

Report To: Health & Social Care Committee **Date:** 23rd April 2015

Report By: Brian Moore
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Inverclyde Health & Social Care
Partnership **Report No:** SW/02/2015/DG

Contact Officer: Deborah Gillespie
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Subject: Inverclyde HSCP – NHS Continuing Care Facilities and
Community Services for Specialist Nursing Older People’s
Dementia and Adult Mental Health Intensive Supported Living

1.0 PURPOSE

- 1.1 To update the Health and Social Care Committee on the current progress of provision of new NHS Continuing Care facilities on the IRH site and of the commissioning process for the provision of specialist nursing care for older people with dementia and adult mental health supported living service in Inverclyde.
- 1.2 To note the impact of changes in European Procurement legislation and specifically the European System of Accounts [ESA 10] on the timescales for NHS Continuing care Reprovision.
- 1.3 To note that the NHS Continuing Care project has completed all of the design stages with the Final Business Case approved by the Quality and Performance Committee of NHS GG&C Board on 20th January 2015 enabling submission to the Scottish Government Investment Group [CIG] for consideration on 28th February 2015 as per the project plan.
- 1.4 To note the revised timetable for the provision of services and Ravenscraig Hospital Closure timetable.

2.0 SUMMARY

- 2.1 Inverclyde HSCP is commissioning the NHS Continuing Care and Social Care community elements of service in separate contractual arrangements. A previous report on progress went to the CHCP Sub-Committee meeting of 26th February 2015.
- 2.2 NHSGG&C / Inverclyde HSCP is in the process of procuring 42 NHS mental health continuing care beds, (30 for older persons and 12 for adults). The procurement vehicle for the development and management of the facility is HUB West Scotland. The buildings will be leased to HUB West Scotland for the duration of the 25 year contract after which time the ownership will transfer back to NHSGG&C or successor body.
- 2.3 The Scottish Government’s Capital Investment Group (CIG) approved the Initial Agreement to progress this project under the HUB West Scotland arrangement on 21st

March 2013. The Inverclyde final pre-stage one key stage review was agreed by the Scottish Government's Scottish Futures Trust on 20th December 2013. The Outline Business Case was agreed by the Q&P Committee on 21st January 2014. The Outline Business Case was approved by the CIG on 11^h March 2014 to progress to Full Business Case approval on 28th October 2014, and Finance Close in November 2014.

The submission of the Final Business Case was deferred to February 2015 to enable further consideration of the best value for money option in respect of this and other HUB West Scotland projects with NHS GG&C. The outcome of this work confirmed this project will continue to be taken forward on a standalone basis.

2.4 The Final Business Case was approved by the Quality and Performance Committee on 20th January 2015. Submission to the Scottish Government Investment Group planned for February 2015 was deferred pending any amendments following stage 2 review, and is now anticipated for submission in April/May 2015.

2.5 As a result of changes in the ESA 10 technical guidance, the Scottish Government has been unable to take this project, along with a number of other HUB procurement projects to financial close. Currently the Scottish Government is awaiting the outcome of the review of the impact of this by the Office of National Statistics which is anticipated in the new financial year. This also requires a review of the existing contracts in respect of the projects in hand. Current advice indicates that a decision will be made by the end of April, enabling work to progress to financial close by June 2015.

The Cabinet Secretary's response to enquiry by the Finance Committee at the Scottish Parliament in respect of the implications of this is appended for information. Appendix 1.

2.6 Following development of the architectural design, including a workshop to inform the final design in May 2013 planning approval was granted by Inverclyde Council on the 14th April 2014. The design is complemented by a detailed Arts and Environment Strategy. This will include works from local arts community, and will also engage with community and voluntary groups in providing both art works and activities throughout the year for service users and carers. This work alongside the building architects will ensure the final building reflects the artistic aspirations of the people who will use the facility. A Communication Strategy is being implemented.

FOR THE COMMUNITY SERVICES

2.7 The provision of 8 self-contained flats for adults currently living in Ravenscraig Hospital is progressing. The accommodation is being provided in conjunction with a local Registered Social Landlord. The Registered Social Landlord is currently progressing with refurbishment of the accommodation.

2.8 The care provider contract to support the 8 individuals has been subject to tender. The outcome of this was reported to the CHCP sub-committee on 26th February 2015 with a decision to award the contract to Turning Point Scotland.

2.9 The older person specialist mental health provision for 12 specialist nursing home places enabling rapid response to people with increased needs for care has been subject to a tender process. Work is continuing through direct discussions with interested parties using the negotiated procurement route in order to secure this service.

2.10 In addition to the above there is a need to strengthen the community infrastructure for older people with mental health needs. This will be tied into the Dementia Strategy Action Plan.

