

# Development of a Wellbeing Hub at Maelfa



## Full Business Case (FBC)

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# Overview

## 1.0 OVERVIEW

This business case seeks the approval for a capital investment of £14.371m to enable the development of a Wellbeing Hub at Maelfa to provide fit for purpose primary care facilities in support of the Cardiff and Vale University Health Board's (CVUHB) vision for primary care and community services outlined within *The Shaping Our Future Wellbeing Strategy* (SOFW). The development will be progressed as one of the first tranche of projects described in the *Shaping Our Future Wellbeing: In Our Community Strategy* (SOFW:IOC) Programme Business Case (PBC).

### 1.1 Progress Since Development of the OBC

The Outline Business Case (OBC) was approved by Cardiff and Vale University Health Board in May 2019 and Welsh Government (WG) in December 2019.

During the development of this Full Business Case (FBC) the outputs within the OBC have been reviewed and this review has reaffirmed the assumptions and outputs of the OBC. The result of this is that the rankings of the non-financial option appraisal, economic appraisal and unquantifiable risk appraisal remain unchanged, however due to increased inflation costs and the impacts of COVID-19 there is an increase in the overarching capital costs.

The capital investment of £14.371m sought within this FBC includes £263k (including VAT) for the hard surface multi use games area (MUGA), £310k (including VAT) for revised working practices to comply with COVID-19 Health & Safety requirements, and £192k (including VAT) for the Decarbonisation measures agreed with WG. Full details are included within later sections of this business case.

### 1.2 Welsh Government (WG) Comments on the OBC

The Health Board received several comments and queries from WG upon submission of the OBC. The Health Board has responded to these queries during the OBC approval process and during the development of this FBC any further queries have been considered with the full details included within each relevant section of the document as necessary.

### 1.3 Structure and Navigation of the FBC

This document describes the Full Business Case for this investment. It has been developed to reflect the guidance set out in HM Treasury's Green Book (a Guide to Investment Appraisal in the Public Sector) and the Infrastructure Investment Guidance for the NHS in Wales.

The approved format is the Five Case Model, which comprises the following key components:

- The Strategic Case section. This sets out the case for change, together with the supporting investment objectives for the scheme;

- The Economic Case section. This demonstrates that the organisation has selected the most economically advantageous offer, which best meets the existing and future needs of the service and optimises value for money (VFM);
- The Commercial Case section. This section identifies the contractual arrangement and risks associated with the preferred option for procurement, together with payment implications and accountancy treatment;
- The Financial Case section. This confirms funding arrangements, affordability and the effect on the balance sheet of the organisation;
- The Management Case section. This details the plans for the successful delivery of the scheme to cost, time and quality.

# Executive Summary

## **2.0 EXECUTIVE SUMMARY**

### **2.1 Introduction**

This Full Business Case (FBC) seeks the approval for a capital investment of £14.371m to enable the development of a Wellbeing Hub at Maelfa to provide fit for purpose primary care facilities in support of the Cardiff and Vale University Health Board's (CVUHB) vision for primary care and community services outlined within the *Shaping Our Future Wellbeing Strategy* (SOFW). The development will be progressed as one of the first tranche of projects described in the *Shaping Our Future Wellbeing: In Our Community Strategy* (SOFW:IOC) Programme Business Case (PBC).

The capital investment of £14.371m sought includes inflation, £263k (including VAT) for the hard surface multi use games area (MUGA), £310k (including VAT) for revised working practices to comply with COVID-19 Health & Safety requirements, and £192k (including VAT) for the Decarbonisation measures agreed with WG.

The new Wellbeing Hub will enable the Health Board to focus on delivering new clinical pathways and service models to promote physical, mental and social wellbeing through the integration of primary, community and ambulatory secondary care services not only within the Health Board but also in partnership with other key stakeholders within the Local Authority and Third Sector.

### **2.2 The Strategic Case**

#### **2.2.1 The Strategic Context**

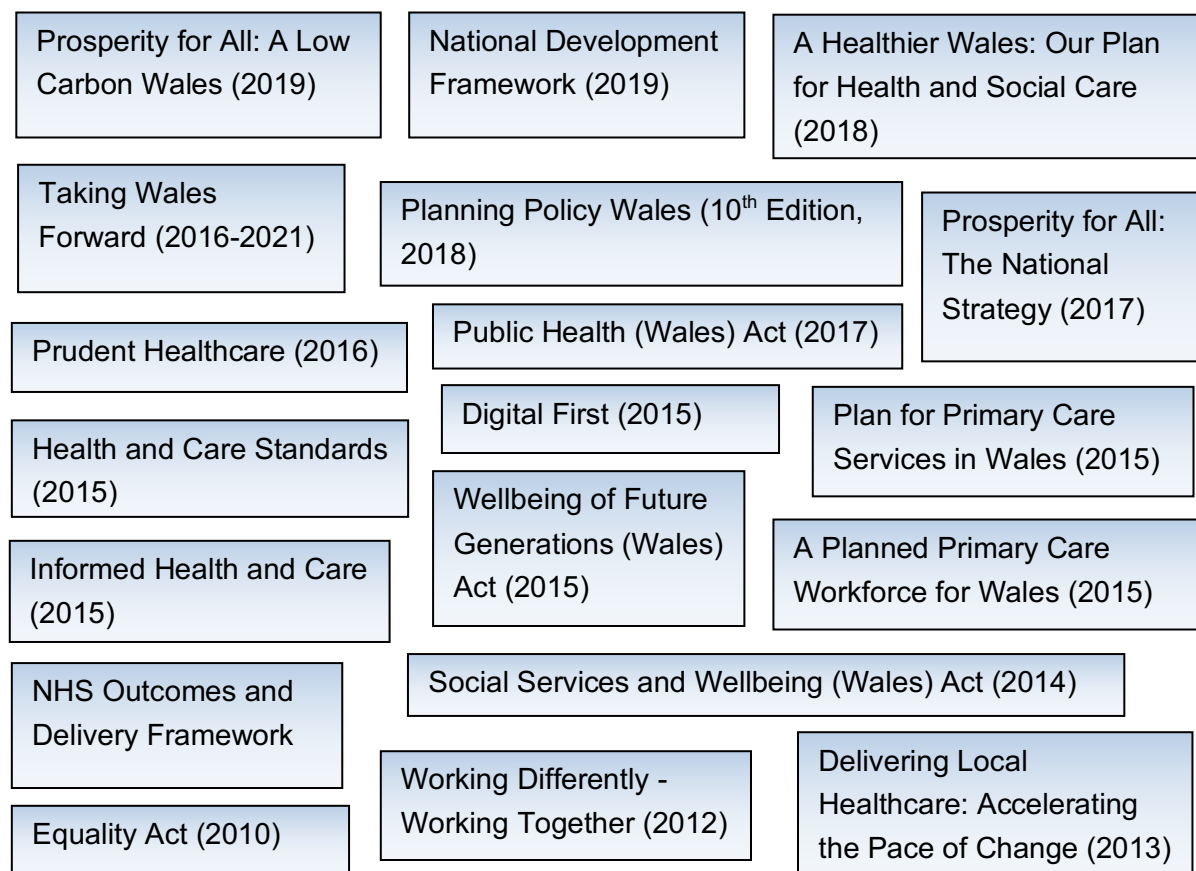
Throughout the development of this FBC, the Health Board has been mindful to ensure it continues to consider and take account of local and national drivers for the health and wellbeing of the community.

Cardiff and Vale UHB is responsible for planning and delivering health services for its local population of around 485,000, which represents 15.5% of the country's residents. This includes health promotion and public health functions as well as the provision of local primary care services (GP practices, dentists, optometrists and community pharmacies) and the running of hospitals, health centres, community health teams and mental health services. The Health Board employs approximately 14,500 staff and has an annual budget of £1.4 billion.

The population served by the Health Board is growing rapidly in size and projected to increase by 10% between 2017-27, higher than the average growth across Wales and the rest of the UK. An extra 36,000 people will live in Cardiff over the next five years who require access to health and wellbeing services.

The Health Board is confident that the strategic drivers for this investment and associated strategies, programmes and plans are consistent with national, regional and local strategy and policy documents.

Some of the key Welsh Government policies that have shaped this FBC are:



Executive Summary Figure 1: Overarching strategies shaping the FBC

The more key recent publications outlined in the diagram above confirm and strengthen the future direction for health and social services namely:

- A Healthier Wales: Our Plan for Health and Social Care (2018);
- Prosperity for All: The National Strategy (2017);
- Taking Wales Forward (2016-2021);
- The Wellbeing of Future Generations (Wales) Act (2015).

Alongside these national policies, relevant local strategies to the Health Board such as the *Strategic Clinical Services Plan 2019 - 2029* and *Shaping Our Future Wellbeing Strategy 2015-2025* (SOFW) have been a constant focus as it promotes the Health Board vision of “Caring for People; Keeping People Well, a person’s chance of leading a healthy life is the same wherever they live and whoever they are”.

To achieve a greater focus on developing integrated services aimed at improving health and wellbeing outcomes for each locality and cluster population, a transformation to a ‘social model of health’ is required.

Transforming services through redesigned clinical pathways and service models, to enable traditional hospital based services to be delivered in the community, close to where people

live is paramount and there is a focus on those conditions where change will have the biggest impact in shaping the future health and wellbeing of the population.

To satisfy the requisites of the SOFW strategy, many improvements are required to increase the effectiveness and capacity of the community based infrastructure to provide a network of flexible multi-functional accommodation solutions across Cardiff and the Vale of Glamorgan.

It is proposed that a Local Health & Wellbeing Centre will be located in each of the 3 localities of the Health Board's geographical area supported by a more local network of Cluster based Wellbeing Hubs, which will where possible be developed alongside Local Authority Community Hubs and other appropriate facilities.

In identifying the best locations for Wellbeing Hubs, the Health Board used a simple algorithm to apply to each Cluster and the results of this assessment suggested that a Wellbeing Hub in the Maelfa area would be a suitable location to serve the residents of Llanedeyrn and Pentwyn.

The proposed development also takes account of the Key Population Needs identified in the *Cardiff and Vale of Glamorgan Area Plan for Care and Support Needs 2018-2023 (Me, My Home, My Community)* and the priorities developed in response by the Cardiff and Vale of Glamorgan Regional Partnership Board (RPB).

Other key strategies taken into consideration within this FBC are:

- Integrated Medium Term Plan 2019 / 2022;
- Cardiff Wellbeing Assessment 2018 – 2023;
- Cardiff and Vale UHB Estates Strategy;
- Cardiff and Vale UHB Informatics Strategy and “Delivering Digital: a 5 year strategy”.

### **2.2.2 The Case for Change**

This Full Business Case focusses on the population of Llanedeyrn and Pentwyn and within this community, there is an existing Health Board facility, namely Llanedeyrn Health Centre.

The current Llanedeyrn Health Centre is managed by the Cardiff East Cluster, however 98% of the residents served are located in the Cardiff North Cluster and geographically the Health Centre is isolated from the rest of the Cardiff East Cluster by the major A48(M) route.

The Cardiff North cluster is the largest cluster in Cardiff in terms of population and land area. The cluster is approximately 40% larger (land area) than any other cluster in Cardiff and Vale. Although it is generally perceived to be a less deprived and a generally healthy area, according to most social economic, health and deprivation indicators there are significant pockets of deprivation, including areas of Llanedeyrn and Pentwyn of which 31% of the population live in an area of deprivation. Just under a third of the Pentwyn Lower Super Output Areas (LSOA) are in the 10% or 10-20% most deprived decile of deprivation in Wales.

Llanedeyrn Health Centre GP Practice merged in October 2017 with Llanrumney Medical Group to form Llan Healthcare but wish to continue to operate from the two premises. However, the existing Llanedeyrn Health Centre has three main areas of failure:

- Accommodation that is not wholly fit for purpose. The building is in very poor condition with the latest Estates Condition report describing it as follows:
  - Physical condition - D: Very poor. Extensive internal modernisation and external refurb required. Damp/water penetration issues;
  - Space - First floor predominantly empty due to the poor quality of environment;
  - H&S/Fire - D: Fire compartment concerns, combustible materials in corridors and poor Disability Discrimination Act (DDA) compliance;
  - Function - DX: Narrow circulation routes, no access to a lift;
  - Quality - D: Very poor quality internally and very poor quality external aesthetics. GP Practice staff work hard however to make up for lack of quality environment.
- A limited range of clinical services:
  - The deteriorating accommodation is constraining the practice's ability to increase the range and scope of services delivered within primary care, impeding support for the concept of "home first" and impacting on GP sustainability especially at a time when the GPs are looking at an alternative skill mix, with the Health Board's support, to address wider primary healthcare needs;
  - The Practice is a training practice and the building currently constrains the Practice developing its capacity to train future GPs.
- A restricted model of healthcare delivered in isolation from partners:
  - The current arrangements do not allow for delivery of a social model of health in collaboration with partners to providing a holistic, seamlessly integrated approach to meeting the needs of the community as per the Health Board's aims and objectives of the SOFW: IOC strategy.

The facility was built in 1972 and requires extensive external repair, there are also major concerns around the current parking and access arrangements for patients as there is no obvious main entrance.

The Llanedeyrn Health Centre building is located adjacent to the Maelfa Shopping Centre in Llanedeyrn and opposite The Powerhouse Community Hub. The area is currently being developed by Cardiff Council and their development partner, Cardiff Community Housing Association (CCHA) to revitalise the heart of one of the most deprived estates in the city. It also provides the opportunity to create an innovative solution that includes a health facility that would support collaborative working between partner organisations delivering a range of associated health and wellbeing needs.

In line with Welsh Government guidance, the scope of this business case has been assessed against a continuum of need ranging from:

- A minimum – essential or core requirements/outcomes;
- An intermediate – essential and desirable requirements/outcomes;
- A maximum – essential, desirable and optional requirements/outcomes.

This business case will take forward the maximum scope which is to provide a fit for purpose community based facility that supports General Medical Services (GMS) sustainability, meets all statutory requirements and best practice models but will also support improved access to a range of community based services therefore delivering an improved social model of care focused on the physical, mental and social wellbeing of people in the community.

A summary of the investment objectives together with the main benefits associated with each objective is provided below:

Investment Objective	Main Benefits
1. To work with partner organisations to deliver local and convenient access to health and wellbeing education, information and advice (in relation to: physical activity; healthy eating; smoking; alcohol; weight; and social loneliness)	Increased access to wellbeing group activities for the Cluster Increased uptake of social prescribing within the Cluster
2. To develop facilities which support local delivery of collaborative multi-agency services for Cluster residents	Increased uptake of flu immunisation for over 65 year olds Increased uptake of flu immunisation for clinical at risk groups
3. To develop an environment within the Cluster which promotes a social model of care	Improved wellbeing and reduced social loneliness of residents within the Cluster
4. To work with partner organisations to provide a range of locally delivered health and wellbeing services, tailored to meet the identified needs of local residents	Improved access to GPs supported by Multi-Disciplinary Team (MDT) working and available health and wellbeing services for the Cluster
5. To support the sustainable delivery of GMS for local residents through provision of appropriate shared facilities	Improved stability for Llan Healthcare
6. To implement/ incorporate innovative technology which improves access to digital tools and information, enables effective communication between clinicians and citizens and supports mobile working	Improved staff working practices within the Cluster

Executive Summary Table 1: Investment Objectives and Main Benefits

## 2.3 The Economic Case

### 2.3.1 The Long List

A long list of options was generated during the development of the OBC and were evaluated in accordance with best practice contained in the Infrastructure Investment Guidance. The evaluation was based upon how well each option met the investment objectives and CSFs. By systematically working through the available choices for what, how, who, when and funding some options were discounted, others carried forward and thus provided the recommended approach to identify the preferred way forward.

The long list shown within the OBC has been revisited in the context of the FBC and it has been confirmed that no changes are required since the evaluation of those options presented within the OBC.

The table below provides the detailed findings from the long list appraisal undertaken:

Option	Finding
<b>1.0 Scope</b>	
1.1 Do Nothing – status quo	Discounted
1.2 Do Minimum – Current Maelfa services and increased delivery of Health Board wellbeing services for the local population	Discounted
1.3 Social model of health – All health and wellbeing Maelfa services and collaborative services delivered with partner organisations (LA and 3rd sector)	Preferred
1.4 Maximum Scope – Social model of health – As 1.3 plus potential for pharmacy	Possible
<b>2.0 Service Solutions</b>	
2.1: Extend and refurbish the existing Health Centre	Possible
2.2: New build facility on the existing / development site	Preferred
2.3: Lease/buy an existing facility elsewhere in Maelfa	Discounted
2.4: New build facility elsewhere in Maelfa	Discounted
<b>3.0 Service Delivery</b>	
3.1 In House	Preferred
3.2 Outsource	Discounted
3.3 Strategic Partnership	Discounted
<b>4.0 Implementation</b>	
4.1 Big Bang	Preferred
4.2 Phased	Discounted
<b>5.0 Funding</b>	
Primary Care Pipeline fund - it has been agreed with Welsh Government that this project will be supported	

Executive Summary Table 2: List of Inclusions and Exclusions at Long List

### 2.3.2 The Short List

The findings from the table above allowed the development of the preferred way forward at OBC stage by taking forward those options which were described as either “possible” or “preferred” into a short list of options. All dimensions and options listed as ‘discounted’ were then excluded at that stage with the exception of the Do Minimum option which was carried forward for comparative purposes only.

The overview of the short listed options shown below is also taken from the OBC:

	Scope	Service Solution	Service Delivery	Implementation	Funding
Option 1	Do Nothing (potential to provide backlog maintenance only for existing Llanedeyrn Health Centre)				
Option 2	Social model of health – all health and wellbeing Maelfa services and collaborative services delivered with partner organisations (LA and 3rd sector)	Refurbish and extend existing Llanedeyrn Health Centre	In-house	Big Bang	Primary Care Pipeline Fund
Option 3	Social model of health – all health and wellbeing Maelfa services and collaborative services delivered with partner organisations (LA and 3rd sector) with potential for pharmacy for maximum scope if required	New build facility on the existing development site	In-house	Big Bang	Primary Care Pipeline Fund

Executive Summary Table 3: Short Listed Options

Within option 3, however it must be noted that there are two potential site locations that are available to the Health Board:

- On the same site as the existing Llanedeyrn Health Centre;
- Located on existing green space/ play area facility that could provide a direct link to The Powerhouse Community Centre.

This evaluation has been revisited in the context of the FBC and it is confirmed that no changes are required and therefore the following confirmed shortlisted options remain valid (they have however been re-numbered for ease of reference and consistency within the economic and financial appraisals):

- Option 1 – Do Nothing: Provide backlog maintenance to Llanedeyrn Health Centre;
- Option 2 – Refurbish and extend the existing Llanedeyrn Health Centre;

- Option 3 – New build facility on the existing Llanedeyrn Health Centre site;
- Option 4 – New build facility on site located on existing green space/play area directly adjacent to the Powerhouse Community Hub.

### 2.3.3 Qualitative Benefits Appraisal Key Findings

The evaluation of the qualitative benefits associated with each of the shortlisted options was taken to the Project Team during October 2018 as part of the development of the OBC, the results of which are shown for completeness within this FBC.

Benefit Criteria	Weighted Scores			
	Option 1	Option 2	Option 3	Option 4
1. How well does the model and facilities promote collaborative working across health, local authority and third sector services?	20	40	140	200
2. Does it promote a social model of health and wellbeing from the patients' perspective?	16	32	128	160
3. How well does the range of services meet the health and wellbeing needs of the local population?	22	66	176	220
4. Does the option provide potential for flexible, multi-functional facilities, to deliver services in response to future need?	36	108	162	180
5. Does the solution make the optimum use of human, capital and estates resources?	56	98	126	126
6. Can the option be implemented in a timely fashion, with minimal disruption to services and staff?	40	30	20	90
<b>TOTALS</b>	<b>190</b>	<b>374</b>	<b>752</b>	<b>976</b>
<b>RANK (weighted)</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

Executive Summary Table 4: Non-Financial Option Appraisal Results

Sensitivity analysis was undertaken on the non-financial option appraisal by changing the ranking of the benefit criteria to evaluate the impact on the overall score for each option. The analysis included applying reverse, high, low and no weightings to the criteria.

The results indicated that even if the weighting of the benefit criteria were to be changed there is no scenario in which Option 4 is not the preferred option due to its site location and means for complete collaboration with local authority and third sector partners.

The findings of the option appraisal has been reviewed during the development of this FBC and it was agreed that the critical success factors, benefit criteria and scoring of the options remained relevant and the option appraisal continued to reflect a realistic outcome.

### 2.3.4 Economic Appraisal Key Findings

The economic appraisal of the shortlisted options that was undertaken at the OBC stage, concluded with a clear preference for Option 4. That appraisal has now been refreshed for the FBC to reflect the impact of the agreed final cost plan costs for Option 4.

The refreshed economic appraisal incorporates the following cost inputs:

- Capital costs at PUBSEC index 274 in line with the cost plan figures for the preferred Option 4;
- Cost plan figures for Option 4 show a forecast outturn cost of £14.371m including VAT. This is equivalent to 96.3% of the total cost at the OBC stage;
- For the purpose of the FBC appraisal, it is assumed that Options 2 and 3 would have shown a proportional cost reduction (3.7%) from OBC levels had they been developed to the same level of design detail as Option 4;
- Lifecycle Costs based on standard NHS replacement cycles provided by the Health Board's cost advisers for Option 4 and are assumed to be similar for Options 2 and 10% higher for Option 3, in line with OBC assessments;
- Revenue costs for the options as described in the Financial Case:
  - Pay and Non-Pay Service costs at £2,745k for 2020/21 and 2021/22, with an assumed 3% transformational saving from 2022/23;
  - FM costs at £96k for the first two years, and £200k for the development options from 2022/23;
  - Under Options 2, 3 and 4, Non-Cash Releasing benefits of £136k per annum effective from 2022/23 to reflect potential savings in GP time on 4,397 Mental Health Liaison and MSK appointments, at £31 per appointment.

The capital costs are summarised in the table below:

Capital Costs at PUBSEC 274	Option 1	Option 2	Option 3	Option 4
	£'000	£'000	£'000	£'000
Works Costs	1,209	8,033	8,011	8,672
Fees	212	1,932	1,774	1,858
Non-Works	0	3,173	3,173	542
COVID-19	0	258	258	258
Equipment Costs	0	161	161	161
Planning Contingency	142	665	655	558
<b>Subtotal excluding VAT</b>	<b>1,563</b>	<b>14,222</b>	<b>14,032</b>	<b>12,050</b>
VAT @ 20%	0	2,844	2,807	2,321
<b>FBC Total Capital Cost</b>	<b>1,563</b>	<b>17,066</b>	<b>16,839</b>	<b>14,371</b>

Executive Summary Table 5: Capital Costing Summary at Approvals PUBSEC Index 274 – (£'000)

The capital investment of £14.371m includes changes in indexation, £263K (including VAT) for the hard surface multi use games area (MUGA), £310K (including VAT) for revised

working practices to comply with COVID-19 Health & Safety requirements, and £192K (including VAT) for the Decarbonisation measures.

