

Capital Investment, Property, Equipment & Digital Technology proposals

NHS England Project Appraisal Unit

£1m - £3m Business Justification Template

To be used for Capital Investment, Property & Equipment between £1m and £3m and complex schemes below £1m

Sponsors and authors of documents seeking appropriate authority to fund or proceed with a scheme or project must consider whether the content or strategy to which the document applies at this stage is sensitive or may have commercial implications. If it is considered necessary, the document should be headed and watermarked appropriately.

Document version control (for use by Business Case sponsors) Add rows as required. Last entry should read: 'Final submission for review and approval'	Version No.	Status	Issue date	Notes
	0.1	Working draft		
	0.2	Final Draft for team review		
	1.0	Final for CCG Finance Review	15/03/2021	
	1.1	Final submission for review and approval		

SCHEME DETAILS		
1. TITLE OF SCHEME	Stokesley Health Centre Refurbishment Proposals	
TYPE OF SCHEME <i>Note. For £1m - £3m Digital Technology Business Cases, please use the specific £1m - £3m Digital Technology Business Justification / Case Template.</i>	New build	No
	Improvement	Yes
	Equipping	No
	<i>If other – specify and explain</i>	n/a
Scheme reference number and source of number (organisation). <i>Please ensure the relevant unique reference (for all Schemes) is used in all correspondence and reporting using appropriate format: e.g. XXX – YY - XXX (Org Code – 17 – 001)</i>	Reference	Q72-03D-12130
	Confirm the Organisation issuing the reference number.	NHS North Yorkshire CCG
ANY OTHER APPLICABLE REFERENCE NUMBER <i>(please clarify source in light blue box on right and insert number and, where necessary, explanation in white box).</i>		
	PID reference number	Q72-03D-12130

PID APPROVAL AND ANY RELATED CONDITIONS OF APPROVAL <i>(Append approved PID where it will support the information provided in this Business Case).</i> Confirm that PID conditions have been fully complied with in this Business Case. Explain which and why if they have not.	Date	July 2020
	List any conditions	-
	Conditions are fully met. If not, which and justify why.	n/a
IDENTIFY ANY SIGNIFICANT DEROGATION IN THIS BUSINESS CASE FROM THE APPROVED PID FOR THIS SCHEME. <i>(Significant deviation from the original approved PID, includes but are not exclusively funding, cost, deliverables, procurement, client or use changes, etc.).</i>	Details of scheme change?	n/a
	Details of cost change?	n/a
	Reason for change?	n/a
	Who approved the change?	n/a
	Date of change?	n/a
	Please provide evidence of authority to change.	n/a
DCO OFFICE		

2. SPONSORING NHS ORGANISATION(S) (or other such as GP)	Lead Sponsor 1:	NHS North Yorkshire CCG
	Sponsor 2:	Dr Duggleby & Partners
	Sponsor 3:	NHS Property Services Ltd

3. LEAD SPONSOR AND SUPPORTING TEAM FOR THE SCHEME CONTACT DETAILS		
PROVIDE DETAILS OF LEAD OFFICER FOR THE SCHEME	Title	Chief Executive Officer
	Name	Amanda Bloor
	Organisation	NHS North Yorkshire CCG
	Office tel.	01609 767710
	Mobile tel.	
	e-mail	Amanda.bloor@nhs.net
PROVIDE DETAILS OF LEAD FINANCE OFFICER FOR THE SCHEME	Title	Chief Finance Officer
	Name	Jane Hawkard
	Organisation	NHS North Yorkshire CCG
	Office tel.	
	Mobile tel.	07784360331
	e-mail	Jane.Hawkard@nhs.net
LEAD COMMISSIONER	Title	Director of Strategy and Integration
	Name	Wendy Balmain

	Organisation	NHS North Yorkshire CCG
	Office tel.	01423 799300
	Mobile tel.	07460837579
	e-mail	wendy.balmain@nhs.net

4. NHS ENGLAND FUNDING STREAM Please confirm the NHS England capital funding stream relevant to this investment e.g. BAU, etc. <i>(Use standard NHS finance codes) Where capital funding is from a special initiative e.g. ETTF, please use the first two rows opposite to denote initiative name and scheme reference number</i>	Where applicable, funding initiative name	ETTF
	Scheme reference No.	Q72-03D-12130
	Funding stream	ETTF capital as 100% grant to the GPs
	Cost Centre	117232
	Subjective Code	54114602

