainable community services**	‡ *(QDEOHVWKHGHOLYHU\RIFRPPXQLW\VHUYLFHVFORVHWRSDWLHQWV¶KRPH* ‡ Enables integrated working that supports people to remain at home ‡ including working with other community providers and the voluntary sector ‡ Supports integrated IM&T services ‡ Supports new pathways and early intervention for people with long term conditions including mental health.
4	**Improved patient experience**	‡ Enable patients to receive care close to home ‡ Improves local community access to healthcare ‡ Enables seamless transition between services reducing unnecessary duplication ‡ Enables the capability to provide patient education (clinical effectiveness)
5	**Makes best use of public estate**	‡ Ability to deliver services that meet population growth within the geographical area. ‡ Supports sustainable use of primary and secondary care estate in Thornbury ‡ Provides facilities that offer multiple and flexible, encouraging collaboration and shared use across organisations. ‡ Enables Improved access and can be shared between providers
6	**Quality**	‡ Enables clinical care to be delivered in estate that is fit for purpose ‡ Supports the provision of high quality, effective service delivery in the community ‡ Enables new models of care to be implemented and delivered in different ways. ‡ Allows simple and innovative one stop solutions where multiple services can be delivered together ‡ Improved working environment for staff
7	**Achievability**	‡ Provides a solution to the estates priorities ‡ Provides a solution that can be delivered within the STP programme timescales and within the agreed financial plan

		‡ Enables risk to be addressed and monitored under the governance framework and financial growth.

1.2.1 National and Local Strategies

National and Local Strategic planning has been considered as part of the previous options appraisal and for this outline business case includes:

- NHS Five Year Forward View
- Sustainability and Transformation plans
- NHS operating planning guidance
- GP Forward View (GPFV)
- South Gloucestershire Local Plan
- Joint Spatial Plan
- One Public Estate

1.2.2 Case for Change

The case for change is set out in section 3 of the OBC. The following are the key drivers for change:

- Deliver the required changes within the GP Forward View
- Provide sustainable primary care to meet the increased local population and the changing demographic in and around Thornbury.
- Deliver primary care at scale within the Cluster (1)
- Enable collaborative and integrated working across primary care and community services
- The development will align with the community re-procurement process as the scope of future services is defined and agreed.
- Support the implementation of changing models of care including use of latest technology
- Provide facilities that support an increasingly diverse skill mix in primary care
- Provide facilities that are fit for purpose
- Support the delivery of care close to home

1.3 Economic Case

An economic appraisal of the primary care and community options has been completed in accordance with the Capital Investment Manual and requirements of Her Majesty's Treasury's (HMT) Green Book (A Guide to Investment Appraisal in the Public Sector).

This economic appraisal identified that the preferred option for a sustainable primary care development would be a new build, integrated health centre for all three practices in Thornbury. The development should include a pharmacy, outpatient and community services currently

delivered from the community hospital and mental health services. (Option 5b from the long list of options below)

The Critical Success Factors for the project are:

- **CSF1 ± Business needs** ± how well the option satisfies the existing and future business needs of the organisation
- **CSF2- Strategic fit** ± how well the option provides holistic fit and synergy with other key elements of National, Regional and Local strategies
- **CSF3 ± Benefits optimisation** - how well the option optimises the potential return on expenditure ± business outcomes and benefits (qualitative and quantitative, direct and indirect to the organisation) ± and assists in improving overall VFM (economy, efficiency and effectiveness)
- **CSF4 ± Potential achievability** ± how well the option assists the organisations ability to innovate, adapt, introduce, support and manage the required level of change, including the management of associated risks and the need for supporting skills (capacity and capability). Also, WKHRUJDQLVDWLRQ¶VDELOLW\WRHQJHQGHUDFFHSWDQFHE\VWDII
- **CSF 5- Supply side capacity and capability** ± the ability of the market place and potential suppliers to deliver the required services and deliverables
- **CSF6 ±Potential affordability** ± WKH RUJDQLVDWLRQ¶V DELOLW\ WR IXQG WKH UHTXLUHG OHYH expenditure- namely, the capital and revenue consequences associated with the proposed investment.

1.3.1 The long List Options

These critical success factors alongside the investment objectives and benefit criteria for the project were used to evaluate the long list of options. The long list was reviewed by the project board identifying whether the option was to be short shortlisted for detailed appraisal or should be discounted. The key criterion for shortlisting was based on the extent to which the option provided a sustainable solution for the local health community.

The table below provides the outcome of the initial review:

Table 2 ± Outline of the long list to short list options

Options		Current Discounted/ shortlisted status
1	**Do nothing**	**Shortlisted** as a baseline comparator, but recognised it carries a risk due to its ability to meet future growth, to provide sustainability of current services and address the requirements of the GPFV
2	**Do Minimum:** Renovation of existing building and new build adjacent for OPD and community services.	**Shortlisted-** Survey of the site supports the refurbishment of current building as a minimum.

Options		Current Discounted/ shortlisted status
3	**Do More:** A new build to provide facilities for the current practices in the health centre within the current footprint.	***Discounted*** - *Significant investment for limited additional primary care space.* *Would not provide additional space for OPD and other community services. Additional solution would be required.*
4a	**New build:** Develop new health centre (2 practices) with pharmacy	***Discounted*** - *Would not provide sufficient capacity for the projected growth in Thornbury.* *Would not provide additional space for OPD and other community services. Additional solution would be required.*
4b	**New build:** Develop new health centre (2 practices) with pharmacy, OPD, mental health and community services.	**Shortlisted**
5a	**New build:** Develop a new Health centre (3 practices) with pharmacy	***Discounted*** - *Would not provide additional space for OPD and other community services. Additional solution would be required.*
5b	**New build:** Develop new health centre (3 practices) with pharmacy, OPD, mental health and community services.	**Shortlisted**
6	**New build:** integrated health centre for all 3 practices with shared Branch site with pharmacy, OPD, mental health and community services.	***Discounted*** - Not in line with NHS Strategy
7	**New build:** Development of two practices now with pharmacy, OPD, mental health and community services. Development of a new third practice in the future	***Discounted*** ± *One Practice would prefer to maintain current location unless it is part of a single site development. Third new practice development would not be required.*
8a	**New build:** Develop new health centre (2 practices) with space for additional population growth & pharmacy	***Discounted*** **-** *Would not provide additional space for OPD and other community services. Additional solution would be required.*
8b	**New build:** Develop new health centre (2 practices) with space for additional population growth, pharmacy, OPD, mental health and community services.	**Shortlisted**

1.3.2 Shortlisted Options

Following a review of the long list of options, a short list taken forwards within this Outline Business Case is as follows:

- Option 1: Do Nothing. Baseline comparator for other options.
- Option 2: Renovation of existing building and new build adjacent for pharmacy, OPD, mental health and community services.
- Option 4b: Develop new build (for 2 practices with growth), pharmacy OPD, mental health and community services;
- Option 5b: Develop new build (for 3 practices with growth), pharmacy OPD, mental health and community services;

- Option 8b: New build for (for 2 practices) with space for additional population growth for Thornbury, pharmacy, OPD, mental health and community services;

1.3.3 Qualitative Benefits ± Identifying the preferred Option

The shortlisted options were appraised against key benefit criteria to establish a preferred option. The benefit criteria that would be delivered through a sustainable primary care and community development and the raw scores for the options are detailed in the table below:

Table 3 ± Raw scoring of options

Ref	Benefits	Weighting	Raw Scores for Options				
			1	2	4b	5b	8b
1	Improved clinical effectiveness	20%	3	5	7	9	8
2	Supports delivery of sustainable primary care services	15%	2	4	7	9	8
3	Supports delivery of sustainable community services	15%	2	3	8	9	8
4	Improved patient experience	10%	2	5	8	8	8
5	Makes best use of public estate	10%	2	2	7	8	7
6	Quality	15%	2	3	8	9	9
7	Achievability	15%	3	2	8	7	8
	TOTAL	**100%**	**16**	**24**	**53**	**59**	**56**

Agreed weightings (shown in the table above) were then applied to each benefit criteria which resulted in the final weighted rankings being the same as the raw rankings:

- Rank 1 (5b) Develop new build (for 3 practices with growth), pharmacy OPD, mental health and community services;
- Rank 2 (8b) new build for (for 2 practices) with space for additional population growth for Thornbury, pharmacy, OPD, mental health and community services
- Rank 3 (4b) Develop new build (for 2 practices with growth), pharmacy OPD, mental health and community services;
- Rank 4 (2) Renovation of existing building and new build adjacent for pharmacy, OPD, mental health and community services.
- Rank 5 (1) Do Nothing

The preferred non- financial option is therefore option 5b.

- To develop a new build (for 3 practices with growth), pharmacy, OPD, mental health and community services

1.3.4 Key Findings of Economic Appraisal

The overall financial summaries of the five options is based on the cash flow input to the Generic Economic Model (GEM). The costs include both revenue and capital costs for each option, which are calculated as a lifecycle cost, discounted at 3.5% and then summarised to provide a single net present cost which is summarised as follows:

Table 4 ± Key results of Economic Appraisal

Option	Appraisal period	NPC £
Option 1 Do Nothing	30 Years	9,033,000
Option 2 Do the Minimum	30 Years	14,016,000
Option 4B	30 Years	17,322,000
Option 5b	30 Years	19,187,000
Option 8b	30 Years	19,491,000

Full details relating to the GEM modelling

1.3.5 Economic Appraisal Conclusion

The option which offers the best value for money is the one with the lowest Net Present Cost (NPC). This is the preferred option from a purely financial perspective. Option 2 (do minimum/ renovation and extension of current health centre), has the lowest NCP when compared with do nothing and is therefore the preferred financial option.

1.3.6 Overall findings preferred Option

As identified above the preferred option from a non- financial perspective is **Option 5b**: to develop a new build (to support 3 practices with growth), pharmacy, OPD, mental health and community services. Whilst from a financial perspective it is **Option 2** Do the minimum.

By combining the quantitative and qualitative scoring, a NPC per benefit point can be calculated. The preferred option is the one which has the lowest NPC per benefit point as this is the most effective solution based on both the financial and the non-financial review.

Table 5 ± Summary of Economic and Value for Money Appraisal

Criteria	Do nothing Option	Option 2	Option 4b	Option 5b	Option 8b
Qualitative weighted Scores	2.35	3.5	7.55	8.50	8.05
Ranking Non-Financial	**5**	**4**	**3**	**1**	**2**

Criteria	Do nothing Option	Option 2	Option 4b	Option 5b	Option 8b
Net present cost (NPC) (£000)	9,033	14,016	17,322	19,187	19,491
Rank (VFM)	**1**	**2**	**3**	**4**	**5**
NPC per point score (£000)	3,845	4,005	2,294	2,257	2,421
Rank	**4**	**5**	**2**	**1**	**3**

As can be seen from table 5 above the preferred option from an overall perspective is Option 5b A new build to support 3 practices with growth, pharmacy, OPD, mental health and community services;

1.4 Commercial Case

1.4.1 Procurement strategy

The Procurement strategy has not been agreed at this stage in the programme and will be dependent on the agreed funding arrangements for the project.

Procurement of a construction partner will be required following approval of the project to proceed from Full Business Case (FBC) to Construction. It is assumed that a construction partner will not be appointed prior to the FBC completion.

Table 6 ± Supply chain for professional and construction services

Role	Organisation
Pre-construction	
Business case preparation	Capita
Mechanical and electrical consultants	Capita
Architects	Capita
Structural engineers	Capita
Cost consultants	Capita
Project management	CCG
GMP development	TBC
Construction	
Building contractor	TBC
Mechanical and electrical contractor	TBC

1.5 Financial Case

The Financial Case sets out the financial implications for the CCG in terms of capital expenditure and cash flow, income and expenditure account and borrowing.

1.5.1 Capital Costs

The capital costs for each option have been calculated to meet the future service requirements of the patients from the relevant GP practices. This is completed by starting with the projected list sizes of each and then utilising standard NHSE guidance to calculate a Schedule of Accommodation, that can accommodate the projected future needs of the local population to current day standards using the relevant latest Health Building Note to establish the latest configuration and room requirements to deliver a modern high-quality health service.

Included within the capital cost estimates is an element for optimism bias. This element allows for the fact that it has been demonstrated through rigorous research that within the NHS there is a tendency to underestimate both building capital costs and build times.