The economic appraisal outputs are summarised below:

Economic Cost	Option 1	Option 2	Option 3	Option 4
Net Present Cost (NPC £000)	57,633.6	90,211.1	89,710.3	87,789.5
Equivalent Annual Cost (EAC £000)	2,919.9	3,401.9	3,383.0	3,310.6
Ranking of Options	1	4	3	2
Ranking of Development Options		3	2	1
EAC Margin Development Options (£000)		91.3	72.4	0
EAC Switch Value (£000)		(91.3)	(72.4)	72.4
EAC Margin above preferred %		2.8%	2.2%	0.0%

Executive Summary Table 6: Summary of Economic Appraisal Outputs

On the basis of the economic appraisal undertaken:

- Option 4 is preferred by a margin of 2.2% over Option 3 and 2.8% over Option 2.

Sensitivity Testing indicates that:

- Capital cost inputs would have to change by nearly £2m (15%) differentially between Options 3 and 4 to switch the economic preference in favour of Option 3. A change of this magnitude, broadly comparable to the decant cost in Option 3, is not considered likely.

Option 4 is therefore re-confirmed moving forward and is the preferred FBC option from a quantitative appraisal perspective.

### 2.3.5 Risk Appraisal Key Findings

A risk appraisal was undertaken during the development of the OBC to evaluate the risks associated with each shortlisted option using the method included in the WG template for business cases.

Risk Category	Option 1	Option 2	Option 3	Option 4
Business Risks	61	63	60	43
Service Risks	36	40	33	12
Design Planning & Construction Risks	32	40	32	24
Project Resource Risks	4	4	4	4
<b>Total</b>	<b>133</b>	<b>147</b>	<b>129</b>	<b>83</b>
<b>Ranking</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>

Executive Summary Table 7: Risk Appraisal Results

The risk appraisal has been reviewed during the development of the FBC and has been agreed that the scoring of the options remained relevant.

### 2.3.6 Overall Findings – Conclusion

Having re-assessed the non-financial, financial and risk appraisals of the shortlisted options, the preferred option as outlined within the OBC remains as Option 4 due to its capability of meeting the various criteria of the project as set out within the economic case.

### 2.3.7 The Preferred Option

Option 4 provides a fit for purpose new Health Centre at Maelfa (*Wellbeing Hub@Maelfa*) adjoining the existing Powerhouse Community Hub, that meets all statutory requirements and best practice models. The facility will provide high quality accommodation and support improved access to a seamless integration of social, health and wellbeing services therefore delivering an improved social model of health for the residents of Llanedeyrn and Pentwyn.

Proposals have been developed in partnership with local GPs, the local authority and third sector organisations and will focus on 'prevention' and 'wellness' rather than 'illness' supporting the Wellbeing of Future Generations (Wales) Act wellbeing objectives by:

- Prosperity – improved health outcomes leading to greater opportunity to contribute to society. Development of sustainable community facilities which use energy efficiently, generate energy and aim for carbon footprint neutrality;
- Resilience – use of adjacent green outdoor space to support individual and community activities to develop a strong and resilient community e.g. community garden, sports activities;
- Health – people's physical, mental and social wellbeing needs met through collaborative service delivery with partner organisations;
- Equal – reduced health inequalities through targeted provision of services/ interventions which meet the health and wellbeing needs of local population;
- Cohesive communities – promote co-production, co-design and co-ownership to nurture the development of a strong community spirit and consequent positive outcomes such as improved public health and social resilience;
- Culture – community focused wellbeing facilities which support people to participate in a variety of sport and social activities.

The new Wellbeing Hub will include:

- Relocation of services from Llanedeyrn Health Centre and GP Practice.
- Wellbeing and community facilities including group/ community rooms, an information/ advice area, shared café and children's library. These spaces, in collaboration with existing facilities within the adjoining Powerhouse Community Hub, will support health, local authority and third sector groups to deliver wellbeing advice, education, support and signposting that can be personalised to support independence in the local community;
- A range of specialised health clinics delivering seamless care closer to home along with proactive improvement of health and wellbeing services including access to

District Nurse treatments, Counselling services, Podiatry, Dietetic services, Community Addictions, Health Visitor Baby Clinics, Primary Mental Health services, Early Intervention & Support Services for Children & Younger People, Stop Smoking Wales advice and information, Antenatal care, Audiology and Heart Failure services.

- Office and administrative facilities to support team working, which will be evidence driven, using lessons learned from Health Board and partners' experience of delivering merged services.

This project also supports the ten national design principles to drive change and transformation and deliver the Quadruple Aim as described in “*A Healthier Wales: our Plan for Health and Social Care*”.

## **2.4 Commercial Case**

### **2.4.1 Procurement Strategy**

The construction of these premises will be procured through the NHS Wales Shared Services Partnership – Specialist Estates Services (NWSSP-SES) established NHS ‘Building for Wales’ Framework. The Supply Chain Partner (SCP) Willmott Dixon Construction has been appointed under the framework to develop both the design and construction of the proposed facility.

Contractual Arrangements have been entered into with all parties using the NEC contract as prescribed under the Framework. For the Project Manager and Cost Advisor, the NEC 3 Professional Services Contract has been used, and for the SCP, the NEC Option C (Target Cost) contract has been used.

It is anticipated that the total construction duration will run for 22 months although the start date for this is dependent on the approvals process.

### **2.4.2 Required Services**

The scope of services required remains valid and continues to be for the project management, cost advice and the design and construction of a Health and Wellbeing Hub at Maelfa adjoining the Powerhouse Community Hub in Llanedeyrn comprised of a GP practice (Llan Healthcare), outpatient and community clinical accommodation, wellbeing zone, team base, support accommodation.

### **2.4.3 Land Transfer / Acquisition**

The site identified for the *Wellbeing Hub@Maelfa* is owned by Cardiff Council (CC), the site of the existing Llanedeyrn Health Centre is owned by Cardiff & Vale University Health Board.

During development of the OBC, there were ongoing discussions regarding the transfer / acquisition of land required for the development including the relocation of the existing play area and utilisation of land regarding the existing Health Centre. It has been agreed however during development of this FBC by both the Health Board and the Council that the land required for the Wellbeing Hub will not be sold to the Health Board, and as a consequence a “long lease” is to be entered into, with the Heads of Terms outlined within the Estates Annex

that accompanies this document. CC have also confirmed they do not have an interest in purchasing any part of the existing Health Centre site and therefore the new multi-use games area (MUGA) will be constructed as part of the main contract commencing in November 2020, which will mean the loss of the current play area for circa 3 months.

The Council is fully supportive of the development as indicated in their letter of support.

#### 2.4.4 Agreed Risk Transfer & Payment Mechanisms

The Health Board have indicated that it will apportion risk in the design and build phase as per the following table, however this will be appraised and reviewed at subsequent stages of the scheme to ensure there is an appropriate allocation of risk:

Risk Category	Potential Allocation		
	Public	Supply Chain Partner	Shared
Design Risk			✓
Construction & Development Risk			✓
Transition & Implementation Risk			✓
Availability and Performance Risk			✓
Operating risk	✓		
Variability of Revenue Risks	✓		
Termination Risks	✓		
Technology & Obsolescence Risks			✓
Control Risks	✓		
Residual Value Risks	✓		
Financing Risks	✓		
Legislative Risks			✓
Other Project Risks			✓

Executive Summary Table 8: Risk Transfer

On completion of the project, the building will be owned by the Health Board and during the development of this FBC, appropriate arrangements have been agreed with all parties regarding the operational management of the facilities and the Head of Terms regarding the lease arrangements are being agreed with Llan Healthcare GP Practice.

The Health Board intends to make payments to the externally appointed team in respect of products and services as follows:

- Charging will be completed under the 'Building for Wales' Framework terms and conditions.
- The contract will be managed by CVUHB under the NEC3 Option C Target Cost Contract.

## 2.5 Financial Case

### 2.5.1 Financial Expenditure

A summary of the capital costs and depreciation for the preferred option is as follows:

Capital Costs	£'000
Building/Engineering	13.868
Equipment costs	0.193
<b>Total Capital Cost/ Cost Forms</b>	<b>14.371</b>

Executive Summary Table 9: Capital Costs for the Preferred Option

	£'000
Impairment	8.787
Depreciation – Recurrent Building/Engineering	0.063
Depreciation - Accelerated	0.520
Depreciation – Equipment	0
<b>Total Capital Charges/Depreciation</b>	<b>9.370</b>

Executive Summary Table 10: Summary of Capital Charges and Depreciation.

The following is a summary of the total impact of impairment by year until the planned opening of their new facility:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
DEL Impairment	0	0	0	0
AME Impairment	0	0	8.787	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8.787</b>	<b>0</b>

Executive Summary Table 11: Summary of Total Impact of Impairment Year on Year

This FBC assumes all capital charges and depreciation will be funded by Welsh Government.

The detail of the community services to transfer into the new Wellbeing Hub includes services from a variety of settings. These have been worked through in detail through the information provided within the individual clinical service specifications and are included in the assessment of the current cost of services. This cost assessment relates to those services currently delivered by Cardiff and Vale University Health Board and excludes services to be provided by the Local Authority, GPs, Public Health and the Third Sector.

	£'000
Current Service Costs (Health Board services only)	2,745
<b>Total</b>	<b>2,745</b>

Executive Summary Table 12: Current Service costs of Health Board Transferable Services

The following assumptions have been made in respect of the revenue case:

- Costs are based on 2020-21 rates and show full year costs;
- Revenue site costs (excluding capital charges and depreciation) are based on an assessment of the current architectural plans and based on m<sup>2</sup>;
- Rental income received from Llan Healthcare GP Practice - current and revised - assumed to be cost neutral and excluded from the revenue assessment;
- No rental income is assumed from third sector organisations but will create revenue funding stream once plans are finalised.

Any reception cost cover has been excluded on the assumption that the reception cover from the existing Llanedeyrn Health Centre will transfer.

The following assessment also assumes the existing Public Sector Broadband Aggregation (PSBA) Circuit to Llanedeyrn Health Centre is available for the new build.

Full year costs:	Health Board current	Health Board increase	Total	Total increase in Revenue cost
	£'000	£'000	£'000	£'000
Cleaning	27	24	51	24
Estates	23	21	44	21
Waste	3	3	5	3
Security (incl TDSI & CCTV)	2	2	5	2
Energy Combined	23	20	43	20
Water	2	2	4	2
Rates	26	23	48	23
<b>Total</b>	<b>106</b>	<b>94</b>	<b>200</b>	<b>94</b>

Executive Summary Table 13: Summary of site based Revenue Costs: 2020-21

## 2.5.2 Overall Affordability & Balance Sheet Treatment

The anticipated capital spend, capital charges and depreciation profile for the extent of the project is as follows:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2023/24 £'000
Capital (excl VAT)	2.510	7.480	1.050	0.020	0.005
Accelerated Depreciation	0.078	0.312	0.130	0	0
Depreciation	0	0	0.031	0.063	0.063
<b>Total</b>	<b>2.588</b>	<b>7.792</b>	<b>1.211</b>	<b>0.083</b>	<b>0.068</b>

Executive Summary Table 14: Impact on Income and Expenditure Account

All assets will be shown on the Health Board's balance sheet. The asset will be valued on completion and recorded on the balance sheet at that value. Subsequently it will be treated as per the Health Board's capital accounting policy.

The total capital requirement includes £263k (including VAT) regarding the construction of the hard surface multi use games area. It is assumed this funding will be passed to Cardiff Council as opposed to the Health Board as they will ultimately own this asset. The net cost of the construction of the play area (£224k) is included in the £7.480m capital spend figure for 20/21 above.

As highlighted above, it is assumed the impairment and recurrent charges for depreciation will be funded by Welsh Government. The net additional revenue costs and funding are summarised in the table below:

	£'000
WG Impairment funding	8.787
WG Depreciation funding	0.677
Service Costs (Health board only - assumes no change to service costs)	0
Other Revenue Costs to be managed by the Health Board	0.094

Executive Summary Table 15: Overall Affordability

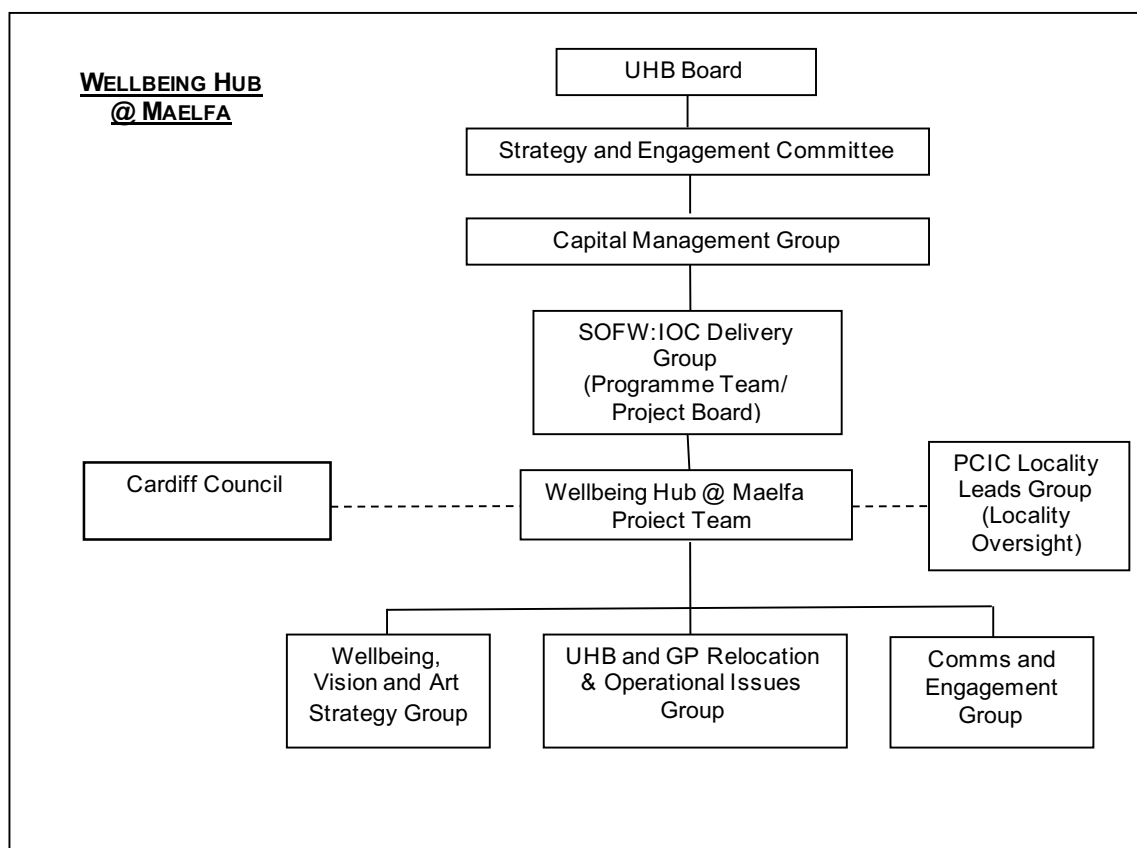
A review of costs has been provided by clinical and non-clinical managers through submission of detailed clinical service specifications and work to transform service delivery and release efficiency savings will be established wherever possible therefore a 3% transformational saving has been predicted based on the current assessed cost of Health Board services to be delivered from the Maelfa Wellbeing Hub.

## 2.6 Management Case

### 2.6.1 Project Management Arrangements

The project is an integral part of the Health Board's overarching Programme Business Case (PBC) which comprises a portfolio of projects for the delivery of the '*Shaping Our Future Wellbeing: In Our Community*' strategy. However, the Health Board recognises that individual robust project management arrangements for each project are vital to ensure the implementation of the project and that effective control is maintained over each capital scheme.

The reporting organisation and the reporting structure for the whole of the project is shown as follows:



Executive Summary Figure 1: Project Reporting Structure

The dates detailed below highlight the proposed key milestones of the project:

Milestone Activity	Date
FBC submission to WG	July 2020
Approval of FBC	October 2020
Design completion and commence construction elements	November 2020
Phase 1 - Main site construction completion	February 2022
Facility operational	February 2022
Phase 2 - Demolition of existing Health Centre site and completion of works	August 2022

Executive Summary Table 16: Key Milestones

## 2.6.2 Benefits Realisation & Risk Management

A benefits realisation plan was developed during the OBC stage and has been further established to provide a framework for this aim and is overseen by the Project Board.

The final agreed plan describes the key objectives, benefits and measures, which will be used to evaluate the successful delivery of the project, it also shows who has the accountability for its realisation.

The risk management strategy has been integrated into the project management procedures, with responsibility for implementation of the strategy resting with the Project Director. The key risks of the preferred option have been assessed and strategies for managing them described. The outline service and strategic risk register has been further established throughout the development of this FBC for the preferred option and includes all risks identified to date. The risk register will be continuously updated during the life of the project, and counter measures identified and applied as required.

### **2.6.3 Post Project Evaluation Arrangements**

The Health Board is committed to ensuring that positive lessons are learned through full and effective evaluation of key stages of the project. This learning will be of benefit to the Health Board in undertaking future projects, and potentially to other stakeholders and the wider NHS. The finalised arrangements for post implementation review and project evaluation review have been established in accordance with best practice.

## **2.7 Recommendation**

It is recommended that approval be given for the Cardiff and Vale University Health Board to develop the preferred option for a new build *Wellbeing Hub@Maelfa*. The project will enable Health Board to deliver wellbeing and healthcare services needed by the people in the communities of Pentwyn and Llanedeyrn as well as deliver the benefits of the Health Board's SOFW programme and strategy, in turn fully complying with the Welsh Government strategies such as *Wellbeing for Future Generations Act*, *Taking Wales Forward*, *Prosperity for All* and *A Healthier Wales*.

# Strategic Case

## 3.0 THE STRATEGIC CASE

### 3.1 Introduction

The purpose of this section is to provide the background to the investment and re-state and update the scope and case for change within the strategic context set out in the OBC, which was approved by Welsh Government in December 2019.

This section sets out the context within which the investment will be made and comprises:

- An overview of the organisation – the size and role of Cardiff and Vale University Health Board and the scale and nature of the demand in the area that it serves;
- The national, regional and local strategies that underpin this investment.

## PART A: THE STRATEGIC CONTEXT

### 3.2 Organisational Overview

#### 3.2.1 Profile of Cardiff and Vale University Health Board

Cardiff and Vale University Health Board (CVUHB) was established in October 2009 as part of a restructuring of NHS Wales and is one of the largest NHS organisations in the UK. It brings together the former Cardiff and Vale NHS Trust and two former Local Health Boards – Cardiff and the Vale of Glamorgan – with the core purpose of improving health and delivering integrated health services.

Since its establishment, Cardiff and Vale University Health Board's priority has been to provide safe, high quality and sustainable services that compare well with the best in the world, with a focus on developing centres of excellence that support the actions needed to progress and deliver the strategic mission '*Caring for People, Keeping People Well*' with a vision that a person's chance of leading a healthy life is the same wherever they live and whoever they are.

Cardiff and Vale University Health Board is responsible for planning and delivering health services for its local population of around 485,000, which represents 15.5% of the country's residents. This includes health promotion and public health functions as well as the provision of local primary care services (GP practices, dentists, optometrists and community pharmacies) and the running of hospitals, health centres, community health teams and mental health services. The Health Board employs approximately 14,500 staff and has an annual budget of £1.4 billion.

As a teaching Health Board, there are very close links to Cardiff University, which boasts a high-profile teaching, research and development role within the UK and abroad. This is alongside other academic links with Cardiff Metropolitan University and the University of South Wales. Training the next generation of clinical and non-clinical professionals, in order to develop expertise and improve clinical outcomes is a key priority for the Health Board.

The map below shows the area covered by the Health Board:



Figure 1: Map showing area covered by Cardiff and Vale UHB

The Health Board's hospital-based services are currently provided from 5 hospital sites:

- University Hospital of Wales, which incorporates:
  - University Dental Hospital;
  - Noah's Ark Children's Hospital for Wales.
- University Hospital Llandough;
- Barry Hospital;
- St. David's Hospital;
- Rookwood Hospital.

Community health services are delivered from 28 health centres and clinics and a range of other community-based facilities including people's homes, GP practices and medical centres, schools, nursing homes and leisure centres etc.

Primary Care is delivered to residents in Cardiff and the Vale of Glamorgan through:

- 61 GP Practices plus 21 branch surgeries;
- 71 Dental Practices;
- 107 Community Pharmacies;
- 67 Optometrists.

### 3.2.1.1 *The Area Served and its Needs*

The population served by the Health Board is:

- Growing rapidly in size, projected to increase by 10% between 2017-27, higher than the average growth across Wales and the rest of the UK. An extra 36,000 people will live in Cardiff over the next five years who require access to health and wellbeing services;
- Relatively young in Cardiff compared with the rest of Wales, with the proportion of infants (0-4 yrs) and the young working age population (20-39 yrs) higher than the Wales average; this reflects in part, a significant number of students who study in Cardiff;
- Ageing – with increases in all age groups by 2026, particularly in people aged 65-84 and 85+, the rate of growth in the Vale of Glamorgan being higher than Cardiff; and
- Ethnically very diverse, particularly compared with much of the rest of Wales, with a wide range of cultural backgrounds and languages spoken. Arabic, Polish, Chinese and Bengali are the four most common languages spoken after English and Welsh. Cardiff is an initial accommodation and dispersal centre for asylum seekers.

### 3.2.1.2 *Health Equity and Inequalities*

There are stark inequalities in health outcomes across Cardiff and Vale:

- Life expectancy is nearly 12 years lower in the most-deprived areas compared with those in the least-deprived areas;
- The number of years of healthy life varies even more, with a gap of 23 years between the most and least-deprived areas;
- Premature death rates are approximately three times higher among the most-deprived areas compared with the least deprived;
- Proportion of children with preventable tooth decay is twice as common amongst those from deprived communities;
- Number of missed appointments for sight tests are over twice as high in more deprived communities.

There are also significant inequalities in the 'wider determinants' of health, such as housing, household income and education:

- For example, the percentage of people living without central heating varies by area in Cardiff and Vale from one in a hundred (1%) to one in eight (13%).

There are inequalities in how and when people access healthcare:

- Immunisation uptake varies considerably, with uptake of infant vaccines ranging from 89% to 98% across Cardiff and Vale.

With all these factors in mind, Cardiff and Vale University Health Board has developed a 10-year clinical strategy (*Shaping Our Future Wellbeing Strategy, 2015-2025*) and at its heart is the ambition to progress the integrated health and social care programme to achieve joined

up care based on home first, avoiding harm, waste and variation, empowering people and delivering outcomes that matter to them.

An assessment of the population health needs can be found within the Shaping Our Future Wellbeing: In Our Community Programme Business Case (PBC).

### 3.3 Business Strategies

The following section reflects the review of strategies undertaken at both the Programme Business Case and Outline Business Case stage, this Full Business Case reaffirms these related national, regional or local strategies as being critical to this project and provides further update since approval of the OBC.

