

REPORT

General Medical Services Provision in South-East Edinburgh - Liberton High School Campus

Edinburgh Integration Joint Board

28 February 2023

Executive Summary	<ol style="list-style-type: none"> 1. The purpose of this report is to present the Edinburgh Integration Joint Board (EIJB) with the Business Case for General Medical Services Provision in South-East Edinburgh: Liberton High School Campus. 2. The proposal seeks capital funding from NHS Lothian and the Standard Business Case has been prepared in line with the guidance contained in the Scottish Capital Investment Manual.
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Recommendations	<p>It is recommended that the Edinburgh Integrated Joint Board:</p> <ol style="list-style-type: none"> a) Agree the proposal to develop GP Premises in the CEC led Liberton High School Campus redevelopment. b) Note that, this proposal resulted from an opportunity to undertake a collaborative project with City of Edinburgh Council to include a GP Practice in the Liberton High School Campus ('20 Minute Neighbourhood' related development). c) Note that the IA (Liberton High School Campus) was submitted and approved by the EIJB and NHSL in 2020. d) Note that this Standard Business Case (Liberton High School Campus) was submitted and approved by the EIJB Strategic Planning Group on 24 January 2023. e) Note that a separate Initial Agreement (IA) (South-East Outer GP Provision), to provide GMS provision to the population expansion at the southern boundary of the locality was also submitted and approved by EIJB and NHSL in 2020. This was subsequently submitted to Scottish Government, where it currently awaits
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	<p>consideration as a population increase related scheme.</p> <p>f) Agree to the submission of this Standard Business Case to the NHSL Capital Investment Group, in accordance with the capital prioritisation process.</p> <p>g) Note the recent position of Scottish Government, to pause all NHS capital commitments.</p> <p>h) Note the impact of withdrawal from this project, due to start construction in early 2023.</p>
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Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations		✓
	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council and NHS Lothian	

Report Circulation

1. This report and Standard Business Case was reported to the Edinburgh Primary Care Leadership and Resources Group and to the IJB Strategic Planning Group on 24 January 2023.

Main Report

2. The population of Edinburgh has increased by 90,000 people during the period 2010-2022 and the Local Development Plan (2016-2026) anticipates growth at a rate 5,000-6000 per annum until at least 2026. This will ultimately be superseded by City Plan 2030, which confirms that these expectations are likely to be exceeded.
3. The need for development in the South East area was first raised in the Edinburgh Health and Social Care Partnership Population and Premises report 2014. This reported on the Housing and Land Audit 2014 which showed significant housing development in the South East area and has regularly been highlighted as an area of concern.

4. The Housing Land Audit and Completions Programme (HLA) indicates that LDP development has brought approximately 3000 people to the area, with an additional 4000 to come (as at April 2022). The number of houses being developed is increasing from the original plans at some sites.
5. City Plan 2030 will then bring an additional c.6000 people to the immediate area.
6. EHSCP has identified the provision of GP Services for the South East Outer area as its joint top priority in the most recent round of capital investment prioritisation which was approved in NHS Lothian's Property and Asset Management Plan.
7. Edinburgh Integration Joint Board (EIJB) previously approved (2017) the report "Population Growth and Primary Care Premises Assessment 2016 – 2026" which stated that additional capacity in General Practice is necessary to meet the rising demands from a population that is increasing both in numbers and in age. The Strategic Assessment (SA) for South East Outer identified the need for change since existing practices are unable to provide GMS to the current population, let alone the significant additional population to be generated by the new housing.
8. The IA (Liberton High School Campus) was approved by both EIJB and NHSL in 2020. The Standard Business Case (Liberton High School Campus) was subsequently submitted and approved by the EIJB Strategic Planning Group on 24 January 2023.
9. The matching of primary care workforce with population increase has been particularly challenging since 2014. The ability of medical practices to recruit key staff is often impacted by the premise's ownership and condition. Improving the functional suitability of the healthcare estate is an important component in securing the long-term future of practices.
10. The introduction of the new GMS Contract (Scotland) 2018 requires the provision of alternative delivery of certain services to enable implementation of the contract. This has put further pressure on available GMS accommodation.
11. The schedule of accommodation proposed for the Liberton Campus, equates to 900sqm and is sufficient for a list size of c10,000, with some modest flexibility for additional growth or accommodation for related services.
12. It should be noted that a separate IA (South East Outer GP Provision), exploring options to provide additional GMS provision at the southern boundary of the locality, was approved by EIJB and NHS Lothian. This was submitted to Scottish Government in September 2020, where it awaits consideration.

13. A local practice in converted domestic accommodation with no room for growth was offered the opportunity to move their list of 8000+ patients to the Liberton campus. Ultimately, the practice decided to remain in their current premises. This position is unlikely to be sustainable in the medium term and will be revisited later in the process.
14. Whilst this Liberton Campus development is welcomed and will provide some relief in the short term, the rate of population growth also requires the major scheme proposed in the previous Initial Agreement (South East Outer) to address longer term needs and offer sustainable delivery of primary care. The South-East Outer scheme cannot be progressed until approval for the IA is received from the Scottish Government.

Implications for Edinburgh Integration Joint Board

Financial

15. The project will require a capital investment of c£5.411 at 2022 prices from NHS Lothian, depending on the option that is selected for delivery.
16. Provisions have been made in capital costs to provide accommodation for EHSCP staff in line with the new GP contract; however, no revenue associated costs have been identified and included at this time. Additional EHSCP staffing will be funded by the Primary Care Improvement Plan.
17. Funding has been identified for the additional premises related revenue costs from the existing NHSL depreciation budget.
18. Practice related revenue costs have not been included in revenue costs as these will be funded via GMS income. There will be an increase in revenue costs, primarily due to the increase in practice size. Further work will be done through NHS Lothian Joint Primary care Management Team (JPCMT) to ensure provision for this.

Legal / risk implications

19. Inability to meet timescales imposed by the City of Edinburgh Council (CEC) project programme may result in loss of the opportunity to develop a new GMS practice within Liberton Community Campus.
20. Additional local population unable to register with a GP resulting in increased assignments and greater presentations through emergency provision.

Equality and integrated impact assessment

21. The project will allow local people to be registered and cared for in accommodation which is functionally suitable and accessible for people with impaired mobility and other disabilities. An Impact Assessment will be scheduled as the project progresses.

Environment and sustainability impacts

22. Provision of a new surgery situated in a property leased by NHS Lothian, will support the sustainability of general practice in the area.
23. The building will be built to Passivhaus standards and will meet the 2030 carbon neutral targets.
24. The project will use the Achieving Excellent Design Evaluation Toolkit (AEDET) to assess design quality throughout the procurement and design process and as part of the Post Project Evaluation.