5. ANY OTHER PROPOSED SOURCE OF CAPITAL? In addition to NHS England capital, explain if more than one source of funding is to be accessed, explain: a) How it is to be obtained b) Obtained from whom? c) Type of funding. d) Certainty of funding e) Is any element refundable or provided as a grant? f) If yes to e) above, provide details g) Show amounts in table 1. below	NHS Property Services are utilising the opportunity to undertake some landlord works to the site valued at £88,243. These works cover elements not covered by ETTF funding including replacement of the boiler, some improvements to the exterior of the facility and some internal fixed glazing and courtyard area. a. Funding profiled in NHSPS annual capital plan 21/22 b. Funding available from DHSC annual approved capital funding for NHSPS backlog maintenance to core estate c. NHSPS Landlord capital funding d. Funding is available subject to formal scheme approval e. NHSPS landlord funding is not recoverable and is not a grant f. n/a
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Table 1. CAPITAL VALUE AND PROPOSED CASH FLOW OF FUNDING: <i>(add additional rows as required)</i>					
PERIOD <i>[Please enter appropriate Financial years on right]</i>	Current year 2020-2021 £'000	2021-2022 £'000	20[]-20[] £'000	20[]-20[] £'000	Total £'000
FUNDING SOURCE					
NHS England	180	1799			1,979
NHS Property Services					
Community Health Partnerships / LIFTCo					
Other (specify)					
Other (specify)					
Total	180	1799			1,979

Table 2. BASIC BREAKDOWN OF SCHEME CAPITAL COST: <i>(add additional rows as required)</i>					
PERIOD <i>[Please enter appropriate Financial years on right]</i>	Current year 2020-2021 £'000	2021-2022 £'000	20[]-20[] £'000	20[]-20[] £'000	Total £'000

ITEM (where applicable, please specify individual items below)		£'000				
Item 1	Construction Cost		1,356			1,356
Item 2	Surveys	37				37
Item 3	Professional Fees	113	50			163
Item 3	PM Fees @ 1%		14			14
Item 4	NECS IT PM cost		10			10
Item 5	Contingency @ 5%		71			71
Item 6	VAT	30	298			328
Total		180	1,799			1,979

Table 3. GPIT CAPITAL COSTS FOR NEW BUILD/IMPROVEMENT SCHEMES: (add additional rows as required)

PERIOD [Please enter appropriate Financial years on right]	Current year 20[]-20[] £'000	20[]-20[] £'000	20[]-20[] £'000	20[]-20[] £'000	Total £'000
ITEM ((where applicable, please specify individual items below)					
Item 1					
Item 2					
Item 3					
Total					
Source of Funding					
NHS England					0

<p>6. BRIEF SCHEME OVERVIEW</p> <p>a) What is/are the principal strategic drivers triggering the need for this business case (e.g. to enable delivery of relevant commissioning requirements, to comply with NHS policy requirements, alignment with relevant policy e.g. Five Year Forward View, Strategic Transformation Plans and Strategic Estates Plans.</p> <p>b) Summarise the key dimensions of the scheme in terms of both the tangible capital asset to be delivered, and the outputs that will be enabled in service terms as a consequence of the investment. Include land and premises ownership issues, cross boundary/partnership working and impact for service users, etc.</p>	<p>A. Principal Strategic Drivers</p> <p>This scheme aligns with the NHS England Five Year Forward View, GP Five year Forward View and the Long Term Plan. The practice has no scope to develop any new services without this investment. The practice is a key partner in the Hambleton North PCN and delivery of an improved facility is fundamental to its PCN development plans.</p> <p>The property has been identified as one of the top five GP practices undersized for current practice list size in the CCG estates strategy and the CCG have been supporting the practice to develop options to resolve this issue.</p> <p>The practice and integrated community care team is a key approach by the CCG in keeping services in the community, wrapping around patients in their home to support care in appropriate settings and support to keep people out of hospital.</p> <p>The practice has become a training practice and is committed to continuing and hopefully expanding this. The practice is heavily involved in the teaching of medical students. This currently involves one or two 5th year students each year for a 3 week period each. The practice also has a weekly commitment to four 3rd year students. These are all attached to Newcastle University. We also have a 4th year medical student 2-3 days a week attached to HYMS. Our commitment</p>
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to educating the GPs of the future will be greatly enhanced with an expanded estate and improved teaching facilities.

B. Key Project Dimensions

The proposal is to carry out a significant refurbishment and internal reconfiguration of the existing Stokesley Health Centre and some improvements to the car park. The property is owned by NHSPS and occupied by Dr Duggbley & partners without a formal tenancy.

The facility also accommodates a full range of community services delivered by South Tees NHS Foundation Trust (STFT), Tees Esk & Wear Valleys NHS Foundation Trust (TEWV), Harrogate & Districts NHS Foundation Trust (HDFT) and York Teaching Hospitals NHS Foundation Trust (YTHFT). The site is also the base for the local Yorkshire Ambulance Service (YAS) crew.

The building itself was built in 1968 and is a flat roofed brick-built building and has exceeded its anticipated design life. The former caretakers quarters was refurbished to expand the building footprint in the 1990's. It has undergone some modernisation in more recent years with repairs to the roof, boiler plant and windows and has generally been kept in a reasonable decorative order.

The key issue with the existing facility is the lack of suitable clinical accommodation, poor colocation of spaces, dated finishes and non-compliance with current Infection Prevention Control standards. The core physical infrastructure is aged and there is insufficient car parking. The clinical space and layout is not functionally suitable and the GP space is 40% under what it should be to cope with its current practice list size.