#### 3.3.1 National Strategies

Overarching Welsh Government policies that shape this FBC are:

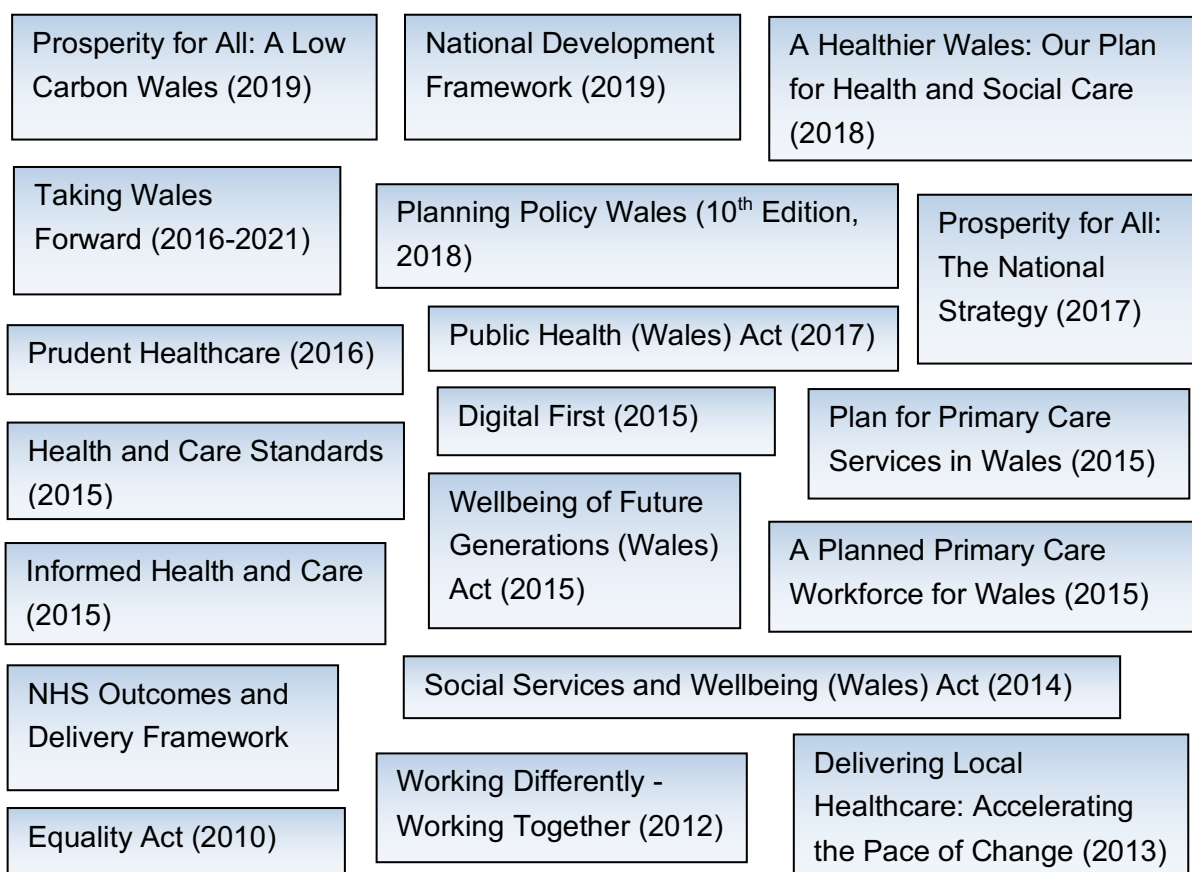


Figure 2: Overarching National Policies considered within the FBC

The above policies have a number of common themes for action, while acknowledging the need to be achieved in an environment of real term reductions in public sector funding, both revenue and capital. The following highlights the key features for improving the health and wellbeing of the population and the way the Health Board delivers its services:

- Empowering the person, through the provision of services to support healthy behaviours:
  - Reducing unhealthy lifestyle behaviours, improve immunisation uptake in most deprived areas, preventative/self-care, pre-emptive, reactive and rehabilitative care;
  - Provide improved support for people with long term conditions and complex needs;
  - Supporting economic growth;
  - Service change effected through co-production and engagement with patients and carers.
- Home first, improving local access to services:
  - Strengthen local primary and community services available to everyone and move care out of hospital settings, closer to home where appropriate;
  - Locally led service planning and delivery based on locality networks and GP leadership;
  - Provide clinical care in facilities which are fit for purpose in the 21st century;
  - Utilise new technology and systems to advance the way services are delivered and improve access to care. Greater access from care providers to online support which includes information, consultation, communication, comparisons of quality, appointment bookings and test results.
- Outcomes that matter to people through improvement of health and wellbeing outcomes:
  - Move towards a social model of health which promotes physical, mental and social wellbeing;
  - Better and more integrated working across professions and organisations leading to more seamless co-ordination between primary and secondary care, health and social care, mental and physical health;
  - Improve communication and share information to inform decision making;
  - Improve access to services which are easily navigated and support early intervention;
  - Narrow the health inequalities gap through targeted action in areas of greatest need – reducing unhealthy lifestyle behaviours, improve immunisation uptake in most deprived areas, preventative/self-care, pre-emptive, reactive and rehabilitative care.
- Avoid harm, waste and variation through:
  - Improving patient safety and reduce avoidable harm;
  - Modernise ways of working through new approaches to delivery of care, including enhancing and delivering clinical roles, supporting staff to work to the top of their skill set;
  - Work with partner organisations to make best use of public assets;
  - Utilise new technology and systems to improve communication between professionals, advance the way services are delivered and improve access to care.

- Deliver services in a sustainable way to improve the social, economic, environmental and cultural wellbeing of Wales for future generations. The shared goals are:
  - A prosperous Wales;
  - A healthier Wales;
  - A resilient Wales;
  - A more equal Wales;
  - A Wales of cohesive communities;
  - A Wales of vibrant culture and thriving Welsh language;
  - A globally responsive Wales.

The more key recent publications outlined above confirm and strengthen the future direction for health and social services:

*National Development Framework (October 2019)*. The Welsh Government is consulting on its first draft National Development Framework (NDF) for Wales. The NDF is a statutory requirement and will set out the Welsh Government's strategy for addressing its national priorities through the planning system setting out policies on development and land use in a spatial context. It will set out a 20 year land use framework and be reviewed at least every five years.

#### Purpose

The purpose of the NDF is:

- Setting out where nationally important growth and infrastructure is needed and how the planning system can deliver it;
- Providing direction for Strategic Development Plans (SDPs) and Local Development Plans (LDPs);
- Supporting determination of applications under the Developments of National Significance (DNS) regime;
- Supporting national economic, transport, environmental, housing, energy and cultural strategies and ensuring they can be delivered through the planning system; and
- Sitting alongside Planning Policy Wales (PPW), which sets out the Welsh Government's national planning policies and will continue to provide the context for land use planning.

Work to develop the NDF began in 2016 with the final version currently due to be published in September 2020.

*Prosperity for All: A Low Carbon Wales (September 2019)*. Climate change is the globally defining challenge of our time and is a matter which transcends political and social boundaries, it is also often the most vulnerable in our communities who are impacted the most. Decarbonisation offers enormous opportunities to create a vibrant and socially-just economy helping create a society here in Wales that ensures well-being and tackles inequality.

*The Prosperity for All: A Low Carbon Wales Plan* sets out the Welsh Government's approach to cut emissions and increase efficiency in a way that maximises wider benefits for Wales, ensuring a fairer and healthier society. It sets out 100 policies and proposals that directly reduce emissions and support the growth of the low carbon economy. Delivering these ambitious decarbonisation targets will require significant leadership, collaboration with partners and the involvement of society as a whole and over the coming years Welsh Government will continue to refine the policies and raise ambition to accelerate action in line with the pathway towards a low carbon Wales.

*Planning Policy Wales (Edition 10: December 2018)*. Planning Policy Wales (PPW) aims to deliver the vision of the Wales that was set out in the Well-being of Future Generations Act: a more prosperous Wales, a resilient Wales, which supports healthy, functioning ecosystems and recognises the limits of the global environment, a healthier Wales, a more equal Wales, a Wales of more cohesive communities, a Wales of vibrant culture and a globally responsible Wales.

PPW plays a significant contribution to the improvement of well-being in all its aspects as defined by the statutory well-being goals and aims to ensure that the planning decisions taken in Wales, no matter how big, or how small, are going to improve the lives of both the current and future generations. It will support changing the way people live and work, and the buildings and environment of Wales, today, building a better environment to accommodate current and future needs.

*A Healthier Wales: Our Plan for Health and Social Care (2018)*. This sets out a long term future vision of a 'whole system approach to health and social care', which is focussed on health and wellbeing, and preventing illness. The document sets out a number of practical design principles which will help to speed up change through local innovation and new models of seamless health and social care. A national Transformation Programme will bring pace and purpose to how change across the whole system can be supported.

*Prosperity for All: The National Strategy (2017)* recognises that how we deliver can be just as important as what we deliver, and in order to make a real difference to people's lives, we need to do things differently and to do different things. The strategy appreciates the contribution that the healthy and active agenda, in combination with other objectives that form the strategy, can make towards raising prosperity. The objectives make specific reference to promoting good health and wellbeing, building healthier communities and better environments and the need for greater collaboration and integration across health and social care.

*Taking Wales Forward 2016-2021* sets out the government's five year programme to drive improvement in the Welsh economy and public services, delivering a Wales which is prosperous and secure, healthy and active, ambitious and learning, united and connected. In terms of the healthy and active agenda, the ambition is to embed healthy living throughout

Welsh Government programmes and to place a focus on health at the heart of everything that we do. Key actions over the next five years will be to:

- Promote healthy lifestyles and choices:
  - Helping children and young people to develop healthy behaviours;
  - Supporting older people to stay well into later life and reduce loneliness and isolation;
  - Prioritising mental health treatment including a pilot social prescription scheme and increase access to talking therapies.
- Improve links between health and social services and strengthen community provision, including investment in a new generation of integrated health and social services centres;
- Introduce a new Wales Wellbeing Bond aimed at improving mental and physical health and to reduce sedentary lifestyles; and
- Better organise general hospital and specialised services, including moving more care and services from hospitals into communities.

*The Wellbeing of Future Generations (Wales) Act 2015* acknowledges the contribution that everyone can make to the shared goals for Wales and gives a basis for creating a different kind of public service in Wales. This scheme responds to the 5 ways of working outlined within the Act and is demonstrated at Appendix 1 to this document.

*Digital First: Putting people at the heart of public service development and design in Wales (2015)*. The Welsh Government's vision for *Digital First* is to enable responsive, consistent and excellent public services through transformed digital delivery. This is a vision that can only be achieved by addressing the fundamental barriers currently holding back the public sector, and through joined up working across all of its constituent parts.

Every part of the public sector in Wales has a responsibility to ensure that the services it delivers, and the ways, in which it offers those services, responds to this societal evolution and remains relevant. Making the fullest possible use of the opportunities that technology offers will help to deliver the services that users want to engage with. It also has the potential to make the delivery of those services more efficient and cost effective.

The *Digital First strategy* sets out the intention to provide leadership and action in all aspects of digital service development and design and outlines the first steps that the Welsh Government will take to create the environment necessary to enable and empower the public sector to provide excellent online services to the people and businesses of Wales.

### 3.3.2 Regional Strategies

#### 3.3.2.1 NHS Wales Health Collaborative

The Health Board continues to work with the NHS Wales Health Collaborative and other Health Board and Trust partners to collaboratively plan and implement changes to improve the sustainability and delivery of a range of hospital services in the region. The South Central Region covers Cardiff and Cwm Taf Morgannwg Hospitals. The South East region covers Cardiff, Cwm Taf Morgannwg and Aneurin Bevan Hospitals. Through these governing arrangements, the Health Board continues to work towards implementing the recommendations of the South Wales Programme.

#### 3.3.2.2 Health Enterprise Alliance for Regional Transformation (HEART)



HEART is a new partnership between key partners, with the shared vision and ambition to deliver better services for the population. The partnership is made up of:

- Cardiff and Vale University Health Board;
- Cardiff University;
- Cardiff City Council; and
- Vale of Glamorgan Council.

Its aim is to deliver a revolution in the way health and social care is provided by leveraging the strengths of each organisation and working towards a common purpose. Nine strategic objectives in three key areas have been agreed by the partnership. These objectives form the basis of the “Cardiff and Vale system model”. In summary the focus is on:

- **Citizen led services** through strengthened community networks, technology enabled support and co-ordinating support and response to the population based upon intensity of need;
- **Working together** more effectively to make the best use of assets, workforce and other resources;
- **Driving innovation** to accelerate the process from idea to implementable solution, attracting new sources of funding and providing swifter access to research for the population.

### 3.3.3 Local Strategies

#### 3.3.3.1 Strategic Clinical Services Plan 2019 - 2029

In 2015 the Health Board published its ten year strategy, *Shaping Our Future Wellbeing*, developed with people who use services at the centre of the thinking. The strategy set out a vision for ensuring that everyone in Cardiff and the Vale of Glamorgan, whoever they are and wherever they live, has the same opportunity to live a healthy life. This vision was driven by the very stark differences in life expectancy and healthy years lived between the more affluent communities in the local population and those living in more deprived communities. The strategy is underpinned by four key design principles:

- Home first;
- Empower the person;
- Outcomes that matter;
- Avoiding harm waste and variation.

The Health Board is approaching the mid-way point in the delivery of the strategy, and in 2018 identified the need to set out in more detail how clinical services need to develop over the next decade and into the mid-21st century in order to realise the vision set out in the strategy and to respond to the many drivers of change the Health Board is facing. This included developing detailed plans as well as developing the tertiary services provided to the South Wales and wider Welsh population.

The development of the clinical services plan has been clinically led, and in relation to services delivered in the community, has been developed with public service partners. The draft plan has been agreed by CVUHB's Board. The plan is being strengthened and tested internally over the winter, prior to external engagement and potentially consultation taking place in 2020. The clinical services plan doesn't become completely fixed – it will continue to evolve as new treatments and approaches are developed. With this in mind, the draft clinical services plan does not describe all of services in detail. It signals how the Health Board will develop services overall, clarifying the role that each of the Health Board facilities will provide and what needs to change.

In relation to how the Health Board see its clinical services developing over the next decade, there are a series of overarching planning principles which guide this work:

- The UHB will work collaboratively with our neighbouring UHBs, Local Authority and other public and third sector partners to provide care through a connected health and social care system to improve health and wellbeing.
- Citizens should receive care at home or as close to home as possible – hospitals should only provide assessment or care that cannot be provided in the community.
- Patients requiring hospital admission should receive high quality, high value, and evidence-driven, safe and compassionate care.

- Hospital care should provide the appropriate package of specialist care co-ordinated to meet the needs of the patient and focussed on improving outcomes.
- Innovative workforce models, new technologies and a flexible digital platform across clinical and wider care providers will support new models of care.
- Redesigned clinical pathways and services driven by the UHB's Transformation programme will deliver improved outcomes and value-based healthcare.
- Research & Development activities will enable patients to have access to a wider range of treatment options by participating in research and clinical trials.
- Creating a climate, with the necessary facilities, which facilitates and promotes clinical innovation and health inventions to benefit patient care through better outcomes and contributing to economic growth in the region.

Below is the draft clinical services plan on a page:



Figure 3: Strategic Clinical Services Plan on a Page

The delivery of the clinical services plan will be phased over the next 10 years, in line with evolving service provision, shaped by wide stakeholder engagement and enabled by continuing development of digital and infrastructure solutions.

The Health Board's long term, prudent and appropriate infrastructure plan aims to ensure that it is able to deliver services in environments which aid healing and recovery, and are fit for purpose, whilst being as adaptable as possible for further future change.

### 3.3.3.2 *Shaping Our Future Wellbeing Strategy 2015 - 2025*

The *Shaping Our Future Wellbeing Strategy* (SOFW) has the Health Board vision. "Caring for People; Keeping People Well, a person's chance of leading a healthy life is the same wherever they live and whoever they are".

In co-producing the *Shaping Our Future Wellbeing Strategy* (SOFW), the Health Board worked alongside over 400 people and by engaging the with the public, staff and partners, a set of prudent principles and priorities has been agreed by which the Health Board can deliver high quality, sustainable, person-centred health care for the next ten years.

The strategy is to achieve joined up care based on 'home first', avoiding harm, waste and variation, empowering people and delivering outcomes that matter to them. The diagram below shows the principles that were developed in partnership through conversations between people who both use and provide services:

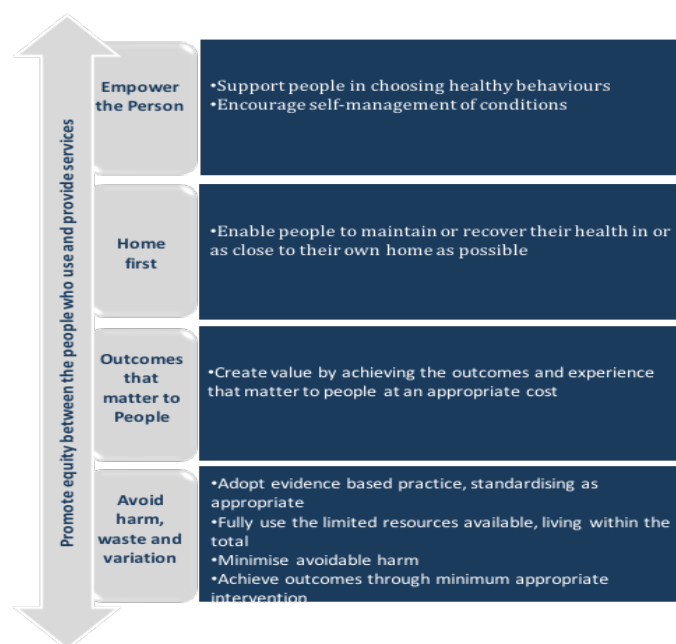


Figure 4: SoFW Principles

To achieve a greater focus on developing integrated services aimed at improving health and wellbeing outcomes for each locality and cluster population as part of the wider SOFW strategy, a transformation to a 'social model of health' is required.

Transforming services through redesigned clinical pathways and service models, to enable traditional hospital-based services to be delivered in the community, close to where people live is paramount and there is a focus on those conditions where change will have the

biggest impact in shaping the future health and wellbeing of the population. These jointly agreed priorities are:

- Cancer;
- Dementia;
- Dental and eye health;
- Long term conditions;
- Maternal health;
- Mental health;
- Stroke.

### Shaping Our Future Wellbeing: In Our Community Programme (SOFW:IOC)

The SOFW:IOC Programme Business Case (PBC) was endorsed by Welsh Government in August 2019. The PBC set out the rationale for developing and reconfiguring the community infrastructure to support the implementation of the SOFW Strategy.

To satisfy the requisites of the SOFW strategy, many improvements are required to increase the effectiveness and capacity of the community-based infrastructure to provide a network of flexible multi-functional accommodation solutions across Cardiff and the Vale of Glamorgan. The network will focus on the delivery of Locality Health and Wellbeing Centres (LH&WC) along with smaller Cluster based Wellbeing Hubs.

It is proposed that one Local Health & Wellbeing Centre will be located in each of the 3 localities of the Health Board's area supported by a more local network of Cluster based Wellbeing Hubs, which will where possible be developed alongside Local Authority Community Hubs and other appropriate facilities.



Figure 5: Diagram depicting Health and Wellbeing Centre / Wellbeing Hubs within the wider community

In identifying the best locations for Wellbeing Hubs, the Health Board used a simple algorithm to apply to each Cluster:

1. List of all the Lower Super Output Areas (LSOA) by Deprivation (WIMD);
2. For the top 10 most deprived LSOA, randomly selecting 40 postcodes and assessing the travel time from each to the existing Health Centres or infrastructure opportunities in the Cluster – this included walking, cycling, public transport and by car;
3. Applying an opportunity weighting based on the opportunity to join up services with the Local Authority and condition of the existing infrastructure.

The assessment suggested that a Wellbeing Hub in Maelfa would be a suitable location to serve residents of Llanedeyrn and Pentwyn. This is described more within the Case for Change section of this document and will form the basis for the identification and appraisal of options in the Economic Case.

#### SOFW - Whole System Service Model

A whole systems service model approach was developed as part of the SOFW strategy which enables those who commission and provide services across health and social care to have a common understanding of:

- How their services fit together;
- What needs they are seeking to address;
- How a citizen, patient or service user accesses and moves through the services; and
- Where there are gaps in existing services or opportunities to work differently.

The whole systems approach enables services to be describes based on the needs of people. It takes a stepped approach, recognising that people will move up and down the steps and sometimes jump more than one depending on their needs. The application of the whole systems service model can be used to inform the development of the community infrastructure as described in the SOFW:IOC PBC.

#### 3.3.3.3 *Partnership Strategies and Priorities*

From 1 April 2016, the Well-being of Future Generations (Wales) Act 2015 introduced statutory Public Services Boards (PSB) in each local authority area in Wales to improve economic, social, environmental and cultural well-being through stronger partnership working. In line with the Act, each PSB has assessed the state of wellbeing across the area as a whole and within its communities to inform the development of a Wellbeing Plan and set out a series of wellbeing objectives to contribute to achieving seven national wellbeing goals as set out by the Act.

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## Cardiff Wellbeing Assessment 2018 – 2023

Cardiff's Public Services Board (Cardiff PSB) brings together the city's public service leadership and decision-makers, including those from the Local Authority, Health Board, Natural Resources Wales, Welsh Government, the Third Sector and the Fire, Police and Probation services. The Well-being Plan sets out the Cardiff PSB's priorities for action over the next 5 years, and beyond. The plan focusses on the areas of public service delivery which fundamentally require partnership working between the city's public and community services, and with the citizens of Cardiff.

The plan contains the following Well-being Objectives:

- A Capital City that Works for Wales;
- Cardiff grows in a resilient way;
- Safe, Confident and Empowered Communities;
- Cardiff is a great place to grow up;
- Supporting people out of poverty;
- Cardiff is a great place to grow older;
- Modernising and Integrating Our Public Services.

### 3.3.3.4 *Cardiff and Vale of Glamorgan Area Plan and Action Plan for Care and Support Needs 2018-2023 (Me, My Home, My Community)*

Delivering performance improvement and meeting the needs of the population cannot be achieved without partnership. Over the last few years the Regional Partnership arrangements have matured and strengthened. The *Cardiff and Vale of Glamorgan Area Plan and Action Plan* was published in March 2018 and sets out the regional priorities and the detailed actions to be undertaken over the next five years. The main focus of the Area Plan and Action Plan is the Regional Partnership Board's responsibilities for the integration of services in relation to:

- Older People, including people with Dementia;
- Children with complex needs;
- Learning Disability & Autism;
- Adult and Young Carers;
- Integrated Family Support Services.

The 12 key care and support needs identified in the Population Needs Assessment form the basis for the identification of specific actions set out in the Action Plan:

- Key Finding 1 (KF1) - Increase citizen involvement in shaping both preventative and reactionary services;
- Key Finding 2 (KF2) - Promote and improve access to high quality and accessible information and advice;

- Key Finding 3 (KF3) - Further support the development of opportunities that enable social and economic well-being;
- Key Finding 4 (KF4) - Strengthen links between schools, vocational opportunities, apprenticeships, further education and adult learning;
- Key Finding 5 (KF5) - Support people to make healthier lifestyle choices to reduce the prevalence of unhealthy behaviours;
- Key Finding 6 (KF6) - Improve access to low level and specialist mental health care and support;
- Key Finding 7 (KF7) - Provide appropriate and safe housing and community environments, to enable people to remain independent;
- Key Finding 8 (KF8) - Improve public transport, to enable better access to services, employment and social activities;
- Key Finding 9 (KF9) - Develop services that prevent the need for more intensive care and support;
- Key Finding 10 (KF10) - Develop services to respond to existing and future care and support needs, including those for carers;
- Key Finding 11 (KF11) - Improve support for people as they transition between services
- Key Finding 12 (KF12) - Improve organisational working practices, to ensure that services help people to achieve the outcomes they seek.