Quality of care

25. The project will provide premises which deliver General Medical Services safely, with optimal clinical functionality and which are compliant with statutory legislation.

Consultation

26. Whilst there was early engagement through the Neighbourhood Partnership, meaningful engagement with the general public will be supported by the EHSCP Patient Involvement Worker. An IIA will be completed as soon as possible.

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Appendices

Appendix 1 Business Case for General Medical Services Provision in South-East Edinburgh: Liberton High School Campus.

Service Change
Planning

Strategic
Assessment

Initial Agreement

Standard
Business Case

Implementation



General Medical Services Provision in South East Edinburgh: Liberton Community Campus

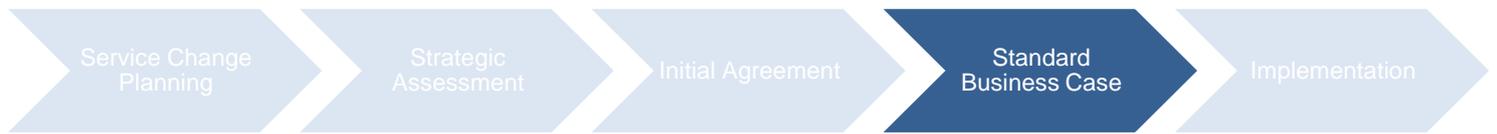
NHS Lothian Standard Business Case

Project Owner: David White

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Date: 06/01/2023

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Version History

Version	Date	Author(s)	Comments
1.0	16/11/2022	Fiona Cowan	First draft
1.1	7/12/2022	David White	Updates
1.2	15/12/2022	Campbell Kerr	Updates
1.3	19/12/2022	David White	Updates
1.4	20/12/2022	Fiona Cowan	Updates
1.5	22/12/2022	Eleanor Lynes	Appendices added
1.6	4/1/2023	David White	Update
1.7	06/01/2023	Fiona Cowan	Update
1.8	16/02/2023	Fiona Cowan / Lee Clark	Final



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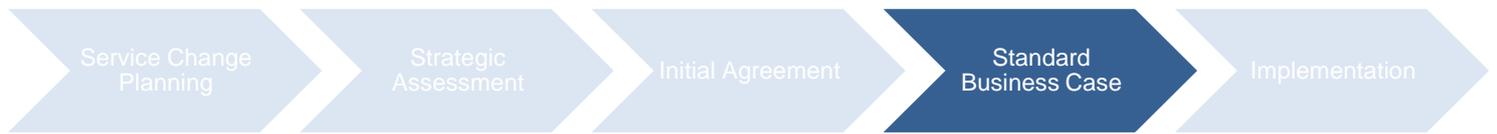
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Appendix 1: Strategic Assessment

Appendix 2: Benefits Register and Realisation plan

Appendix 3: Capacity of Proposed and Scheduled Sites in SE Locality

Appendix 4: Statement on Model of Care



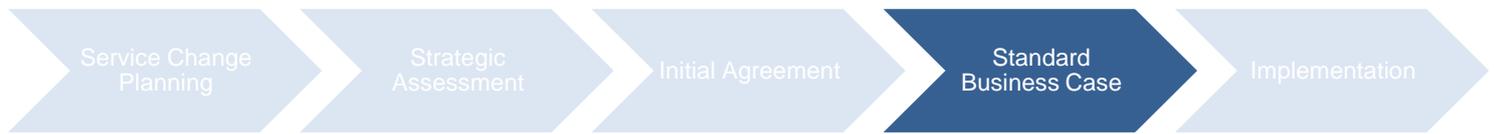
Executive Summary

This proposal will help to secure increased Primary Care (GMS) capacity in the South-East Edinburgh area and welcomes the opportunity to be part of the integrated delivery of relevant local services, provided by the redevelopment of Liberton High School.

The proposal will provide accommodation for approximately 10,000 additional people to be registered as patients. (If a local medical practice reconsiders the opportunity of relocation to this site, then this 10,000 would become 2000 additional and 8000 'relocated' patients).

The proposal should be understood in context of the linked proposal to provide a further new surgery at the 'Gilmerton Gateway' development site. Together, these sites could provide for a maximum additional population of c20,000, or an opportunity for one or two local medical practices to relocate to purpose-built accommodation. The confirmed additional local housing and associated population requires additional capacity in the region of 14,000 – 16,000, but this area of the city is likely to be subject to further development as the current housing allocations are built out.

Several local practices have already closed their lists through lack of physical capacity to expand their practices and two local practices deliver GMS from converted domestic accommodation.



The Strategic Case

Existing Arrangements

The Initial Agreement, (South-East Outer GP Provision), explored options to provide GMS provision to the population expansion at the southern boundary of the South East Locality, and was approved by NHS Lothian and submitted to Scottish Government (SG) for consideration in September 2020. This primary care proposal was driven by population growth (as opposed to challenges with the existing estate). To date, this (and the other primary care IAs submitted at the same time) have not been considered by the Scottish Government Capital Investment Group. Feedback has been received that the SG wish to see an overarching strategy for primary care in Lothian, before considering individual business cases.

This over-arching Lothian strategy is being developed in the form of a strategic programme IA being led by the NHS Lothian Director of Primary Care, supported by the GMS Premises Group which includes all four HSCP's. Further discussions with SG colleagues are ongoing to ensure the format and content of the IA meets both NHS Lothian and the SG's requirement to allow progression. Whilst this process continues, it is recognised that key projects can still be supported to progress.

City of Edinburgh Council offered NHS Lothian the opportunity to include a GP Practice in the Liberton Campus development. The timescales for this CEC led project prompted the need for a separate IA to be developed, and this was approved by EHSCP/NHS Lothian in March 2022.

The South East Locality serves a population of circa 140,000 as at July 2022 and can be divided into two GP clusters. This business case relates to the South Cluster and the implications of the extensive housing developments in the area, much of it on green belt land which directly impacts on the following practices:

Ferniehill Surgery (list size 6,818 at 1st July 2022)

Independent contractor with practice owned premises which are functionally unsuitable for sustainable delivery of primary care. A small scheme was delivered in 2019, together with a Legup grant to create additional consulting space and enable some modest growth of 500 patients. There is now little opportunity for further conversion or extension of this building. This practice is in closest proximity to the areas of intensive housing developments at Gilmerton, most of which fall within its catchment area. 46% of the practice population is in the most deprived quintile.