Following detailed review there a number of backlog maintenance issues. NHS Property Services would need to plan a programme over the next 3-5 years to replace/ repair the roof, replace the boiler and address the lack of cavity wall insulation, replace windows and improve safety systems for accessing roof areas. Addressing these condition-based items will not improve the overall amenity of the facility nor overcome the current limitations imposed by a poor functional arrangement within the building.

Historically, some services have been cancelled or deemed unsuitable for delivery from the building due to a lack of (or inadequate) facilities (e.g. no sluice room) and, due to the dated arrangement of separate consulting and small neighbouring examination rooms.

Based upon the list size being 9150, the GP Premises Sizing Guide suggests a GP only GIA of 763 sqm for the current list size. The current building GIA is 847 sqm. Following internal re-planning the building GIA will be 820sqm and the GP will occupy 71.94% of the building. In summary the space allocation before and after improvement is;

	As is NRA		Improved NRA	
	m ²	%	m ²	%
Dr Duggbley	392.77	52.21	530	71.94
Yorkshire Ambulance	18.68	2.48	16	2.14
South Tees FT	135.59	18.03	94	12.81
Harrogate & Districts FT	113.90	15.15	26	3.54
York THFT	0	0	4	1.45
Sessional Clinical Space (CCG)	79.58	10.58	67	9.07
Void (CCG)	11.65	1.55	0	0
Total	752.22		737	

By improving utilisation rates across the facility it has been agreed this will provide sufficient capacity.

The site extends to some 3,650 sq.m. (0.9 Acres) and has scope within the boundaries to remodel the car parking to increase the provision on site.

	<p>ETTF supported the development of a costed feasibility plan for the internal reconfiguration after the new build option was discounted by the CCG on the grounds of affordability.</p> <p>Objectives</p> <ul style="list-style-type: none"> • to provide sufficient and clinically appropriate space to manage the current population of Stokesley and surrounding areas, and to be able to manage future growth. • To address significant estates infrastructure issues at the property • To provide appropriate functional space to support the practice who are once again a training practice. <p>Capital Costs</p> <p>Construction costs have been tendered and the construction price £1,420,615.50 Professional Fees @12% are £170,473.86, project management fee @ 1% is 14,206. An additional £10k fee is included for GPIT project management from NECSU. There is a 5% contingency allowance of £71,030 and VAT of £344,700. NHSPS will meet £88,243.06 of these costs with £1,979,960.89 to be funded via the grant. The Tender Report is included at Appendix 1. The request is for 100% of ETTF capital funding for the project to pass through to the Practice.</p> <p>This proposal is about improving the layout to create more clinical capacity for the GPs and every part of the building will be affected. Whilst community providers will benefit from improved layout and upgraded shared facilities their percentage of the site will diminish as part of these proposals. The ETTF scheme investment is focused on the GPs only. A set of existing and proposed plans and site layout are included in Appendix 2.</p> <p>All onsite users have been engaged in the preparation of the proposals</p> <p>The current proposals are to proceed with redevelopment while maintaining operational GP services from the site. This is facilitated by relocation of much of the community service provision to other sites for the duration of the works. A detailed phasing plan has been developed and is included in Appendix 3.</p> <p>The lease structure will remain as now, an NHSPS freehold with a lease with the GPs and separate tenancy arrangements with community providers. A small element of sessional space is funded by the CCG.</p> <p>As providers move onto formal occupancy agreements the CCG obligation to cover voids will fall away in line with the current NHSPS charging policy.</p>
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<p>7. PURPOSE</p> <p>a) State clearly what the business justification is in support of: typically – ‘this is to seek approval of for £ on in support of’</p> <p>b) Where funding sources are, or may be split, such as investment by the premises owner and external funding e.g. ETTF, this must be clearly defined and explained here, in the relevant subsequent sections and in the table above.</p>	<p>a. To seek the approval of NHS North Yorkshire CCG and NHSE/I North East & Yorkshire Region for £1,980 million of ETTF Programme capital funding, by way of a 100% grant to Dr Duggleby & Partners, to substantially enhance & upgrade the general practice space in Stokesley Health Centre, Stokesley, North Yorkshire.</p> <p>b. To highlight the parallel investment of £0.088 million by NHS Property Services Ltd in a range of backlog maintenance and sustainability areas in order to bring the facility up to modern standards, support NHS Zero Carbon objectives and support long-term leasing arrangements with NHS occupiers.</p>
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STRATEGIC CASE	
8. STRATEGIC CONTEXT	a. Strategic Context & Drivers
a) Provide a summary in the context of underpinning plans and key	

strategic drivers together with the service requirements that support the case for investment. E.g. Five Year Forward View, GP Forward View, Sustainability & Transformation Plan, Strategic Estates Plan, Devolution and New Care Models, etc.

b) Provide confirmation of the support of all relevant stakeholders.

c) Confirm the extent to which the scheme delivers on high priority NHS capital investment requirements, e.g. Service transformation and related infrastructure requirements as identified in the strategic drivers above, improving patient safety and the patient environment, reducing backlog maintenance (% of total); enabling QIPP delivery, etc. and other current key work streams.

d) Confirm the support of key clinicians and the way in which the scheme supports delivery of local commissioning priorities.

e) Confirm that any premises subject to the investment will not be disposed of within 5 years of their completion.

f) Include how the investment will deliver the aims of the programme, etc.