### 3.3.3.5 *Integrated Medium Term Plan 2019 - 2022*

The Integrated Medium Term Plan (IMTP) is designed to capture the Health Board's core intentions, give clarity on priorities, be clear on the anticipated improvement and, importantly, help staff understand how their work contributes to the delivery of *Shaping Our Future Wellbeing*. The core priorities for 2019-22 are:

- Primary Care: sustainability and the further development of community services;
- Unscheduled care: delivering a resilient and high performing system;
- Planned care: meeting standards;
- Cancer service: delivering the single cancer pathway and improved outcomes;
- Achieving financial balance; and
- Mental health: continue to transform and improve our services focusing on home first models.

The plan is set in the context of *A Healthier Wales* and the design principles encompassed within it. The Health Board have also drawn heavily on the *Wellbeing of Future Generations (Wales) Act* in shaping the plans, which fully embed the five ways of working and 7 wellbeing objectives.

The IMTP is underpinned by the development of the Health Board strategic clinical services plan. This identifies the critical service redesign proposals and infrastructure developments

required to enable a sustainable and high value service model that will support the future model of care.

### Core Planning Principles

- Whole-system and pathway based approach to planning and delivering health and social care in collaboration with stakeholders and citizens;
- Citizens should receive care at home or as close to home as possible. Hospitals should only provide assessment or care that cannot be provided in the community;
- Patients requiring hospital admission should receive high quality, high value evidence-driven, safe and compassionate care;
- Hospital care should provide the appropriate package of specialist care co-ordinated to meet the needs of the patient and focused on improving outcomes;
- Innovative workforce models, new technologies and a flexible digital platform across clinical and wider care providers will support new models of care; and
- To work with other Health Boards to deliver an effective model for tertiary services.

### Core Planning Assumptions

- SOFW: In Our Community will provide the overarching programme for the community infrastructure development to support the shift of care from secondary to community;
- University Hospital of Wales (UHW) will be replaced with a new, fit for purpose facility developed collaboratively with Cardiff University to support their medical and life sciences hub;
- Demand for tertiary and specialist, complex care will continue to increase for the South Central region and South Wales, which will be delivered from the 'new UHW'; and
- University Hospital Llandough (UHL) and St David's Hospital will form key components of the hospital services infrastructure to support the clinical services plan.

A summary of the key delivery priorities for this IMTP is shown below. Delivering the first tranche of wellbeing hubs is highlighted as a key priority within the 3 year period, with an expectation that the first two will open by the end of 2021. The new wellbeing hubs will help to further strengthen the primary care clusters and their role in the delivery of services in partnership.

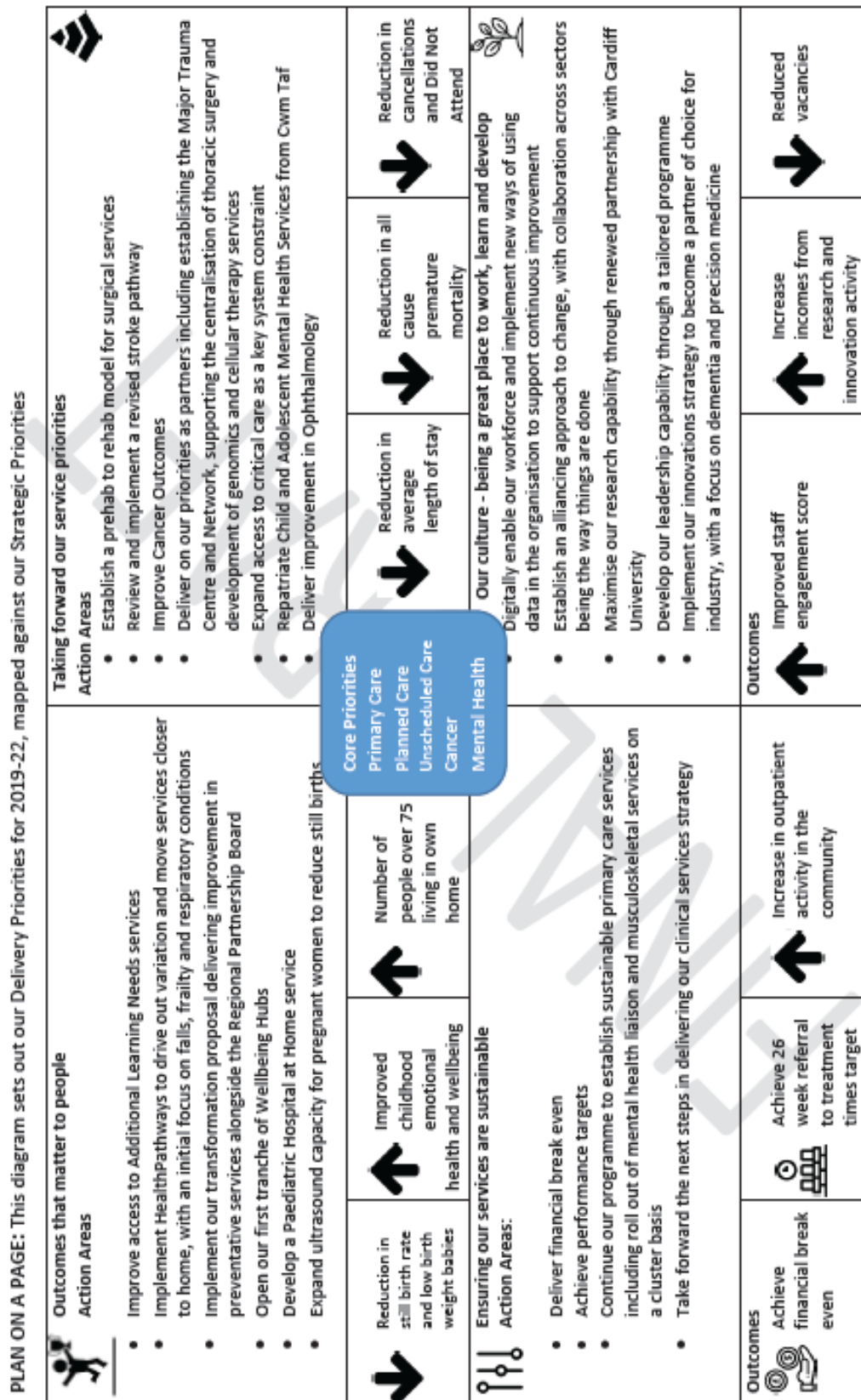


Figure 6: IMTP Plan on a Page

### 3.3.3.6 *Cardiff and Vale UHB Estates Strategy*

The Estate Strategy is based on the premise of provision of appropriate premises to facilitate the delivery of modern health and wellbeing services, appropriately managed, effectively utilised and adequately resourced. It acknowledges the need for the estate to reflect clinical requirements and ensure that engineering and building solutions are not a constraint on clinical progress but produce appropriate and cost effective solutions. Models and pathways of care, and medical technology advances and changes require that the estate demonstrates sufficient flexibility of design to accommodate a constantly changing clinical environment.

The Health Board is working collaboratively with partner organisations within the Cardiff Partnership Asset Management Group to identify where public service assets can be shared or utilised more productively and flexibly, particularly in support of the SOFW: In Our Community Programme.

A parallel piece of work has also been undertaken to assess current location accessibility and future potential to support the implementation of SOFW: In Our Community. This takes account of deprivation, access/travel times, condition and location of current facilities and opportunity to join up services with the local authority. The outcome suggests there is potential to streamline capacity and facilities, and the remodelling of the estate to reflect the strategic direction of rebalancing services to primary and community settings wherever possible.

In relation to the primary care estate, the key challenges facing general medical services are focused on:

- The capacity of GP practices to respond to the unprecedented population growth identified by the current local development plans for Cardiff and the Vale of Glamorgan, particularly where they are located in the immediate vicinity of the Local development plan (LDP) strategic sites in the north of Cardiff; and
- The physical capacity constraints in GP practices across Cardiff and Vale which impacts on the range of clinical services they are able to provide, thus limiting the scope of services that can be provided close to home.

### 3.3.3.7 *Cardiff and Vale UHB Delivering Digital: a Five Year Strategy – Building a learning health and care system (July 2020)*

This digital strategy is being produced to provide a clear roadmap for how digital technology will enable the transformation of clinical services described by the Cardiff & Vale University Health Board overarching strategy, '*Shaping Our Future Well-being*'.

The objective of the NHS in Wales was set out in the Welsh Government document *A Healthier Wales*, declaring the ambition for an integrated health and social care system which enables seamless care and the ability to promote health and well-being as close to home as possible. The document very clearly sets out the need for a modern digital infrastructure to enable this transformational change.

The Health Board's digital strategy has been written after engagement with staff across the organisation, taking particular note of the attendees of the clinical information management and technology group, the clinical boards, the executive board and information available from patient feedback. The strategy sets out a significant step change in the approach that Cardiff and Vale University Health Board will take towards a digital future for healthcare services.

Digital services are a key enabler to transforming the way health and care services are delivered in Wales, and in enabling patients to have greater involvement in managing their health and well-being. The following diagram summaries the aims of the Health Board's digital strategy over the next 5 years:

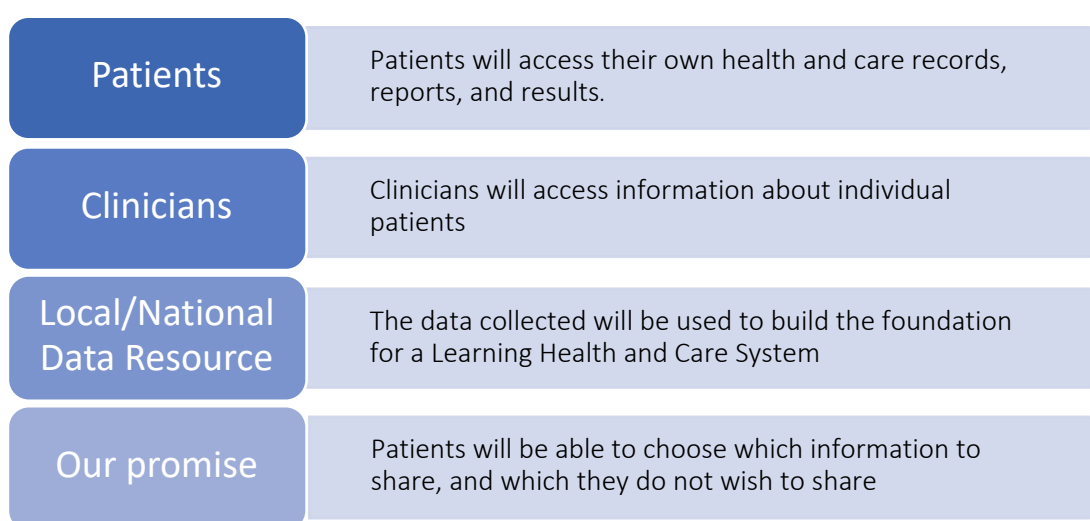


Figure 7: Overview of the 5 year aims of the UHBs Digital Strategy

### 3.3.3.8 Cardiff and Vale UHB Informatics Strategy (2017/18 – 2019/20)

Previous to the *Delivering Digital Strategy*, the Health Board developed a 3 year Strategic Outline Programme (SOP) which set out the required strategic developments in analytics, information management, and information and communication technologies to enable the provision of high quality health improvement and health and social care across the organisation and aligned to the national Digital Health and Social Care Strategy for Wales, 'Informed Health and Care', both document set out the ambitions and expectations of Welsh Government as to how health and social care will use technology and greater access to information to deliver real benefits and improved outcomes for people in Wales.

## PART B: THE CASE FOR CHANGE

This section sets out the case for change from a primary care and estates perspective, setting out the investment objectives; an overview of the drivers for change; the current issues impacting on regional and local services and highlights the benefits and risks associated with the project.

### 3.4 Investment Objectives

This business case is part of delivering the overarching SOFW programme and the table below shows how the programme objectives have been linked to the needs and challenges presented by the locality as well as demonstrating where these objectives align with the NHS Infrastructure Investment criteria and SOFW strategic principles. The investment objectives were agreed with Welsh Government during development of the OBC and remain valid during production of this FBC.

<b>Investment Objective 1 (Empower the Person): To work with partner organisations to deliver local and convenient access to health and wellbeing education, information and advice, particularly in relation to:</b>	
<ul style="list-style-type: none"> <li>• <b>Physical activity</b></li> <li>• <b>Healthy eating</b></li> <li>• <b>Smoking</b></li> <li>• <b>Alcohol</b></li> <li>• <b>Weight management</b></li> <li>• <b>Social loneliness</b></li> </ul>	
<b>Specific</b>	<ul style="list-style-type: none"> <li>▪ Deliver local facilities in which to provide health and wellbeing information, advice and education in a variety of formats;</li> <li>▪ Work with Local Authority (LA) and third sector partners to support people to choose healthy behaviours and encourage self-management of conditions.</li> </ul>
<b>Measurable</b>	Evidenced by: <ul style="list-style-type: none"> <li>▪ Increased access to wellbeing group activities for the Cluster;</li> <li>▪ Increased uptake of social prescribing within the Cluster</li> </ul>
<b>Achievable</b>	There is a willingness of health, LA and third sector partner organisations to deliver a collaborative approach to empowering people to choose healthy behaviours and encourage self-management of conditions.

<p><b>Relevant</b></p>	<p>The objective is aligned to the Wellbeing of Future Generations goals and ways of working. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Long term</li> <li>▪ Prevention</li> <li>▪ Integration (prosperity, health, culture)</li> <li>▪ Collaboration</li> <li>▪ Involvement</li> </ul> <p>The objective is aligned with the NHS Infrastructure Investment Guidance objectives and criteria. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Supporting changes to streamlining and transforming healthcare provision, with a focus on prevention and supported self-management, the provision of care closer to home, and the integration and co-ordination of service delivery with partners;</li> <li>▪ Health gain criteria.</li> </ul> <p>The objective promotes the SOFW Strategy principle of 'empower the person'.</p> <p>There is direct alignment to the SOFW:IOC Programme objective:</p> <ul style="list-style-type: none"> <li>▪ To improve the way universal prevention and population health services are delivered to support the empowerment of people to choose healthy behaviours and encourage self-management of conditions.</li> </ul>
<p><b>Time-bound</b></p>	<p>Improved local health and wellbeing education, information and advice to be delivered by 2022. This date is dependent on the timing and approval of this FBC.</p>
<p><b>Investment Objective 2 (Home First): To develop facilities which support local delivery of collaborative multi-agency services for Cluster residents</b></p>	
<p><b>Specific</b></p>	<p>Develop fit for purpose, shared and flexible community based facilities to support local delivery of collaborative multi-agency services to meet the health and wellbeing needs of local residents.</p>
<p><b>Measurable</b></p>	<p>Evidenced by:</p> <ul style="list-style-type: none"> <li>▪ Increased uptake of flu immunisation for over 65 year olds and for clinical at risk groups</li> </ul>
<p><b>Achievable</b></p>	<p>There is multiple partner organisation support for delivering shared multi-functional facilities.</p>

<p><b>Relevant</b></p>	<p>The objective is aligned to the Wellbeing of Future Generations goals and ways of working. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Long term</li> <li>▪ Integration (prosperity, resilience)</li> <li>▪ Collaboration</li> <li>▪ Involvement</li> </ul> <p>The objective is aligned with the NHS Infrastructure Investment Guidance objectives and criteria. In particular:</p> <ul style="list-style-type: none"> <li>▪ Supporting the delivery of safe, sustainable and accessible services, and facilitating high standards of patient care;</li> <li>▪ Supporting changes to streamlining and transforming healthcare provision, with a focus on prevention and supported self-management, the provision of care closer to home, and the integration and co-ordination of service delivery with partners;</li> <li>▪ Promoting the maximum efficient utilisation of assets and improving asset condition and performance;</li> <li>▪ Health gain and sustainability criteria.</li> </ul> <p>The objective promotes the SOFW Strategy principle of 'home first', enabling people to maintain or recover their health in or as close to home as possible.</p> <p>There is direct alignment to the SOFW:IOC Programme objective:</p> <ul style="list-style-type: none"> <li>▪ To improve the quality of health and wellbeing services by working with our partners to deliver more co-ordinated and collaborative services close to home.</li> </ul>
<p><b>Time-bound</b></p>	<p>Development of fit for purpose community facilities and improved local access to health and wellbeing services to be delivered by 2022. This date is dependent on the timing and approval of FBC.</p>
<p><b>Investment Objective 3 (Developing the appropriate infrastructure): To develop an environment within the Cluster which promotes a social model of care</b></p>	
<p><b>Specific</b></p>	<p>To develop a holistic environment which promotes the physical, mental and social wellbeing of local residents.</p>
<p><b>Measurable</b></p>	<p>Evidenced by:</p> <ul style="list-style-type: none"> <li>▪ Improved wellbeing and reduced social loneliness of residents within the Cluster</li> </ul>
<p><b>Achievable</b></p>	<p>There is multiple partner organisation support for delivering a social model of care approach which promotes prevention and wellness rather than illness and brings the community together to foster social strength and resilience.</p>

<p><b>Relevant</b></p>	<p>The objective is aligned to the Wellbeing of Future Generations goals and ways of working. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Long term</li> <li>▪ Prevention</li> <li>▪ Integration (prosperity, health, culture)</li> <li>▪ Collaboration</li> <li>▪ Involvement</li> </ul> <p>The objective is aligned with the NHS Infrastructure Investment Guidance objectives and criteria. In particular:</p> <ul style="list-style-type: none"> <li>▪ Supporting changes to streamlining and transforming healthcare provision, with a focus on prevention and supported self-management, the provision of care closer to home, and the integration and co-ordination of service delivery with partners;</li> <li>▪ Equity criteria.</li> </ul> <p>The objective promotes the SOFW Strategy principle of 'home first', enabling people to maintain or recover their health in or as close to home as possible.</p> <p>There is direct alignment to the SOFW:IOC Programme objective:</p> <ul style="list-style-type: none"> <li>▪ Work with partner organisations to provide the appropriate infrastructure to support delivery of local services focused on health and wellbeing need.</li> </ul>
<p><b>Time-bound</b></p>	<p>Delivery of an environment which promotes delivery of a social model of care by 2022. This date is dependent on the timing and approval of this FBC.</p>
<p><b>Investment Objective 4 (Outcomes that matter to people): To work with partner organisations to provide a range of locally delivered health and wellbeing services, tailored to meet the identified needs of local residents</b></p>	
<p><b>Specific</b></p>	<p>Co-ordinated and collaborative multi-agency service delivery with a focus on improving health outcomes for the identified Cluster priorities, including:</p> <ul style="list-style-type: none"> <li>▪ Podiatry;</li> <li>▪ School Nursing;</li> <li>▪ Physiotherapy;</li> <li>▪ Pulmonary Rehabilitation;</li> <li>▪ Smoking Cessation.</li> </ul>
<p><b>Measurable</b></p>	<p>Evidenced by:</p> <ul style="list-style-type: none"> <li>▪ Improved access to GPs supported by Multi-Disciplinary Team (MDT) working and available health and wellbeing services within the Cluster</li> </ul>
<p><b>Achievable</b></p>	<p>Cluster priorities were identified through a multi-disciplinary and multi-agency percentage of adults aged approach which formed the basis for the Cluster action plan / IMTP.</p>

<p><b>Relevant</b></p>	<p>The objective is aligned to the Wellbeing of Future Generations goals and ways of working. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Prevention</li> <li>▪ Integration (prosperity, health, equal)</li> <li>▪ Collaboration</li> <li>▪ Involvement</li> </ul> <p>The objective is aligned with the NHS Infrastructure Investment Guidance objectives and criteria. In particular:</p> <ul style="list-style-type: none"> <li>▪ Supporting changes to streamlining and transforming healthcare provision, with a focus on prevention and supported self-management, the provision of care closer to home, and the integration and co-ordination of service delivery with partners;</li> <li>▪ Health gain and equity criteria</li> </ul> <p>The objective promotes the SOFW Strategy principle of 'outcomes that matter to people', creating value by achieving the outcomes and experience that matter to people at an appropriate cost.</p> <p>There is direct alignment to the SOFW:IOC Programme objective:</p> <ul style="list-style-type: none"> <li>▪ To improve health outcomes, focusing on conditions where prevention will have the greatest impact, as identified in the SOFW Strategy;</li> <li>▪ To reduce health inequalities through targeted provision of services/interventions which better meet the health and wellbeing needs of the local population</li> </ul>
<p><b>Time-bound</b></p>	<p>Co-ordinated and collaborative health, local authority and third sector services to be delivered by 2022. This date is dependent on the timing and approval of this FBC.</p>
<p><b>Investment Objective 5 (Avoid Harm, Waste and Variation): To support the sustainable delivery of GMS for local residents through provision of appropriate shared facilities</b></p>	
<p><b>Specific</b></p>	<p>Work with local GPs to deliver shared facilities where appropriate and where it will support continued delivery of GMS to local residents</p>
<p><b>Measurable</b></p>	<p>Evidenced by:</p> <ul style="list-style-type: none"> <li>▪ Improved stability for GP accommodation</li> </ul>
<p><b>Achievable</b></p>	<p>Ongoing discussions between the Health Board and local GPs regarding potential solutions to maintain sustainable GMS services</p>

<p><b>Relevant</b></p>	<p>The objective is aligned to the Wellbeing of Future Generations goals and ways of working. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Long term</li> <li>▪ Prevention</li> <li>▪ Integration (health)</li> <li>▪ Collaboration</li> </ul> <p>The objective is aligned with the NHS Infrastructure Investment Guidance objectives and criteria. In particular:</p> <ul style="list-style-type: none"> <li>▪ Supporting delivery of safe, sustainable and accessible services and facilitate high standards of patient care;</li> <li>▪ Promote the maximum efficient utilisation of assets and improve asset condition and performance</li> <li>▪ Clinical skills sustainability criteria</li> </ul> <p>The objective promotes the SOFW Strategy principle of 'avoid harm, waste and variation', through fully utilising limited resources available and minimising avoidable harm.</p> <p>There is direct alignment to the SOFW:IOC Programme objective:</p> <ul style="list-style-type: none"> <li>▪ To improve the capacity of services to meet the increasing and changing demand for our services, focusing on:             <ul style="list-style-type: none"> <li>○ Service/clinic utilisation</li> <li>○ Workforce</li> <li>○ Facilities</li> <li>○ Technology</li> </ul> </li> </ul>
<p><b>Time-bound</b></p>	<p>Required shared facilities to be delivered by 2022. This date is dependent on the timing and approval of this FBC.</p>
<p><b>Investment Objective 6 (Avoid Harm, Waste and Variation): To implement/incorporate innovative technology which improves access to digital tools and information, enables effective communication between clinicians and citizens and supports mobile working</b></p>	
<p><b>Specific</b></p>	<p>Focus on:</p> <ul style="list-style-type: none"> <li>▪ Improving public access to digital health and wellbeing information;</li> <li>▪ Enabling people to connect with health and social care more efficiently and effectively improving mobile working for staff.</li> </ul>
<p><b>Measurable</b></p>	<p>Evidenced by:</p> <ul style="list-style-type: none"> <li>▪ Improved staff working practices within the Cluster</li> </ul>
<p><b>Achievable</b></p>	<p>The delivery of a range of technological solutions will be delivered through the Health Board's Informatics Strategy.</p>