2.11 The NHS continuing care project and the community facilities are part of the investment in and modernisation of the mental health services within Inverclyde. As

such the HSCP community projects and inpatient projects have shared timelines. This is to enable discharge of patients into community facilities prior to the final closure of Ravenscraig. The community facility developments are not affected by ESA 10 and will continue on schedule. Resources to be released for further community developments by the closure of Ravenscraig will be delayed.

- 2.12 The anticipated timetable for closing Ravenscraig Hospital is now the end of 2016. The new NHS Continuing Care facility will have a 12 month build timetable now anticipated to commence in July 2015. The work to provide community facilities currently concluded will enable contracts to be issued from April 2015.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the report on the development of the NHS Continuing Care facility.
- 3.2 That the Committee note the progress on the work for the community facilities and service that are funded through agreement with NHSGG&C on a non-recurring transitional funding basis until Ravenscraig Hospital is closed when resource transfer will be available.
- 3.3 That the Committee note the revised timetable for the closure of Ravenscraig Hospital.

Brian Moore
Corporate Director
Inverclyde Community Health & Care Partnership

4.0 BACKGROUND - NEXT STEPS FOR NHS CONTINUING CARE FACILITIES

4.1 For the NHSGG&C/ Inverclyde HSCP the 42 mental health NHS continuing care beds (30 for older people and 12 for adults) will be developed on the IRH site. The buildings on the site have been demolished and site investigations were carried out in August 2013. Governance arrangements have been put in place. The Inverclyde HUB Project Board is chaired by the Head of Mental Health, who also sits on the NHS GGC Projects HUB West Scotland Project Steering Group.

4.2 The final pre-stage one key stage review was approved on 20th December 2013. The Outline Business Case (OBC) was approved by the Q&P Committee of NHSGG&C on 21st January 2014, and the Scottish Government's Capital Investment Group (CIG) on 11th March 2014. The Final Business Case (FBC) has been approved by the Q&P Committee of NHS GG&C. Commercial and legal issues are progressing between NHSGG&C and Hub West Scotland on the contracts. The FBC will now be submitted for consideration by CIG in April/May 2015.

4.3 As a result of changes in the ESA 10 technical guidance the Scottish Government has been unable to take this project, along with a number of other HUB procurement projects to financial close. Currently the Scottish Government is awaiting outcome of the review of the impact of this by the Office of National Statistics which is anticipated in the new financial year. This also requires a review of the existing contracts in respect of the projects in hand.

Current advice indicates that a decision will be made by the end of April, enabling work to progress to financial close on the Inverclyde project by June 2015.

4.4 The Inverclyde Continuing Care project is one of a number of HUB projects underway in Greater Glasgow and Clyde. The procurement model enables "bundling" of projects together for greater efficiency. Following review of the best value for money approach to these projects being taken forward, the Inverclyde project will be taken forward on a standalone basis. A joint Steering group oversees all the GG&CHB projects. Each project then has a local project Board and each project board will have a number of subgroups relevant to the particular project.

4.5 Project Design

The new building will feature single bedroom accommodation with en-suite facilities for all patients. Each ward is built around a landscaped courtyard area. There will also be fully landscaped gardens surrounding the building.

The central Hub area of the building will house office accommodation, the main entrance and reception area and a community café. The café area will in turn open into a landscaped garden area.

The design has been established using Dementia friendly design principles with advice and guidance from Stirling University Dementia service centre and Architecture and Design Scotland. The design has been approved by Architecture and Design Scotland.

4.6 Arts and Environment Strategy

The design is complemented by a detailed Arts and Environment Strategy. This will include works from local arts community and well as engagement with community and voluntary groups in providing both Art works and activities throughout the year, for service users and carers.

4.7 Service User and Carer Engagement

The project has had a high level of service user and carer engagement. A service user and carer reference group, supported by Your Voice Inverclyde meets monthly to consult on the project. This group has representation from carers and potential service

users as well as voluntary and community groups such as Alzheimer’s Scotland. To date the group has been heavily engaged in the design elements of the building. This year it will be involved in developing the operational policy of the services provided in the building.

Current delays to the project have been reported to and discussed with the reference group and communication with patients and families is ongoing.

5.0 PROGRESS FOR COMMUNITY SOCIAL CARE SERVICES

5.1 Inverclyde CHCP is commissioning 12 older people’s mental health / dementia places locally. This will provide step up/step down care for people whose needs require specialist mental health care but do not need to be in hospital. This model is consistent with wider developments to provide intermediate care and reablement for older people whose needs for care fluctuate.

5.2 For the 8 adults with mental health needs, a specialised mental health intensive supported living service is required. This will be in core and cluster accommodation with individual tenancies with a Registered Social Landlord and tailored care and support. The tender process has now concluded to select a provider, Turning Point Scotland.