This scheme aligns with the NHS England Five Year Forward View. The practice has no scope to develop any new services in the current facility without this investment.

The scheme is a refurbishment of existing space and has been highlighted in the Humber Coast and Vale ICS estates forum. The NHSE/I Primary Care and Capital Group for Hull and North Yorkshire have considered the proposals and confirmed their support at PID.

b. Confirmation of support

Letters confirming support for the project are included Appendix 4 from Dr Duggleby & Partners and North Hambleton PCN. NHS Property Services have prepared a Multi-party agreement confirming our commitment to the scheme and this will set out the details of the project and delivery. NHS North Yorkshire CCG will formally confirm their support by approval of the business case and will provide a commissioner letter of comfort confirming their intention to commission services from the Stokesley Health Centre site. Humber Coast & Vale ICS Strategic Estates Board received a report regarding the scheme at their March meeting alongside capital investment updates for the ICS.

c. Capital Investment Requirements

The scheme meets key strategic drivers for investment including

- Service Transformation

The proposed scheme will increase service capacity for Dr Duggleby and Partners and the local PCN, allowing the development of PCN activity and expanded roles and scope at a PCN level. An outline of the PCN staffing strategy and impact is included at Appendix 5.

- Workforce

The investment supports creation of clinical GP training space and support space within the practice. Expansion of training capacity is critical to long-term NHS service delivery.

- Improved patient environment

The works will significantly improve the patient environment with improvements to parking, clinical facilities and overall appearance of the building and decoration.

- Improved staff environment

Staff working environments and rest areas will be improved and enhanced as part of the programme.

- Improved sustainability – lighting, heating, insulation

There will be significant improvements to all of the building systems and the building envelope which are expected to produce a more efficient and sustainable operating environment for the practice. Electric vehicle charging facilities will also be provided at the site.

- Reduction in backlog maintenance

Existing backlog liabilities will be reduced or removed as part of the works.

d. Support of Clinicians / Commissioning Priorities

- These proposals are consistent with the CCG strategy and support development of local services and PCN lead clinical strategy.

e. Retention Period

- Stokesley HC is owned by NHSPS. NHSPS have committed to hold the facility for at least the initial lease term of 25 years or for as long as commissioners require the facility for the provision of healthcare services. A right of renewal is also included within the lease agreement with the general practice.

f. Delivery of Project Aims

	<p>The project delivers against the following ETTF Programme aims</p> <ul style="list-style-type: none"> to provide sufficient and clinically appropriate space to manage the current population of Stokesley and surrounding areas, and to be able to manage future growth. to address significant estates infrastructure issues at the property to provide appropriate functional space to support the practice who are once again a training practice. <p>The objectives have been linked to benefits and a benefits realisation plan established to monitor achievement.</p>
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ECONOMIC CASE

9. ECONOMIC CASE

a) Confirm the options considered to achieve the scheme's objectives and provide a summary of the options appraisal process that has resulted in the selection of the preferred option. It is important that a range of viable options are considered during the appraisal process. If the options were/are limited in number, please provide clear supporting rationale.

b) Confirm the scheme benefits – including financial (cash releasing and non-cash releasing) and non-financial (quantifiable and non-quantifiable) and how the scheme delivers value for money. Appraisal of options on the basis of the extent to which they deliver non-financial benefits can be carried out and presented using a non-financial benefits analysis employing weighted benefits criteria and a scoring system to derive non-financial benefits points.

c) Provide supporting economic appraisal to demonstrate the value for money of the preferred option using a recognised methodology such as the Generic Economic Model (GEM) as appropriate.

Note.

To allow reviewers to see and analyse the underpinning information, please attach supporting workings in executable tables (Excel, etc. and NOT pdf or images).

a. Options Assessment

An initial feasibility study was concluded and Options Assessment Paper prepared for the Stokesley Development.

	Option (Standard)	Description
1	Do Nothing Base case	<i>The facility remains as is with no changes to space allocation or quality</i>
2	Do Minimum - Reallocate space within existing building	<i>Alter the space allocation between tenants to provide additional capacity for general practice services</i>
3	Reallocate space and redevelop part of existing buildings	<i>Reallocate space to meet service delivery requirements Upgrade part of existing site</i>
4	Reallocate space and redevelop existing building	<i>Reallocate space to meet service delivery requirements Upgrade all existing infrastructure to provide suitable and appropriate building</i>
5	Build new on existing site	<i>Establish practicality of replacement option - confirm phasing of development works and demolition costs affordable</i>
6	Build new on new site Dispose of site	<i>GPI have identified potential altEstablish practicality of replacement option – supply of alternative property</i>

Following feasibility review it was established that whilst options 5 & 6 were possible they were not affordable in revenue terms to the commissioners. Option 2 was not considered for further development as it did not resolve the basic functionality and infection control issues which the practice were facing. PID approval was received to proceed with Option 3 or Option 4 which will address GP practice requirements.

b. Scheme Benefits

The objectives have been linked to benefits and a benefits realisation plan established to monitor achievement.