<p><b>Relevant</b></p>	<p>The objective is aligned to the Wellbeing of Future Generations goals and ways of working. Specifically:</p> <ul style="list-style-type: none"> <li>▪ Long term</li> <li>▪ Integration (health)</li> <li>▪ Collaboration</li> </ul> <p>The objective is aligned with the NHS Infrastructure Investment Guidance objectives and criteria. In particular:</p> <ul style="list-style-type: none"> <li>▪ Supporting delivery of safe, sustainable and accessible services and facilitate high standards of patient care;</li> <li>▪ Promote the maximum efficient utilisation of assets and improve asset condition and performance</li> <li>▪ Clinical skills sustainability, affordability, value for money criteria</li> </ul> <p>The objective promotes the SOFW Strategy principle of ‘avoid harm, waste and variation’, through fully utilising limited resources available and minimising avoidable harm.</p> <p>There is direct alignment to the SOFW:IOC Programme objective:</p> <ul style="list-style-type: none"> <li>▪ To improve the capacity of services to meet the increasing and changing demand for our services, focusing on: <ul style="list-style-type: none"> <li>○ Service/clinic utilisation</li> <li>○ Workforce</li> <li>○ Facilities</li> <li>○ Technology</li> </ul> </li> </ul>
<p><b>Time-bound</b></p>	<p>Improved access to digital tools, information and mobile technology to be delivered by 2022. This date is dependent on the timing and approval of this FBC.</p>

Table 1: Investment Objectives

### 3.5 Existing Arrangements

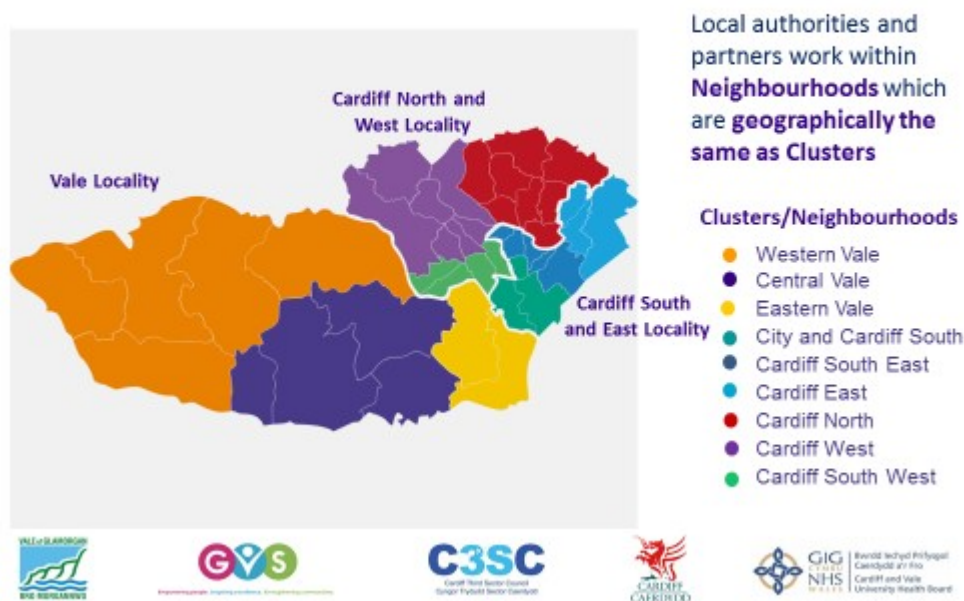
The following section provides an overview of the existing arrangements including updates with regards to the locality and estate since the approval of the OBC.

Primary and Community based healthcare in Cardiff and the Vale of Glamorgan is managed and delivered across 3 localities:

- Cardiff South and East Locality;
- Cardiff North and West Locality;
- Vale of Glamorgan Locality.

Within each locality, services are planned through a series of Primary Care clusters, which are collaborative groupings of GP practices, general dental practices, optometry services and community pharmacies.

## Locality and Cluster/Neighbourhood Structure



Locality	Primary Care Cluster
Cardiff South and East	Cardiff East
	Cardiff South East
	Cardiff South
Cardiff North and West	Cardiff North
	Cardiff West
	Cardiff South West
Vale of Glamorgan	Eastern Vale
	Central Vale
	Western Vale

Table 2: Cardiff and Vale UHB Locality and Cluster's

Each cluster has developed a Primary Care Action Plan / IMTP, jointly developed by each of its designated GP practices that informs each cluster's three-year plan with regards to the key health needs within the area; information in respect of referral and activity levels; a knowledge of current service provision and gaps within the area and finally an understanding of key Health Board priorities for the next three years.

More information relating to the wider locality and cluster community based estate can be found within the Programme Business Case.

### 3.5.1 Existing Locality & Llanedeyrn Health Centre

This Full Business Case focusses on the population of Llanedeyrn and Pentwyn and within this community, there is an existing Health Board facility, namely Llanedeyrn Health Centre.

Llanedeyrn Health Centre GP Practice merged in October 2017 with Llanrumney Medical Group to form Llan Healthcare but will continue to operate from the two premises with staff covering both premises.

The current Llanedeyrn Health Centre is managed by the Cardiff East Cluster, however 98% of the residents served are located in the Cardiff North Cluster and geographically the Health Centre is isolated from the rest of the Cardiff East Cluster by the major A48(M) route.

#### 3.5.1.1 Outline of Cardiff North Cluster Population Profile

The Cardiff North cluster has a GP registered population count of 107,230<sup>1</sup> and is the largest cluster in Cardiff in terms of population and land area. The cluster is approximately 40% larger in land area than any other cluster in Cardiff and Vale. Although it is generally perceived to be a less deprived and a generally healthy area, according to most social economic, health and deprivation indicators there are significant pockets of deprivation, including areas of Llanedeyrn and Pentwyn where 31% of the Pentwyn LSOAs population live in the 10% or 10-20% most deprived decile of deprivation in Wales.

Copies of both the Cardiff North Cluster Plan 2017-2020 and Cardiff East Cluster Plan 2020 – 2023 are attached for further information as Appendix 2.

The Llanedeyrn Health Centre existing building is located adjacent to the Maelfa Shopping Centre in Llanedeyrn and opposite The Powerhouse Community Hub. The area is currently being developed by Cardiff Council.

This development is the multi-million pound Maelfa regeneration scheme to transform the area into a new, vibrant heart for the Llanedeyrn community. The scheme has two elements and is being progressed in tandem. It has been divided into 2 projects covering the Maelfa estate:

1. Redevelopment of the Maelfa Shopping Centre
2. Refurbishment of the Maelfa Tower Block

Phase 1 works commenced in March 2017 and involved the demolition of the southern section of the existing shopping centre and the rebuild of the new shopping units, and apartments. This phase has now been completed with the shop units open and the apartment's fully occupied.

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<sup>1</sup> Public Health Wales Observatory (North Cardiff Cluster Plan 2017 – 2020 v6)



Figure 8: Regeneration scheme – Redevelopment of Maelfa Shopping Centre (Phase 1)

Phase 2 works commenced in April 2019 to demolish the final part of the shopping centre and construct 16 Town houses. These are due to be completed during the summer of 2020.

Refurbishment of the Maelfa residential flats, Ty Maelfa, the high rise residential block of 45 flats, has undergone extensive external refurbishment. The works began in November 2017 and were completed in July 2019.

Complementary projects in and around Maelfa also include the completed construction of a 500m<sup>2</sup> extension to the Powerhouse Community Hub to provide an integrated Hub for Llanedeyrn. The facility includes advice and information services, a library and replacement accommodation for the police. The Hub opened to the public in August 2017.

The existing Llanedeyrn Health Centre is a predominantly two storey building which has the following services currently being provided:

- 1 GP practice (10 GPs);
- Phlebotomy clinic;
- Podiatry clinic;
- Community addictions clinic;
- Counsellors clinic;
- Child and Adolescent Mental Health Services (CAMHS) clinic;
- Stop Smoking Wales clinic;

- Health visitor baby clinic;
- Midwives antenatal clinic;
- Dental mobile clinic.

The following services also currently have a team base at Llanedeyrn Health Centre:

- District nurses;
- School nurses;
- Health visitors;
- Dementia liaison officer;
- Community midwives.



Figure 9: External photograph of the existing Llanedeyrn Health Centre building

### **3.6 Business Needs**

#### **3.6.1 Proposed Development of Community Infrastructure**

The Health Board vision to develop community based infrastructure to support the delivery of local health and wellbeing services is described in the SOFW:IOC Programme Business Case. A key component of the first tranche of the programme is the development of a wellbeing hub to serve residents of Llanedeyrn and Pentwyn. Together with the current regeneration taking place in Maelfa by the Cardiff Council and their development partner, Cardiff Community Housing Association to revitalise the heart of one of the most deprived estates in the city. It provides the opportunity to create an innovative solution that would support collaborative working between partner organisations. It will deliver a range of associated health and wellbeing needs as well as include an increase in local service provision by delivering more services locally and provide where possible out of hospital care.

### 3.6.2 Overview of health and wellbeing needs for North and West Cardiff Locality

The locality needs assessment documents for each cluster provides details regarding:

- Population size and composition;
- Risk factors for disease;
- Equity, inequalities and wider determinants of health;
- Ill health and service use;
- Working in partnership with local residents.

Key points within each section are:

- Population size and composition:
  - The population of Cardiff is growing rapidly in size, projected to increase by 10% between 2017-27, significantly higher than the average growth across Wales and the rest of the UK. An extra 36,000 people will live in and require access to health and wellbeing services;
  - The Cardiff population is relatively young compared with the rest of Wales, with the proportion of infants (0-4 yrs) and young working age population (20-39yrs) significantly higher than the Wales average. This reflects in part a significant number of students who study in Cardiff;
  - There will be significant increases in particular in people aged 5-16 and the over 65s.
- Risk factors for disease:
  - Unhealthy behaviours which increase the risk of disease are endemic among adults in Cardiff:
    - Nearly half (44%) drink above alcohol guidelines;
    - Nearly two thirds (66%) don't eat sufficient fruit and vegetables;
    - Over half (55%) are overweight or obese;
    - Around three quarters (74%) don't get enough physical activity;
    - Just over one in five (21%) smoke.
  - There is considerable variation in rates of unhealthy behaviours in Cardiff:
    - Smoking rates vary between 14% and 33% across Cardiff.
  - Many children in Cardiff and Vale are also developing unhealthy behaviours:
    - Two thirds (67%) of under 16s don't get enough physical activity;
    - Over a third (34%) of under 16s are overweight or obese.
- Equity, inequalities and wider determinants of health:
  - There are stark inequalities in health outcomes in Cardiff and Vale:
    - Life expectancy for men is nearly 12 years lower in the most-deprived areas compared with those in the least-deprived areas;
    - The number of years of healthy life varies even more, with a gap of 22 years between the most- and least-deprived areas;
    - Premature death rates are nearly three times higher among the most-deprived areas compared with the least deprived;

- There are also significant inequalities in the 'wider determinants' of health, such as housing, household income and education:
  - For example, the percentage of people living without central heating varies by area in Cardiff and Vale from one in a hundred (1%) to one in eight (13%).
- There are inequalities in how and when people access healthcare:
  - Immunisation uptake varies considerably, with uptake of infant vaccines ranging from 89% to 98% across Cardiff and Vale;
- In addition to health needs, each community has 'assets', such as social capital, community groups or community buildings.
- Ill health and service use:
  - The disease profile in Cardiff and Vale is changing:
    - The number of people with two or more chronic illnesses in Cardiff and Vale has increased by around 5,000 in the last decade, and this trend is set to continue;
    - Around 1 in 7 (15%) people consider their day-to-day activities are limited by a long-term health problem or disability;
    - Many people with chronic conditions are not diagnosed and do not appear on official registers;
    - Due to changes in the age profile of the population and risk factors for disease, new diagnoses for conditions such as diabetes and dementia are increasing significantly.
  - Around 1 in 5 adults have visited their GP within a 2 week period; and nearly three quarters visit a pharmacy over a year period;
  - The highest rates of attendance at the Emergency Department are from people living in more deprived areas of Cardiff and Vale;
  - Rates of delayed transfer of care for social care reasons are nearly twice as high in Cardiff and Vale than the Wales average;
  - Heart disease, lung cancer and cerebrovascular disease are the leading causes of death in men and women;
  - Preventable illness and deaths:
    - Many (but not all) of the most common chronic conditions and causes of death may be avoided by making changes in health-related behaviours.
- Working in partnership with local residents:
  - There are a number of consistent themes from local residents and health professionals about how they would like services to look in future. These include:
    - Helping people stay healthy and independent for as long as possible;
    - Early diagnosis of disease and receiving the best treatment available, wherever an individual lives;
    - Co-ordinated and convenient care, as close to home or work as possible.

### 3.6.3 Existing Premises Issues

The existing GP practice based at Llanedeyrn Health Centre has three main areas of failure:

- Accommodation that is not wholly fit for purpose. The building is in very poor condition with the latest Estates Condition report describing it as follows:
  - Physical condition - D: Very poor. Extensive internal modernisation and external refurb required. Damp/water penetration issues;
  - Space - First floor predominantly empty due to the poor quality of environment;
  - H&S/Fire - D: Fire compartment concerns, combustible materials in corridors and poor Disability Discrimination Act (DDA) compliance;
  - Function - DX: Narrow circulation routes, no access to a lift;
  - Quality - D: Very poor quality internally and very poor quality external aesthetics. GP Practice staff work hard however to make up for lack of quality environment.
- A limited range of clinical services:
  - The deteriorating accommodation is constraining the practice's ability to increase the range and scope of services delivered within primary care, impeding support for the concept of "home first" and impacting on GP sustainability especially at a time when the Health Board is looking at an alternative skill mix to address wider primary healthcare needs;
  - The Practice is a training practice and the building currently constrains the Practice developing its capacity to train future GPs.
- A restricted model of healthcare delivered in isolation from partners:
  - The current arrangements do not allow for delivery of a social model of health in collaboration with partners to providing a holistic, seamlessly integrated approach to meeting the needs of the community as per the Health Board's aims and objectives of the SOFW strategy.

The existing Llanedeyrn facility was built in 1972 and requires extensive external repair, there are also major concerns around the current parking and access arrangements for patients as there is no obvious main entrance.



Figure 10: Existing external image of Llanedeyrn Health Centre

### 3.7 Potential Business Scope & Key Service Requirements

This section describes the potential scope for the project in relation to the investment objectives and business needs.

In line with Welsh Government guidance, the scope has been assessed against a continuum of need ranging from:

- A minimum – essential or core requirements/outcomes;
- An intermediate – essential and desirable requirements/outcomes;
- A maximum – essential, desirable and optional requirements/outcomes.

Minimum	Intermediate	Maximum
A community based facility that supports GMS sustainability, meets minimum statutory requirements and current demand	A community based facility that supports GMS sustainability, meets statutory requirements, best practice models and addresses service model and known capacity issues	A community based facility that supports GMS sustainability, meets statutory requirements, best practice models and addresses service model, known capacity issues and provides a better social model of health for the community
Sized to meet current demand	Sized to meet current and projected future demand	Sized to meet current and projected future

Table 3: Potential Scope

This FBC continues to take forward the maximum scope which is to provide a fit for purpose community based facility that supports General Medical Services (GMS) sustainability, meets all statutory requirements and best practice models but will also support improved access to a range of community based services therefore delivering an improved social model of care focused on the physical, mental and social wellbeing of people in the community.

### 3.8 Main Benefits

This section describes the main benefits associated with the implementation of the maximum scope in relation to the business needs outlined above and has been developed further since submission of the OBC.

Satisfying the scope for this investment will deliver the following high-level strategic and operational benefits.

Benefits are expressed by investment objective, recipient and benefit classification:

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

Investment Objective	Main Benefits	Beneficiary	Benefit Category
1. To work with partner organisations to deliver local and convenient access to health and wellbeing education, information and advice	<ul style="list-style-type: none"> <li>▪ Increased access to wellbeing group activities for the Cluster</li> <li>▪ Increased uptake of social prescribing within the Cluster</li> </ul>	Service users Health Board and wider public sector Wider societal economy	QB
2. To develop facilities which support local delivery of collaborative multi-agency services for Cluster residents	<ul style="list-style-type: none"> <li>▪ Increased uptake of flu immunisation for over 65 year olds - Llan Healthcare patients</li> <li>▪ Increased uptake of flu immunisation for clinical at risk groups - Llan Healthcare patients</li> </ul>	Service users Health Board and wider public sector	QB
3. To develop an environment within the Cluster which promotes a social model of care	Improved wellbeing and reduced social loneliness of residents within the Cluster	Service users Health Board and wider public sector	Qual
4. To work with partner organisations to provide a range of locally delivered health and wellbeing services, tailored to meet the identified needs of local residents	Improved access to GPs supported by Multi-Disciplinary Team (MDT) working and available health and wellbeing services within the Cluster	Service users Health Board and wider public sector Wider societal /economy	Non CRB
5. To support the sustainable delivery of GMS for local residents through provision of appropriate shared facilities	Improved stability for Llan Healthcare	Service users Health Board and wider public sector Wider societal /economy	QB
6. To implement/ incorporate innovative technology which improves access to digital tools and information, enables effective communication between clinicians and citizens and supports mobile working	Improved staff working practices within the Cluster	Service users Health Board Partner organisations	Qual

Table 4: Main Benefits

### 3.9 Main Risks

The main business and service risks associated with the potential scope for this project are shown below, together with their counter measures:

Risk	Counter Measures	Stage			
		Design Development	Implementation	Operational	Termination
<b>Service Risks</b>					
Capital investment not secured for the project	While capital has been allocated from the primary care pipeline fund, this is dependent on the submission and approval of the FBC		✓		
Operational service changes may not meet the increasing pressure to generate revenue savings leading to a reduction in affordability	Regular assessment on revenue saving priorities to inform Clinical Boards' decisions on revising operational service models			✓	
<b>Business Risks</b>					
Sustainability of Primary Care services deteriorates faster than expected, leading to review of priorities	Regular review within Health Board to enable priorities to be determined to minimise disruption to progress		✓	✓	
Revenue – redesigned service delivery models are unaffordable: Revenue costs underestimated.	Robust development and 'sign off' of revenue models to support service change		✓		
Workforce – not redesigned to support the new service delivery models	Clinical Boards to develop realistic and flexible service delivery models Workforce and Organisational Development Team to support transformation programme		✓		
Performance – anticipated improvement in performance not achieved	Clinical Boards to develop realistic and flexible service delivery models			✓	
Rationalisation of estate doesn't realise sufficient resources to cover facilities costs of reconfigured community estates	Develop realistic proposals and monitor implementation		✓	✓	

Risk	Counter Measures	Stage			
Continued budget reductions to local authority services (particularly social services, housing and non-statutory services which play a vital role in health and wellbeing) may increase demand for healthcare	Monitor situation and adjust as appropriate		✓	✓	
Uncertainty of third sector continued availability and/or revenue streams may adversely impact on delivery of collaborative health and wellbeing services	Monitor situation and adjust as appropriate		✓	✓	
Inability to negotiate appropriate terms for development with current land owners	Maintain full engagement and consultation with Local Authority	✓	✓	✓	
Failure to secure appropriate planning permissions	Maintain full engagement and consultation with Planning Authorities	✓	✓	✓	

Table 5: Main Risks and their Counter Measures

There are potentially many other risks and issues associated with the successful delivery of the project that must be managed through the arrangements established to manage the scheme. The risk management strategy for this project is described in detail further within the Management Case of this document and associated risk register.

### 3.10 Constraints

The project is subject to the following constraints:

- Community infrastructure developments to be delivered within available (WG) capital resources;
- Redesigned service models to be delivered within available revenue resources;
- Continued availability of site to accommodate services both in terms of size and location;
- Implementation of the programme to be undertaken over the 10 year period of the Shaping Our Future Wellbeing Strategy.

### 3.11 Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme:

- Approval and capital funding from the Welsh Government Primary Care Pipeline fund to support development of the community infrastructure;
- Approval and funding associated with the Informatics Strategic Outline Programme / Digital Strategy to deliver technology solutions to support redesigned service delivery models and collaborative working with partners;
- Development of redesigned clinical pathways and service delivery models including a strategic approach to outpatient delivery;
- Collaborative working with partner organisations, including the availability of shared service user records, where appropriate;
- Workforce appropriately skilled to meet the needs of redesigned services;
- Development of shared facilities with partner organisations to support collaborative working;
- Continued engagement with stakeholders and partner organisations to ensure the consistency of the project with the joint vision for the health and wellbeing of the population;
- Receiving the appropriate agreements from the local authority in relation to land transactions and full planning permission.

# Economic Case

## 4.0 THE ECONOMIC CASE

### 4.1 Introduction

In accordance with the Infrastructure Investment Guidance and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the FBC documents the process undertaken at OBC stage and reaffirms the preferred option, which best meet the Health Board's service needs and optimises value for money.

### 4.2 Critical Success Factors

The following Critical Success Factors (CSFs) were identified within the OBC and have been reviewed during the FBC stage and remain valid for this project:

<b>CSF1: Strategic Fit – National, Local and Cluster</b>	<ul style="list-style-type: none"> <li>▪ How well does the option align to, and support, the delivery of national, regional or local organisational strategies, priorities and targets? In particular, does it support the SOFW principles;</li> <li>▪ Does it support collaboration/integration with partner in relation to health and wellbeing?</li> <li>▪ Does it meet the Health Board's obligations under the Wellbeing of Future Generations Act?</li> <li>▪ Can it satisfy the existing and future business needs of the service and NHS Wales?</li> </ul>
<b>CSF2: Potential Affordability</b>	<ul style="list-style-type: none"> <li>▪ Can it be delivered within the likely availability of funding?</li> <li>▪ Will it reduce revenue (including building maintenance costs)?</li> <li>▪ Will it support productivity gain?</li> </ul>
<b>CSF3: Potential Achievability (Service Transformation, Continuity and Sustainability)</b>	<ul style="list-style-type: none"> <li>▪ Does it contribute to the transformation of services?</li> <li>▪ Does it contribute to the sustainability of key Health Board services?</li> <li>▪ How likely is the option to be delivered in view of the organisation's ability to assimilate, adapt and respond to the required level of change?</li> <li>▪ Is it consistent with the intentions of the Turning the Curve agenda?</li> <li>▪ Can it be achieved within the planning timescales of the project.</li> </ul>
<b>CSF4: Potential Value for Money</b>	<ul style="list-style-type: none"> <li>▪ Does it provide value for money?</li> <li>▪ Does it maximise the use of human, capital and estates resource?</li> </ul>

Table 6: Critical Success Factors

Note: The CSF for Supplier Capacity or Capability has been considered and discounted as not being critical to this project due to a Supply Chain Partner (SCP) being appointed to the project from the Building for Wales Framework, further details can be found within the Commercial Case of this FBC.