5.3 The tender processes timetable has been revised as follows:

- February CHCP Sub-Committee: Award of Adult Service Contract
- April – May 2015: Adult service commissioned to commence transition work
- May – August 2015: Engagement with services users and move to new service
- March 2016 End date for older peoples service coming into operation

5.4 For the Dementia facility the service requires to be operational for Spring 2016. This timetable has been revised and reflects the need to tie in with the hospital closure and the progress made with HUB West Scotland to provide the new services on the IRH site.

6.0 TIMETABLE

6.1 NHS Continuing Care

Submission to NHS GG&C Capital Projects group and Board Quality and performance group	January 2015
Submission to Scottish Government Capital Investment Group (SCIG)	February 2015
Approval from SCIG	To be confirmed
Project financial Close	Estimated June 2015
Construction Start	July 2015
Construction Completion	July 2016
Hospital Closure	December 2016

7.0 IMPLICATIONS

Finance

- 7.1 The total recurring resources held on the NHS side are £3.177 million recurring, with the current allocations in a full year of service expected to be:

Cost Centre	Budget Heading	Budget Years	Annual Net Impact £000	Virement From	Other Comments
Residential (Council CHCP via resource transfer)	Older People	**	£470	N/A	12 Specialist Dementia
	Adults		£405	N/A	8 Supported Living
Continuing Care (NHS CHCP)	Older People		£1,084	N/A	30 beds
	Adults		£725	N/A	12 beds
Resources Committed to date			£2,684		
Uncommitted Resource			£493		
Total Resource			£3,177		

**The recurring cost shown in the table above represents the costs and income for a full financial year, likely to be 2016/17. The timing will be determined by the closure timetable for Ravenscraig.

- 7.2 It should be noted that the balance of unallocated resource, currently shown at £493,000 is dependent on the outcome of the final cost of both the Older People commissioned places and the continuing care bed provision. The final balance of this resource be subject to further discussion with NHS GG&C and will ultimately be invested in community infrastructure. Community Service specification is currently being drafted by officers of Inverclyde CHCP in involvement with service users and carers organisations.
- 7.3 In addition to resource transfer funding for the Council commissioned places there will also be an element of client contribution and benefit income of between £3,000 and £9,000 per client, dependent on appropriate financial assessment.
- 7.4 Transitional funding is required for a period before the expected closure of Ravenscraig Hospital date to allow the CHCP to progress commissioning arrangements and have a suitable service in place. This will enable Inverclyde CHCP to bring services into management prior to closure of the hospital. The period of time that transitional funding will be required will be informed by the commissioning timetable.

Cost Centre	Budget Heading	Budget Years	Annual Net Impact £000	Virement From	Other Comments
Residential	OPS/Adults	2014/15	£260	N/A	Transitional Funding will be drawn on as required.
		2015/16	£430	N/A	
		2015/16	£292	N/A	

- 7.5 The timetable for the Resource Transfer from the NHS GGC Health Board to Inverclyde Council is on the closure of Ravenscraig Hospital which is scheduled for October 2015 but this is under review dependant on the confirmation of the hospital closure options.

Legal

- 7.6 Legal have been consulted.

Human Resources

- 7.7 The CHCP NHS staff working on the wards in Ravenscraig Hospital will transfer with the patients to the new facility when it is built. The community services will provide 6 new jobs to support individuals in their new homes.

The dementia facility will provide an opportunity for the provider to recruit up to 10 posts to cover the requirements of this specialist facility.

Equalities

- 7.8 This facility will improve the physical environment for very vulnerable people who are currently being cared for in buildings no longer fit for purpose.

Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
	NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

- 7.9 None directly, but new facilities and jobs may attract people to the area.

8.0 CONSULTATION

- 8.1
- ACUMEN mental health services users group act as the reference group for this scheme.
 - Families of the patients in Ravenscraig have been regularly updated on progress.
 - The patients affected have been fully involved in options.

9.0 LIST OF BACKGROUND PAPERS

- 9.1 Previous Council reports have been submitted 4th October 2012, 24th October 2013, 27th February 2014, 23rd October 2014 and 26th February 2015. The NHSGG&C Quality & Performance reports have updated the Board on progress, the last report was on 20th January 2015.

Deputy First Minister
and Cabinet Secretary for Finance, Constitution and Economy
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2 February 2015

Ken Kennel,

NPD PROGRAMME

I have welcomed the close interest the Finance Committee has taken in the Non-Profit Distributing (NPD) programme of infrastructure investment.

The Scottish Government has placed investment at the centre of its economic strategy, with considerable success in delivering jobs, increased economic activity and assets of benefit to the people of Scotland. Through our programme of NPD/Hub projects, we have sought to maintain levels of investment and deliver value for money at a time when conventional Capital budgets have been significantly reduced.