Southern Medical Group (list size 7,959 at 1st July 2022)

Independent contractor with practice owned premises which are functionally unsuitable for sustainable delivery of primary care. The premises comprise a detached house which has been extended. Whilst it may be possible to further extend the building, the costs associated with this option make it prohibitive and would not provide adequate accommodation for the practice. The practice has steadily increased its list size in response to local demand and has benefitted from an EHSCP 'Legup' grant and 'small scheme' funding. The practice is within a mile and half of the most extensive development sites at Gilmerton and is located on the main road beside the public entrance to Liberton High School. 37% of the practice population is in the most deprived quintile.



Gracemount Medical Group (list size 8,705 at 1st July 2022)

Independent contractor located in NHS leased, purpose built premises which also accommodate community services teams. The practice has agreed to further expansion of c1,000 patients which would be possible within its current footprint. There is also the opportunity to review services located in the centre and further increase internal physical space if required. The practice is currently in the process of re-advertising its contract with a view to increasing the list size served. 54% of the practice population is in the most deprived quintile. The practice is located within half a mile of the development sites at Broomhills and Burdiehouse.

Liberton Medical Group (list size 7,998 at 1st July 2022)

Independent contractor located in practice owned, purpose built accommodation. In 2016 the practice benefitted from an extension of three clinical rooms, funded by a capital grant from NHS Lothian to address population growth pressures from a new housing development of 300 houses directly across the road from the practice. The practice is within a mile of the Broomhills and Burdiehouse developments as well as adjacent to the development referenced above. The practice received a further Legup grant to support further increased growth. One third of the patients are in the most deprived quintile.

Conclusion

With the potential exception of Gracemount Medical Practice, there is no significant additional premises capacity available to allow the local population to be registered with a medical practice. Even with the support of the practice and funding for internal development, Gracemount Medical Centre can only absorb a modest portion of the new population at a site which is comparatively remote from much of the catchment population by city standards.

Drivers for Change

The following section expands on the need for change as identified in the Strategic Assessment (included in [Appendix 1: Strategic Assessment](#)) and the Initial Agreement.

The population of Edinburgh increased by c90,000 during the period 2010 - 2022 and will continue to grow at a rate of c7,000+ per annum. This expectation has been confirmed by City Plan 2030, which will ultimately supersede the current Local Development Plan (2016-26).

City of Edinburgh (CEC) City Plan 2030 details the planned housing developments across the city. The South East Outer Area comprises a significant area of green belt release within the plan where extensive housing is programmed and already underway, with a considerable number of houses already occupied.

Although the house building programming extends over several years, the Housing Land Audit (HLA) 2021 details the expected completion rate of circa 200 houses per annum in the Gilmerton area. If developers are confident of house sales, that rate may increase.

The known planned developments are illustrated in Table 1 below:



The table below, covering the period 2021 – 2028 and the longer term, is a snapshot of the City of Edinburgh Council Housing Land Audit (HLA) 2021 (provisional), showing housing sites that are under construction and sites with planning consent.

Table 1: Planned Developments

Area	Total Dwelling Places	Complete at 4/22	22/23	23/24	24/25	25/26	26/27	27/28 +
Broomhills	671	559	82	30	0	0	0	0
Burdiehouse	120	32	45	39	4	0	0	0
Ellens Glen	240	0	0	0	0	0	0	240
Gilmerton Station Road	815	414	216	98	45	42	0	0
Lasswade Road	599	414	107	75	3	0	0	0
Edmonstone	696	0	0	0	50	50	50	546
Candlemakers Park	149	109	40	0	0	0	0	0
Totals	3290	1528	490	242	102	92	50	786
Estimated population*	6909	3209	1029	508	214	193	105	1651

Sites detailed in City Plan 2030 and constrained sites which have not yet been programmed are shown in the table below.

Table 2 City Plan 2030 developments

Area	Total Number of Dwelling Places	Estimated population*
Edinburgh Bioquarter	2500	5250
Moredun	56	118
Gilmerton Road	32	67
Liberton Hospital	120	252
Gilmerton Dykes Street	24	50
Raes Crescent	32	67
Total	2764	5804

Table 3 Anticipated increase in population which cannot be accommodated within existing GMS Premises

Area	Number of Housing Units		Population *
	Complete	In progress / planned	
Gilmerton Station Rd	414	401	1711
Lasswade Road	414	185	1257
Edmonstone	0	696	1462
Bioquarter	0	2500	5250
Candlemaker Park	109	40	313



Gilmerton Dykes Street	0	24	50
	937	3846	10,043

* Population projections have been calculated by multiplying the planned number of units to be built by the average household size for Edinburgh, source National Records Scotland (NRS). The standard average household size of 2.1 people has been used in these calculations, although it is expected to decrease over time. Given the predominance of family housing to be built within all developments, it is likely that the population figure could be significantly higher, and the population numbers illustrated are considered to be a **low estimate** of the actual numbers.

The planned development sites, HLA 2021, with indicative **capacity of proposed and scheduled sites in SE Locality** are illustrated on the map at **Appendix 3**.

The Integration Joint Board previously approved the EHSCP Population Growth and Primary Care Premises Assessment 2016-2026, and the subsequent high prioritisation of this area need through the NHS Lothian Capital Prioritisation Programme which invited the submission of the Initial Agreement.

The preceding Strategic Assessment (SA) identified the need for change since existing practices, due to a mixture of limitations of workforce and physical capacity, are unable to sustainably provide GMS to the current population.

Recent developments of GP premises within NHS Lothian have followed a standard schedule of accommodation and building layout to be developed. Although Covid 19 altered patient flow within GP practices the design and requirements of future health premises have not been significantly altered as new ways of working and renewed infection control requirements are able to be accommodated. Details of the potential impact are included in **Appendix 4**.

As with all CEC led developments, Liberton High School will be a Passivhaus rated new build, focussing on high quality design and construction. This gives a range of approaches to deliver a net zero carbon footprint whilst providing occupant comfort using little energy for heating and cooling. A series of performance criteria has been targeted across climate-based daylight modelling, operational energy analysis and thermal overheating analysis. Current planning and analysis indicate that the building is on target to achieving Passivhaus certification.