### 4.3 The Long-Listed Options

A long list of options was generated during the development of the OBC and were evaluated in accordance with best practice contained in the Infrastructure Investment Guidance. The evaluation was based upon how well each option met the investment objectives and CSFs. By systematically working through the available choices for what, how, who, when and funding some options were discounted, others carried forward and thus provided the recommended approach to identify the preferred way forward.

The long list shown within the OBC has been revisited in the context of the FBC and it has been confirmed that no changes are required since the evaluation of those options presented within the OBC.

The table below provides the detailed findings from the long list appraisal undertaken:

Option	Finding
<b>1.0 Scope</b>	
1.1 Do Nothing – status quo	Discounted
1.2 Do Minimum – Current Maelfa services and increased delivery of Health Board wellbeing services for the local population	Discounted
1.3 Social model of health – All health and wellbeing Maelfa services and collaborative services delivered with partner organisations (LA and 3rd sector)	Preferred
1.4 Maximum Scope – Social model of health – As 1.3 plus potential for pharmacy	Possible
<b>2.0 Service Solutions</b>	
2.1: Extend and refurbish the existing Health Centre	Possible
2.2: New build facility on the existing / development site	Preferred
2.3: Lease/buy an existing facility elsewhere in Maelfa	Discounted
2.4: New build facility elsewhere in Maelfa	Discounted
<b>3.0 Service Delivery</b>	
3.1 In House	Preferred
3.2 Outsource	Discounted
3.3 Strategic Partnership	Discounted
<b>4.0 Implementation</b>	
4.1 Big Bang	Preferred
4.2 Phased	Discounted
<b>5.0 Funding</b>	
Primary Care Pipeline fund - it has been agreed with Welsh Government that this project will be supported	

Table 7: Summary of Inclusions, Exclusions and Possible Options

### 4.3.1 Preferred Way Forward

The findings from the table above allowed the development of the preferred way forward at OBC stage by taking forward those options which were described as either “possible” or “preferred” into a short list of options. All dimensions and options listed as ‘discounted’ were then excluded at that stage with the exception of the Do Minimum option which was carried forward for comparative purposes only.

### 4.4 Short-Listed Options

The overview of the short listed options shown below is also taken from the OBC:

	Scope	Service Solution	Service Delivery	Implementation	Funding
Option 1	Do Nothing (potential to provide backlog maintenance only for existing Llanedeyrn Health Centre)				
Option 2	Social model of health – all health and wellbeing Maelfa services and collaborative services delivered with partner organisations (LA and 3rd sector)	Refurbish and extend existing Llanedeyrn Health Centre	In-house	Big Bang	Primary Care Pipeline Fund
Option 3	Social model of health – all health and wellbeing Maelfa services and collaborative services delivered with partner organisations (LA and 3rd sector) with potential for pharmacy for maximum scope if required	New build facility on the existing development site	In-house	Big Bang	Primary Care Pipeline Fund

Table 8: Summary of Short-listed Options

Within option 3, however it must be noted that there are two potential site locations that are available to the Health Board:

- On the same site as the existing Llanedeyrn Health Centre;
- Located on existing green space/ play area facility that could provide a direct link to The Powerhouse Community Centre.

This evaluation has been revisited in the context of the FBC and it is confirmed that no changes are required and therefore the following confirmed shortlisted options remain valid (they have however been re-numbered for ease of reference and consistency within the economic and financial appraisals):

- **Option 1** – Do Nothing: Provide backlog maintenance to Llanedeyrn Health Centre;
- **Option 2** – Refurbish and extend the existing Llanedeyrn Health Centre;

- **Option 3** – New build facility on the existing Llanedeyrn Health Centre site;
- **Option 4** – New build facility on site located on existing green space/play area directly adjacent to the Powerhouse Community Hub.

## 4.5 Qualitative Benefits Appraisal

The evaluation of the qualitative benefits associated with each of the shortlisted options was taken to the Project Team during October 2018 as part of the development of the OBC, the results of which are shown for completeness within this FBC.

The appraisal of the qualitative benefits associated with each option was undertaken by:

- Identifying the benefits criteria related to each of the investment objectives;
- Weighting the relative importance (%) of each benefit criteria in relation to each investment objective;
- Scoring each of the shortlisted options against each of the benefit criteria on a scale of 1 to 10;
- Deriving a weighted benefit score for each option.

### 4.5.1 Qualitative Benefits Criteria

The benefits criteria were derived from further analysis of the Investment Objectives and Main Benefits as set out within the Strategic Case and were weighted as follows:

Benefit Criteria	Weight %
1. How well does the model and facilities promote collaborative working across health, local authority and third sector services?	20
2. Does it promote a social model of health and wellbeing from the patients' perspective?	16
3. How well does the range of services meet the health and wellbeing needs of the local population?	22
4. Does the option provide potential for flexible, multi-functional facilities, to deliver services in response to future need?	18
5. Does the solution make the optimum use of human, capital and estates resources?	14
6. Can the option be implemented in a timely fashion, with minimal disruption to services and staff?	10

Table 9: Qualitative Benefits

The chart below shows the qualitative benefits weightings:

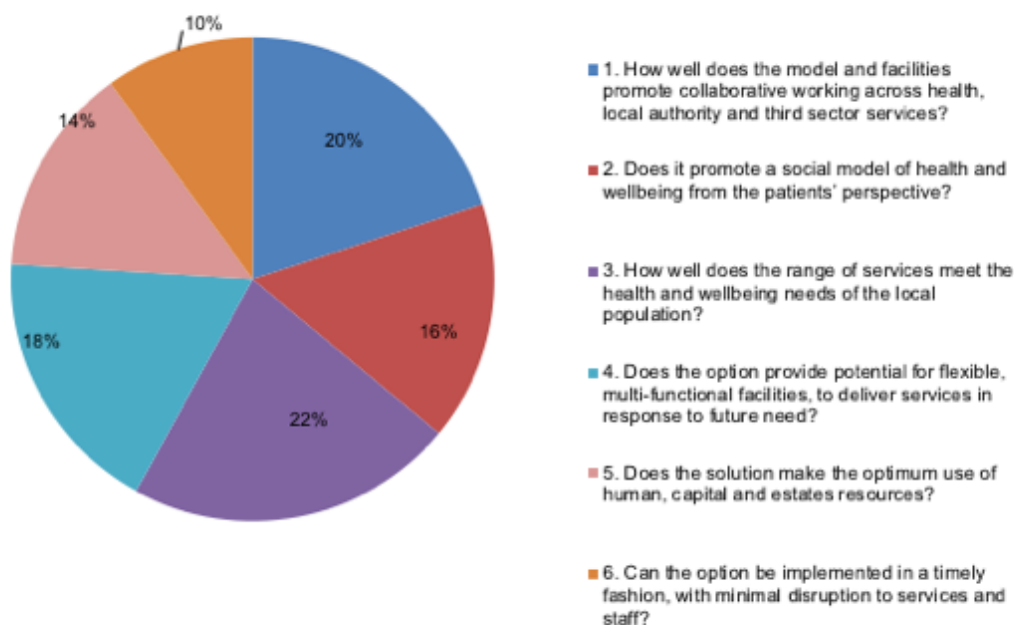


Figure 11: Qualitative Benefits weightings

## 4.5.2 Qualitative Benefits Scoring

### Methodology

Benefit scores were allocated on a range of 1-10 (rising scale) for each option and agreed through rigorous discussion by the Project Team to confirm that the scores were agreed as fair and reasonable. The summary results of this exercise were as follows:

Benefit Criteria	Weighted Scores			
	Option 1	Option 2	Option 3	Option 4
1. How well does the model and facilities promote collaborative working across health, local authority and third sector services?	20	40	140	200
2. Does it promote a social model of health and wellbeing from the patients' perspective?	16	32	128	160
3. How well does the range of services meet the health and wellbeing needs of the local population?	22	66	176	220
4. Does the option provide potential for flexible, multi-functional facilities, to deliver services in response to future need?	36	108	162	180
5. Does the solution make the optimum use of human, capital and estates resources?	56	98	126	126

Benefit Criteria	Weighted Scores			
	Option 1	Option 2	Option 3	Option 4
6. Can the option be implemented in a timely fashion, with minimal disruption to services and staff?	40	30	20	90
<b>TOTALS</b>	<b>190</b>	<b>374</b>	<b>752</b>	<b>976</b>
<b>RANK (weighted)</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

Table 10: Summary Results of Option Appraisal

The results are demonstrated graphically below:

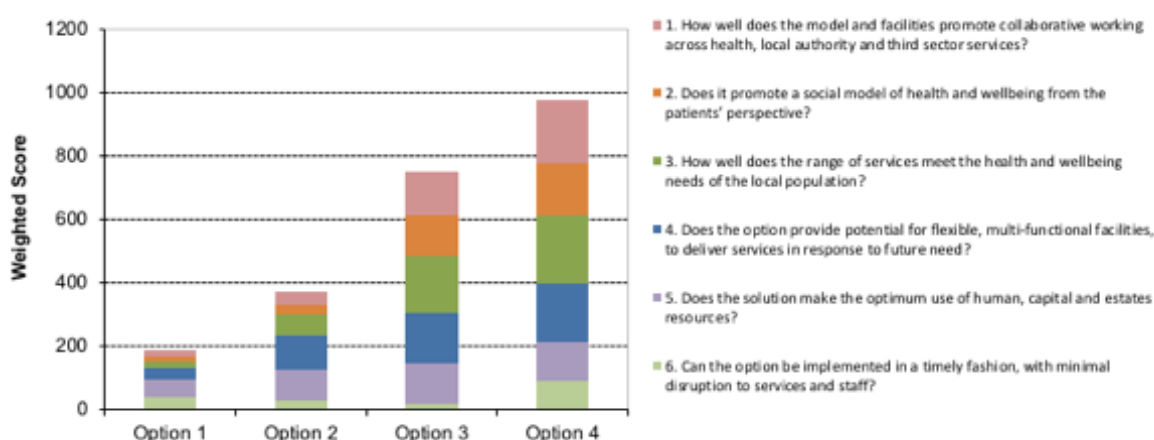


Figure 12: Qualitative Benefits Scoring

### 4.5.3 Analysis of Key Results

Key considerations that influenced the scores achieved by the various options were as follows:

- Option 1 – Backlog maintenance for the existing Llanedeyrn Health Centre: This option does not provide the full range of services to meet the local population needs and would not deliver the investment objectives of the project. It has been retained for comparative purposes only;
- Option 2 – Refurbishment and extension of existing Llanedeyrn Health Centre: This option may present capacity issues to deliver the full range of services required to meet the needs of the local population. There may be limited potential for collaborative working and to provide patients with joined-up services. The completion of refurbishment and extension works to the current building would also require a significant decant facility and has the potential to create major disruption for services, staff and patients. Car parking would also present an issue on the site;
- Option 3 – New build facility on the existing Llanedeyrn Health Centre site: This option provides the health services required and being a purpose-built facility, would provide some flexibility for the future but due to its site location it would be difficult to create improved links to the existing Powerhouse Community Hub and its wellbeing services, it therefore does not meet the requirement for total collaboration with other

local authority and third sector organisation. Creating a new build facility on the site of the existing health centre would also require a significant decant facility and has the potential to create major disruption for services, staff and patients. Car parking would also present an issue on the site;

- Option 4 – New build facility on site directly adjacent to the Powerhouse Community Hub: This option provides the full range of services to meet the local population needs and would provide innovative opportunities for full collaboration and seamless services to patients for their health and wellbeing needs. A new build facility will provide multi-functional, flexible accommodation and the creation of a physical link to the Powerhouse Community Hub could provide future proofing for all services including community resources.

#### **4.5.4 Non-Financial Sensitivity Analysis**

Sensitivity analysis was undertaken by changing the ranking of the benefit criteria to evaluate the impact on the overall score for each option. The analysis included applying reverse, high, low and no weightings to the criteria.

The results indicated that even if the weighting of the benefit criteria were to be changed there is no scenario in which Option 4 is not the preferred option due to its site location and means for complete collaboration with local authority and third sector partners. The results of the sensitivity analysis and qualitative benefits appraisal are attached in Appendix 3.

The findings of the option appraisal has been reviewed during the development of this FBC and it was agreed that the critical success factors, benefit criteria and scoring of the options remained relevant and the option appraisal continued to reflect a realistic outcome.

## 4.6 Economic Appraisal

### 4.6.1 Introduction

The economic appraisal of the shortlisted options that was undertaken at the OBC stage, concluded with a clear preference for Option 4. In order to confirm that Option 4 remains value for money, the economic appraisal has now been refreshed for the FBC to reflect the impact of the agreed final cost plan costs.

### 4.6.2 Methodology and Assumptions

The economic appraisal has been conducted in accordance with the following guidance:

- The Green Book – Appraisal and Evaluation in Central Government plus supplementary guidance published by HM Treasury;
- 5 Case Model guidance for SOCs, OBCs and FBCs (WG) and WG/IPAG FBC Template.

The principles and assumptions used in this FBC are:

- For the development of Options 3 and 4 an appraisal period of 60 years has been adopted and since it involves a sizeable capital spend, the Do Minimum option (Option 2) has also been assessed over the same period. For the Do Nothing option (Option 1) a 30-year period has been used;
- Option 1 is not capable of delivering the benefits sought by the proposed development and is therefore included for context purposes only;
- Cash flows exclude VAT and have been discounted by 3.5% per annum for years 0 to 30 and by 3% thereafter;
- No assessment has been made of the respective economic benefits of the options compared with Do Nothing (now referred to in the Green Book as Business as Usual);
- Price base is 2020/21.

### 4.6.3 Cost Inputs

The economic appraisal incorporates the following cost inputs:

- Capital costs at PUBSEC index 274 in line with the cost plan figures for the preferred Option 4;
- Cost plan figures for Option 4 show a forecast outturn cost of £14.371m including VAT. This is equivalent to 96.3% of the total cost at the OBC stage;
- For the purpose of the FBC appraisal, it is assumed that Options 2 and 3 would have shown a proportional cost reduction (3.7%) from OBC levels had they been developed to the same level of design detail as Option 4;
- Lifecycle Costs based on standard NHS replacement cycles provided by the Health Board's cost advisers for Option 4 and are assumed to be similar for Options 2 and 10% higher for Option 3, in line with OBC assessments;
- Revenue costs for the options as described in the Financial Case:

- Pay and Non-Pay Service costs at £2,745k for 2020/21 and 2021/22, with 3% transformational saving from 2022/23;
- FM costs at £96k for the first two years, and £200k for the development options from 2022/23;
- Under Options 2, 3 and 4, Non-Cash Releasing benefits of £136k per annum effective from 2022/23 to reflect potential savings in GP time on 4,397 Mental Health Liaison and MSK appointments, at £31 per appointment.

#### 4.6.4 Capital Costs

These are summarised in the table below:

Capital Costs at PUBSEC 274	Option 1	Option 2	Option 3	Option 4
	£'000	£'000	£'000	£'000
Works Costs	1,209	8,033	8,011	8,672
Fees	212	1,932	1,774	1,858
Non-Works	0	3,173	3,173	542
COVID-19	0	258	258	258
Equipment Costs	0	161	161	161
Planning Contingency	142	665	655	558
<b>Subtotal excluding VAT</b>	<b>1,563</b>	<b>14,222</b>	<b>14,032</b>	<b>12,050</b>
VAT @ 20%	0	2,844	2,807	2,321
<b>FBC Total Capital Cost</b>	<b>1,563</b>	<b>17,066</b>	<b>16,839</b>	<b>14,371</b>

Table 11: Capital Costing Summary at Approvals PUBSEC Index 274 – (£000)

Total capital cost changes since the OBC reflect:

- Indexation change from 250 to 274;
- Cost shift from Optimism Bias to works and other costs;
- £263K (including VAT) for the hard surface games area;
- £310K (including VAT) for revised working practices to comply with COVID-19 Health & Safety requirements;
- £192K (including VAT) for the Decarbonisation measures.

Full capital cost details for the preferred option are attached as Appendix 4.

#### 4.6.5 Net Present Cost Findings

Details of the economic appraisal are attached at Appendix 5 and summarised in the table below:

Economic Cost	Option 1	Option 2	Option 3	Option 4
Net Present Cost (NPC £000)	57,633.6	90,211.1	89,710.3	87,789.5
Equivalent Annual Cost (EAC £000)	2,919.9	3,401.9	3,383.0	3,310.6
Ranking of Options	1	4	3	2
Ranking of Development Options		3	2	1
EAC Margin Development Options (£000)		91.3	72.4	0
EAC Switch Value (£000)		(91.3)	(72.4)	72.4
EAC Margin above preferred %		2.8%	2.2%	0.0%

Table 12: Summary of Economic Appraisal Outputs

On the basis of the economic appraisal undertaken:

- Option 4 is preferred by a margin of 2.2% over Option 3 and 2.8% over Option 2.

Sensitivity Testing indicates that:

- Capital cost inputs would have to change by nearly £2m (15%) differentially between Options 3 and 4 to switch the economic preference in favour of Option 3. A change of this magnitude, broadly comparable to the decant cost in Option 3, is not considered likely.

Option 4 is therefore re-confirmed moving forward and is the preferred FBC option from a quantitative appraisal perspective.

## 4.7 Combined Economic and Non-Financial Appraisal Scores

The outputs of the Non-Financial and Economic Appraisals have been re-assessed as part of the FBC and combined to assess which option offers the highest benefit/cost ratio. A summary of the analysis is shown in the table below:

Costs and Benefits	Option 1	Option 2	Option 3	Option 4
Equivalent Annual Cost (EAC £000)	2,919.9	3,401.9	3,383.0	3,310.6
NFA Benefit Points	190	374	752	976
Benefit Points per EAC (£000)		0.110	0.222	0.295
Rank		3	2	1
Combined Preference Margin %				24.6%

Table 13: Economic Costs and Non-Financial Benefits

- In Non-Financial terms, Option 4 is preferred by 29.8%, scoring 976 benefit points against 752 for Option 3;
- In economic terms, Option 4 is preferred by a margin of 2.2% over Option 3;
- Combining these 2 elements shows that for every £000 EAC, Option 4 delivers 0.295 benefit points, compared to 0.222 for the second preferred Option 3;
- This equates to an overall margin in favour of Option 4 of 24.6%;
- Sensitivity testing suggests that the Non-Financial preference for Option 4 would have to fall by 24.9% (or Option 3 score / exceed the maximum possible) before Option 3 became preferred overall.

Option 4 is confirmed as the preferred option overall.

## 4.8 Risk Appraisal - Unquantifiable

### 4.8.1 Methodology

A risk appraisal was undertaken during the development of the OBC to evaluate the risks associated with each shortlisted option using the method included in the WG template for business cases, it included the following distinct elements:

- Identifying the risk categories and definitions for assessing options (these were based on information in the Treasury’s Green Book);
- Assessing the impact and likelihood for each option against these categories;
- Calculating a risk score.

The range of scales used to quantify risk were as follows:

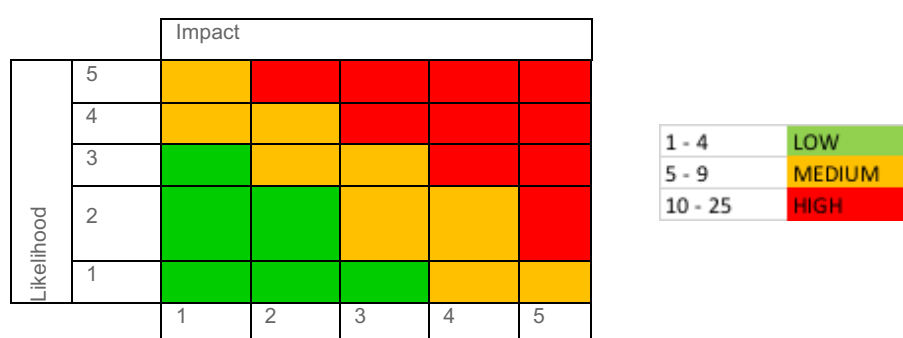


Figure 13: Risk Scoring Matrix

### 4.8.2 Risk Category and Definition

Risk Category	Definition
Business	Failure to sufficiently assess the business demand and unforeseen implications on costs
Service	Failure to meet service / performance standards – access to services, poor environment etc. Failure to meet best practice standards for service delivery
Design Planning & Construction	Design does not deliver services at the required performance or quality standards. Implications upon the Health Board during construction. Failure to achieve planning permission and /or meet relevant statutory obligations
Project Resources	Health Board’s ability to deliver the project

Table 14: Risk Categories and Definition

### 4.8.3 Risk Scores

The workshop assigned the following risk scores:

Risk Category	Option 1	Option 2	Option 3	Option 4
Business Risks	61	63	60	43
Service Risks	36	40	33	12
Design Planning & Construction Risks	32	40	32	24
Project Resource Risks	4	4	4	4
<b>Total</b>	<b>133</b>	<b>147</b>	<b>129</b>	<b>83</b>
<b>Ranking</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>

Table 15: Risk Scoring

The complete risk appraisal matrix that was completed at the workshop is attached as Appendix 6. Key considerations that influenced the high-risk scores (identified in red on the risk appraisal matrix) achieved by the various options were as follows:

- Option 1 – Provide backlog maintenance to Llanedeyrn Health Centre: This option would not provide the desired standards and level of patient care expected by the both the Health Board and Llan Healthcare. It would not allow the level of capacity required from future expansion and could potentially instil a lack of confidence in services from patients and the local community. This option ranks third;
- Option 2 – Refurbish and extend the existing Llanedeyrn Health Centre: This option would deliver to a certain standard but within significant site constraints therefore potentially providing issues. Desired improvements to quality and access to care would be compromised and benefits to the population serviced would be lost. There would also be significant disruption to a number of existing services including the GP practice. This option ranks fourth;
- Option 3 – New build facility on the existing Llanedeyrn Health Centre site: There would be significant disruption from current services during construction of new building and during transfer. There may be the potential for increased revenue costs to Llan Healthcare from relocation. This option ranks second.
- Option 4 – New build facility on site located adjacent to the existing Powerhouse Community Hub: This option provides the lowest risk of all the options presented in part due to its site location away from existing health services however there may be the potential for increased revenue costs to Llan Healthcare from relocation. This option ranks first.

The risk appraisal has been reviewed during the development of the FBC and it was agreed that the scoring of the options remained relevant.

## 4.9 Preferred Option

Having re-assessed the non-financial, financial and risk appraisals of the shortlisted options, the preferred option as outlined within the OBC remains as Option 4 due to its capability of meeting the various criteria of the project as set out within the economic case. Option 4 provides a fit for purpose new Health Centre at Maelfa (*Wellbeing Hub@Maelfa*) adjoining the existing Powerhouse Community Hub, that meets all statutory requirements and best practice models. The facility will provide high quality accommodation and support improved access to a seamless integration of social, health and wellbeing services therefore delivering an improved social model of health for the residents of Llanedeyrn and Pentwyn.

Proposals have been developed in partnership with local GPs, the local authority, third sector organisations and the local community and will focus on 'prevention' and 'wellness' rather than 'illness' supporting the Wellbeing of Future Generations (Wales) Act wellbeing objectives by:

- Prosperity – improved health outcomes leading to greater opportunity to contribute to society. Development of sustainable community facilities which use energy efficiently, generate energy and aim for carbon footprint neutrality;
- Resilience – use of adjacent green outdoor space to support individual and community activities to develop a strong and resilient community e.g. community garden, sports activities;
- Health – people's physical, mental and social wellbeing needs met through collaborative service delivery with partner organisations;
- Equal – reduced health inequalities through targeted provision of services/ interventions which meet the health and wellbeing needs of local population;
- Cohesive communities – promote co-production, co-design and co-ownership to nurture the development of a strong community spirit and consequent positive outcomes such as improved public health and social resilience;
- Culture – community focused wellbeing facilities which support people to participate in a variety of sport and social activities.