I write to advise the Committee that the Scottish Government is currently taking action in response to updates to relevant Eurostat technical guidance on accounting (the European System of Accounts or ESA10), applied from September 2014. I have today provided Parliament with a detailed account of the steps the Government is taking, through the enclosed parliamentary question. As my response to the PQ makes clear, the action the Government is taking does not have an impact on the terms of the Budget Bill 2015-16.

I would be happy to discuss these issues with the Committee.

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JS

JOHN SWINNEY

SCOTTISH PARLIAMENT

WRITTEN ANSWER

13 February 2015 [Suggested reply to reach Departmental Private Secretary not later than 2pm on Friday 6 February 2015]

Index Heading: (Do Not Modify)

Mark McDonald (Aberdeen Donside) (Scottish National Party): To ask the Scottish Government whether it will provide an update on the non-profit distributing (NPD) pipeline of infrastructure investment.

(S4W-24246)

Minister Name (Do Not Modify):

The Scottish Government has placed infrastructure investment at the heart of its economic strategy, delivering jobs, increased economic activity and assets of benefit to the people of Scotland. Through our programme of revenue-financed NPD/Hub projects, we have sought to maintain investment at a time when, over the 2010-11 to 2015-16 period, conventional Capital budgets have been reduced by around a quarter in real terms.

The NPD programme has successfully delivered two completed projects and sixteen that are in construction, with an estimated capital value of £1.4 billion, injecting around £600 million into Scotland's economy this financial year alone, supporting or maintaining around 6000 jobs.

Following recent updates to relevant Eurostat technical guidance on National Statistical Accounts (the European System of Accounts – ESA 10), applied in September 2014, I wish to advise Parliament about action the Scottish Government is taking in order to secure this continued investment. This relates to the latest interpretation of factors that influence a public or private sector classification for infrastructure projects.

Since 2010 external financial advice has been sought to ensure the correct classification is applied to NPD/Hub projects on four separate occasions. Following the introduction of ESA 10, the Scottish Futures Trust (SFT) commissioned financial advice in October 2014 to confirm that the NPD programme classification remained robust. This was the fifth piece of external financial advice sought on classification since 2010 and concluded that private sector classification remained appropriate.

In November 2014, SFT became aware from Infrastructure UK officials within HM Treasury that the Office of National Statistics (ONS), who report on classification, had raised classification issues on privately financed projects under development in Whitehall in the light of the recent application of ESA10, which appeared to these officials likely also to be relevant to the NPD programme in Scotland.

In December the ONS decided to review the classification issues surrounding the Aberdeen Western Peripheral Route (AWPR) project. I expect this process to take a

number of months. For the sake of clarity, this process will have no effect on the construction of the AWPR project itself, which will continue as planned.

In light of this, I have considered it appropriate to put in place a number of steps to refine the NPD programme, whilst seeking confirmation and further advice on the appropriate classification under the most recent Eurostat approach for infrastructure projects under NPD.

Under HM Treasury budgeting rules, were an NPD project to be classified to the public sector, no additional cash would be required. However, the Treasury could require upfront budget cover (capital DEL) for the project.

The Scottish Government and SFT believe that current project arrangements demonstrate consistency with the relevant guidelines. However, until the process of engagement with the ONS has concluded, I believe it is appropriate to put in place contingency measures.

Given that we are now so close to the end of the 2014-15 financial year, I have therefore agreed with HM Treasury that it would be prudent to treat as a contingency arrangement in the short term, the Scottish Government's planned carry forward from 2014-15 into 2015-16 of around £150 million of Resource DEL. In turn, HM Treasury have agreed that, as a contingency, additional budget cover of £300 million will be included in the Spring Supplementary Estimate. The budget cover from HM Treasury will not be available for general spending on public services in the event it is not required for contingency purposes. The £150 million of Scottish Government Resource DEL will continue to be available to the Scottish Government through the Budget Exchange Mechanism if the contingency is not required.

As all of the Government's efforts will be focused on ensuring there is no need to call on this contingency, I do not intend to make changes to the spending plans set out in the 2015-16 Budget Bill currently before Parliament.

Finally, I have considered the potential implications for projects that are due to reach financial close shortly. In relation to NPD projects – the Royal Hospital for Sick Children in Edinburgh and the Dumfries and Galloway Royal Infirmary – the Government intends to take these projects to financial close as soon as possible, while making some appropriate contractual adjustments in consultation with partners.

In relation to eight Hub projects that are due to close this financial year, the Government will also, as a precaution, be considering some contractual changes. These will take some time to agree and implement with partners. We will take all necessary steps to ensure that these projects are ready to reach financial close as soon as practicable after our engagement with the ONS has reached a conclusion. I will keep Parliament informed of progress toward financial close on these projects.

I can assure Parliament that I am taking all appropriate action to protect vital capital investment in Scotland and to resolve these issues as promptly and effectively as possible.