The table below summarises the need for change, the impact it is having on present service delivery and why this needs to be actioned now:

Table 4: Summary of the Need for Change

What is the cause of the need for change?	What effect is it having, or likely to have, on the organisation?	Why action now?
Current service demand exceeds available capacity	The existing practices are unable to provide sustainable GMS to current population	Closed practice lists and inability of practices to increase capacity



What is the cause of the need for change?	What effect is it having, or likely to have, on the organisation?	Why action now?
The practices operate from premises which limit response to changing service needs	Premises are a key component of practice stability. Unstable practices are a threat to system stability through displaced demand.	Practices are unable to respond to current demand and showing signs of instability (One has returned their GMS contract)
Planned house building on green belt and windfall sites from both existing (LDP) developments and because of City Plan 2030	Existing capacity unable to cope with population growth and demand displaced elsewhere in the system	Significant population increase began in 2018 and paused due to the pandemic, but currently increasing quickly.
Planned developments will generate sufficient population to offer a sustainable business model for new practices and provide development opportunity to existing practices through the new contract	The planned addition of another sustainable medical practice with purpose built premises will ensure that demand is effectively managed without resulting in disproportionate and inappropriate displacement	The demand from the additional population is already destabilising local practices and there is already enough population to sustain a new practice.
Implementation of the new GMS Contract Scotland	Transformation of primary care services to meet the requirements of the new GMS contract which requires additional space for the associated multi-disciplinary teams	New GMS contract came into effect on 1 st April 2018 and Edinburgh is struggling to identify sufficient physical capacity to support all the potential patient facing activity.
Long term tenure of GP owned premises	GPs could sell premises creating instability for provision of GMS	Opportunity to create long term sustainable premises for service delivery
Improve and create sustainable healthcare assets and support Carbon Net Zero targets by 2040.	This new build will assist NHSL in reaching the Net Zero target.	Opportunity to work with the local authority partner on a Passivhaus rated new build.



Investment Objectives

The assessment of the existing situation and the drivers for change were used to identify the investment objectives in the Initial Agreement. This have been revisited and reassessed by the project team as part of the SBC.

Table 5: Investment Objectives

	Effect of the need for change on the organisation	What has to be achieved to deliver the necessary change? (Investment Objectives)
1	The existing practices are unable to provide GMS to current population and future population	Improve service capacity to enable everyone to access GMS
2	Existing GP premises restrict the ability of practices to increase capacity and meet the demands of service provision	Improve service access and provide enough clinical accommodation to meet service needs
3	Existing service arrangements unable to cope with future projected levels of population growth and address current high levels of need in an area of significant deprivation	Improve service performance and configuration to respond to increased demands of known significant population growth and existing deprivation needs, and ensure easy accessibility
4	Transformation of primary care services to meet the requirements of the new GMS contract	Enable delivery of the Primary Care Improvement Plan as required for implementation of the new GMS contract
5	Practices are operating from premises which are neither functionally suitable nor sustainable	Improve functional suitability of the healthcare estate and address long term future needs and tenure

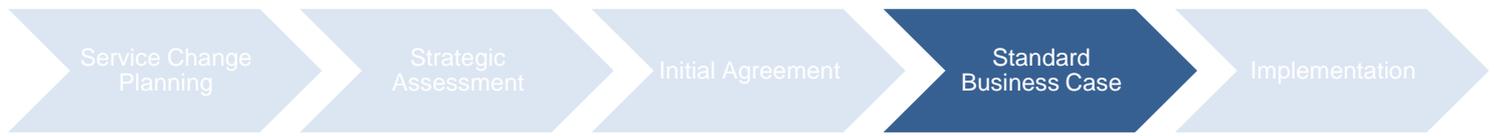
Is the preferred strategic solution still valid?

The preferred strategic solution is to create additional GMS capacity within the South East Locality in sustainable, purpose built accommodation which has the ability to support the delivery of the Primary Care Improvement Plan.

The proposed solution to provide premises in Liberton High School would achieve many of these investment objectives, with additional capacity for population growth. In alignment with the intentions of the GMS 2018 contract, the lease will be managed by NHS Lothian to help ensure the stability of the relevant practice.

A local practice was offered the opportunity to move to this site with its existing list of 8000+ patients. Ultimately, the practice decided to set this offer aside and to remain in the current premises which are approximately 40meters from the entrance to the new premises site. There are no ongoing discussions with the practice, but simply an undertaking that a final offer to reconsider would be made before a new GMS contract is advertised.

It is therefore currently proposed to create a new practice on the Liberton Community campus which will offer capacity for the existing population who have been unable to register for GMS, or who have registered



at a comparatively distant practice or who have 'suppressed' local registration following relocation to SE Edinburgh.



Economic Case

Do nothing/baseline

It is not feasible to continue with the existing arrangements ('Do Nothing') as it does not address any of the strategic drivers for change and has the potential to cause instability amongst local practices. A 'Do Minimum' option is therefore included as the baseline (as required by Scottish Capital Investment Manual guidelines) against which other options are assessed. This option can only address the strategic drivers in part and will result in capacity constraints which fail to provide for the population growth. The table below defines the 'Do Minimum' option including the requirements to implement this option. In this case the option is interpreted as the current and new population continuing to only have access to existing medical practices in their current buildings.

Table 6: Do Minimum

Strategic Scope of Option	Option 1 'Do Minimum'
Service provision	Continue with existing - GMS services will be provided
Service arrangements	Existing GMS practice premises
Service provider and workforce arrangements	Existing GMS provision – additional workforce could be provided peripatetically to help support increased list size
Supporting assets	Physical alteration to premises already maximised
Public & service user expectations	Public and service users will expect full access to GMS and require the ability to register with a GP in the local area

Short-list of Implementation Options

As previously stated, CEC has provided NHSL with the opportunity to include a GP Practice in the replacement Liberton High School Campus. This project aims to create a community lifelong learning and sports hub as well as co-locating with public services such as health, Police Scotland, library services and a number of third sector organisations. Previous collaborative projects with CEC have realised a number of advantages to co-location of services including cost benefits and proximity to the local community. In addition, this will provide many patients with the opportunity to attend one site for several purposes at one visit. For these reasons, this option is considered to offer clear benefits for the provision of a GP Practice which achieves all the investment objectives listed and remains the preferred option.



The table below summarises the costs associated with each of the shortlisted implementation options. Further detail on the calculation of these costs including assumptions made can be found in the Financial Case.

It should be noted that for the purposes of facilitating option appraisal, only the recurring revenue costs associated with the premises are used.

Table 7: Indicative Costs of Shortlisted Options

Cost (£k)	Option 1: Do Minimum	Option 2: New build for re-provision of practice in a joint development with CEC
Capital Cost	0	5,411
Recurring Revenue Costs	0	157

Non-monetary Costs and Benefits of Options

Each of the short-listed implementation options was also assessed against the benefits included in the benefits register in

[Appendix 2: Benefits Register and Realisation plan](#). Each of the identified benefits was weighted and following this each of the shortlisted options was scored against its ability to deliver the required benefits.