The new Wellbeing Hub will include:

- Relocation of services from Llanedeyrn Health Centre and GP Practice.
- Wellbeing and community facilities including group/ community rooms, an information/ advice area, a shared café and children's library. These spaces, in collaboration with existing facilities within the adjacent Powerhouse Community Hub, will support health, local authority and third sector groups to deliver wellbeing advice, education, support and signposting that can be personalised to support independence in the local community;
- A range of specialised health clinics delivering seamless care closer to home along with proactive improvement of health and wellbeing services including access to District Nurse treatments, Counselling services, Podiatry, Dietetic services, Community Addictions, Health Visitor Baby Clinics, Primary Mental Health services, Early Intervention & Support Services for Children & Younger People, Stop Smoking Wales advice and information, Antenatal care, Audiology and Heart Failure services.

- Office and administrative facilities to support team working, which will be evidence driven, using lessons learned from Health Board and partners' experience of delivering merged services.

This project also supports the ten national design principles to drive change and transformation and deliver the Quadruple Aim as described in “*A Healthier Wales: our Plan for Health and Social care*”.

A copy of the full service scope for the project can be found at Appendix 7.

#### **4.9.1 Vision and Values**

Services for residents of the locality will continue to be delivered in a variety of appropriate locations, but for some services they may be more efficiently delivered across Pentwyn and Llanederyn. And where appropriate, the wellbeing hub will facilitate the shift of outpatient services from hospital.

In terms of the key values and principles that are considered essential to the design, development and governance of the site, the new Wellbeing Hub@Maelfa will:

- Promote ‘prevention’ and ‘wellness’ rather than ‘illness’;
- Facilitate the delivery of services that are relevant to the priority physical, mental and social wellbeing needs of residents who live in Pentwyn and Llanederyn;
- Support the delivery of care to individuals ‘close to their home’, providing individuals and families with better access to health services that do not need to be delivered in a hospital setting;
- Maximise all opportunities to ensure that individuals and families receive the right support at the right time, from the right person - acknowledging the invaluable contribution made from community groups, voluntary sector as well as statutory services;
- Work in a way that promotes co-production, co-design and co-ownership;
- Provide an environment for individuals, families, patients, staff and visitors that embeds the values of collaboration, caring and respect.

The proposed development of the *Wellbeing Hub@Maelfa* provides a timely opportunity to develop the infrastructure by which to deliver/support the evolving vision.

#### **4.9.2 Core Design Principles**

The following core design principles have been considered in the development of the *Wellbeing Hub@Maelfa*:

##### *4.9.2.1 Welcoming Environment*

The development will provide:

- A welcoming, relaxed environment where members of the community will be encouraged to stay and participate;
- A welcoming first impression that doesn't have a clinical/hospital feel;

- Child friendly areas;
- A level of anonymity and personal safety for people who feel anxious when attending clinics, e.g. sexual health, mental health;
- An immediately recognisable, staffed reception area;
- A welcoming and accessible environment for sensory impaired visitors.

#### 4.9.2.2 *Promotes 'Prevention' and 'Wellbeing'*

The development will:

- Support a social model of health, focussing on people's physical, mental and social wellbeing;
- Promote a wellbeing message rather than a focus on illness;
- Use of a variety of technology, IT, interactive monitors, TV, hard copy leaflets etc to deliver education, information and advice to patients and visitors;
- Use of artwork to inspire wellbeing;
- Optimise every visit to the facility (Making Every Contact Count (MECC)), e.g.:
  - encourage people to learn more about their health and wellbeing;
  - take part in social activities and healthy lifestyle classes;
  - meet third sector organisations;
  - use 'non health' services as a way of maintaining individual wellness for both residents and staff.
- Provide use of outdoor area to compliment health and wellbeing services, e.g. community garden, picnic eating area, trim trail/walking track. The design of this area will be key to positively supporting individual and community activities, building social strength and maintaining informal social controls.

#### 4.9.2.3 *Flexibility*

The development will provide:

- Flexible and multi-functional facilities which can change to meet different requirements and provide future adaptability for re-designed service models;
- Flexible opening times to support delivery of services, group education, social activities etc. at times convenient to service users whilst also protecting the security all;
- An 'active' waiting area, where patients and visitors can find out about activities and classes on offer or access health and wellbeing information and advice, while waiting for their appointment;
- Integration between the outdoor and indoor spaces to encourage innovative use of space for healthy and social activities;
- The ability to facilitate community/third sector groups, e.g. themed events, social prescribing, 1:1 advice etc;
- Plenty of equipment storage to enable rooms to be adapted to support the delivery of services who regularly provide sessional clinics.

#### 4.9.2.4 *Promotes collaboration across organisations*

The development will:

- Facilitate integration and collaborative working across the Powerhouse and wellbeing hubs, e.g. wellbeing co-ordinators/social prescribing team to work across the integrated facility;
- Provide shared staff areas, e.g. rest areas, changing rooms;
- Welcome collaborative working with third sector organisations and community groups.

Further information around the design principles is contained within the Estates Annex which forms part of this FBC suite of documents.

# Commercial Case

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## 5.0 THE COMMERCIAL CASE

### 5.1 Introduction

This section of the FBC sets out the negotiated arrangements in relation to the preferred option outlined in the economic case.

The Commercial Case is for the provision of a *Wellbeing Hub@Maelfa*, which will replace the current health centre facility in Llanedeyrn occupied by Llan Healthcare, which is owned by the Health Board.

The construction of these premises will be procured through the NHS Wales Shared Services Partnership – Specialist Estates Services (NWSSP-SES) established NHS 'Building for Wales' Framework.

### 5.2 Required Services

The scope of services required remains valid and continues to be for the project management, cost advice and the design and construction of a Health and Wellbeing Hub at Maelfa adjoining the Powerhouse Community Hub in Llanedeyrn comprised of a GP practice (Llan Healthcare), outpatient and community clinical accommodation, wellbeing zone, team base, support accommodation.

The scheme will look to reduce carbon emissions wherever possible and a decarbonisation strategy has been put in place in line with Welsh Governments overarching Decarbonisation Programme (*Prosperity for All: A Low Carbon Wales: 2019*). More information with regards to the decarbonisation strategy for the project is included within the Estates Annex.

#### 5.2.1 Schedule of Accommodation

A schedule of accommodation for the facility is also included within the Estates Annex along with a schedule of compliance with, and derogation from, national guidance.

### 5.3 Land Transfer / Acquisition

The site identified for the *Wellbeing Hub@Maelfa* is owned by Cardiff Council (CC), the site of the existing Llanedeyrn Health Centre is owned by Cardiff & Vale University Health Board.

During development of the OBC, there were ongoing discussions regarding the transfer / acquisition of land required for the development including the relocation of the existing play area and utilisation of land regarding the existing Health Centre. It has been agreed however during development of this FBC by both the Health Board and the Council that the land required for the Wellbeing Hub will not be sold to the Health Board, and as a consequence a "long lease" is to be entered into, with details regarding the Heads of Terms outlined within the Estates Annex. CC have also confirmed they do not have an interest in purchasing any part of the existing Health Centre site and therefore the new multi-use games area (MUGA) will be constructed as part of the main contract commencing in November 2020, which will mean the loss of the current play area for circa 3 months.

The Council is fully supportive of the development as indicated in their letter of support attached to the business case checklist.

## **5.4 Procurement Strategy**

The procurement strategy will be in line with the procedures and practices as laid down in the NHS Building for Wales framework outlined above. The various construction elements of the proposed Wellbeing Hub will be formally competitively tendered by the Supply Chain Partner as part of the production and agreement of the target price. An open book approach to prices will be adopted in line with the Framework and all costs will be closely scrutinised to ensure that the Health Board is getting the best value for money.

This procurement route offers the Health Board the benefit of suitably experienced Supply Chain Partner teams who are skilled in the delivery of complex health care buildings in accordance with relevant WHBN / WHTM guidelines and statutory legislation whilst taking account of cost, time and quality.

### **5.4.1 SCP Appointment Process**

Willmott Dixon Construction were appointed as the preferred Supply Chain Partner (SCP) following a robust selection and appointment process as previously described within the Outline Business Case.

The Health Board followed a similar process to the SCP selection for the following disciplines:

- Project Manager - Gardiner and Theobold;
- Cost Advisor - Gleeds Management Services.

## **5.5 Agreed Risk Transfer**

This section provides an assessment of how the associated risks might be apportioned between the Health Board and the Supply Chain Partner and in some instances shared between the nominated organisations. The general principle is to ensure that risks should be passed to 'the party best able to manage them', subject to value for money (VFM). The table below demonstrates the potential allocation of risk; this will be appraised and reviewed at subsequent stages to ensure there is an appropriate allocation of risk.

Risk Category	Potential Allocation		
	Public	Supply Chain Partner	Shared
Design Risk			✓
Construction & Development Risk			✓
Transition & Implementation Risk			✓
Availability and Performance Risk			✓
Operating risk	✓		
Variability of Revenue Risks	✓		
Termination Risks	✓		
Technology & Obsolescence Risks			✓
Control Risks	✓		
Residual Value Risks	✓		
Financing Risks	✓		
Legislative Risks			✓
Other Project Risks			✓

Table 16: Potential Risk Transfer

The ongoing future management of risks during the life of the scheme, will follow the process described in the Management Case: Arrangements for Risk Management.

## 5.6 Equipment Strategy

The finalised equipment requirements for the preferred option have been established during development of the FBC. An assessment has been carried out of the required equipment within groups 2 & 3 based upon the signed off Room Data Sheets. A further assessment has been made regarding the items of equipment, which are suitable for transfer.

This survey of existing equipment used the following criteria:

- Associated downtime during the transfer period is acceptable;
- Costs associated with all transfers are tested for value for money against the purchase of a new replacement;
- Consumables, durables, spare parts and service will be available for the remaining life expectancy of the item;
- Item applies with infection control requirements where necessary;
- Item complies with current regulations and is considered safe;
- Compatibility with other equipment;
- Item can be physically accommodated within the new facility.

The financial implications of these assessments are included within the costs of this FBC.

## **5.7 Agreed Charging Mechanisms**

On completion of the project, the building will be owned by the Health Board and during the development of this FBC, appropriate arrangements have been agreed with all parties regarding the operational management of the facilities and Head of Terms regarding the lease arrangements are being agreed with Llan Healthcare GP Practice.

For shared assets, there will be a mechanism to share costs fairly.

The Health Board intends to make payments to the externally appointed team in respect of products and services as follows:

- Charging will be completed under the 'Building for Wales' Framework terms and conditions.
- The contract will be managed by Cardiff and Vale University Health Board under the NEC3 Option C Target Cost Contract.

## **5.8 Agreed Contract Length**

It is anticipated that the construction duration will run for 22 months although the start date for this is dependent on the approvals process. The agreed timescales are indicated in the Estate's Annex as well as summarised within the Management Case later within this FBC.

## **5.9 Key Contractual Clauses**

Contractual Arrangements have been entered into with all parties using the NEC contract as prescribed under the Framework. For the Project Manager and Cost Advisor, the NEC 3 Professional Services Contract has been used, and for the SCP, the NEC Option C (Target Cost) contract has been used. There are no key contractual clauses over and above the standard framework clauses.

## **5.10 Personnel Implications (Including TUPE)**

It is agreed that the TUPE – Transfer of Undertakings (Protection of Employment) Regulations 1981 will not apply to this investment.

## **5.11 Frs5 Accountancy Treatment**

It is envisaged that the assets developed through this FBC will be on the balance sheet of the Health Board. Any assets sold would then be removed from the Health Board's balance sheets.

# Financial Case

## 6.0 THE FINANCIAL CASE

### 6.1 Introduction

The purpose of this section is to set out the indicative financial implications of the preferred option (as set out in the economic case) and proposed deal (as described in the commercial case).

### 6.2 Capital Costs

A summary of the capital costs and depreciation for the preferred option is as follows:

Capital Costs	£'000
Building/Engineering	13.868
Equipment costs	0.193
<b>Total Capital Cost/ Cost Forms</b>	<b>14.371</b>

Table 17: Capital Costs for the Preferred Option

	£'000
Impairment	8.787
Depreciation – Recurrent Building/Engineering	0.063
Depreciation - Accelerated	0.520
Depreciation – Equipment	0
<b>Total Capital Charges/Depreciation</b>	<b>9.370</b>

Table 18: Summary of Capital Charges and Depreciation.

Impairment is calculated based on advice from the District Valuer. The asset value post impairment has been depreciated over the estimated useful economic life provided by the District Valuer.

The outbreak of the Novel Coronavirus (COVID-19) has impacted market activity and the District Valuer is following Royal Institution of Chartered Surveyors (RICS) guidance and reporting on the basis of 'material valuation uncertainty'. Consequently, the District Valuer is warning that less certainty and a higher degree of caution should be attached to their valuation than would normally be the case.

The following is a summary of the total impact of impairment by year until the planned opening of these new facilities:

	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
DEL Impairment	0	0	0	0
AME Impairment	0	0	8.787	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8.787</b>	<b>0</b>

Table 19: Summary of Total Impact of Impairment Year on Year

This FBC assumes all capital charges and depreciation will be funded by Welsh Government in each of the years provided in the table above.

## 6.3 Revenue Costs

### 6.3.1 Service Costs

As detailed throughout this Full Business Case, this scheme will provide new facilities for the transfer of existing services currently accommodated Llanedeyrn Health Centre, the facility will also provide for GMS facilities from Llan Healthcare and include an increase in local service provision by delivering more services locally and provide where possible out of hospital care.

The detail of the community services to transfer into the new Wellbeing Hub includes services from a variety of settings. These have been worked through in detail through the information provided within the individual clinical service specifications and are included in the assessment of the current cost of services.

This cost assessment relates to those services currently delivered by Cardiff and Vale University Health Board and excludes services to be provided by the Local Authority, GPs, Public Health and the Third Sector.

	£'000
Current Service Costs (Health Board services only)	2,745
<b>Total</b>	<b>2,745</b>

Table 20: Current Service costs of Health Board Services

A full breakdown of the current costs for the Health Board services involved in the scheme is detailed in Appendix 8.

The following assumptions have been made in respect of the revenue case:

- Costs are based on 2020-21 rates and show full year costs;
- Revenue site costs (excluding capital charges and depreciation) are based on an assessment of the current architectural plans and based on m<sup>2</sup>;
- Rental income received from Llan Healthcare GP Practice - current and revised - assumed to be cost neutral and excluded from the revenue assessment;
- No rental income is assumed from third sector organisations but will create revenue funding stream once plans are finalised.

Security costs that will be incurred by the Health Board following transfer of all services from Llanedeyrn Health Centre until the building is demolished are not covered in this revenue assessment.

### 6.3.2 Other Revenue Costs

These revenue costs are based on current plans and are based on the increase area only of the proposed footprint from the existing Llanedeyrn Health Centre.

As outlined above, no additional contribution from Llan Healthcare GP Practice towards utilities or rates costs has been assumed. The current and revised cost of GP premise leases are also excluded from this revenue analysis on the basis that these will be cost neutral with funds flow managed between the GP and Welsh Government.

Any reception cost cover has been excluded on the assumption that the reception cover from the existing Llanedeyrn Health Centre will transfer.

The following assessment also assumes the existing Public Sector Broadband Aggregation (PSBA) Circuit to Llanedeyrn Health Centre is available for the new build.

Full year costs:	Health Board current	Health Board increase	Total	Total increase in Revenue cost
	£'000	£'000	£'000	£'000
Cleaning	27	24	51	24
Estates	23	21	44	21
Waste	3	3	5	3
Security (incl TDSI & CCTV)	2	2	5	2
Energy Combined	23	20	43	20
Water	2	2	4	2
Rates	26	23	48	23
<b>Total</b>	<b>106</b>	<b>94</b>	<b>200</b>	<b>94</b>

Table 21: Summary of site based Revenue Costs: 2020-21

### 6.4 Impact on the Income and Expenditure Account and Balance Sheet

The anticipated capital spend, capital charges and depreciation profile for the extent of the project is as follows:

	2020/21	2021/22	2022/23	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000
Capital (excl VAT)	2.510	7.480	1.050	0.020	0.005
Accelerated Depreciation	0.078	0.312	0.130	0	0
Depreciation	0	0	0.031	0.063	0.063
<b>Total</b>	<b>2.588</b>	<b>7.792</b>	<b>1.211</b>	<b>0.083</b>	<b>0.068</b>

Table 22: Impact on Income and Expenditure Account

All assets will be shown on the Health Board's balance sheet. The asset will be valued on completion and recorded on the balance sheet at that value. Subsequently it will be treated as per the Health Board's capital accounting policy.

The total capital requirement includes £263k (including VAT) regarding the construction of the hard surface multi use games area. It is assumed this funding will be passed to Cardiff Council as opposed to the Health Board as they will ultimately own this asset. The net cost of the construction of the play area (£224k) is included in the £7.480m capital spend figure for 20/21 above.

Due to the COVID-19 Pandemic the introduction of IFRS16 has been delayed until 1st of April 2021. If the Heads of Terms agreement with Cardiff Council is signed prior to 31st March 2021 then the licences for use of parcels of land owned by the Council will not need to be capitalised and capital funding will not be required for these. On the completion of the scheme the Health Board will be granted a 125 year 'peppercorn' lease by the Council for the use of the land the wellbeing hub will occupy. This will give rise to a capital requirement in 2022/23 and subsequent AME depreciation funding. The reporting treatment for peppercorn leases under IFRS16 is still to be determined therefore no figures in relation to this are included within this Financial Case.

The position regarding VAT recovery for the new play area is dependent on the Heads of Terms being signed by Cardiff Council. The figure quoted above includes VAT of £39k.

## 6.5 Overall Affordability

As highlighted above, it is assumed the impairment and recurrent charges for depreciation will be funded by Welsh Government. The net additional revenue costs and funding are summarised in the table below:

	£'000
WG Impairment funding	8.787
WG Depreciation funding	0.677
Service Costs (Health board only - assumes no change to service costs)	0
Other Revenue Costs to be managed by the Health Board	0.094

Table 23: Overall Affordability

## 6.6 Assumptions that Underpin Affordability

The total direct revenue cost to the Health Board (excluding capital charges and depreciation) once the current lease expires is £0.094m.

Llanedeyrn Health Centre is owned by Cardiff and Vale University Health Board and the transfer of services is assumed to be revenue cost neutral with increase in costs linked to increase in m<sup>2</sup> of new facility.

A review of costs has been provided by clinical and non-clinical managers through submission of detailed clinical service specifications and work to transform service delivery and release efficiency savings will be established wherever possible therefore a 3% transformational saving has been predicted based on the current assessed cost of Health Board services to be delivered from the Maelfa Wellbeing Hub.

# Management Case

## 7.0 THE MANAGEMENT CASE

### 7.1 Introduction

This section of the FBC addresses the “achievability” of the scheme and identifies how the project will be managed from its initiation to completion. Its purpose is to describe the arrangements that will be required to effectively govern and successfully manage the project and deliver it in accordance with best practice.

This section has been drafted based upon the lessons learnt from previous projects, incorporating proven arrangements, structures and processes to ensure the successful delivery of the project.

### 7.2 Programme Management Arrangements

The project is an integral part of the Health Board’s Programme Business Case (PBC) which comprises a portfolio of projects for the delivery of the ‘*Shaping Our Future Wellbeing: In Our Community*’ strategy. The following diagram details the management arrangements:

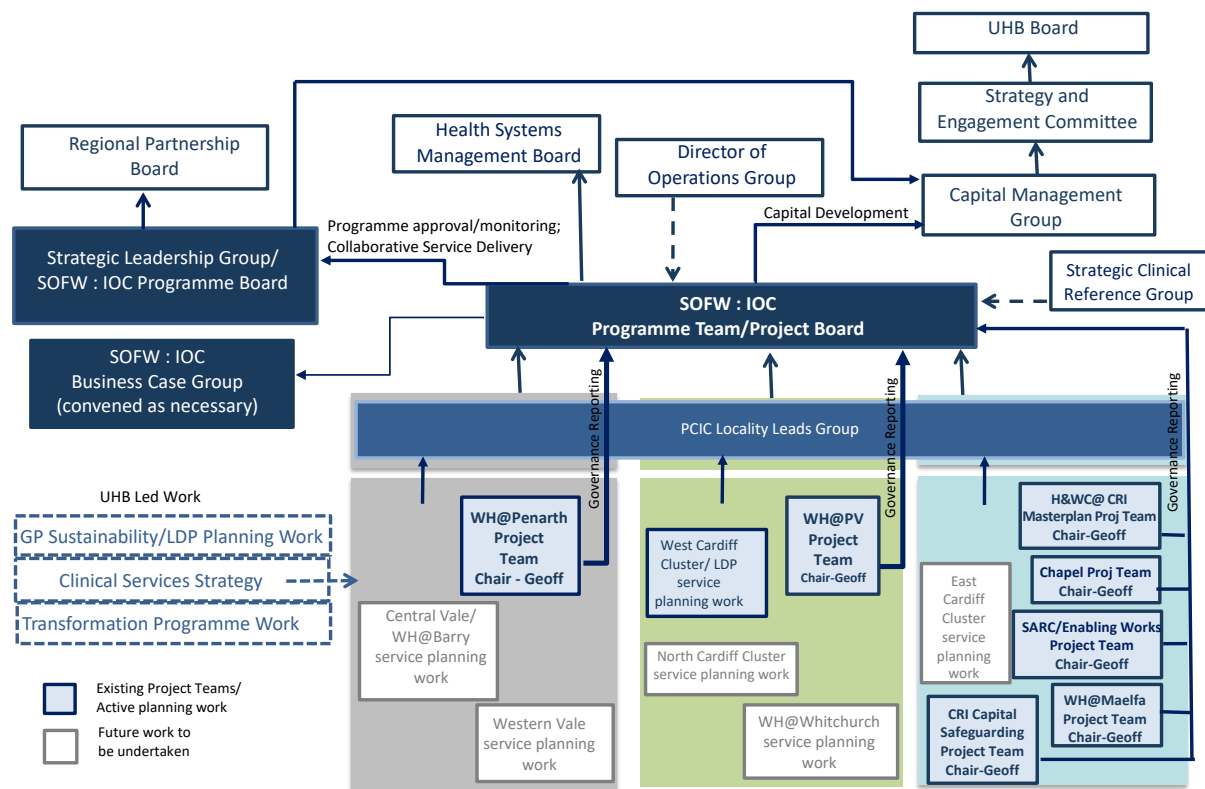


Figure 14: Programme Structure

The diagram above demonstrates the way the programme and project management structures interlink. It reflects the important role of the Primary Community and Intermediate Care Board and the Localities in setting the direction for community delivered services and infrastructure for their resident populations, while maintaining the required governance for Welsh Government funded capital projects. The CVUHB Board will hold

ultimate responsibility for the Programme's capital management, via the SOFW:IOC Delivery Group, Capital Management Group and the Strategy and Engagement Committee.