At this current point in time it is estimated that this level of unmitigated risk stands at 10.76% and therefore this allowance has been built into the estimated capital costs.

The total capital costs for each of the following options are summarised as follows:

Table 7 ± Summary of capital costs

Option 1		Option 2		Option 4b	
GIA	1374	GIA	1920	GIA	1726
Sq m cost	£0	Sq m cost	£1,246	Sq m cost	£2,546
Construction Cost	580,000	Construction Cost	2,391,638	Construction Cost	4,393,744
		Contingency @ 5%	119,582	Contingency @ 5%	219,687
		Fees @ 15%	358,746	Fees @ 15%	659,062
		Equipment @ 20%	478,328	Equipment @ 10%	878,749
		VAT @ 20%	597,909	VAT @ 20%	1,098,436
		Sub Total	3,946,202	Sub Total	7,249,677
		Optimism Bias @ 10.76%	424,611	Optimism Bias @ 10.76%	780,065
Total	580,000	Total	4,370,814	Total	8,029,74

Option 5b		Option 8b	
GIA	2138	GIA	2020
Sq m cost	£2,546	Sq m cost	£2,546
Construction Cost	5,442,540	Construction Cost	5,142,157
Contingency @ 5%	272,127	Contingency @ 5%	257,108
Fees @ 15%	816,381	Fees @ 15%	771,323
Equipment @ 10%	1,088,508	Equipment @ 10%	1,028,431
VAT @ 20%	1,360,635	VAT @ 20%	1,285,539
Sub Total	8,980,191	Sub Total	8,484,558
Optimism Bias @ 10.76%	966,269	Optimism Bias @ 10.76%	912,938
Total	9,946,459	Total	9,397,49

The timing of capital expenditure is based on an assumed construction period of 12 months commencing in April 2019

1.5.2 Revenue Costs

Revenue costs for each of the shortlisted options have been estimated for comparison with the existing costs of running equivalent services today.

The following table outlines the estimated future revenue costs for each of the options:

Table 8 ± Summary of Future Revenue Costs

Future Revenue Costs Sq m		Rent £000	Rates £000	Water £000	Service Charges £000	Cleaning £000	FM charges £000	TOTAL £000
	Option 1							
1990	Backlog maintenance	210.1	64.3	3.0	110.6	47.5	5.4	440.9
	Total	210.1	64.3	3.0	110.6	47.5	5.4	440.9
	Option 2							
1920	Upgrade THC	208.0	54.2	3.7	108.6	47.5	5.4	427.4
285	St Mary's	41.5	20.4	0.0	2.0			63.9
(100)	Less Pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
2105	Total	238.7	71.7	3.5	110.6	47.5	5.4	477.5
	Option 4b							
1726	New build - THC	187.0	48.7	3.3	108.6	47.5	5.4	400.5
285	St Mary's	41.5	20.4	0.0	2.0	0.0	0.0	63.9
(100)	Less pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
1911	Total	217.7	66.3	3.1	110.6	47.5	5.4	450.6
	Option 5b							
2138	New build - THC	231.7	60.3	4.1	108.6	47.5	5.4	457.6
(100)	less pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
2038	Total	220.8	57.5	3.9	108.6	47.5	5.4	443.8
	Option 8b - THC							
2020	New build - THC	218.9	57.0	3.9	108.6	47.5	5.4	441.3
285	St Mary's	41.5	20.4	0.0	2.0			63.9
(100)	Less pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
2205	Total	249.5	74.6	3.7	110.6	47.5	5.4	491.3

It should be noted that option 5b is a new build with all 3 practices co-located and therefore increases the revenue costs for the new build but removes the current running costs DVVRFLDWHGZLWK6W0DU\¶VFXUUHQWSUHPLVHV

1.5.3 Impact on Balance Sheet

It is assumed that irrespective of the commercial partnership arrangements put into place that any assets created as a result of this business case will not reside on the balance sheet of the CCG

1.6 Management Case

This Project will be managed by South Gloucestershire Clinical Commissioning Group. Roles and responsibilities are set out in Section 7.

The project board will have members from all key stakeholder organisations ± Bristol, North Somerset and South Gloucestershire CCG, Sirona, North Bristol NHS Trust, the three local GP practices (Streamside Surgery, St Mary Street Surgery, Dr Foubister & Partners) ± alongside a Specialist Healthcare Planner, and will be formed at FBC commencement.

Key roles and responsibilities include:

- Providing the strategic direction of the project
- Ensuring continuing commitment of stakeholder support
- Making key stage decisions and recommendations including the non-financial options appraisal.

A review and update of the project board representatives and terms of reference will be undertaken prior to commencing the FBC.

The UHFHQWFKDQJHVWR%ULVWRO1RUWK6RPHUVHWDQG6RXWK*ORXFHVWHUVKLUH&&*¶VZLOOU a review of the governance arrangements moving forward. This will be reflected in the updated terms of reference at the start of the FBC.

The key project milestones will be:

Table 10 ± Key project milestones

Milestone	Date
Outline Business Case Approval	September 2018
Development of Project initiation document	Month 1
Feasibility and agreement on preferred site	Month 1-3
Mobilisation of FBC	Month 1
Commence Full Business Case	Month 2
Detailed design with stakeholders	Month 2-4
Mechanical, Engineering and Structures review of design	Month 4
Sign off 1:200 design	Month 4
Pre-planning meeting with council	Month 4
Cost analysis	Month 5
Submission of Full Business Case to CCG	Month 6
CCG approval of Full Business Case	Month 7-8
Procure build partner	Month 12
Commence construction	Month 21 - June 2020

Milestone	Date
Complete construction	Month 33 - June 2021

1.6.1 Outline Arrangements for Risk Management

All projects are subject to risk and uncertainty. Successful project management should ensure that major foreseeable risks are identified, their effects considered and actions taken to remove, or mitigate the risks concerned

A proactive risk management regime will be employed throughout the project. A project risk register will be set up and developed through a work shop environment. It is essential that all key members of the project team are involved in identifying, recording and managing risks.

The risk register will be a working document and will be developed during the FBC process. The register will be reviewed regularly focusing on the high-impact risks and those pending action dates.

1.7 Next Steps

There are a number of next steps that need to be considered if this business case is to be developed further:

- Development of the scope of services relating to outpatients and community services to be included within the proposed health centre, requires further detail from the CCG.
- Agree the preferred site for development of new build. The non-financial economic DSSUDLVDOLGHQWLILHGDQHZEXLOGDVWKHSUHIHUUHGRSWLRQZLWKVWDNHKROGHU¶VSUHIH being the current community hospital site due to its central location.
- Investigate acquisition costs relating to preferred site for inclusion in future financial analysis.
- CCG to provide more detailed financial information relating to revenue costs for FBC
- Assess the impact of the inclusion of a health centre development on the wider master planning for the preferred site with NBT.
- CCG to consider how the development of the frailty model and locality hubs may add value to this development moving forward.

It is recommended that the Outline Business Case is approved by the CCG to proceed to Full Business Case based on the preferred option 5b a new build (3 practices with growth), pharmacy OPD, mental health and community services and the next steps outlined above.

Signed:...

Senior Responsible Officer

Date: ....

BNSSG CCG

2. ,QWURGXFWLRQ

This Outline Business Case (OBC) selects the preferred option for the delivery of sustainable primary health care services in Thornbury. The preferred option will address capacity and quality issues; enable co-location of primary care and community services, mitigate risk; support the establishment of new care pathways, reduce backlog maintenance issues and provide a fit for purpose estate for the delivery of primary care that is close to home for the residents of Thornbury and its surrounding area.

2.1 Structure and content of this document

This Outline Business Case has been prepared using the agreed standards and format for business cases, as set out in DH guidance and HM Treasury Green Book. The OBC has been produced in accordance with the principles of the Five Case Model, which comprises the following key components:

- **Strategic Case**; this describes the strategic context and the case for change, together with the supporting investment objectives for the project;
- **Economic Case**: this demonstrates that the organisation has selected a preferred way forward, which best meets the existing and future needs of the service and is likely to optimise value for money (VFM);
- **Commercial Case**: this describes the planned procurement methodology;
- **Financial Case**: this assesses the funding arrangements and affordability and the impact on the balance sheet;
- **Management Case**: this demonstrates that the project is achievable and can be delivered successfully in accordance with accepted best practice.

2.2 Clinical objectives of the project

2.2.1 Demographics

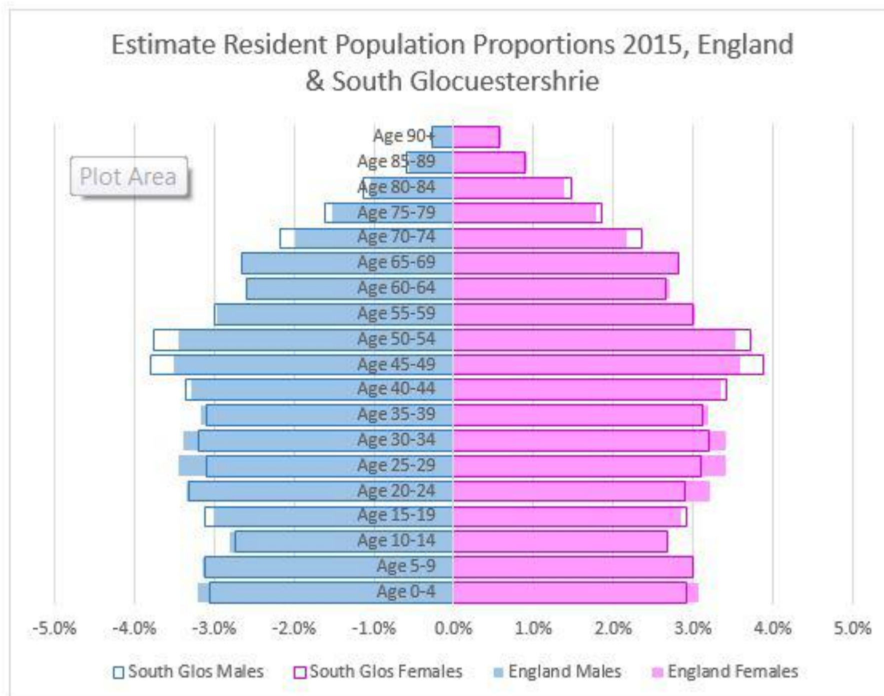
South Gloucestershire has a total registered population estimated to be 275,000. Around 63% RI6RXWK*ORXFHVWHUVKLUH¶VSRSXODWLRQOLYHLQWKH%ULVWROµIULQJH¶DUHD 17% of the population live around Yate, Chipping Sodbury and Thornbury and the remaining 20% living in more rural areas, giving Thornbury (and the surrounding area) a population of approximately 46,750[2].

The population of South Gloucestershire has increased by nearly 10% since 2002. The main drivers for population growth in recent years being natural change (more births than deaths)

[2] Office of National Statistics 2015 (mid-year population)

and inward migration. The ONS population projections suggest this is set to increase a further 17-20% by 2039.

Figure 2.1 Population proportions



It is noted in figure 2.1 that the largest proportional increases are those aged 65 and older. The number of 75 to 84-year-old males is predicted to double, the number of women aged 90 and over is set to triple and the number of males aged 90+ predicted to increase by five and half times current estimates[3]. These increases will have a significant impact on primary care provision, complexity of care and the support required for financial balance moving forward.

In addition to the aging population there has been an increase in births in South Gloucestershire between 2003 and 2012, and although this has declined in recent years it is projected that by 2037, there will be a further 6% increase in births.
South Gloucestershire is, overall, a relatively affluent area, with only sixteen per cent of local authority areas in England estimated to be more affluent than South Gloucestershire[2]. But in line with most places South Gloucestershire has pockets of deprivation and is considered relatively deprived in terms of geographical barriers, which relates to the physical proximity of local services. 50.1 % of the South Gloucestershire population are rated as amongst the 40% most deprived nationally in terms physical access to services ± a reflection of the rural nature of much of South Gloucestershire[2].

[3] South Gloucestershire Joint Strategic Needs Assessment

3. 6WUDWHJLF&DVH

3.1 Introduction

The purpose of this section is to explain how the scope of the proposed project fits within the existing business strategies of the organisation and provides a compelling case for change, in terms of the existing and future operational needs and commissioning priorities for primary care. The document sets out South Gloucestershire clinical commissioning group (CCG) (hereafter referred to as SG CCG or CCG) proposals to support investment in a sustainable primary care facility that is fit for purpose for the increasing demand for primary care provision across Thornbury.