The results of the benefits assessment are summarised below:

Table 8: Results of Non-Financial Benefits Assessment

#	Benefit	Weight (%)	Option 1: Do Minimum	Option 2: Collaborative development with CEC
1	Clinical effectiveness and service improvement	20	4	9
2	Accessibility	30	7	9
3	Quality of physical environment	20	5	9
4	Sustainability	20	1	9
5	Deliverability	10	8	8
Total Weighted Benefits Points			490	890

It is clear from the above scores that there are significant benefits to developing a practice in the new school and this remains the preferred option.



Net Present Value

The table below details the indicative whole life costs associated with each of the shortlisted options. For further detail around the determination of the costs see the Financial Case.

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

- A discount rate of 3.5% has been used in line with Government guidelines.
- A useful life of 50 has been determined for the projects.
- VAT and inflation have been excluded in line with Green Book guidance.
- Phasing of the costs reflects the useful life and the programme of works as identified in the Commercial Case.

Table 9: NPV of Shortlisted Options

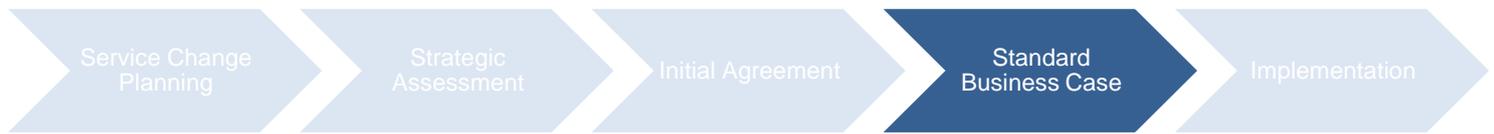
Cost (£k)	Option 1: Do Minimum	Option 2: New build for re-provision of practice in a joint development with CEC
Whole life capital costs	0	3,973
Whole life operating costs	0	1,073
Estimated Net Present Value (NPV) of Costs	0	5,046

Overall economic assessment and preferred way forward

The table below show the weighted benefit points for each shortlisted option, the NPV of costs and the calculated cost per benefit point. This calculated cost per benefit point has been used to rank the options and identified the preferred way forward.

Table 10: Economic Assessment Summary

Option Appraisal	Option 1: Do Minimum	Option 2: New build for re-provision of practice in a joint development with CEC
Weighted benefits points	490	890
NPV of Costs (£k)	0	5,046
Cost per benefits point (£k)	0.00	5.67
Rank	5	1



The Commercial Case

This Commercial Case outlines the proposed commercial arrangements and implications for this proposed project, by responding to a series of questions set out in the SCIM Outline Business Case guidance.

Procurement Route/ Contractual Arrangements

As this is a business case with a value less than £10m, it is within NHS Lothian's delegated limit and will not require to be submitted to the SGHD for approval.

The total capital costs for the preferred option are £5.411m. The procurement of the project will be led by CEC, supported by Edinburgh Health and Social Care Partnership and NHSL. The project has progressed to the tendering stage with the design and overall project being managed by CEC's Investment Steering Group. NHSL and Edinburgh HSCP are both represented on this group.

It is proposed that NHSL will provide a Capital Grant to CEC for the construction costs, this will be contracted within a Development Agreement between the two organisations.

The NHS element of the completed facility will be leased to NHSL on a 50 year lease with a nominal rental.

The Financial Case

Capital Affordability

The estimated capital cost associated with the preferred option(s) is detailed in the table below. Construction costs were provided by independent quantity surveyors.

The table also details any changes to costs from those included in the IA. These are further explained below.

Table 11: Capital Costs

Capital Cost (£k)	Preferred Option - Costs at IA	Preferred Option - Costs at SBC	Change in Costs
Construction	3,369	3,134	235
Professional Fees	374	310	64
Furniture, Fitting & Equipment	85	142	(57)
IT & Telephone Costs	68	57	11
NHSL Internal Costs	-	15	(15)
Inflation	464	354	110
Optimism Bias	1,308	549	759
Total Capital Cost (excl VAT)	5,668	4,561	1,107
VAT	1,134	912	221
VAT Recovery	-	(62)	62
Total Capital Cost (incl VAT)	6,802	5,411	1,391

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

- Construction costs for both IA and SBC have been provided by independent quantity surveyors via City of Edinburgh Council as they have been engaged for the wider development.
- Optimism bias for the preferred option at IA was calculated at 30% of total costs including commissioning. This has been recalculated at 15% for the revised SBC costing to reflect the decrease in uncertainty as the timescale has shortened. This has been calculated in line with SCIM guidance.
- An allowance for inflation was provided by the independent surveyor for the preferred option, this was included at 13.4% of construction costs on the IA. Due to the uncertain conditions in the market currently, this percentage has been applied again to construction costs on the SBC.
- VAT has been included at 20% on all costs. No VAT recovery was assumed at the IA. VAT recovery is included on the SBC costing as it is now expected that VAT can be recovered on Professional Fees.

Revenue Affordability

The estimated recurring incremental revenue costs associated with the preferred option(s) are detailed in the table below. These represent the additional revenue costs when compared to the 'Do Nothing' option.

As above, only the revenue costs associated with premises are considered as part of this appraisal. The full revenue costs are therefore presumed to be fully covered by the available GMS income attached to



list size. Any practice starting from a minimal list size, would require additional support until the list size builds to a sustainable level. These additional costs and the length of time over which they would be required would vary considerably, depending on how the new practice was commissioned. These implications sit outside this building-focussed business case.

Table 12: Incremental Revenue Costs

Incremental Revenue Cost/year (£k)	Preferred Option – Costs at IA	Preferred Option – Costs at SBC	Preferred Option – Change in Costs
Facilities	143	49	94
Lease	-	-	-
Depreciation	247	108	139
Total Annual Incremental Revenue Cost	390	157	233

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

- Facilities costs have been applied on the basis of the costs of maintenance and domestic services. These have been calculated on the basis of £39 and £30 per sqm respectively, based on costs for similar type GP premises.
- The premises will be leased to NHS Lothian on a peppercorn lease for a period of 50 years, with a nominal payment of £1 per year.
- No additional staffing costs are anticipated.
- Other practice related costs have not been included in revenue costs as these will be funded via GMS income. However, it is noted that there may be an increase in these revenue costs.
- Depreciation is based on a useful life of 50 years and assumed to be funded from the existing NHS Lothian Depreciation funding allocation.
- Other practice related costs have not been included in revenue costs as these will be funded via GMS income. It is noted that there will be an increase in these revenue costs which will have to be agreed with the practices involved.