However, as the success of the Programme relies significantly on the development and delivery of integrated services with partner organisations, the Regional Partnership Board (RPB), through the Strategic Leadership Group (which will also adopt the role of Programme Board), will provide the appropriate strategic direction for SOFW: In Our Community and, if necessary, provide an enabling role by unblocking obstacles in the decision-making process.

The structure also reflects the pivotal role of the Locality Teams in setting the direction for community delivered services and infrastructure for their resident populations.

### **7.3 Project Management Arrangements**

Robust project management arrangements are vital to ensure the implementation of the overall project and that effective control is maintained over the capital scheme.

For the Health Board to successfully deliver this project, it has been agreed that the following overall approach is taken for the management of the project:

- The Health Board will adopt the general principles of PRINCE 2 methodology in managing the activities and outputs of the project and will meet the requirements of the WHC (2015): 012; Infrastructure Investment Guidance; and subsequent guidance which may be issued during the projects' lifespan;
- The project will use NHS Wales standard documentation and products where these are available, and will seek to benefit from experience and best practice from other NHS Wales projects;
- Specialist professional and technical advisers will be employed for those activities where the necessary skills and experience are not otherwise available to the project team. The transfer of skills and knowledge from specialist advisers to the project team will be achieved wherever possible and appropriate.

In managing the project, the Health Board aims to:

- Deliver the project on time and to budget;
- Ensure effective and proactive lines of accountability and responsibility for the project deliverables; and
- Establish user involvement at all stages of the project.

### 7.3.1 Project Reporting Structure

The reporting organisation and the reporting structure for the whole of the project is shown as follows:

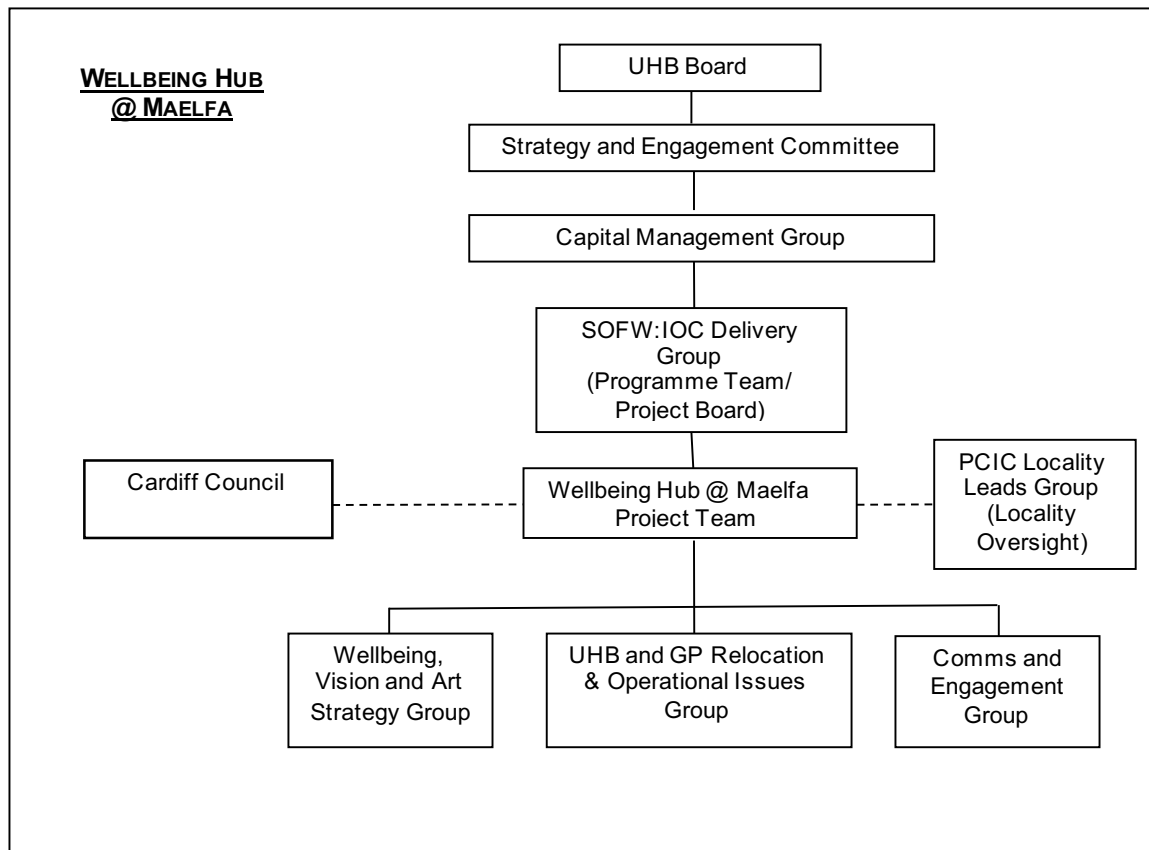


Figure 15: Project Structure

A rational approach has been taken to the role of the Project Board, to ensure best use of members' time and commitment, while reflecting the locality management structure. There will be a core membership supplemented by key staff from each of the three Localities. The Project Board, while being identified as a single entity (known as 'The Project Board'), will in effect incorporate the following:

- The Cardiff South and East Locality Project Board;
- The Cardiff North and West Locality Project Board;
- The Vale Locality Project Board.

The CVUHB Board will hold ultimate responsibility for the Programme's capital management, via the SOFW:IOC Delivery Group, Capital Management Group and the Strategy and Engagement Committee.

The Project Board will be the SOFW:IOC Delivery Group and will provide strategic direction for the project, oversee the work of the Project Team, provide a challenge to the proposals

as appropriate and recommend to the CVUHB Board the preferred way forward as part of the integrated assurance and approval plan.

The purpose of the Project Team is to manage and co-ordinate the project, within the parameters set by the Project Board. The Project Team is responsible for the preparation of the business case for the project, which sets out the case for the proposed service and the capital implications, providing supporting justification in the form of the relevant strategic, economic, commercial, financial and management information required to produce the FBC.

Advice is also available, where appropriate, from the wider perspective of the Primary, Community and Intermediate Care (PCIC) Locality Leads Group.

### **7.3.2 Project Roles and Responsibilities**

The project roles and responsibilities are as follows:

#### *7.3.2.1 Investment Decision Maker*

In line with the NHS Wales Infrastructure Investment Guidance, it is recognised that there must be clarity on decision making authority and management arrangements.

The Investment Decision Maker is the Cardiff and Vale Health Board. Their role is to:

- Ensure a viable and affordable programme business case exists and remains valid during the planning process;
- Ensures that the appropriate level of business case is developed for submission to Welsh Government;
- Maintain commitment to the programme and project;
- Authorise allocation of funds to the programme and project;
- Oversee programme and project performance;
- Ensure resolution of issues.

#### *7.3.2.2 Senior Responsible Owner*

The Senior Responsible Owner (SRO) of this programme and the project is the Executive Director of Strategy and Planning, Abigail Harris. The Executive Director will monitor the development and progress of the programme and project at Executive Board level and will exercise executive responsibility for the capital aspects of the scheme including compliance with Financial Instructions and Standing Orders; will be responsible for responding to internal and external audit scrutiny and ensuring the appropriate interim reports are made to the Capital and Estates Division of Welsh Government in line with existing directives.

#### *7.3.2.3 Programme Director*

The Deputy Director of Strategy and Planning, Marie Davies, will fulfil the role of Programme Director and have ultimate responsibility for managing the development of the programme and this project on behalf of the SRO and ongoing management of the programme to ensure that desired programme outcomes and objectives are delivered.

#### 7.3.2.4 *Programme Manager*

The development of the programme will be managed by the Corporate Strategic Planning Lead, Chris Dawson-Morris.

The Programme Manager will establish the management structure for the programme, involving appropriate representatives from within the Health Board and partner organisations who can provide the appropriate vision, direction and support to the development of the programme and the project.

#### 7.3.2.5 *Project Director*

The Director of Capital, Estates and Facilities, Geoff Walsh, will fulfil the role of Project Director for the project. The Project Director will have ultimate responsibility for the project and will ensure the project is focused, throughout its lifecycle on achieving the objectives and delivering the projected benefits. The Project Director will ensure that the project provides value for money ensuring a cost-conscious approach to the project, balancing the demands of business, users and suppliers. The Project Director will act as the point of contact in all dealings with contractors, consultants and outside organisations involved in the construction process.

#### 7.3.2.6 *Business Case Manager – Programme and Projects*

This function will be undertaken by the Service Planning Project Lead, Rob Wilkinson. The Business Case Manager will project manage the business case process.

The Business Case Manager will establish the management structure for the project, involving appropriate representatives from within the Health Board and partner organisations who can provide the appropriate input to support the development of the project and required business case.

The Business Case Manager will work with the healthcare planning consultants appointed to assist in the development of business case to develop and manage the project plan, setting out the key actions and milestones to manage the business planning process leading to the production of the agreed level of Business Case which is compliant with Welsh Government Infrastructure Investment Guidance.

#### 7.3.2.7 *SOFW: IOC Delivery Group – Programme Team/Project Board*

The Terms of Reference for the SOFW:IOC Delivery Group are included within Appendix 9.

The SOFW:IOC Delivery Group will support the delivery of the project through:

- Taking the lead responsibility for the overall success of the project, and the services that support the change;
- Taking the lead responsibility for risk relating to the programme and for the realisation of associated benefits - balancing the acceptable level of risk against objectives and business opportunities;
- Agreeing and directing the activity of the programme;

- Instructing and managing external consultants;
- Ensuring the brief set by the Delivery Group is adhered to;
- Ensuring that the project scope remains consistent with the strategic programme;
- Providing formal approval at key stages to the project both in terms of business case development and formal submission to Welsh Government;
- Providing the formal authority for committing resources to the project;
- Ensuring that the scheme delivers appropriate value for money.

### 7.3.2.8 Project Team

The Terms of Reference for the Project Team are included within Appendix 10.

The Project Team will support the delivery of the project through:

- Taking actions to ensure all stages of the project are achieved within the identified timescales, reviewing progress on a regular basis;
- Ensuring plans being developed fit within both the Capital Programme of the Health Board and the wider strategic service planning framework;
- Developing and regularly reviewing the Project Risks Register and ensuring appropriate mitigation plans are developed;
- Developing, agreeing and monitoring budgeting arrangements for project delivery;
- Identifying and developing appropriate capital and revenue financing arrangements for the project ensuring both affordability and sustainability;
- Every team member will have equal responsibility for identifying, at the earliest opportunity any major factors, risks or variances arising during the course of the project that may impact upon project delivery.

The table below has been further developed during the FBC and shows the membership of the Project Team:

Name	Position	Role
Geoff Walsh	Director of Capital, Estates and Facilities	Chair
Jeremy Holfield	Head of Capital Planning	Member
David Taylor	Deputy Head of Capital Planning	Member
Nicola Jones	Design Officer and Capital Planning Lead	Member
Rob Wilkinson	Service Planning Project Lead	Member
Jonathan Nettleton	Property and Accommodation Manager Capital Estates and Facilities	Member
Sian Powell	GP Contract and Development Manager, PCIC	Member
James Rugg	Primary Care Support Manager, PCIC	Member
Dr Roger Morris	East Cardiff Cluster Lead	Member
Dr Gareth Powell	Llan Healthcare GP Lead	Member
Sharon Lockwood	Llan Healthcare Practice Manager	Member

Name	Position	Role
Rachel Thomas	South & East Cardiff Locality Manager	Member
Eleri Crudgington	South & East Cardiff Assistant Locality Manager	Member
Lynne Topham	North & West Cardiff Locality Manager	Member
Sue Friis-Jones	Primary Care Support Manager	Member
Rachel Chivers	Assistant Head of Finance	Member
Jeff Clark	Podiatry, Cardiff and Vale UHB	Member
Tracey Porter	Mental Health, Cardiff and Vale UHB	Member
Cheryl Williams	Principal Health Promotion Specialist, Public Health	Member
Rebecca Hooper	Cardiff Council Neighbourhood Regeneration	Member
Bev King	Community Services Manager, Cardiff Council	Member
Lee Malins	Powerhouse Manager, Cardiff Council	Member
Rashmi Wilson	Housing Services Integration Manager, Cardiff Council	Member
Thoria Mohamed	Third Sector and Community lead, C3CS	Member
Daniel Price	Cardiff & Vale Community Health Council	Member

Table 24: Project Team Membership

### 7.3.2.9 Other Roles

The development of this project will be supported by a range of corporate departments from within the Health Board, partner organisations and the public including:

- Capital Planning;
- Finance;
- Strategic Clinical Engagement;
- Workforce;
- IM&T;
- Public Health;
- Primary Community and Intermediate Care Clinical Board;
- External Stakeholders and Partner Organisations (including Local Authorities, other Health Boards, Welsh Ambulance Services Trust, Third Sector, Cardiff and Vale of Glamorgan Community Health Council);
- Engagement and co-production with service users and local communities.

### 7.3.2.10 Project Plan

The dates detailed below highlight the proposed key milestones of the project:

Milestone Activity	Date
FBC submission to WG	July 2020
Approval of FBC	October 2020
Design completion and commence construction elements	November 2020
Phase 1 - Main site construction completion	February 2022
Facility operational	February 2022
Phase 2 - Demolition of existing Health Centre site and completion of works	August 2022

Table 25: Project Plan

## 7.4 Use of Special Advisors

Specialist advisors have been used in a timely and cost-effective manner in accordance with the Treasury Guidance: Use of Special Advisors:

Specialist Area	Adviser
Supply Chain Partner	Willmott Dixon Construction
Project Manager	Gardiner & Theobald
Architects	Roberts Limbrick
Business Case Development	Adcuris Consulting Ltd
Cost Advisor	Gleeds Cost Management Ltd

Table 26: Specialist Advisors

## 7.5 Arrangements for Change and Contract Management

The reconfiguration will be implemented in a systematic way that causes the least disruption to services. The programme and project structures have been established to implement the necessary changes and ensure clinical leadership remains central to this.

Established workstreams will be led by clinical directors, or their delegated leads, to lead the change management processes required to plan and deliver the organisational development implications of the transition, which will include the following tasks:

- To agree any revised staffing establishments consistent with any revised clinical models / operational policies and within the available financial envelope;
- To plan and implement a transition plan to manage the transfer of existing staff into the new arrangements, ensuring this is consistent with good HR practice and existing Health Board policies and procedures;
- To ensure that the timing of the planned changes is consistent with the smooth continuation of other services affected by the change;
- To assess professional and other training needs arising out of the service changes, and to plan and implement a training programme as appropriate;
- To consider any other operational or HR issues relating to the new service arrangements.

The change agenda will also be supported by the overarching transformation change programme of the Health Board, ensuring a robust framework for change is adopted across the scope of the scheme. The Health Board recognises the enormous challenge that is required to transform services over the coming years to deliver sustainable and prudent services for a growing population with changing demands and in line with this more integrated models for service change are required. This project aligns to the following key areas of the transformation change programme:

- Developing a health and wellbeing model of care with partner organisations;
- Redesign of service delivery models to support the shift of services from hospital to community, and focusing activity and resources in areas of highest need;
- Improve capacity of services through new ways of working;
- Developing a whole systems model approach as a tool to plan services collaboratively with partners;
- Promoting social prescribing and signposting to services;
- Rationalisation of current community estate as appropriate.

## 7.6 Communication and Engagement Plan

Effective communications, consultation and engagement is central and critical to the successful delivery of the project. The Health Board has a duty to involve people in the planning and delivery of health services and significant service developments.

The Health Board's philosophy around communication is simplicity, quality and consistency. All messages should be clear and easy to understand – tailored for their specific audiences; compliant with corporate guidelines; and in keeping with the Health Board's strategic aims.

The objectives of the Health Board's communication strategy are:

- Effectively communicate the rationale for the redevelopment through a range of tested channels to inform internal and external stakeholders, keep them up to date with progress and gain their views;
- Foster ongoing good relationships with the local communities around the hospital and with the media, promoting positive media coverage;
- Manage all publicity regarding the redevelopment project and ensure that accurate information is consistently available;
- Engage staff positively in the changes so that new ways of working are endorsed and staff understand and support the redevelopment;
- Evaluate the effectiveness of internal and external communications and engagement to ensure messages are understood and acted upon and engagement is positive.

The Project Team is to be used as the mechanism to communicate project progress to stakeholders, including patients and other stakeholders and interested parties.

- Project records will be maintained at the Health Board's central project office, in accordance with a defined records management system;
- Project records will be maintained in line with good audit practice and the filing structure determined and communicated via the Project Team;
- Notes will be taken at all meetings, to ensure the task focus of the project, prior to closure of meetings an action list will be agreed and then circulated.

### 7.6.1 Internal

- All members of the project groups will have individual responsibilities for cascading project information through their respective service functions;
- The Project Director will be responsible for producing ad hoc reports to the CVUHB Board.

### 7.6.2 External

- The Project Director will be responsible for providing the key link with major stakeholders not represented on the Project Board to report progress;
- Media Management will be in accordance with the Health Board's related policies and procedures;

- The Project Board may consider the production of regular briefings for internal and external communication purposes;
- All members of the project groups will have responsibility for cascading information through their respective organisations as well as their specific areas of responsibilities.

A stakeholder engagement and communication plan has been further developed during this FBC stage which summarises the engagement activities undertaken to date (including a number of “display and drop in” sessions, newsletters and meetings with local authorities), the results of which all inform or influence the development as far as possible. The latest version of this plan is attached as Appendix 11. The results from a community engagement exercise undertaken for the project have also been appended to the Equality and Health Impact Assessment (EHIA) outlined within section 7.9 of this document.

## **7.7 Benefits Realisation Monitoring**

Benefits are anticipated when a change is conceived and there are measurable improvements that result from the outcome which is perceived as an advantage by the organisation and/or stakeholders. Benefit management and realisation therefore aims to identify, define, track, realise and optimise benefits within and beyond the programme. A benefits realisation plan was developed during the OBC stage and has been further established to provide a framework for this aim and is overseen by the Project Board.

The final agreed plan describes the key objectives, benefits and measures, which will be used to evaluate the successful delivery of the project, it also shows who has the accountability for its realisation. This is in order that a meaningful assessment can be made of the benefits yielded by the project and to benchmark the assessment criteria themselves so that lessons learned can be fed back into future projects. It also ensures that the project is designed and managed in the right way to deliver quality and value benefits to patients, staff and local communities. Timescales for the achievement of these benefits have been identified and included in the plan.

A copy of the final Project Benefits Realisation Plan is attached at Appendix 12.

## 7.8 Risk Management

### 7.8.1 Risk Register

A structured risk management process for the successful delivery of the project has been adopted. It has four main stages:

- Identification - to determine what could go wrong in order to identify the risks;
- Classification - to determine the likelihood of occurrence of the risk and impact on the project;
- Assessment - to understand and possibly quantify the impact on the project;
- Action - to identify countermeasures for dealing with unacceptable risk levels and institute monitoring and control mechanisms, identifying means of avoiding, containing, reducing and transferring risk.

The risk management strategy has been integrated into the project management procedures, with responsibility for implementation of the strategy resting with the Project Director. The key risks of the preferred option have been assessed and strategies for managing them described. The outline service and strategic risk register has been further established throughout the development of this FBC for the preferred option and includes all risks identified to date. The methodology used is in accordance with the Health Board's governance structure for managing risk, and details who is responsible for the management of risks along with the necessary counter measures, as required. The risk register will be continuously updated during the life of the project, and counter measures identified and applied as required.

The current risk register for the preferred option is attached at Appendix 13.

A separate capital / construction risk register has also been prepared and is included in the Estates Annex.

### 7.8.2 Gateway Review Arrangements

Gateway Reviews undertaken across the health service have identified a range of common deficiencies within projects. These key areas have been reviewed under this project to ensure they were being managed as follows:

- Risk – A clearly structured risk management process has been put in place with regular review of the project risk register;
- Roles and Responsibilities – A clear project structure exists for the management of this project with the Senior Responsible Officer and Project Director identified;
- Skills and Resource – The Health Board is experienced and well-resourced and is supported by legal, financial and technical specialists;
- Business Case - The need for a robust Business Case was identified at an early stage and has in part driven the project development;
- Planning – A programme was developed early in the scheme development and has been a strong management tool in moving the project forward;

- Stakeholder Issues – Stakeholder management has been a key focus in the projects development as it integrates various organisations;
- Benefits – A clear benefits realisation plan has been developed and is embedded in the project processes;
- Financial Issues – Finances have been robustly managed as the project has developed to ensure the project is affordable and value for money.

The impact of the programme has been scored against the risk potential assessment (RPA) model. A copy of the RPA stage 1 form is attached as Appendix 14.

## **7.9 Equality and Health Impact Assessment**

In line with the Health Board's ethos and philosophy, a review of the Equality and Health Impact Assessment (EHIA) of the business case has been completed during key stages in the programme development to ensure that the proposals continue to promote equality and positive health outcomes for all. A copy of the equality and health impact assessment for this project is attached at Appendix 15 which includes the results of a community engagement exercise undertaken for the project.

## **7.10 Post Project Evaluation**

The Health Board is committed to ensuring that a thorough and robust post-project evaluation (PPE) is undertaken at key stages in the process to ensure that positive lessons can be learnt from the project. The lessons learnt will be of benefit to:

- Cardiff and Vale University Health Board – in using this knowledge for future projects including capital schemes;
- Other key local stakeholders – to inform their approaches to future major projects;
- The NHS more widely – to test whether the policies and procedures which have been used in this procurement are effective.

Post Project Evaluation (PPE) is a part of the total quality process and the Health Board acknowledges its contribution towards a successful outcome in terms of:

- Greater assurance of total performance in terms of cost, time and quality;
- Clearer definitions of responsibilities;
- Reduced exposure to risk; and
- Improved value for money.

The Health Board has identified a robust plan for undertaking PPE in line with current guidance, which is fully embedded in the project management arrangements of the project. All processes will be managed by the project team and endorsed by the appropriate boards.

The finalised arrangements for post implementation review and project evaluation review have been established in accordance with best practice and are as follows:

### **7.10.1 Post Implementation Review (PIR)**

An evaluation covering a wider range of project evaluation criteria and benefits will be undertaken after a suitable bedding-in period after the construction phase has been completed. It is anticipated that this will take place circa 6 to 12 months following completion of construction works.

### **7.10.2 Project Evaluation Reviews (PERs)**

An appraisal of how well the project was managed and delivered compared with expectations and will be timed to take place at a later stage, therefore allowing assessment of the longer-term outcomes of the project when the full effects have arisen.

## **7.11 Contingency Plans**

If the proposal for the development of a Wellbeing Hub at Maelfa is not approved, Cardiff and Vale University Health Board will not be able to deliver the wellbeing and healthcare services needed by the people of Pentwyn and Llanedeyrn.

Services provided from Llan Healthcare and Llanedeyrn Health Centre will continue to be delivered from not wholly fit for purpose accommodation and not provide the opportunity to deliver more services locally due to restrictions in capacity.

Additionally, if the Full Business Case is not approved the scheme cannot deliver the benefits of the project, programme and strategy, in turn reducing its ability to fully comply with the Welsh Government's strategies such as *Wellbeing for Future Generations Act*, *Taking Wales Forward*, *Prosperity for All* and *A Healthier Wales*.