Objective 1. To provide sufficient and clinically appropriate space to manage the current population of Stokesley and surrounding areas, and to be able to manage future growth
<ul style="list-style-type: none"> • Increase in clinical rooms available for practice use • Clinical spaces meet infection prevention and control standards • improved access to routine and urgent appointments • Improved experience for the patient • Capacity for PCN service development
Objective 2. To address significant estates infrastructure issues at the property
<ul style="list-style-type: none"> • Building life extended – core systems upgraded or replaced • More energy efficient building in line with greener NHS and Net Carbon Zero • Improved patient parking • Infrastructure available for mobile treatment services eg Breast Screening • Improved segregation of public and staff spaces improving safety and security • Reduction/Removal of Backlog Maintenance liabilities • Support to local businesses eg architects, designers etc
Objective 3. To provide appropriate functional space to support the practice as a training practice
<ul style="list-style-type: none"> • Dedicated clinical training space and support space • Improved staff environment • Improvement to staff rest areas • better sharing of information between professionals

These have been reviewed and the majority are unmonetisable benefits. The reduction in backlog maintenance liability has been included in the economic modelling as a non-cash releasing benefit.

Benefit	Investment Objective
Non-cash releasing	
Reduction/Removal of Backlog Maintenance liabilities	2
Societal	
Support to local businesses eg architects, designers etc	2
Unmonetisable	
Increase in clinical rooms available for practice use	1
Clinical spaces meet infection prevention and control standards	1
improved access to routine and urgent appointments	1
Improved experience for the patient	1
Capacity for PCN service development	1
Building life extended – core systems upgraded or replaced	2
More energy efficient building in line with greener NHS and Net Carbon Zero	2
Improved patient parking	2
Infrastructure available for mobile treatment services eg Breast Screening	2
Improved segregation of public and staff spaces improving safety and security	2
Dedicated clinical training space and support space	3
Improved staff environment	3
Improvement to staff rest areas	3
better sharing of information between professionals	3

The Benefits Realisation Plan is included at Appendix 6.

c. Supporting Economic Appraisal

A GEM has been prepared and a summary with assumptions is included in Appendix 7.

FINANCIAL CASE

10. FINANCIAL CASE

a) Confirm the capital costs of the scheme and anticipated dates of capital deployment (and any

Here we are asking for the narrative explanation but financial detail should be entered in the tables below

a. Capital Costs

The total capital cost of the scheme is £2068,203.95

associated disposals) split across financial years (as required).

b) If a lease is proposed, confirm the whole life cost of the lease (see note 6 on the BC Selector Introduction tab for more information).

c) Confirm the recurrent revenue costs of the scheme. Where these are anything other than revenue neutral or revenue saving, confirm the availability and source of additional revenue.

d) Confirm and demonstrate that the recurrent revenue cost of the scheme is affordable.

e) Confirm and where necessary explain any non-recurrent (e.g. transitional costs) of the scheme.

f) Confirm the availability and source of non-recurrent funds to meet these costs.

g) Provide supporting income and expenditure analysis that sets out clearly the recurrent and non-recurrent costs of the scheme, the sources of funds to meet these costs, which must demonstrate clearly that the scheme is affordable.

h) Clarify where the assets will reside in terms of ownership.

j) Provide evidence of the proposed efficiency measures and projected outcomes and how they align with service improvements.

The capital costs will fall into 20/21 and 21/22 years. This is profiled at in Table 1.

b. Terms for an agreement to Lease /Lease has been agreed with Dr Duggleby and partners. This is for a term of 25 years. The total cost of the lease over the term is £1,662,500 with no allowance made in this calculation for rental increase over the term of the lease. The generic economic impact from a system perspective is provided as Appendix 7.

c. NHS North Yorkshire CCG are the commissioning organisation and responsible for the revenue implications of the reimbursable scheme elements. The proposals fall within the existing building footprint, but will result in some increase in the floor area demised to Dr Duggleby and partners. The final GP floor area is 532sqm Net Rentable Area.

The current tenants/occupiers are

- Dr Duggleby & Partners
- South Tees NHS Foundation Trust
- Yorkshire Ambulance Service
- Harrogate & Districts NHS Foundation Trust
- Tees Esk & Wear Valleys NHS Foundation Trust
- York Teaching Hospitals NHS Foundation Trust
- CCG for void space
- CCG for sessional space unallocated to any tenant

A full set of occupancy plans has been developed to support the project. In addition there is a schedule of providers using the sessional space in the facility. These are included at Appendix 8.