Overall Affordability

The table below summarises the total costs associated with the preferred options and the funding proposed to implement this option.

Table 14: Summary of costs and funding

Incremental Revenue Cost/ Funding	Preferred Option – Capital Costs/ Funding (£k)	Preferred Option – Revenue Costs/ Funding (£k)
Total Cost	5,411	157
Funding – GP Practice Revenue Funding		157
Funding – NHSL capital formula funding	5,411	
Total Funding	5,411	157
Funding Gap	0	0

Confirmation of stakeholder support

Following the endorsement of the EHSCP Population Growth and Primary Care Assessment 2016 – 2026, which reflected the extensive housing developments set out by CEC Local Development Plan, by EIJB in September 2017 and LCIG in March 2018, a strategic assessment for practices in the South East area was completed and submitted by EHSCP as part of the NHS Capital Prioritisation Process 2019/2020.

Consequently, an Initial Agreement for the provision of general medical services in South Edinburgh was developed and supported to progress to Standard Business Case by EIJB and NHS Lothian Capital Investment Group in February 2020 and subsequently approved at NHS Lothian Finance and Resources Committee on 25th March 2020. The development of Liberton Community Campus is being led by City of Edinburgh Council which is working closely with other parties involved in the local community.

Full consultation has taken place with 3rd sector colleagues and community groups and the building itself provides accommodation for Police Scotland, a library and a sports centre as well as supporting other community requirements. There is strong support for this collaborative approach.



The Management Case

Project Management

Governance arrangements

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



Key roles and responsibilities

The table below notes the project board that will be responsible for taking the project forward including details of the capabilities and previous experience.



Table 15: Project Management Structure

Role	Individual	Capability and Experience
Senior Responsible Officer	Judith Proctor, Chief Officer	Previous experience as SRO in primary care capital projects
Project Owner	David White, Strategic Lead, Primary Care and Public Health	Previous experience of NHS capital projects
Project Director	Campbell Kerr	Programme Director in NHSL Capital Planning with extensive experience and responsibility for primary care projects
Project Manager	Louise MacDonald	Project Manager in NHSL Capital Planning with extensive experience and responsibility for primary care projects
Capital Finance Support	Immy Tricker / Kenny Brennan	Experience supporting capital investment projects including primary care provisions
Finance Business Partner		
HSCP Project Manager	Lee Clark	Previous experience of NHS capital projects
Clinical Lead	Dr Jane Marshall	Experience as GP and Clinical Lead for South East Locality

Legal advice for the project (if required) will be obtained from the Central Legal Office. The table below lists the project’s external advisors:

Table 16: External Advisors

Role	Organisation & Named Lead
Legal Adviser	Elaine Tait, Central Legal Office
Property Adviser	Andrew Putland, Valuation Office

Project plan and milestones

The table below includes a summary of the key project milestones and dates.



Table 17: Project Timetable

Key Milestone	Date per IA	Current Planned Date
Initial Agreement approved	Jan 2022	March 2022
Standard Business Case approved		February 2023
Construction starts (tbc by CEC)	June 2023	April 2023
Construction complete and handover begins	June 2025	June 2025
Service commences	August 2025	August 2025

Engagement with Stakeholders

The table below summarises the stakeholders impacted by this proposal and the details of the engagement that has taken place with them to date. This is followed by the stakeholder engagement and communication plan.

Table18: Engagement with Stakeholders

Stakeholder Group	Engagement that has taken place	Confirmed support for the proposal
Patients/service users	Engagement relating to NHS facilities will be initiated with potential patients and service users as identified	Will be updated as discussions progress
General public	CEC has embarked on extensive engagement with members of the local community. Further discussions specifically relating to health will be undertaken by the Public Involvement Co-ordinator	Will be updated as discussions progress
Staff	As this may be a new practice, no staff are available for consultation	Will be updated as discussions progress
Other key stakeholders and partners	Discussions have already taken place with local practices and local councillors	EHSCP Strategic Lead for Primary Care will update as discussions progress

Benefits Register and Realisation Plan

The investment objectives and the Strategic Assessment (see [Appendix 1: Strategic Assessment](#)) have informed the development of a Benefits Register (see [Appendix 2: Benefits Register and Realisation plan](#))



Per the draft Scottish Capital Investment Manual guidance on `Benefits Realisation`, this register is intended to record all the main benefits of the proposal and also includes a full Benefits Realisation Plan detailing how the benefits will be realised and measured.

Risk Management

The table below highlights key strategic risks that may undermine the realisation of benefits and the achievement of the investment objectives. These are described thematically and potential safeguards and actions in place to prevent these.

A full risk register has been developed for the project and is available from the Project owner on request.

Table 19: Strategic Risks

Theme	Risk	Safeguard
Workforce	Challenge of establishing a new GMS practice	Attractive prospect with new building likely to be appealing / possibility of local practice reconsidering
Funding Capital	Capital funding to deliver the project is unavailable, despite lower cost as part of larger project.	Optimise resource usage Value engineering Cost certainty for business case
Funding Revenue	Revenue funding to deliver the project is unaffordable.	Revenue streams are fully understood and covered by combination of existing and additional population related funds
Capacity and scope	Scope of the project exceeds deliverability / insufficient space to meet demand	Accommodation schedule and design signed off at an early stage to prevent scope creep
Timescales	NHSL governance timescales do not match CEC requirements for commitment to project	NHSL governance arrangements detailed to CEC at an early stage.

Commissioning

- Building construction and associated commissioning is being led by CEC. Specific elements of the commissioning of the NHS area will be undertaken by the NHS Lothian Capital Programme Manager and the Project Manager from Edinburgh Primary Care Support Team, both of whom have significant experience of similar projects.



- The key stages expected within the commissioning process and an indication of appropriate time scales will be kept under review as part of the project delivery.

Project Evaluation

- Part of the stakeholder involvement will include detailed discussions and satisfaction surveys with members of the local community at an early stage to explore current experiences. This will be repeated approximately 12 months following completion and evaluated.
- In addition, all areas listed in the Project Benefits register will be evaluated to establish the effects resulting from delivery.