3.2 National Strategic Context

Five Year Forward View

7KH)RUZDUG9LHZ¶[4] (2014) is a government strategic policy that sets out a clear direction for the NHS, identifying what it should look like and the need for on-going change. One of the aims of the paper is to ensure that clinical commissioning groups (CCG) have more control over the wider NHS budget, enabling a shift in investment from acute providers to primary and community services. The change focuses on developing new partnerships between acute trusts, clinical commissioning groups, local communities, local authorities and employers and underlines the need for changing current models of care. These recommended future models of care will expand the leadership of primary care to include more integrated working and a wider scope of services being delivered in the community and primary care settings.

2Q0DUFK1+6(QJODQGSXEOLVKHGIXUWKHUJXLGDQFHLQWKHIRUPRIµ1H[W6WHSVRQWKH)LYH<HDU)RUZDUG9LHZ¶7KLVSURYLGHVDUHYLHZRIQDWLRQ-wide progress toward delivering the Five Year Forward View (5YFV) published in 2014, and sets out priorities for its delivery as part of the next phase in 2017. Recognising the scale of the challenge the three CCGs are working jointly to support and accelerate the development and delivery of robust and realistic savings plans over the next two years.

Enabling these developments has influenced the strategic objectives of this Outline Business Case and is a key factor IRUFRQVLGHUDWLRQLQWKHIXWXUHVXVWDLQDELOLW\RI7KRUQEXU\¶VSULP care estate. The preferred options being considered will not only be required to deliver extra capacity for the growing population but will be required to enable development of an estate that will be fit for future needs, promote integrated and different ways of working and improve patient experience.

[4] NHS five year forward view (2014) Department of Health

Sustainability and Transformation Plans (STPs)

In December 2015, the NHS shared planning guidance outlining a new approach to help ensure that health and care services are built around the needs of local populations. To do this, every health and care system in England has produced a multi-year Sustainability and Transformation Partnership (STP), demonstrating how local services will evolve and become more sustainable over the next five years. The aim is to deliver the vision as set out in the Five Year Forward View of better health, better patient care and improved efficiency. The plans are based on local populations and their needs within local health and care systems.

This business case will focus on the following BNSSG STP priorities:

>Prevention and early intervention

>Primary care reform

>Integrated care

>System Productivity

NHS Operational Planning Guidance 2017-2019

The NHS operational planning guidance 2017/19[5] sets out how the planning and contracting processes will change to support delivery of sustainability and transformation plans, implement the five-year forward view to drive improvements in health and care; restore and maintain financial balance; and delivery core access and quality standards. The priorities for 2017-19 are summarised as follows:

NHS operational planning priorities:

>Implementing sustainability and transformation plans

>Finance

>Primary care reform

>Urgent and emergency care

>Referral to treatment times and elective care

>Cancer

>Mental health

>People with learning disabilities

>Improving quality in organisations

[5] The operational planning guidance 2017-19 (2016, Sept) NHS England and NHS Improvement

GP Forward View

The General Practice Forward View (GPFV)[6] requires CCGs to resource primary care infrastructure to deliver GP transformation over the next five years. This is supported by several new national funding streams. South Gloucestershire CCG have worked with Bristol and North Somerset CCGs to produce a BNSSG Primary care strategy which aligns to the GPFV.

The GPFV focuses on the following key areas;

>Neighbourhoods/ Primary care at scale
>Improving access and urgent care;
>Development of workforce and training
>Infrastructure ± Estates and information technology
>Governance and redesign through accountable care

Delivery of extended access (improved access) is now the top national priority within primary care/GPFV implementation. All CCGs are required to deliver extended/Improved access services to their population by March 2019[7]. The core requirements for extended access are set out in the NHS Operational Planning and Contracting Guidance (2017-2019)[4].

In order to be eligible for additional recurrent funding, CCGs will need to commission and demonstrate changes in primary care as follows:

x Timing of appointments:
  o commission weekday provision of access to pre-bookable and same day appointments to general practice services in evenings (after 6:30pm) ± to provide an additional 1.5 hours a day;
  o commission weekend provision of access to pre-bookable and same day appointments on both Saturdays and Sundays to meet local population needs;
  o provide robust evidence, based on utilisation rates, for the proposed disposition of services throughout the week; and
  o Appointments can be provided on a hub basis with practices working at scale.

x Capacity:
  o &RPPLVVLRQ D PLQLPXP DGGLWLRQDO PLQXWHV¶ consultation capacity per 1000 population, rising to 45 minutes per 1000 population.

x Measurement:

[6] Department of Health: GP 5 Year Forward View (2014)
[7] Department of Health: Next Steps, GP 5 Year Forward View (2017)

- Ensure usage of a nationally commissioned new tool to be introduced during 2017/18 to automatically measure appointment activity by all participating practices, both in-hours and in extended hours. This will enable improvements in matching capacity to times of high demand.

- Advertising and ease of access:
  - ensure services are advertised to patients, including notification on practice websites, notices in local urgent care services and publicity into the community, so that it is clear to patients how they can access these appointments and associated service;
  - ensure ease of access for patients including:
    - all practice receptionists able to direct patients to the service and offer appointments to extended hours service on the same basis as appointments to non-extended hours services
    - Patients should be offered a choice of evening or weekend DSSRLQWPHQWVRQDQHTXDOIRRWLQJWRFRUHKRXUV¶DSSRLQWPHQWV
- Digital:
  - Use of digital approaches to support new models of care in general practice.
- Inequalities:
  - ,VVXHVRILQHTXDOLWLHVLQSDWLHQWV¶H[SHULHQFHRIDFFHVVLQJJHQHUDOSUDFWLFHL by local evidence and actions to resolve in place.
- Effective access to wider whole system services:
  - Effective connection to other system services enabling patients to receive the right care from the right professional, including access from and to, other primary care and general practice services such as urgent care services.

The national guidance requires that during 2017/18, 100% coverage of extended access (evening and weekend appointments) is achieved in GP Access Fund sites. With a number of additional geographies identified across the country which are expected to accelerate delivery of improving GP access.

7KHUROHRISULPDU\FDUHDVSDUWRIDQLQWHJUDWHGORFDOXUJHQWFDUH¶\VWHPLVQRZLQFUHD recognised and in consequence the proportion of capacity which can be expected to be used to manage on-the-day demand is much higher and the opportunities from co-locating or integrating delivery are emphasised.

3.3 Local Strategic Context

South Gloucestershire CCG along with Bristol and North Somerset CCGs have been working with key NHS provider organisations in the area, including representatives of GP practices, and the three local authorities to develop their Sustainability and Transformation Plan (STP) for implementing the 5YFV and improving the financial position of the local health and care system. A joint BNSSG Operational Plan for Bristol, North Somerset and South Gloucestershire (BNSSG) Clinical Commissioning Groups (CCGs) has been developed that

sets out the priority work programmes and projects for the next 2 financial years (April 2017 ± March 2019)[8].

BNSSG CCGs have been set a financial control total of a deficit of £8m for 2017/18. The joint CCGs are carrying an overall (current and combined) deficit of £47m into 2017/18 which, based on current spending plans, will increase to £107m over the next 2 years. Reducing the deficit to £8m will require a significant level of savings to be made across the health community DQGVDYLQJVRIPDFURVVWKH&&*¶VZLOOQRWEHUHDGLO\DFKLHYHGZLWKRXW meaningful change at all levels.

Within the BNSSG STP new model, clusters of GP practices will work together to be responsible for the health and wellbeing of their populations seven days a week. Clusters will vary in size depending on the requirements of their populations but will serve approximately 30 to 50 thousand people. The GP practices in South Gloucestershire are arranged into 6 clusters with Thornbury, Pilning and Almondsbury forming µ&OXVWHU¶

The General Practice cluster will support community resilience, link with community and voluntary sector groups, and support local people to stay as well and as healthy as possible. They will coordinate the mental and physical health requirements and support social care through operating within teams of larger multispecialty community providers, primary and acute care systems, or other appropriate models. The required level of care for individuals and populations will be identified using a risk stratification system and delivered through multidisciplinary working and integrated systems of care.

3.3.1 Alignment with local Strategies

South Gloucestershire Council is working with Bristol City, Bath & North-East Somerset and North Somerset councils to prepare a development plan - the Joint Spatial Plan (JSP) which will cover all four authority areas and set the strategic planning context for the West of England[9].

The JSP will set out the amount of homes and work places which are required in the area up to 2036, where they should go and why. It will also identify the key new infrastructure required to support this growth.

The new South Gloucestershire Local Plan (SGLP) is for the whole of South Gloucestershire and covers the period from 2018-2036. It will follow on from the JSP and contain the detailed strategy and policies for delivering the development identified in it. It will be used to determine planning applications.

---

[8] BNSSG operational plan 2017-2019

[9] https://consultations.southglos.gov.uk/consult.ti/NewLocalPlanFeb2018/consultationHome

South Gloucestershire Council wants to do this in a sustainable way to provide good quality, well designed developments which strengthen the local communities and provides the range of infrastructure, services and facilities to enable all parts of the community to prosper.

The South Gloucestershire Local Plan will help identify the sustainable growth needed over the next 20 years. The Local Plan will guide how and where this will happen and will include detail of where new homes, businesses, transport, schools, other services and facilities will be developed.

Thornbury is an area of growth with several new housing developments already under construction. It is anticipated that there will be further growth in and around Cluster 1 as the local authority plans become more fully developed. This business case is intended to support the development of the required primary and community infrastructure needed to provide a sustainable solution for the local area.

Current planned and speculative developments in Thornbury and surrounding area comprises:[10]

South Gloucestershire Core Strategy allocates 2 sites for Thornbury:

- Park Farm (500 homes) ± *under construction*
- Morton Way North (300 homes) ± *under construction*

Speculative, approved developments (where not supported by Core Strategy)

- Post Farm (125 dwellings) ± *full consent*

Speculative not yet approved developments (where not supported by Core Strategy)

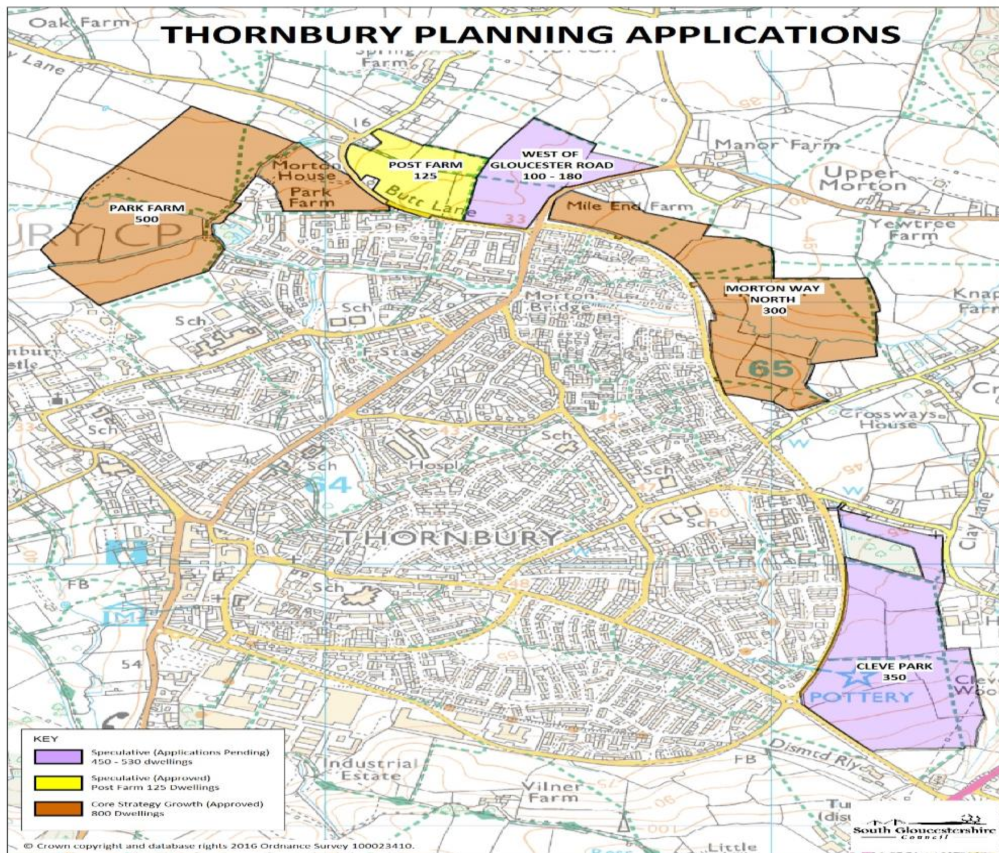
(These comprise approximately 500 dwellings of the 600 proposed in the Joint Spatial Plan):

- West of Gloucester Road (100-180) homes ± *planning application to be determined*
- Crossways has the potential for 100 homes-
- Cleve Park (350 homes) ± SODQQLQJDSSOLFDWLRQUHIXVHG ± appeal is expected

In addition, Buckover Village is a family owned estate located close to Thornbury. It currently has a number of tenant farms, a farm shop, a village hall as well as a woodland and quarry area. The estate is very community based and intends to expand, developing a further 2,200 homes by 2023 and reaching a maximum of 3,000 houses by 2026. These figures are currently excluded from the projected housing growth as they do not yet form part of South Gloucestershire council housing development data.