The scheme is being funded via Dr Duggleby and Partners as an ETTF 100% grant. NHSPS will treat this as tenant fit-out and disregarded for rent review for 25 years. The DV undertook a site visit to establish the unimproved rental value of the health centre which is £60,300 for the increased GP floor area and uplifted to Current Market rent the value would be £66,500. This assumes a rental of £113.95 per sqm which is rounded and increase of 7.5% to Full Repairing and Insuring terms. The DV have reviewed the proposed works and confirmed that the improved value of the GP space will be £83,358 at £157.50 per sqm with an uplift to CMR of £6,252. The differential between these two values £23,110 is the effective annual abatement value.

The DV has been provided with the proposed lease documentation for review. Their report on the lease and on Value for Money is included as Appendix 9.

e. non-recurrent costs

A number of non-recurrent costs will arise as a result of proceeding with the project. Dr Duggleby and Partners are seeking funding support for

- i. Legal fees associated with completing the agreement to lease and lease (£3,000)
- ii. Stamp Duty Land Tax cost (£8,439)¹

f. Source of non-recurrent funds

The practice are applying for their non-recurrent costs to be met by the CCG as part of this project in line with the GMS Premises Cost Directions 2013.

g. income and expenditure analysis and confirmation of affordability
Modelling has been prepared on the rent and operating costs for the general practice and also the flow on impact to the other occupiers.

¹ Final SDLT figure to be confirmed by solicitors for Dr Duggleby

The rent reimbursement for Dr Duggleby and partners will increase to the DV assessed rental level for the unimproved value of the GP demise. The initial market rental impact has already been applied and approved for the existing GP demise. This initial impact was £17,600 pa.

Once the works are completed the impact of the increased floor area occupied by the GP along with anticipated increases to rates and other reimbursable charges is £19,029 pa. This increase is offset by reduced rental and occupancy costs to other occupiers of circa £45,688 pa.

Summary of Impacts	Previous Annual Charge	Estimated New Annual Charge	Variance
CCG Void	2,957.59	-	- 2,957.59
CCG Sessional	20,203.42	15,426.22	- 4,777.20
South Tees	34,423.07	21,733.87	- 12,689.20
Harrogate	31,272.90	6,008.07	- 25,264.83
			- 45,688.82

Overall there will be a small reduction in overall system cost of the site to the CCG, although this may not be cash-releasing subject to community contract arrangements. The CCG have confirmed that the scheme is therefore affordable in revenue terms.

h. Asset Ownership

The asset is an NHSPS freehold and will remain an NHSPS freehold.

j. efficiency measures. Project outcomes and service improvements have been detailed in the benefits realisation plan included at Appendix 6

COMMERCIAL CASE

11. COMMERCIAL CASE For new build and refurbishment projects:

a) Confirm the commercial arrangements for delivery of the proposed capital investment, e.g. procurement approach and proposed contract type. Procure 22, LIFT (Local Improvement Finance Trust) and RHIC (Regional Health Infrastructure Company) are three DHSC initiatives available to the NHS. If not used for this proposal, please explain why an alternative approach to procurement has been used

b) Confirm when any necessary full planning consent will be achieved.

c) Confirm status of any legal documentation or processes required for the scheme to be delivered in full and what (if anything) remains to be agreed, e.g. lease documentation, land ownership (also see g) below, party wall agreements, etc. and if not finalised, how and when the risk will be mitigated.

d) Confirm:

- a. NHSPS will procure and deliver the construction works for the scheme. IT requirements will be delivered via NECSU. NHSPS have undertaken a competitive tender process and appointed Acomb Construction. The works will be undertaken on an JCT Minor Works Contract 2016.
- b. Planning approval was sought from Hambleton District Council for changes to the carpark and building exterior in planning application [20/02903/FUL | Lobby extension to Health Centre, additional car parking spaces and refurbishment of building. | Stokesley Health Centre North Road Stokesley North Yorkshire TS9 5DY \(hambleton.gov.uk\)](https://www.hambleton.gov.uk/planning/20/02903/FUL%20Lobby%20extension%20to%20Health%20Centre,%20additional%20car%20parking%20spaces%20and%20refurbishment%20of%20building.%20Stokesley%20Health%20Centre%20North%20Road%20Stokesley%20North%20Yorkshire%20TS9%205DY). Planning permission was received 1 March 2021. A copy of the Planning Approval is included at Appendix 10.
- c. All legal documentation is in place and will be concluded on receipt of formal scheme approval.
- d. The scheme compliance is;
 - i. Compliant with HTM and HBN guidance to the extent that is possible within the existing site footprint. A schedule of specific derogations is included at Appendix 11.
 - ii. n/a
 - iii. the scheme is compliant with HTM and HBNs and will meet current infection control requirements for the services to be provided from the site.
 - iv. The scheme was included in the CCG approved Estate strategy in 2016 and the NENC ICS estates strategy in 2019.