Appendix 1: Strategic Assessment

PROJECT: GP Capacity in South East Outer Area		What are the Current Arrangements: GP services in SE outer area provided by Ferniehill, Southern, Inchpark, Gracemount, and Liberton practices. A considerable number of housing developments are programmed in the South East wedge up to and beyond 2026, requiring additional GP provision for the planned population growth. Current practices are all restricted and several are in accommodation which is not fit for purpose with little or no ability to increase capacity.															
What is the need for change?	What benefits will be gained from addressing these needs?	How do these benefits link to NHSScotland's Strategic Investment Priorities?	What solution is being considered														
<p>Existing practices, due to a mixture of limitations of workforce and physical capacity, are unable to provide GMS to the current population hence list restrictions</p> <p>Current difficulties nationally with primary care workforce provision undermine practices' stability and potential to increase lists</p> <p>Some existing premises restrict the ability of practices to increase capacity, and provide sufficient access to primary care.</p> <p>Some practices are operating from premises with non compliant facilities and which are unfit for delivery of sustainable primary care services against existing standards</p> <p>City of Edinburgh Council Local Development Plan confirms programming in the area of at least 2,400 houses/equating to a minimum of c5,000 people, with building underway or about to commence</p>	<p>Ensure everyone has access to a GP by increasing capacity and reducing restricted lists</p> <p>Shift the balance of care by increasing the proportion of patients receiving care in community settings</p> <p>Reduce emergency admissions to hospital and rate of attendance at A/E</p> <p>Ensure that people who use health and social care services have positive experiences and their dignity respected.</p> <p>Support the attainment of HEAT targets e.g. early cancer detection, antenatal access, early years vaccinations</p> <p>Improve the functional suitability of the healthcare estate by providing compliant premises</p> <p>Optimise financial and resource usage through an efficient estate and a stable health and social care system</p>	<p>Identify Links</p> <p>Identify Links</p> <table border="1"> <thead> <tr> <th>Strategic Priority</th> <th>Prioritisation Score</th> </tr> </thead> <tbody> <tr> <td>Person Centred</td> <td>5</td> </tr> <tr> <td>Safe</td> <td>2</td> </tr> <tr> <td>Effective Quality of Care</td> <td>4</td> </tr> <tr> <td>Health of Population</td> <td>4</td> </tr> <tr> <td>Value & Sustainability</td> <td>3</td> </tr> <tr> <td>TOTAL SCORE</td> <td>18</td> </tr> </tbody> </table>	Strategic Priority	Prioritisation Score	Person Centred	5	Safe	2	Effective Quality of Care	4	Health of Population	4	Value & Sustainability	3	TOTAL SCORE	18	<p>Service Scope / Size</p> <p>Provision of sustainable GMS services in outer area of EHSCP South East Locality</p> <p>Service Arrangement</p> <p>Increase capacity through intensifying use of current buildings, re-provision of accommodation and/or develop new practice</p> <p>Service Providers</p> <p>EHSCP, GP contractors, NHS Lothian, City of Edinburgh Council, Third sector</p> <p>Impact on Assets</p> <p>Potential re-provision/reconfigurations of some current premises/provision of new premises</p> <p>Value & Procurement</p> <p>New build will use the Hub Framework, other procurement to be confirmed in Initial Agreement</p>
Strategic Priority	Prioritisation Score																
Person Centred	5																
Safe	2																
Effective Quality of Care	4																
Health of Population	4																
Value & Sustainability	3																
TOTAL SCORE	18																

Service Change Planning

Strategic Assessment

Initial Agreement

Standard Business Case

Implementation

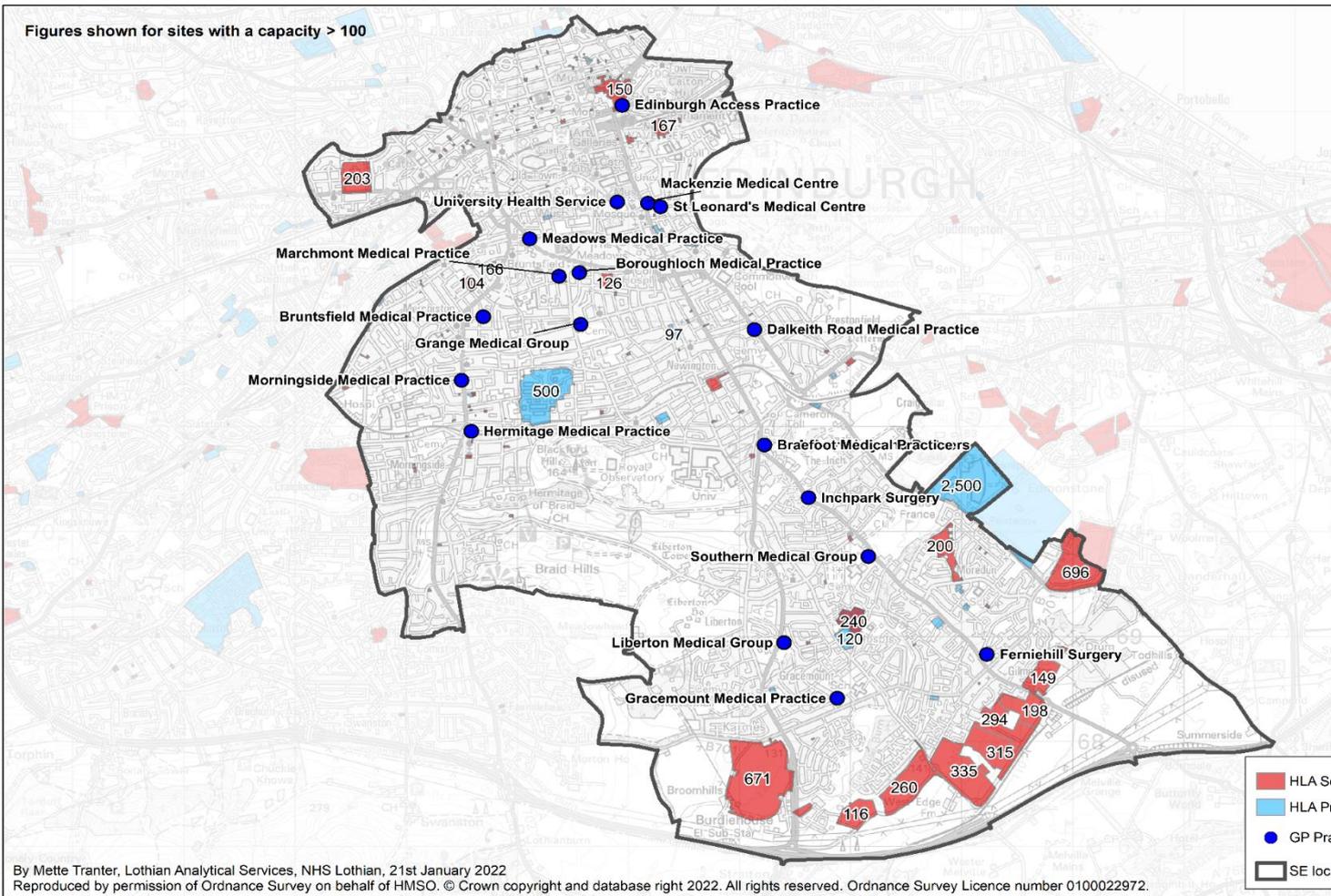
Appendix 2: Benefits Register and Realisation plan