[10] South Gloucestershire Plan Core Strategy 2003-2027 (2013)

Map 1 ± Housing development locations around Thornbury



3.4 The Case for Change

A programme of work has been undertaken in South Gloucestershire¶V&OXVWHU7KRUQEXU\ Pilning and Almondsbury, in relation to the current capacity within primary carer and an options appraisal has been completed. The scope of the project was to consider the condition, capacity, appropriateness and sustainability of the existing primary care estate for the delivery of the current and future General Practice that will be required for local populations. The options appraisal has informed this future requirement for required development of the primary care estate in line with the expected demographic changes and increased population due to housing developments being undertaken in the area. This was supported by an activity analysis to inform the size of facility that will be required within Primary Care at Thornbury to meet both the current and future demand.

The population growth, and the potential impact on clinical services has been considered. With 90% of consultations occurring in primary care, the demand for GP services across Bristol, North Somerset and South Gloucestershire is known to have already raised by 13% between 2008-2013/14. Consultations with nurses was also 8% higher and other professionals in primary care (e.g. pharmacists), grew by 18% in the same period. There have been equivalent

increases in demand for community services such as district and school nursing[11]. This recognises that not only is there a growing demand for primary care services but there are also required changes in the primary care skill mix with an increasing range of professionals required to deliver the care. This is an essential part of the changes in primary care with retiring *3¶DQGGLIILFXOWLHVUHFUXLWLQJ*3¶SDUWLFXODUO\WRPRUHUXUDODUHDV

The GP Forward View requires GP practices to not only improve access to services but also demonstrate that appointments can be provided more flexibly using a hub model and that practices work together to work at scale across a geographical area. These changes require practices to change form working from smaller individual practices to more collaborative and integrated working. South Gloucestershire CCG is working towards this objective through the development of cluster working, with Cluster 1 including practices in Almondsbury, Pilning and 3 practices in Thornbury.

As part of the proposed changes in primary care it is expected that the use of digital approaches will be used to support new models of care. Work has already commenced on developing new models of care within Cluster 1. Changes to the estate will offer more opportunity to embed technology and new models of care

Enabling access to healthcare services locally is currently limited due to the physical condition of the community and outpatient services with the current clinical facilities within Thornbury Hospital which do not enable significant changes to be made limiting the ability to offer the right care from the right professional locally.

The proposed project will provide a New Health Centre within Thornbury. The Centre will be a bespoke facility, allowing for the increase in demand for primary care expected over the next ten years. The design will meet current estate code standards and will provide facilities that are flexible to the changing workforce and clinical care requirements for the delivery of services in primary care.

The project will need to align with the community re-procurement process which has already commenced and is planned to gain approval to start procurement in January 2019. Its objective will be to enable Community Services to work with Primary Care and other providers in an approach which enables working at scale and consistency across BNSSG, whilst also recognising and meeting local needs. To provide and co-ordinate a quality and holistic UHVSRQVH WR DQ LQGLYLGXDO¶V FDUH QHHGV, ensure patient and carer-centered assessment and planning processes are jointly delivered and to give a focus on quality outcomes and an ³KRPH ILUVW´ approach.

3.4.1 Projected population growth

The population growth has been projected from the 2017 list size of each practice as provided by CCG. The population growth has been calculated at 5 years (2022) and 10 years (2027). 8.5% and 17% demographic growth has been applied to 2017 list sizes to provide the list size growth without any additional housing.

[11] Bristol North Somerset & South Gloucestershire: Sustainability and Transformation Plan Nov 2016

Estimated additional population due to the new housing developments has been calculated based on assumed average of 2.4 people per dwelling using data relating to planned developments as provided by the South Gloucestershire Council planning department.

An allocation of 5-year projected population growth is applied to each practice as follows:

Table 11 ± Population growth

GP Practice	List Size 2017	Projected list size 2022 based on estimated 8.5 % growth	Projected list size 2022 plus addition new housing population
Thornbury Health Centre - Burney	8747	9490	10,111
Thornbury Health Centre - Male	5076	5507	5862
St Mary Street Surgery	7312	7934	8444
Total	21,135	24,574	0*

Included in the 5-year calculation are the 925 new dwellings planned (either under construction or with planning permission). Each practice is apportioned a percentage based on their current share of total list size for all practices combined.

An allocation of 10-year projected population growth is applied to each practice as follows:

Table 12 - Population growth

GP Practice	List Size 2017	Projected list size 2027 based on estimated 17 % growth	Projected list size 2027 plus addition new housing population
Thornbury Health Centre - Burney	8747	10,234	13,445
Thornbury Health Centre - Male	5076	5939	7802
St Mary Street Surgery	7312	8555	11,239
Total	21,135	24,728	0*

*Included in the 10-year calculation is the total number of planned new dwellings as set out in South Gloucestershire Council strategic plan of 2017.

Analysis of the space requirements within Thornbury demonstrates the current facilities do not have the physical capacity to provide services for the anticipated growth. This is due to existing estate restrictions and aging primary care buildings along with poor functional suitability to deliver modern healthcare. Whilst the overall floor space does not need to be increased significantly it would require extensive redesign to provide the necessary clinical space to meet the anticipated increased activity and clinical requirements.

3.5 Investment Objectives

The investment objectives for this OBC align with the strategic requirements.

Table 13 - investment objectives

No.	Title	Description
1.	**Improved clinical effectiveness**	‡ Aligns with Sustainability and Transformation Plan (STP): ‡ $OLJQVZLWK&&*¶VRSHUDWLRQDOSODQIRU66DQG6RXWK Gloucestershire Area Locality. ‡ Aligns with the GP Five Year Forward View ‡ Enables workforce developments including GP and multi-professional staff training ‡ Aligns BNSSG primary care strategy ‡ Care will be delivered in the right place, at the right time and by staff with the right skills.
2	**Supports delivery of sustainable estate in primary care**	‡ Provides the required space for primary care services in cluster 1 based on population growth. ‡ Reduces unscheduled hospital attendances and admissions ‡ Enables resilience and sustainability for primary care. ‡ Supports integrated IM&T services ‡ Provides an estate that is fit for purpose
3	**Supports delivery of sustainable community services**	‡ (QDEOHVWKHGHOLYHU\RIFRPPXQLW\VHUYLFHVFORVHWRSDWLHQWV¶KRPH ‡ Enables integrated working that supports people to remain at home including working with other community providers and the voluntary sector ‡ Supports integrated IM&T services ‡ Supports new pathways and early intervention for people with long term conditions including mental health.
4	**Improved patient experience**	‡ Enable patient to receive care close to home ‡ Provide an environment ‡ Improves local community access to healthcare ‡ Enables seamless transition between services reducing unnecessary duplication ‡ Enables the capability to provide patient education (clinical effectiveness)
5	**Makes best use of public estate**	‡ Ability to deliver services that meet population growth within the geographical area. ‡ Supports sustainable use of primary and secondary care estate in Thornbury ‡ Provides facilities that offer multiple and flexible, encouraging collaboration and shared use across organisations. ‡ Enables Improved access and can be shared between providers
6	**Quality**	‡ Enables clinical care to be delivered in estate that fit for purpose ‡ Supports the provision of high quality, effective service delivery in the community ‡ Enables new models of care to be implemented and delivered in different ways. ‡ Allows simple and innovative one stop solutions where multiple services can be delivered together ‡ Improved working environment for staff
7	**Achievability**	▪ Provides a solution to estates priorities ▪ Provides a solution that can be delivered within the STP programme timescales and within the required financial plan

		. To enable risk to be addressed and monitored under the governance framework and financial growth

3.6 Benefits Criteria

This investment will deliver the following high-level strategic and operational benefits. Benefits are expressed as follows:

- CRB = cash releasing benefits (e.g. avoided costs);
- Non-CRB = non-cash releasing benefits (e.g. staff time saved);
- QB = quantifiable benefits (e.g. achievement of targets);
- Non-QB = non-quantifiable or qualitative benefits (e.g. improvements in staff morale).

3.6.1 Benefits realisation

Key benefits of the project are:

- Increased capacity in Primary care to meet future population growth and support delivery of sustainable primary care services
- Improves clinical effectiveness through integrated working and new clinical pathways
- Enables the delivery of primary care at scale
- Supports delivery of sustainable community services in cluster 1 aligned with primary care
- Improved patient experience
- Makes best use of public estate

3.7 Risks

Risks to the project have been assessed using the Five Case Model proforma, as shown below. As part of the development of the OBC the Trust will develop and implement a Risk Management Strategy and Plan to ensure that risks are managed comprehensively and in an integrated manner. It will continue to use the clinical groups established during the strategic outline case phase to:

- Support the more detailed design and development activities;
- Identify all risks;
- Develop mitigation plans.

The Project Board will oversee risk, and all high scoring risks will be included on the CCG Risk Register.

Table 14 ± Main risks and counter measures

Main Risk	Counter Measures
1. Business Risks x Access to capital x Affordability	The purpose of the OBC is to assess affordability of the project moving forward. A development proposal will be submitted to CCG STP estates programme
2. Design & Development Risks x Specification x Timescale x Change Management x Project Management	High- level specification has been agreed, approval for overall space allocation for primary care to be signed off at OBC stage by CCG. Full engagement with stakeholders and agreement on timescales for detailed design development during FBC stage of the project. Cluster 1 is reviewing how primary care will work together in line with 5YFV and CCG sustainability and transformation plan.
3. Planning Approval	South Gloucestershire have been fully engaged in the work to date as part of the one public estate programme. Planning application will be part of a wider masterplan for the community hospital estate if this is the preferred site. Pre-planning meeting is recommended prior to planning application submission whichever site is preferred.
4. Extended Project programme	As capital has not been approved at this stage there is a likelihood the programme may extend. The current programme allows for a 33-month programme from the completion go the OBC
5. Clinical Risks x Clinical capacity	The OBC has been developed on practice list size and clinical activity. Assessment of space requirements within the design are intended to address the risks associated with the clinical capacity constraints as the local population increases.
6.Public opposition to proposed changes	A communication strategy will be developed and implemented to ensure maximum public and service user engagement. It is recommended a service user is included on the project board moving forward.

3.8 Constraints

The main constraints and dependencies relevant to the project are:

- The design must enable opportunities for integrated working in primary care.
- North Bristol NHS Trust are clear that the development of the Thornbury Community Hospital site will need to be part of a wider masterplan for the site (see dependency below).

- Affordability: There is currently no capital budget attached to this project

3.9 Dependencies

With a focus on primary care following the GPFV the BNSSG CCG has several plans for commissioning that will have an impact on this project.

The main dependencies relevant to the project are:

- Sustainability Transformation Programme: BNSSG have a single STP footprint and is required to develop a single estates strategy that demonstrates how the estate will be used as an enabler to improve the quality and efficiency of care. The estates strategy will be used to prioritise future capital investment. This project will be prioritised against other projects for the overall health community.
- Approval to proceed with this project will also be dependent on the development of a South Gloucestershire locality commissioning plan and the South Gloucestershire locality provider plan priorities.
- The preferred site of Thornbury Community Hospital has an interdependency with the community rehabilitation project in South Gloucestershire as community beds are based on the hospital site. A separate workstream iVXQGHUZD\IRUWKH5¶VSURMHFWZKLFKZLOO determine the scope and timing of what can be done on the community hospital site.