<p>i) compliant with DHSC guidance (HBN & HTM);</p> <p>ii) compliant with eliminating mixed sex accommodation;</p> <p>iii) compliant with an approved infection control strategy;</p> <p>iv) in alignment with an approved estate strategy, or equivalent;</p> <p>v) intention to undertake BREEAM assessment and target relevant outcome (<i>excellent</i> for new build, <i>very good</i> for refurbishment).</p> <p>e) Confirm any contribution to carbon reduction plan (if applicable).</p> <p>f) Where appropriate, attach site plans and design drawings for the preferred option.</p> <p>g) Identify the ownership of the land or premises to be modified, the risk this poses and how the risks are mitigated for the options.</p> <p><u>For equipping and Digital Technology expenditure related to building projects</u></p> <p>(projects which are solely related to Digital Technology should use the specific Digital Technology Business Justification Template).</p> <p>h) Describe the scheme: specify what equipment is being purchased and for what site(s)</p> <p>i) Describe the strategic need for the capital investment and what measurable benefits the capital investment will provide.</p> <p>j) Indicate where funding is required to support Strategic Estate Plans. For example, if a new build has been agreed and the requirements in this business case also specifically relate to another business case which has delivered or will deliver premises development, please explain and justify the links</p>	<p>The CCG is now in HCV ICS and the ICS Estates Lead, NHSE/I estates advisor and PMO lead have been briefed on the scheme and confirmed it is consistent with ICS strategy.</p> <p>v. A BREEAM assessment has not been undertaken as it is below the current £2m threshold for this requirement.</p> <p>e. Contribution to carbon reduction plan – Improved heating system, cavity wall insulation and LED lighting all contribute to building efficiency and reduction in carbon footprint. In addition cycle racks have been included to support / encourage green transport activities for staff and patients.</p> <p>f. A full set of scheme drawings including site plan are included as Appendix 2.</p> <p>g. A copy of the NHSPS registered title is included as Appendix 12. There are no ownership risks to mitigate.</p> <p>h. n/a</p> <p>i. n/a</p> <p>j. n/a</p>
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<p>12. MANAGEMENT CASE</p> <p>a) Confirm the arrangements for management and delivery of the scheme</p> <p>b) Confirm the key risks to delivery and measures to mitigate and manage these risks.</p> <p>c) Provide a simple timeline with key milestones for the procurement and delivery of the scheme.</p>	<p>a. A Project Steering Committee has been established to oversee delivery of the project. Separate working groups have been established to deal with design and leasing activities. Details of the governance arrangements are included in Appendix 13.</p> <p>NHSPS will manage the delivery of the project. They have appointed Community Ventures Management Ltd as project managers. CVM have appointed a design team to prepare and oversee delivery of the scheme.</p> <p>b. The key scheme risks are set out in a detailed risk register. A copy of the risk register is included at Appendix 14. The Top 5 scheme risks are included in the table at Q.13 below with mitigations.</p>
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c. A detailed project programme has been established and has been included as Appendix 15. High level programme milestones are

DV Report Received	23 March 2021
CCG Business Case Approvals	13 – 26 April 2021
NHSE/I Local Approval	13 – 26 April 2021
NHSE/I Regional Approval	27 April – 7 May 2021
NHSPS Internal Approval	15 – 28 April 2021
Completion Agreements / Contracts	4 May – 9 June 2021
Construction Start	7 Jul 2021
Construction end / handover	10 Mar 2022
DV Sign-off / Lease completion	14 – 25 Mar 2022
Redeveloped site operational	4 April 2022

The Due diligence checklist for the project is included at Appendix 16.

13. KEY RISKS

Please provide adequate information to enable reviewers to understand the level and likelihood of risk and how it is to be mitigated.

Please list any risks to delivery, for example if the spend is dependent on estates investment etc.

Risk	Mitigation
Approvals Timeframes - ETTF and system approvals timescales become protracted putting the scheme commencement back and thus rendering the scheme undeliverable within the ETTF timeframe	NHSPS to engage with NHSE early in development of the BJC in order to try to secure buy-in and speedy approvals
Site Operational during works - Significant refurbishment of operational Health Centre creates risk to service delivery and project costs	Project Manager has liaised with stakeholders to develop a phasing plan that also works from a services perspective - there are still complexities / risks that need to be mitigated once an SoW for the temporary works has been developed
COVID Impacts - Delays to delivery of works during ongoing and potentially tightened COVID restrictions	Service providers are already working in a COVID secure manner which will need to be continued throughout the construction phase. It is difficult to forecast the impact of COVID on the construction sector but giving the contractor vacant possession of the work area should support delivery in a COVID secure manner
Supply Issues - Materials supply issues due to COVID and BREXIT	The Design Team will endeavour to avoid specifying any material known to be imported to order where possible though clearly this can not be full mitigated as many products manufactured in the UK will be assembled using imported materials

ENDORSEMENTS AND APPROVALS

14. LETTERS OF APPROVAL / SUPPORT

Organisation	Enclosed		Letter dated	Note
SPONSOR ORGANISATION	Y	N		Letter of support from practice appended.
LEAD COMMISSIONER	Y	N		
PROPERTY COMPANY (NHS Property Services or Community Health Partnerships)	Y	N		NHSPS have signed the multiparty agreement appended.