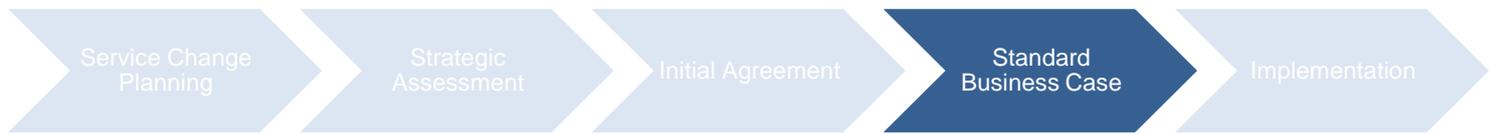
Step 1: Identify desired benefits and include in the project benefits register
Instructions

Liberton High School – General Medical Services Provision												
1. Benefits Register						2. Prioritisation	3. Realisation					
Ref No.	Benefit	Assessment	As measured by	Baseline Value	Target Value	Relative Importance	Who Benefits?	Who is responsible?	Investment Objective	Dependencies	Support Needed	Date of Realisation
1	Everyone can register with a GP	Quantitatively	Capacity increase, restricted lists, patient assignments	No of patients resident - assigned	No restricted lists, patients assigned	5 - Vital	Patients, GP Practices	GP/IEHSCP/NHSL	Provide the practices with the physical capacity to increase services and accommodate planned local growth	N/A		24 months post project
2	Increase in services and clinical accommodation provided in the community	Quantitatively	Proportion of services offered in the community	Current service provision	Increase in community services and clinical accommodation	4 - Important	Population, EHSCP, NHSL	EHSCP	Provide the practices with the physical capacity to increase services and accommodate planned local growth	N/A		24 months post project (NB supporting figures may not be available until later date)
3	Ensure that people who use health and social care services have positive experiences and their dignity respected	Qualitatively	Patient experience of GP practice, patient experience of Health and Social Care services	Results of HACE Patient Survey 2020/21	Improvement on previous results in post completion survey	4 - Important	Patients	EHSCP/Practices	Provide premises from which to delivery general medical services safely and with optimum clinical functionality. Provide premises which are compliant with statutory legislation and are functionally suitable.	N/A		24 months post project
4	Reduce the rate of attendance at A&E	Quantitatively	RIE A&E activity reports	Current measurements by practice	Reduction in attendance rates	3 - Moderately important	Patients	EHSCP/Secondary Care/Practices	Provide the practice with the physical capacity to increase services and accommodate planned local population growth	Provision of corresponding services in secondary care/3rd sector		24 months post project (NB supporting figures may not be available until later date)
5	Provides safe and easy access to GP services. DDA compliant	Qualitatively	Patient experience of travel options questionnaire	Results of questionnaire to patients pre-move	Results of post completion questionnaire and full DDA compliance achieved	5 - Vital	Patients	ESCP	Provide premises which are compliant with statutory legislation and are functionally suitable	N/A		24 months post project
6	Improve the functional suitability of the healthcare estate	Quantitatively	Proportion of the estate categorised as either A or B for the functional suitability facet	B/C	A	4 - Important	Patients/EHSCP/NHSL	EHSCP	Provide premises which are sustainable and address the practice needs for the foreseeable future; long term tenure	N/A		24 months post project (NB supporting figures may not be available until later date)
7	Improve sustainability and efficient use of resources	Quantitatively	Annual Statutory Appraisal	B/C	A	5 - Vital	Population/EHSCP/NHSL	EHSCP	Provide premises which are sustainable and address the practice needs for the foreseeable future, long term tenure. Provide premises which are NHS leased / owned, reducing the risk to individuals and practices	N/A		24 months post project

Appendix 3 Map Capacity of Proposed and Scheduled Sites in SE Locality

Capacity of proposed and scheduled sites in SE Locality





Appendix 4 Statement on Model of Care

GMS Model of Care

The previous model of care can be summarised as a doctor led model operating 8am to 6pm, five days per week. Populations differ in their intensity of interaction with GMS, just as they vary in their need for physical consultation. Previously a practice with an 'average demand' population could expect to provide 60 doctor and 25 nurse appointments per 1000 patients per week. This would require a consultation room per 1000 patients for physical planning purposes.

The influence of the pandemic on practice behaviour and patient demand is far from settled. Nevertheless, it seems reasonable to assume that where previously 90% of appointment requests would result in a face to face (F2F) interaction, with only 10% dealt with by telephone, this **may** evolve to a steady average 50/50. Again, different populations will react differently, broadly with younger and more affluent people using fewer F2F appointments.

For planning purposes practice construction should continue to use 1 consulting room per 1000 patients and add a **dedicated** telephone/video consulting room per 5000. These rooms can be situated on the first floor of a building which may be important for some practices. Approximately 60/70% of consulting rooms would be designed to allow **both** F2F and remote consulting, with 30/40% designed for **mainly** remote consulting. This allowance should be sufficient to facilitate the additional PCIP/New Contract staff who are practice embedded at a ratio of approximately 1wte per 3000 patients. The availability of consulting space is dependent on non-exclusive use of clinical rooms, and therefore on sufficient non clinical space for clinicians to operate effectively.

The underlying assumption is that where doctor appointments can be augmented by New Contract staff appointments, the new workforce will convert similar proportions of their workload to F2F.

The waiting room space allowance required should be able to be reduced to 2 chairs per consulting room. This assumption presumes that the requirement for 'social distancing' and a meter between patients waiting will not be required.

Practices are exploring whether sections of clinical work can be undertaken both remotely and from outside the medical practice. This is thought to be an important local flexibility but does not impact on the practice footprint nor internal design.

A small number of Practices are currently considering whether adjustments in opening hours might offer more intensive use of buildings. As has been shown with the practice extended hours contract, this works well for some populations but is less popular with others. Whilst it is too early to be definitive, inner-city and or student dominated practices with generally younger populations, may be well-suited to this adjustment. In this case, the practices could facilitate a larger population from the same building.

In the context of sustained population growth across Lothian, consideration must be given to extended use of any of the suitable buildings to prevent the requirement for additional physical buildings where intensive use could work.