The development of the FBC will need to align with the community re-procurement process as the scope of services is defined and agreed. The community service re-procurement high level timeline is as follows:

June 2018 ± Dec 2018

- ‡ Scope the service specification. Engagement and development of the evaluation.
- ‡ NHSE checkpoint process

Governing Body meeting ± 8th January 2019

- ‡ Decision agreed to start procurement

Dec 2018 ±June 2019

- ‡ Procurement process and contract of the award

June 2019 ± March 2020

- ‡ Mobilisation of the new service

Go Live Date ± 1 April 2020

4. (FRQRPLF&DVH

,QDFFRUGDQFHZLWK'HSDUWPHQWDO&DSLWDO,QYHVWPHQW0DQXDOVDQGUHTXLUHPHQWVRI+
Green Book (A Guide to Investment Appraisal in the Public Sector) this section of the OBC documents the range of options that have been considered in response to the potential scope as set out by South Gloucestershire CCG to inform the case of need. It identifies the critical success factors, determines the shortlisted options and appraises each to determine the preferred option.

Additionally, this case also provides an overview of the main costs, benefits and risks associated with each of the selected options.

4.1 Development of Options

The following steps were taken in the development of the options;

- Establishment of a project governance and a key stakeholder structure
- Review undertaken of the current primary care infrastructure to support future population growth. This included 6 facet surveys of primary care sites to establish a baseline infrastructure condition assessment as part of an options appraisal.
- Space allocations for community outpatient and rehabilitation services were assessed based on current activity and future needs aligned with the anticipated activity growth for the area.
- Population growth reviewed at 5 and 10 years to enable modelling of the primary care space requirements for Thornbury.
- Assessment of the need to move community and outpatient services from their current location to a fit for purpose facility (excluding community inpatient beds).

4.2 Critical Success Factors

The key Critical Success Factors (CSF) for the Thornbury primary care development appraisal were developed in line with national and local strategy, strategic transformation plans and the GPFV priorities.

These CSF alongside the investment objectives and benefit criteria for the project were used to evaluate the long list of options

- **CSF1 ± Business needs** ± how well the option satisfies the existing and future business needs of the organisation
- **CSF2- Strategic fit** ± how well the option provides holistic fit and synergy with other key elements of National, Regional and Local strategies
- **CSF3 ± Benefits optimisation** - how well the option optimises the potential return on expenditure ± business outcomes and benefits (qualitative and quantitative, direct and indirect to the organisation) ± and assists in improving overall VFM (economy, efficiency and effectiveness)

- **CSF4 ± Potential achievability** ± the organisations ability to innovate, adapt, introduce, support and manage the required level of change, including the management of associated risks and the need for supporting skills (capacity and capability). Also, WKHRUJDQLVDWLRQ¶ ability to engender acceptance by staff
- **CSF 5- Supply side capacity and capability** ± the ability of the market place and potential suppliers to deliver the required services and deliverables
- **CSF6 ±Potential affordability** ± WKH RUJDQLVDWLRQ¶ DELOLW\ WR IXQG WKH UHTXLUHG OHYHO expenditure- namely, the capital and revenue consequences associated with the proposed investment.

4.3 The Weighted Benefits and Scoring Methodology

The project board and stakeholder meeting reviewed the benefit criteria in respect to the investment objectives and critical success factors and gave agreed weighting to them as follows;

Table 15 - Weighted scores

Criteria	Title	Weight
1	Improved clinical effectiveness	20%
2	Supports delivery of sustainable primary care services	15%
3	Supports delivery of sustainable Community services	15%
4	Improved patient experience	10%
5	Makes best use of public estate	10%
6	Quality	15%
7	Achievability and financial affordability	15%
Total		**100%**

Table 16 - Explanation of scoring

10	Exceeds requirements
9	Excellent
8	Very Good
7	Good
6	Reasonably Good
5	Adequate

4	Requires Improvement
3	Reasonably Poor
2	Poor
1	Very Poor
0	Unacceptable

These criteria were then used for assessment of the options for both strategic outline case and Outline business case to ensure consistency.

4.4 Long List of Options

The CCG and partners reviewed the long list of options set out in the options appraisal and in accordance with best practice contained in the Capital Investment Manual.

The evaluation was undertaken in accordance with how well each option met the Investment objectives, CSF and Benefit criteria. The long list was expanded to ensure every possibility had been appraised. As such the new long list for consideration was:

Table 17 - Expanded long list of options

Long list of options	Descriptions
Do Nothing ± no investment at all	Option 1
Do Minimum - Renovation of existing building and new build adjacent	Option 2
Do More- Re- provide as new build for the current practices in the health centre.	Option 3
Develop a new health centre 2 practices a) 2 practices with pharmacy b) 2 practices with pharmacy, OPD and community services	Option 4 4a 4b
Develop a new health centre 3 practices a) 3 practices with pharmacy b) 3practices with pharmacy, OPD and community services	Option 5 5a 5b
Integrated health centre for 3 practices with a shared branch surgery to address primary care capacity. Includes pharmacy, OPD, mental health and community services	Option 6
Develop a facility to accommodate 2 practices, pharmacy, OPD, mental health and community services Develop a 3rd practice in the future.	Option 7
Includes pharmacy, OPD, mental health and community services a) 2 practices with space for additional population growth for Thornbury and pharmacy. b) 2 practices with space for additional population growth for Thornbury. Includes pharmacy, OPD, mental health and community services	Option 8 8a 8b

A long list of options was developed as part of an options appraisal process. The options paper included recommendations for the suitability of each option to address the local healthcare needs in Thornbury. This information was presented to the project group for consideration.

4.5 Short list

The project group meeting representatives reviewed the long list of options as a group and discussed their suitability to meet the objectives. This enabled several options to be deemed as unsuitable and discounted from the scoring process.

Table 18 ± Summary of the shortlisted options

Options		Current Discounted/ shortlisted status
1	**Do nothing**	**Shortlisted** as a baseline comparator, but recognised it carries a risk due to ability to meet future growth, to provide sustainability of current services and address the requirements of the GPFV
2	**Do Minimum:** Renovation of existing building and new build adjacent for OPD and community services.	**Shortlisted-** survey of site supports refurbishment of current building as a minimum.
3	**Do More:** A new build to provide facilities for the current practices in the health centre within the current footprint.	***Discounted*** *- significant investment for limited additional primary care space.* *Would not provide additional space for OPD and other community services. Additional solution would be required.*
4a	**New build:** Develop new health centre (2 practices) with pharmacy	***Discounted*** *- Would not provide sufficient capacity for the projected growth in Thornbury.* *Would not provide additional space for OPD and other community services. Additional solution would be required.*
4b	**New build:** Develop new health centre (2 practices) with pharmacy, OPD, mental health and community services.	**Shortlisted**
5a	**New build:** Develop a new Health centre (3 practices) with pharmacy	***Discounted*** *- Would not provide additional space for OPD and other community services. Additional solution would be required.*
5b	**New build:** Develop new health centre (3 practices) with pharmacy, OPD, mental health and community services.	**Shortlisted**
6	**New build:** integrated health centre for all 3 practices with shared Branch site with pharmacy, OPD, mental health and community services.	***Discounted*** - Not in line with NHS Strategy
7	**New build:** Development of two practices now with pharmacy, OPD, mental health and community services. Development of a new third practice in the future	***Discounted*** *± One Practice would prefer to maintain current location unless it is part of a single site development. Third new practice development would not be required.*
8a	**New build:** Develop new health centre (2 practices) with space for additional population growth & pharmacy	***Discounted - Would not provide additional space for OPD and other community services. Additional solution would be required.***
8b	**New build:** Develop new health centre (2 practices) with space for additional population growth, pharmacy, OPD, mental health and community services.	**Shortlisted**

The OBC focused on affordability in terms of the capital and revenue as a consequence of the recommended short list of options for OBC:

- 2: Renovation of existing building and new build adjacent for pharmacy, OPD, mental health and community services.
- 4b: Develop new build (2 practices with growth), pharmacy OPD, mental health and community services;
- 5b: Develop new build (3 practices with growth), pharmacy OPD, mental health and community services;
- 8b new build for (2 practices) with space for additional population growth for Thornbury, pharmacy, OPD, mental health and community services;

4.6 Design development

As a result of undertaking the high-level capacity and space modelling for primary care community services, mental health and secondary care outpatients, a schedule of accommodation has been set out.

The outputs of the high-level schedules of accommodation have determined a maximum space requirement of approximately 2,020.5 m^2 is required to replace the facilities of 2 practices in the health centre including space to accommodate the additional growth for Thornbury. A total of 2,137.9 m^2 would be required to accommodate all three practices from the single site. Both options include a pharmacy, outpatients, mental health and community services. The high-level schedule of accommodation that has informed the space requirements is set out in Appendix 1.

It should be recognised that as the project continues further work will be required with each of the key stakeholders to establish the model of care that will inform the detailed design for each service and that this may have an impact on the projected activity, recognising that expanded activity is currently limited due to the quality of the current estate.

It is anticipated that during the development of the full business case a series of schedules will also be developed with each stakeholder group in parallel to the design development for the preferred option. These schedules will reference national guidance and provides a measured space in m^2 against HBNs where available. The clinical space requirements will be developed and signed off by each provider as the detailed design evolves. To each area allowances are also added for planning provision, engineering and general circulation. This is then totalled to give the overall departmental area.

4.7 Qualitative Appraisal: (Non-Financial)

The CCG appointed Project Group, have appraised the options from a clinical delivery, use of estate, achievability, quality and patient experience perspective.

4.7.1 Scoring

The options were scored and the following scores were attained:

Table 19 - Raw scoring of options

Ref	Benefits	Weighting	Raw Scores for Options				
			1	2	4b	5b	8b
1	Improved clinical effectiveness	20%	3	5	7	9	8
2	Supports delivery of sustainable primary care services	15%	2	4	7	9	8
3	Supports delivery of sustainable community services	15%	2	3	8	9	8
4	Improved patient experience	10%	2	5	8	8	8
5	Makes best use of public estate	10%	2	2	7	8	7
6	Quality	15%	2	3	8	9	9
7	Achievability	15%	3	2	8	7	8
	TOTAL	**100%**	**16**	**24**	**53**	**59**	**56**

The agreed weightings were applied and the ranked options were as follows:

Table 20 - Weighted scoring of options

Ref	Benefits	Weighting	Weighted Scores for Options				
			1	2	4b	5b	8b
1	Improved clinical effectiveness	20%	0.6	1	1.4	1.8	1.6
2	Supports delivery of sustainable primary care services	15%	0.3	0.6	1.05	1.35	1.2
3	Supports delivery of sustainable community services	15%	0.3	0.45	1.2	1.35	1.2
4	Improved patient experience	10%	0.2	0.5	0.8	0.8	0.8
5	Makes best use of public estate	10%	0.2	0.2	0.7	0.8	0.7
6	Quality	15%	0.3	0.45	1.2	1.35	1.35
7	Achievability	15%	0.45	0.3	8	7	8
	TOTAL	**100%**	**2.35**	**3.5**	**7.55**	**8.5**	**8.05**

4.8 Economic Appraisal

Net Present Cost Findings

The overall financial summaries of the five options is based on the cash flow input to the Generic Economic Model (GEM). The costs include both revenue and capital costs for each option, which are calculated as a lifecycle cost, discounted at 3.5% and then summarised to provide a single net present cost. The overall Net Present Cost (NPC) summaries of the five options based are as follows:

Table 21 - Overall NPC Summaries Based on Costs & Cash Flows

Option	Appraisal period	NPC £000
Do Nothing	30 Years	9,033
Do Minimum	30 Years	14,016
Option 4B	30 Years	14,016
Option 5b	30 Years	19,187
Option 8b	30 Years	19,491

4.8.1 Economic Appraisal Conclusions

The Generic Economic Model (GEM) guidance suggests that for new build options an appraisal period of 60 years is used. For the purposes of this business case the appraisal period has been limited to 30 years as it is highly likely that the optimum commercial model will involve FRQVWUXFWLRQE\DWKLUGSDUW\DQGWKHQOHDVHGEDFNWRWKH*(0 30 year period.