15. PROJECT ENDORSED BY:

Form of Signature.

Note 1. This Word based PID is circulated electronically in an unlocked format to allow the various fields to be completed and signatures to be added by different organisations. As with any document of this nature, NHS England Information Governance policy and British Standards therefore apply to any attached signatures.

Note 2. Where an Officer uses a wet or electronic signature on behalf of an organisation, the organisation itself is confirming that the signature is valid and the signatory has authority to sign the document in relation to the approval purpose of the signature and consents to their electronic signature on this document being transmitted to others for purposes relating solely to this particular PID proposal and approval process.

Note 3. In the event of future enquiries by internal or external/auditors or others, and to protect the signatory, use of any electronic signature must be capable of being evidenced as having been authorised by the signatory. It is the responsibility of the signatory to ensure that evidence of this authorised use of their electronic signature and the document signed is held on their files for future reference.

Note 4. Conversion of the full document to pdf should not be used as this could prevent others from authenticating the document.

15. SCHEME OR PROJECT ENDORSED BY:

SPONSOR ORG 1 DIRECTOR/HEAD OF FINANCE or APPROPRIATE AUTHORISED OFFICER	Statement	I hereby confirm that I am satisfied the payment of capital as set out in this Business Case is necessary expenditure and offers value for money. I am satisfied that the capital funding requirement set out in this Business case is not replicated in any other NHS capital funding request, e.g. under other parallel capital investment initiatives
	Organisation	
	Position	
	Name	
	Signature	
	Date	
<i>(Where applicable)</i> SPONSOR ORG 2 DIRECTOR/HEAD OF FINANCE or APPROPRIATE AUTHORISED OFFICER	Statement	I hereby confirm that I am satisfied the payment of capital as set out in this Business Case is necessary expenditure and offers value for money. I am satisfied that the capital funding requirement set out in this Business case is not replicated in any other NHS capital funding request, e.g. under other parallel capital investment initiatives
	Organisation	
	Position	

	Name	
	Signature	
	Date	
<i>(Where applicable)</i> SPONSOR ORG 3 DIRECTOR/HEAD OF FINANCE or APPROPRIATE AUTHORISED OFFICER	Statement	I hereby confirm that I am satisfied the payment of capital as set out in this Business Case is necessary expenditure and offers value for money. I am satisfied that the capital funding requirement set out in this Business case is not replicated in any other NHS capital funding request, e.g. under other parallel capital investment initiatives
	Organisation	
	Position	
	Name	
	Signature	
	Date	
DSO OFFICE		
NHS ENGLAND DCO OFFICE DIRECTOR OF FINANCE	Statement	I hereby confirm that I am satisfied the payment of capital as set out in this Business Case is necessary expenditure and offers value for money. I confirm that all items to be procured are capitalisable in accordance with the current NHS England Capital Accounting Guidance
	Area	
	Position	
	Name	
	Signature	
	Date	
REGIONAL OFFICE		
NHS ENGLAND REGIONAL DIRECTOR OF FINANCE	Statement	I hereby confirm that I am satisfied the payment of capital as set out in this Business Case is necessary expenditure and offers value for money. I also confirm that I am satisfied with the assurance provided by the relevant local DCO office Director of Finance in this Business Case. I confirm that this capital expenditure is funded within the Regional capital budget for the relevant year(s) as outlined in this Business Case. I am assured that there is a credible plan in place to order, receive and account for the capital assets in the appropriate financial year in accordance with NHS England Standard Accounting Practice. I recommend that the NHS England Chief Financial Officer approves the proposed investment of capital set out in this Business Case Document.
	Region	

	Position	NHS England Regional Director Of Finance
	Name	
	Signature	
	Date	
PRIORITISATION <i>(For regional use only)</i>		

<i>(Where applicable)</i> ETTF OR OTHER NHS ENGLAND PROGRAMME: REGIONAL HEAD OF PRIMARY CARE or PROGRAMME LEAD OR DIRECTOR <i>(Depending on value and fund approval arrangements)</i> Special programme or funding initiatives <u>only</u> .	Statement As appropriate	
	Programme	
	Position	
	Name	
	Signature	
	Date	

NHS ENGLAND / NHS IMPROVEMENT Joint working initiative.

NHS IMPROVEMENT <i>(Where necessary and/or appropriate on certain schemes)</i> Confirms strategic need for this investment <i>(Signature option added as joint working initiative details are to be agreed)</i>	Statement As appropriate	
	Name	
	Position	
	Region	
	Signature	
	Date	

NHS ENGLAND CHIEF FINANCIAL OFFICER

SCHEME NAME		
NHS ENGLAND CHIEF FINANCIAL OFFICER	Statement As appropriate	
	Name	
	Signature	
	Date	

Conditions of approval,
Where applicable.