7KH 0RGHO IROORZV WKH VWDQGDUG µDSLWDO LQYHVWPHQW¶ DSSURDFK E\ VHWWLQJ RXW WKH lifecycle costs over the likely period of use (either 60 years for ownership models or a shorter period in relation to lease type models). These costs include both initial capital costs, ongoing revenue costs as welODVOLIHF\FOHFRVWVUHODWHGWRWKHQHFHVVDU\XSJUDGLQJRUUHSODFHP assets to ensure their continued utilisation throughout the period of the model. For the purposes of this business case it has been assumed that equipment will need to be replaced at 10 yearly intervals but that the building fabric will not require major upgrade or refurbishment except for routine maintenance which is outside of the scope of the funding of this business case.

As per standard practice ± costs be they revenue or capital exclude inter-departmental transfer costs such as Value Added Tax or other departmental grants.

7KRVHOLIHF\FOHFRVWVDUHLQLWLDOO\GLVFRXQWHGXVLQJDGLVFRXQWIDFWRURIUHSUHVHQWLQJ\ cost of capital provision and costs are then summed to arrive at a single Net Present Costs value.

The following table shows the first 7 years and the final year of the GEM analysis for each option. A copy of the full GEM analysis is contained in the Appendix

Table 22 -Summary of Net Present Costs

Option 1									
Year No	0	1	2	3	4	5	6	7	30
Discount Factor	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.3563
Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2049/50
Capital	483,333								
Equipment Refresh									
Revenue costs	440,900	440,900	440,900	440,900	440,900	440,900	440,900	440,900	440,900
Pharmacy rental									
Total cashflow	924,233	440,900	440,900	440,900	440,900	440,900	440,900	440,900	440,900
Discounted cashflow	924,233	425,998	411,580	397,648	384,200	371,238	358,672	346,547	157,093
Net Present Value	9,033,310								

Option 2									
Year No	0	1	2	3	4	5	6	7	30
Discount Factor	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.3563
Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2049/50
Capital	3,708,569								
Equipment Refresh									529,796
Revenue costs	440,900	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313
Pharmacy rental		(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)
Total cashflow	4,149,469	491,313	491,313	491,313	491,313	491,313	491,313	491,313	1,021,108
Discounted cashflow	4,149,469	474,706	458,640	443,115	428,130	413,685	399,683	386,172	363,821
Net Present Value	14,016,353								

Option 4b									
Year No	0	1	2	3	4	5	6	7	30
Discount Factor	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.3563
Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2049/50
Capital	6,813,115								
Equipment Refresh									973,302
Revenue costs	440,900	464,444	464,444	464,444	464,444	464,444	464,444	464,444	464,444
Pharmacy rental		(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)
Total cashflow	7,254,015	464,444	464,444	464,444	464,444	464,444	464,444	464,444	1,437,746
Discounted cashflow	7,254,015	448,746	433,559	418,882	404,717	391,062	377,825	365,053	512,269
Net Present Value	17,322,065								

Option 5b									
Year No	0	1	2	3	4	5	6	7	30
Discount Factor	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.3563
Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2049/50
Capital	8,439,420								
Equipment Refresh									1,205,631
Revenue costs	440,900	457,605	457,605	457,605	457,605	457,605	457,605	457,605	457,605
Pharmacy rental		(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)
Total cashflow	8,880,320	457,605	457,605	457,605	457,605	457,605	457,605	457,605	1,663,236
Discounted cashflow	8,880,320	442,138	427,174	412,714	398,757	385,303	372,261	359,677	592,611
Net Present Value	19,186,822								

Option 8b									
Year No	0	1	2	3	4	5	6	7	30
Discount Factor	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.3563
Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2049/50
Capital	7,973,634								
Equipment Refresh									1,139,091
Revenue costs	440,900	505,162	505,162	505,162	505,162	505,162	505,162	505,162	505,162
Pharmacy rental		(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)	(13,850)
Total cashflow	8,414,534	505,162	505,162	505,162	505,162	505,162	505,162	505,162	1,644,253
Discounted cashflow	8,414,534	488,088	471,569	455,606	440,198	425,347	410,949	397,057	585,847
Net Present Value	19,491,394								

Note ± The revenue costs for year 1 differ to the future revenue costs in section 6.3.3 below as St 0DU\¶s practice has stayed at its current site.

The option which offers the best value for money is the one with the lowest Net Present Cost (NPC). This is the preferred option from a purely financial perspective. Option 2 (do minimum/ renovation and extension of current health centre), has the lowest NCP when compared with do nothing and is therefore the preferred financial option.

4.9 The Preferred Option ±Combined Investment Appraisal ± Value for Money

Below is the combined investment appraisal which takes account of both the quantitative and qualitative scores.

Details of the qualitative scoring is shown in the section below:

Table 23 - Combined Qualitative and Quantitative ranking

Criteria	Do nothing Option	Option 2	Option 4b	Option 5b	Option 8b
Qualitative weighted Scores	2.35	3.5	7.55	8.50	8.05
Net present cost (NPC) (£000)	9,033	14,016	17,322	19,187	19,491
Rank (VFM)	1	2	3	4	5
NPC per point score (£000)	3,845	4,005	2,294	2,257	2,421
Rank	**4**	**5**	**2**	**1**	**3**

Option 5b (new build, 3 practices with growth, pharmacy OPD, mental health and community services) provides the highest score against benefits criteria but is only ranked 4th on VFM. However when the scores are combined to provide a NCP 5b is the preferred option as it has the lowest NPC cost per point and is the most effective solution based on the qualitative review.

5. &RPPHUFLDO&DVH

This section of the OBC describes the proposed procurement strategy for the preferred option. The affordability has been managed through innovative design principles whilst maintaining functionality.

5.1 Procurement Strategy

The Procurement strategy has not been agreed at this stage in the programme and will be dependent on funding arrangements.

Procurement of a construction partner will also be required following approval of the project to proceed from Full Business Case through to construction. It is assumed that a construction partner will not be appointed prior to FBC completion.

Project risk has been dealt with openly from the outset of the project with the project team (including stakeholders) who are encouraged to take an active role in identifying, mitigating and apportioning risk to the party best suited to deal with it. This should continue to be a proactive process throughout the delivery of the project.

Key external advisors and construction services are listed in table 24

Table 24- Key External Advisors & Construction Services

Role	Organisation
Pre-construction	
Business case preparation	Capita
Mechanical and electrical consultants	Capita
Architects	Capita
Structural engineers	Capita
Cost consultants	Capita
Project management	CCG
GMP development	TBC
Construction	
Building contractor	TBC
Mechanical and electrical contractor	TBC

It is intended that the development of the Guaranteed Maximum Price (GMP) will follow with the development of the technical information. This will be undertaken in a fully open book / collaborative environment such that a minimum of three quotations will be obtained for all works packages making up at least 80% of the GMP.

The GMP will be assessed for overall value for money by cost consultants. This will consider elements such as:

- Prevailing rates for similar works nationally and locally
- Published cost indices
- Knowledge of the cost of work from other recent schemes
- Potential contractor and client retained risks as identified in a risk register

It is the intention that key supply chain members are engaged early in the process in order that they can contribute to the design process in terms of programme and buildability/ innovation, however it is recognised that this will not reflect the contractors supply chain and will need to be reviewed once a contractor is appointed.

Should the scheme not proceed, the CCG will own the design at point of termination but will only be liable for costs up to that point, in line with contractual commitments made during commissioning of the project.

5.2 Key Factors affecting outcomes

5.2.1 Planning permission

The preferred option of a new build will require planning consent. The requirement to achieve Full Planning Approval ahead of FBC submission is currently not within the Project Master Programme. It is therefore recommended that a pre- planning application should be made during the approval process of the FBC.

A key aim of this approach is to ensure, as far as reasonably possible, that obstacles and problems are identified and resolved before a planning application is submitted and that there were no unknown factors at the point of submission.

Planning consent for this project will depend upon the strength of case that is presented to address key planning policies that are directly relevant to these proposals. Conservation issues are especially pertinent because the proposal requires the development of the community hospital site which includes a building of special interest. Whilst there are no plans to make changes to this building, any changes to the site will need to be part of a wider masterplan.

5.2.2 Building Research Establishment Environmental Assessment Method (BREEAM)

BREEAM is the leading and most widely used environmental assessment method for buildings and communities. It sets the standard for best practice in sustainable design and has become the de facto measure used to describe a building's environmental performance. BREEAM provides clients, developers, designers and others with the following:

- Market recognition for low environmental impact buildings;
- Assurance that best environmental practice is incorporated into a building;
- Inspiration to find innovative solutions that minimise the environmental impact;
- A benchmark that is higher than regulation;

- A tool to help reduce running costs, improve working and living environments;
- A standard that demonstrates progress towards corporate and organisational environmental objectives.

BREEAM addresses wide ranging environmental and sustainability issues and enables developers and designers to prove the environmental credentials of their buildings to planners and clients. It:

- Uses a straightforward scoring system that is transparent, easy to understand and supported by evidence-based research;
- Has a positive influence on the design, construction and management of buildings;
- Sets and maintains a robust technical standard with rigorous quality assurance and certification.

It is recommended that the CCG engage an accredited BREEAM advisor for a full assessment to be completed during the FBC stage of the programme.

5.2.3 Risk Transfer

This section provides an initial assessment of how the associated risks might be apportioned between The CCG and private sector contractors.

Table 25 - risk transfer

Risk Category	Potential allocation		
	Public	Private	Shared
1. Design risk		*9*	
2. Construction and development risk		*9*	
3. Transition and implementation risk			*9*
4. Availability and performance risk			*9*
5. Operating risk	*9*		
6. Variability of revenue risks	*9*		
7. Termination risks	*9*		
8. Technology and obsolescence risks			*9*
9. Control risks	*9*		
10. Residual value risks	*9*		
11. Financing risks	*9*		
12. Legislative risks	*9*		
13. Other project risks	*9*		

5.2.4 Personnel Implications (including TUPE)

TUPE Regulations will not apply to this investment as no undertakings will transfer between employing entities.

5.2.5 Equipment strategy

An appropriate percentage for equipment has been costed in the basis of the capital costs however an equipment strategy will be required that incorporates the following:

- Ownership of equipment (including transfer of current equipment by providers);
- Plans for any leased equipment.
- Plans for shared use of equipment

An equipment work stream will progress the equipment strategy in more detail once the project has been approved to proceed to construction.

6.)LQDQFLDO&DVH

6.1 Introduction

The purpose of this section is to set out the forecast financial implications of the short-listed options as set out in the Economic Case and the proposed deal (as described in the Commercial Case).

6.1.1 Financial Background

The financial position of the Clinical Commissioning Group (Combined Bristol, North Somerset and South Gloucestershire CCG with effect from April 2018) is extremely precarious. In forecasting for the beginning of the new financial year, the CCG estimated that their 2017/18 outturn position would be a deficit of £29.9m with a further £5m in unmitigated risk.

Resulting from the publication of a Sustainability and Transformation Plan in 2016 it was agreed that the financial resources of North Somerset should be merged with those of Bristol and South Gloucester from the beginning of 2017/18 to form a single control total in advance of a formal merger of the CCGs from April 2018.

At the start of 2017/18 a financial plan was submitted for the STP patch. The three CCGs were carrying into 2017/18 a combined deficit of £47m which if left unchecked would rise to £107m over 2 years. The three CCGs agreed a combined control total for 20171/8 of £8m, the achievement of which would require the delivery of an ambitious savings plan with new expenditure limited across the patch to:

- Pay and price inflation
- The impact of demographic growth
- The impact of the new national tariff on the cost of hospital activity
- Changes in commissioner responsibility and funding between NHSE and CCGs
- Separate capital bids to support CCG IT, GPIT and estates transformation
- Transformation costs subject to successful bids for national funding
- 0.5% contingency reserve
- 0.5% reserve in compliance with NHS business rules for non- recurrent use only
- 0.5% reserve in compliance with NHS business rules to support the wider NHS system

As at month 6 the CCGs jointly and in discussion with NHSE increased their forecast deficit position to £29.9m with a further £5m of unmitigated risk. The latest financial performance report published for the patch is as at November 2017. This report demonstrates a deficit of £14.4m which is an adverse variance to plan of £9.2m. The forecast outturn remains at £29.9m with a further £5.5m in unmitigated risk. The single most significant element of this variance relates to a £21m slippage against savings planned across the three CCGs

The forecast position for 2018/19 was initially set out in the two-year operational plan published in May 2017:

The original two-year operational plan was approved in May 2017 and anticipated that by 31st March 2019 a broad breakeven position would be achievable across the three CCGs. However, since then with only 56% of planned savings on target to be achieved in the current financial year this target would appear to be extremely challenged.

In the light of this position resources for new investment will be extremely challenged and therefore every attempt will need to be demonstrated that new investments meet the demands placed by a combination of a rapidly growing population along with much needed qualitative improvement within the existing resource base. A draft financial plan submitted in March 2018 summarised the CCGs latest view of their position for 2018/19 as follows:

- Total in year allocation £1,198, 870,000
- Total planned spending £1,161,111,000
- Planned underspending £37,759,000
- Efficiency Programme £45,811,000 (3,8% of allocation)

6.2 Capital Costs

Option 1 - requires no capital except to address mandatory backlog maintenance issues

Option 2 - will require refurbishment costs for the current building and additional new build costs associated with 534.4m^2 to accommodate a new pharmacy and the range of outpatients, community and Mental Health services. New building costs have been calculated at a rate of £2,546 per square metre whereas refurbishment costs have been estimated at a rate of £1,000 per sq metre.

Options - 4b, 5b and 8b are all new build constructions of varying sizes aligned with the primary care growth. These will also include 534.4m^2 to accommodate a new pharmacy and the range of outpatients, community and mental health services to be co-located with primary care. Schedules of accommodation have been developed to indicate departmental requirements and associated costs at this time.

The total capital costs for each of the following options are summarised below. Full details can be found in the OB forms in the Appendix.

6.2.1 Methodology

The capital costs for each option have been calculated to meet the future service requirements of the patients from the relevant GP practices. This is completed by starting with the projected list size of each practice and then utilising standard NHSE guidance to calculate a Schedule of Accommodation (SoA), that can accommodate the projected future needs of the local population to current day standards using the relevant latest Health Building Note to establish the latest configuration and room and spatial requirements to deliver a modern high-quality health service.

The capital cost OB forms for each option have been appended to this business case as shown in Appendix 2

This methodology applies specifically to the new build within each of the options and where possible to any refurbishment of current existing accommodation. Whilst the SoA may change slightly with the technical design process the costs provided have been determined as a minimum to achieve category B standards to ensure full conformance to HBN standards.

For Option 2 a hybrid construction cost of £1,246 per sq m has been calculated by combining an estimate of the average cost of refurbishment (£1,000 per sq m) with the cost of new build (£2,546 per sq m) in proportion to the relative components in the proposed scheme.

Options 4b, 5b and 8b are all based on new build options and therefore use a standard build cost of £2,546 per sq m.

Total current space availability within the three practices involved in the development amounts to 1374 sq m. [In addition to this the current space utilisation of outpatient and community services currently provided from within Thornbury Community Hospital is currently being identified]

Utilising HBN standards, capital costs have been estimated using the standard Building Cost Industry Service (BCIS) as published by the Royal Institute of Chartered Surveyors based upon the BCIS Comprehensive Price Book ± Major Works (34rd Edition 2017). These standard costs have been inflated based on published BCIS cost projections to Q1 2020 the estimated construction completion date utilising appropriate add-ons as specified for a project of this nature, complexity and local circumstances. These are explained further as follows:

Table 26 - Capital add-on to basic construction cost

Add On	%
Fees	15%
Equipment	20%
VAT	20%
Contingency	5%
Optimism Bias	10.76%

The only variation to this process relates to Option 1 ± Do nothing where the costs of bringing the existing accommodation to Category B standards has been estimated based on the completion of a 6-facet survey of each of the existing premises. It is estimated that to bring the accommodation up to essential statutory standards would cost approximately £580k. A sum of £323k has been identified from the 6-facet survey in respect of improvements to functional suitability, space utilisation, quality and environmental management but this has been excluded from the capital estimates on the basis that these improvements are non-essential and are a matter of choice as indicated in the table below.

Table 27 - Backlog maintenance requirements

6 facet costs to achieve condition B	Thornbury HC £000	Thornbury Hospital £000	St Marys £000	Total £000
Physical Condition	117	375	5	497
Statutory compliance	6	64	12	83
Subtotal (included in capital estimates)	**123**	**439**	**18**	**580**

6 facet costs to achieve condition B	Thornbury HC £000	Thornbury Hospital £000	St Marys £000	Total £000
Functional suitability	-	126	31	157
Space utilisation	1	-	1	2
Quality	1	94	42	137
Environmental management	9	9	9	27
Subtotal (excluded from capital estimates)	**11**	**229**	**83**	**323**

Included within the capital cost estimates is an element for optimism bias. This element allows for the fact that it has been demonstrated through rigorous research that within the NHS there is a tendency to underestimate both building capital costs and build times.

To allow for this building programmes need to consider both potential risks and mitigations to offset those risks at the various key points in the programme.

At the current point in time it is estimated that this level of unmitigated risk stands at 10.76% and therefore this allowance has been built into the estimated capital costs as per the following table.

This allowance will be further reviewed at the Full Business Case stage.

Table 28 - Optimism Bias

Contributory factors to upper bound	Weighting	Mitigation factor	Mitigation	Adjusted Weighting
Late contractor involvement in design	2.0	1.0	2.0	0
Poor contractor capabilities	9.0	0 .8	6.75	2.25
Dispute and claims occurred	29	0 .7	20.3	8.7
Design complexity	1.0	1.0	1.0	0
Degree of innovation	4.0	1.0	4.0	0
Inadequacy of business case	34	0 .5	17	17
Project management team	1.0	0.3	0.3	0.7
Poor project intelligence	2.0	0.7	1.4	0.6
Public relations	2.0	0.7	1.4	0.6
Site characteristics	2.0	0.5	1.0	1.0
External influences-economic	11	0.0	0	11
External influences-legislation/regulations	3.0	0.0	0	3.0
Total	**100**		**55.15**	**44.85**
Mitigated Optimism Bias				**10.76**

6.2.2 Capital Cost Estimates

Summarised in the table below are the estimated capital costs of each of the shortlisted options using the methodology outlined above.

Copies of all relevant OB forms have been appended to this document within the Appendix

Table 29 -Summary of Capital Costs

Option 1		Option 2		Option 4b	
GIA	1374	GIA	1920	GIA	1726
Sq m cost	£0	Sq m cost	£1,246	Sq m cost	£2,546
Construction Cost	580,000	Construction Cost	2,391,638	Construction Cost	4,393,744
		Contingency @ 5%	119,582	Contingency @ 5%	219,687
		Fees @ 15%	358,746	Fees @ 15%	659,062
		Equipment @ 20%	478,328	Equipment @ 10%	878,749
		VAT @ 20%	597,909	VAT @ 20%	1,098,436
		Sub Total	3,946,202	Sub Total	7,249,677
		Optimism Bias @ 10.76%	424,611	Optimism Bias @ 10.76%	780,065
Total	580,000	Total	4,370,814	Total	8,029,74

Option 5b		Option 8b	
GIA	2138	GIA	2020
Sq m cost	£2,546	Sq m cost	£2,546
Construction Cost	5,442,540	Construction Cost	5,142,157
Contingency @ 5%	272,127	Contingency @ 5%	257,108
Fees @ 15%	816,381	Fees @ 15%	771,323
Equipment @ 10%	1,088,508	Equipment @ 10%	1,028,431
VAT @ 20%	1,360,635	VAT @ 20%	1,285,539
Sub Total	8,980,191	Sub Total	8,484,558
Optimism Bias @ 10.76%	966,269	Optimism Bias @ 10.76%	912,938
Total	9,946,459	Total	9,397,49

The timing of capital expenditure is based on an assumed construction period of 12 months commencing in April 2019

6.3 Revenue Costs

Revenue costs for each of the shortlisted options have been estimated for comparison with the existing costs of running equivalent services today.

6.3.1 Introduction

For the purposes of comparison, the following services have been included within the revenue comparisons for consistence of treatment:

- GP/GMS services provided by the two practices currently operating from the existing Thornbury Health Centre (i.e. Burney and Male) and the GP practice currently operating IURP6W0DU\¶V6WUHHW6XUJHU\
- Community outpatient services currently provided by Sirona from the current Thornbury Health Centre. Community, physiotherapy and outpatient services currently provided by Sirona and North Bristol NHS Trust from the existing Thornbury Community Hospital site.
- For the purposes of this business case only estate related costs have been included within the comparison because:
    - Any other increases in cost related to GMS services will need to be met by the relevant GP practices from within the GMS global sum payments

- Any increase in community outpatient activity is relatively small and will need to be covered from within existing block contract arrangements

6.3.2 Existing Revenue Costs

The existing revenue costs of providing the range of services as outlined above have been collated through discussion with the existing service providers to form a baseline cost against which comparisons can be made with alternative options for the future delivery of services. Those costs can be outlined in table 29:

Table 30 - Existing Revenue Costs

Current Revenue Costs - Thornbury Health Centre								
Sq m		Rent £000	Rates £000	Water £000	Service Charges £000	Cleaning £000	FM charges £000	TOTAL £000
1089	Burney	90.2	28.8	2.0				121.0
	Male	47.4	15.1	1.0				63.5
	Sub Total GPs	137.6	43.9	3.0				184.5
467	Sirona	31.0			18.6		5.4	55.0
1556	Total	168.6	43.9	3.0	18.6		5.4	239.5

Current Revenue Costs - St Mary's Street								
Sq m		Rent £000	Rates £000	Water £000	Service Charges £000	Cleaning £000	FM charges £000	TOTAL £000
285	GP Practice	41.5	20.4	0	2			63.9

Current Revenue Costs - Thornbury Hospital								
Sq m		Rent £000	Rates £000	Water £000	Service Charges £000	Cleaning £000	FM charges £000	TOTAL £000
149	Sirona				90.0	47.5		137.5
TOTAL		210.1	64.3	3.0	110.6	47.5	5.4	440.[illegible]

Note - It has proved to be extremely difficult to obtain detailed and comparable analyses of costs from the various parties and in particular in relation to arrangements with Sirona for the use of both Thornbury Health Centre with NHSPS and of Thornbury Community Hospital with North Bristol NHS Trust. Further analysis is required in this respect to ensure detailed and comprehensive costs data is available

6.3.3 Projected Future Revenue Costs

Due to the nature of the costs analysed within this business case, the vast majority being estates related are heavily influenced by the space occupied by that service as measured per square metre. This measure has, therefore, been utilised to vary costs for each of the options with reference to the physical space that they occupy. This applies mainly to rent, rates and water charges levied which are reimbursable costs as outlined within GMS payment regulations. Other costs such as maintenance, energy and cleaning costs are not directly

reimbursable to GP practices as they are deemed to be included within the GMS global sum payment and are therefore paid for by the GP practice from within that sum. For the purposes of this business case therefore. These costs have been ignored.

That is however not the case regarding the community and outpatient services provided by Sirona and North Bristol NHS Trust where services are contracted on a Block Contract basis (Sirona) or a cost per case payment by results (PBR) basis. In either case the payments to be made will not be impacted on either by the size or setting of the delivery of that service. As the space being provided to house these services is constant across all the options and is not dissimilar to the space currently occupied within Thornbury Health Centre and Thornbury Community Hospital then these costs related to service charges, cleaning costs etc have been kept constant in each of the options.

An adjustment has been made in respect of the provision of space to accommodate a pharmacy as this service will be provided on a commercial basis and as such and revenue costs incurred in the provision of such space will be re-charged to the provider of the services

The following table outlines the estimated future revenue costs of each of the options on the basis outlined above

Table 31 - Summary of Future Revenue Costs

Future Revenue Costs								
Sq m		Rent £000	Rates £000	Water £000	Service Charges £000	Cleaning £000	FM charges £000	TOTAL £000
	Option 1							
1990	Backlog maintenance	210.1	64.3	3.0	110.6	47.5	5.4	440.9
	Total	210.1	64.3	3.0	110.6	47.5	5.4	440.9
	Option 2							
1920	Upgrade THC	208.0	54.2	3.7	108.6	47.5	5.4	427.4
285	St Mary's	41.5	20.4	0.0	2.0			63.9
(100)	Less Pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
2105	Total	238.7	71.7	3.5	110.6	47.5	5.4	477.5
	Option 4b							
1726	New build - THC	187.0	48.7	3.3	108.6	47.5	5.4	400.5
285	St Mary's	41.5	20.4	0.0	2.0	0.0	0.0	63.9
(100)	Less pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
1911	Total	217.7	66.3	3.1	110.6	47.5	5.4	450.6
	Option 5b							
2138	New build - THC	231.7	60.3	4.1	108.6	47.5	5.4	457.6
(100)	less pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
2038	Total	220.8	57.5	3.9	108.6	47.5	5.4	443.8
	Option 8b - THC							
2020	New build - THC	218.9	57.0	3.9	108.6	47.5	5.4	441.3
285	St Mary's	41.5	20.4	0.0	2.0			63.9
(100)	Less pharmacy	(10.8)	(2.8)	(0.2)				(13.8)
2205	Total	249.5	74.6	3.7	110.6	47.5	5.4	491.3

6.4 Sources of Finance

There are a number of options with regard to the availability of both capital and revenue resources:

6.4.1 Capital resources

The primary source of funding for capital will be dependent on the commercial model selected. The most likely options available will be:

- NHSE primary care improvement grant
- *3¶WRWake out a commercial loan and building ownership, leasing accommodation to other service tenants in respect of community, mental health and pharmacy service and recover their loan through notional rent payments from CCG/NHSE
- A commercial partner to finance the construction of the building recovering their costs through a suitable leasing arrangement.

6.5 Impact on CCG Balance Sheet

It is assumed that irrespective of the commercial partnership arrangements put into place that any assets created because of this business case will not reside on the balance sheet of the CCG

6.6 Contingency

At this stage a contingency element of 5% has been added to the construction costs in respect of building contingencies. In addition, a 10.74% allowance has been made for optimism bias. Both will be reviewed at each stage in the process up to and including Full Business Case. The CCG have sought to maximise affordability wherever possible and the process of analysis and challenging of future services requirements and resultants schedules of accommodation illustrates how the CCG has looked to reduce capital investment requirements of the proposed solution

6.7 Affordability

6.7.1 Capital

The affordability of the preferred option in terms of capital will be heavily dependent upon the commercial options selected as the preferred way forward. Further work and discussion will be required initially with NHSE regarding the potential availability of public sector capital to finance the estimated capital resourcing of £9.9m

At the same time further exploration of alternative sources of capital will need to be explored either with a commercial partner, GP practices of NHS Property Services.

6.7.2 Revenue

Given the CCGs difficult revenue funding position, it is extremely unlikely that significant additional funding could be forthcoming particularly as developments are actively being sought to bring about reductions in current revenue sending.

Based on this and as outlined in section table 30 above, the preferred option (option 5b) would only require an additional investment of £3,000 per annum in terms of the reimbursable GP GMS payments above current spending levels.

6.8 Sensitivities

The conclusions reached in this financial case are based on review of extensive data sources and a number of assumptions. The conclusion is therefore that there will always be a degree of sensitivity to changes in that data. Listed below are the most significant sensitivities and the impact they would have on the outcome of this process.

- **Population/ Activity Forecasts** - Forecasting future demographic changes will always carry an element of risk. For this reason, the design of the project and of the asset itself must remain as generic/ flexible as possible to allow for multiple potential uses.

- **Construction Costs** - As the scheme progresses, it will be subject to review at each key gateway to assess the level of risk and therefore contingency that needs to be included within any cost estimates. It would be anticipated that contingency sums and optimism bias would decrease as time goes by and greater levels of certainty can be attached to cost sums and timeframes.

- **Design Risks** - Again retaining maximum flexibility throughout the planning period will help mitigate any such risks.

- **Option Appraisal Scoring** ± The financial option appraisal has been stress tested to identify by how much the scoring process would need to alter to bring about a change in the preferred option. There is only a 2% variation between the preferred option and the next preferred option on overall value for money grounds as calculated through the GEM model which could therefore be subject to variation.

Key sensitivities will be further modelled in more detail as part of the Full Business Case.

7. 0DQDJHPHQW&DVH

The Management Case provides a summary of the arrangements which have been put into place for the successful delivery of the proposed development of primary care services in Thornbury and associated other community services to secure the benefits sought through the investment.

The scheme is an integral part of building a sustainable primary care service within Cluster 1 in South Gloucestershire.

7.1 Project Governance Arrangements

The project governance arrangements with the project board key roles and responsibilities include:

- Provision of the strategic direction of the project
- Ensuring continuing commitment of stakeholder support
- Responsibility for key stage decisions and recommendations including review of the non-financial options appraisal.

Key Project delivery roles are described below:

Programme Director:

This role is being performed by Ben Bennett, with overall responsibility for delivery of the project in accordance with the project brief. The Programme Director has responsibility and accountability to Clinical Commissioning Group for delivery of the project.

Clinical Lead

The clinical lead during the OBC development is Norman Douglas, providing a strategic and primary care overview. This role has linked with individual practices to maximize engagement whilst recognising the time constraints on front line staff.

Project Manager:

It is proposed there should a project manager reporting to the Programme Director. This role is being performed by Eithne Hodgson at present as author of the OBC. Moving forward the project will require ongoing project management, day-to-day responsibility for the development of the project (within the delegated role permitted as part of the terms of reference).

7.1.1 Reporting arrangements

From April 2018 the CCG has taken on delegated responsibility for primary care commissioning from NHS England. The project moving forward will need to report to the Primary Care Commissioning Operational Group who will have oversight of primary care and reports to the Primary Care Commissioning Committee of the Governing Body.

7.1.2 Membership of the Project Board

The Project Board has been set up in line with PRINCE 2 Project Methodology (the agreed NHS method for delivery of Capital Projects).

The project board will have members from all key stakeholder organisations ± Bristol, North Somerset and South Gloucestershire CCG, Sirona, North Bristol NHS Trust, the three local GP practices (Streamside Surgery, St Mary Street Surgery, Dr Foubister & Partners) ± alongside a Specialist Healthcare Planner, and will be formed at FBC commencement.

A review and update of the project board representatives and terms of reference will be undertaken prior to commencing the Full Business Case.

The recent changes tR %ULVWRO 1RUWK 6RPHUVHW DQG 6RXWK *ORXFHVWHUVKLUH also &&*¶V ZLOO require a review of the governance arrangements moving forward and this will be reflected in the updated terms of reference during the mobilisation phase of the FBC.

7.2 Use of special advisors

The CCG KDV DSSRLQWHG &DSLWD +HDOWK DV LWV OHDG IRU WKH GHVLJQ DQG GHYHORSPHQW as of the project. Specialist advisers have been used in a timely and cost-effective manner in accordance with Treasury guidance.

Table 33 - Specialist Advisers

Specialist Advisers		
1	Capita	HCP/ OBC Author
2	Capita	Architects
3	Capita	Business case / Finance analysis
4	Capita	Cost Consultants
5	Capita	Mechanical and Electrical Engineers
6	Capita	Structural Engineers
7	TBC	Building/ Construction Supervisors

7.3 Stakeholder Engagement

Stakeholder meetings were held with individual services and the information from stakeholders was used to develop a high-level schedule of accommodation and overall GIA at stage in the project.

Detailed design development will commence at full business case stage of the programme. Changes will be incorporated where appropriate with the final design signed off by the Project board.

Stakeholders for the project have been identified as follows:

Table 34 - Stakeholders

NHS Staff
Representatives from each of the 3 practices in Thornbury
Community Service Providers ± Sirona, AWP
North Bristol NHS Trust
CCG
External Stakeholders
South Gloucestershire Council
NHS Property Services

7.4 Programme Plan

The project programme is intended to provide a hypothetical timeline deliver the project in 2 years and 8 months. The timeline is predicated on meeting key submission and approval dates to the CCG and NHS England. It is also subject to planning approval. Milestones for this project are set out below:

Table 35- key project milestones

Milestone	Date
Outline Business Case Approval	July 2018
Development of Project initiation document	Month 1 (July 2018)
Feasibility and agreement on preferred site	Month 1-3 (July± September 2018)
Mobilisation of FBC	Month 1 (July 2018)
Commence Full Business Case	Month 2 (August 2018)
Detailed design with stakeholders	Month 2-4 (August ± October 2018)
Mechanical, Engineering and Structures review of design	Month 4 (October2018)
Sign off 1:200 design	Month 4 (October 2018)

Milestone	Date
Pre-planning meeting with council	Month 4 (October 2018)
Cost analysis	Month 5 (November 2018)
Submission of Full Business Case to CCG	Month 6 (December 2018)
CCG approval of Full Business Case	Month 7-8 (January 2019-February 2019)
Procure build partner	Month 12 (By June 2019)
Commence construction	Month 21 (By April 2020)
Complete construction	Month 33 - 2021

It is intended that a communication strategy will be developed by the CCG communications team. This will identify other key stakeholder groups and messages that need to be shared at Key milestones in the project. It is recognised by the project board that this is extremely important to ensure there is full understanding of any proposed changes and the benefits these represent to the local community.

7.5 Programme Quality & Assurance Management

The development will be managed in line with the methodology for Project Management, PRINCE 2. As part of the methodology, the Project Team are to ensure that regular reporting is maintained to the Project Board regarding progress, risk, issues and finance. In addition, the Project Manager will ensure that the project is delivered in line with Managing Successful Projects Office of Government Commerce (OGC) Guidance.

7.5.1 Benefits Realisation

Delivery of benefits will be managed through the Project board. Outline summary of the benefits will be expanded for the FBC submission if deemed appropriate.

Key benefits of the project are:

- Increased capacity in Primary care to meet future population growth and support delivery of sustainable primary care services
- Improves clinical effectiveness through integrated working and new clinical pathways
- Enablement of the delivery of primary care at scale within cluster 1
- Supports delivery of sustainable community services in cluster 1 aligned with primary care
- Improved patient experience
- Makes best use of public estate

A key opportunity is presented in the design of a new facility which will ensure capacity meeting demand, efficiency and service delivery and compliance standards, with minimal disruption to the delivery of primary and community services in the interim.

7.5.2 Outline Arrangements for Risk Management

All projects are subject to risk and uncertainty. Successful project management should ensure that major foreseeable risks are identified, their effects considered and actions taken to remove or mitigate the risks concerned.

Risk will be classified as

- Client - these will be the responsibility of the project board to manage and monitor
- Financial - the qualification of costs identified risks will enable the calculation of realistic claim contingency.
- Commercial ± due to the number of individual providers with a stake in the new facility and different commercial models for service delivery, risks associated with this will be captured as commercial.

A proactive risk management regime will be employed throughout project. It is essential on any project that the risk management process involves all key members of the project team. A project risk register will be set up and developed through a work shop environment. For each identified risk the following are noted.

- Reference
- Category
- Risking associated likely impact
- Probability and impact factors and associated overall risk rating
- Mitigation measures
- Cost and time impacts
- Risk owner and/or manager
- Action date

The risk register will be a working document and will be further developed during the FBC process. The register will be reviewed regularly focusing on the high-impact risks and those pending action dates.

7.5.3 Outline arrangements for Post Project Evaluation

The outline arrangements for post project evaluation (PPE) have been established in accordance with best practice the CCG will ensure that a thorough post project evaluation is

undertaken at key stages in the process to ensure positive lessons can be learned from the project.

The evaluation will examine the following elements, where applicable each stage:

- The effectiveness of the project management of the scheme
- The quality of the documentation prepared by the CCG for the contractors and suppliers
- Communications and involvement procurement
- The effectiveness of advisers utilised on the scheme
- The efficacy of NHS guidance in delivery of the scheme

8. 1H[W6WHSV

There are a number of next steps that need to be considered if this business case is to be developed further:

- Development of the scope of services relating to outpatients and community services to be included within the proposed health centre, requires further detail from the CCG.
- Agree the preferred site for development of new build. The non-financial economic appraisal identified a new build as the preferreGRSWLRQZWKVWDNHKROGHU¶VSUHIHUHQFH being the current community hospital site due to its central location.
- Investigate acquisition costs relating to preferred site for inclusion in future financial analysis.
- CCG to provide more detailed financial information relating to revenue costs for FBC
- Assess the impact of the inclusion of a health centre development on the wider master planning for the preferred site with NBT.
- CCG to consider how the development of the frailty model and locality hubs may add value to this development moving forward.

It is recommended that the Outline Business Case is approved by the CCG to proceed to Full Business Case based on the preferred option 5b a new build (3 practices with growth), pharmacy OPD, mental health and community services and the next steps outlined above.

$SSHQGLFHV

Appendix 1 ± Schedule of Accommodation

Appendix 2 ± OB Forms

Appendix 3 ± Design Massing

Appendix 4 ± Full Financial Pack

CAPITA

Health Partners (Property and infrastructure)

Bristol office

2nd Floor | 11-19 Wine Street | Bristol | BS1 2PH

www.capita.co.uk/property