



Initial Agreement

Scottish National Blood Transfusion Service National Centre

(Revised for SGHD CIG approval)

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1.0 Executive Summary

1.1 Introduction

This Initial Agreement has been developed firstly to establish the case for change and the need for investment and secondly to provide a preferred way forward (strategic option) for a scheme to provide new accommodation for Scottish National Blood Transfusion Service (SNBTS) operations and staff currently located in 5 properties located in Edinburgh and Glasgow.

The Initial Agreement has been developed through a process that has included:

- A rigorous analysis of the existing services and estate;
- A review of the strategic context for the project including examining existing national and local policies, business strategies and drivers for change;
- The development of a robust set of investment objectives;
- An analysis of business needs (the gap between where the organisation wants to be and the existing arrangements);
- The development of options for meeting the business needs;
- An appraisal of options in terms of benefits, costs and risks.

The development of this Initial Agreement is the first stage of a systematic and objective approach to the development of a business case that will genuinely prove a case for investment in this project.

1.2 The Preferred Way Forward

The Initial Agreement identifies a preferred way forward (strategic option) that consolidates SNBTS operations and a range of support functions into a new National Centre that will enable the introduction of “lean” process improvement and ensure that SNBTS can be compliant with regulatory standards in the future.

The proposed investment in the preferred way forward will make a significant contribution to the achievement of the key strategic outputs described in the SNBTS Strategic Development Plan 2009 – 2014: “Meeting the Transfusion Needs of Patients in Scotland” in terms of:

- Service modernisation;
- Renewing and future proofing the SNBTS estate to maintain licences;
- Continuous improvements in quality and efficiency;
- Ensuring ongoing regulatory compliance;
- Delivering improvements in blood and tissue safety;
- Building a more resilient service;
- Developing new and improved treatments for patients;
- Developing the SNBTS workforce.

1.3 Benefits & Critical Success Factors

1.3.1 Benefits

Substantial benefits are expected to be realised through the investment in the new SNBTS National Centre and these include:

- Enabling the delivery of products and services which assure patient safety by manufacturing blood, cells and tissue products in appropriate premises and by procedures that comply with current and future regulatory requirements;
- Addressing current building condition and performance issues where they exist on the current SNBTS estate currently occupied by the functions identified within the scope of this project;
- Addressing current issues around quality of working environment & thereby facilitating the retention and recruitment of staff, enabling the provision of improved staff welfare facilities and promoting staff morale;
- Providing flexible, well designed, efficient space that will enable SNBTS to better cope with uncertainty around the future property needs of the organisation and support opportunities to changing working practices and new technology;
- Supporting SNBTS interaction with NHS clinical activity and with NHS and medical school research;
- Supporting SG & NSS environmental sustainability agendas through the appropriate procurement, design and operation of the NSS property portfolio;
- Delivery of a working environment which maximises the opportunity for staff to develop and deploy their knowledge, skills and personal qualities creatively to add value to the business and services;
- Enabling integrated/collaborative working and thereby encouraging better use of skills and resources;
- Achieving synergies from shared use of accommodation & support services.

1.3.2 Critical Success Factors

Revised for SGHD CIG approval: The Critical Success Factors for this project are as follows:

1. Delivery of a safe and sustainable supply of blood components, tissues and cells that meets the needs of patients within Scotland for the foreseeable future;
2. Modernisation of blood processing and testing facilities to ensure resilience and compliance with pharmaceutical regulatory & quality standards;
3. A scheme that maximises the return on the required investment (benefits optimisation) in terms of productivity, efficiency, effectiveness and value for money;
4. Delivery of the scheme within the funding constraints of the organisation and so as to achieve and maintain a sustainable financial position;
5. A scheme that demonstrates that effective Partnership structures were in place with sufficient time and resource available for managers, trades union representatives and staff to deliver successful outcomes for the project;
6. Delivery of a scheme that complies with “A Sustainable Development Strategy for NHSScotland’ through the achievement of a NHS BREEAM “Excellent” rating for the new building;

7. Successful operational transition from existing accommodation to the proposed new National Centre ensuring no disruption to Scotland's blood supply;
8. Successful closure and disposal of all surplus accommodation derived from the scheme.

1.4 Indicative Costs

A high-level assessment of the projected capital and revenue (recurring and non-recurring) requirements for project has identified the following Capital and Revenue implications net of Baseline over the upcoming ten year period:

Funding £m	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Capital	(0.9)	(29.3)	(5.2)	-	-	-	-	-	-	-
Revenue	(1.2)	(0.3)	(0.4)	(1.0)	0.5	0.5	0.6	0.6	0.6	0.7

1.4.1 Capital

The estimated capital requirement of £35.4m from 2010/11 to 2012/13 assumes a capital funded build of the proposed SNBTS National Centre and has been included in NSS's Local Delivery Plan for 2009/10. This estimate has been derived from the Site Master Plan Study undertaken to inform the SNBTS Strategic Property Option Appraisal in 2008. This Capital requirement exceeds NSS's delegated authority and would require approval by SGHD Capital Investment Group. It is assumed that subject to Full Business Case approval all capital funding for this proposal would be provided by SGHD net of any capital receipts from the sale of NSS property holdings.

1.4.2 Revenue

The estimated increase in annual revenue costs from 2010/11 to 2012/13 reflects the introduction of planned building maintenance and lifecycle replacement costs for retained properties. The additional increased revenue costs in 2013/14 are associated with double running costs while the proposed new build is equipped and commissioned. The recurring revenue savings from 2014/15 assumes the sale of Ellen's Glen Road and the transfer of surplus property at Lauriston Place and Gartnavel and also at Foresterhill and Raigmore to Health Boards.

Revenue requirements have been considered against future year financial plans as part of the 2008/9 financial planning process. The intention is that these will be met from annual uplifts to the NSS baseline allocation and additional revenue funds generated from the annual NSS efficiency programme.

1.4.3 Excluded Costs

Staff, operational equipping and transition costs have not been included from the scope of costs within this Initial Agreement as they will be dependent on location and other factors which will be examined as part of the development of the Outline Business Case.

1.5 Delivery Arrangements

Revised for SGHD CIG approval: A key driver, and operational constraint, for the location of the proposed National Centre is the movement of blood, blood components and tissues, with transit and delivery times for both incoming donations and outgoing blood components and tissues being time sensitive and the preferred location is the triangle bounded by Glasgow, Edinburgh and Falkirk.

NSS will identify suitable property options for delivering the preferred way forward through the following:

- Trawl of surplus Scottish Government and NHSScotland properties;
- Liaison with NHSScotland Health Boards;
- Advertisement in the Official Journal of the European Union (OJEU).

Consideration will be given to options for an existing building, a capital build on land purchased or leased, or a new building constructed by a developer and leased to NSS.

In the event that the preferred property solution is a capital funded new build, NSS will utilise Frameworks Scotland for the procurement of a Principal Supply Chain Partner (PSCP). In this regard NHS Health Facilities Scotland (HFS) has advised that engagement with a preferred PSCP is not appropriate until a preferred site and construction procurement route is identified.

1.6 Project Governance

A Project Initiation Document (PID) has been developed with the purpose of defining the “SNBTS National Centre” project and to form the basis for its management and the assessment of overall success.

The PID has been developed to reflect accepted best practice taken from the OGC methodologies, PRINCE 2™ and “Managing Successful Programmes” and will provide project governance assurance to the Project Owner. It will also act as a foundation document against which the Client Lead and Project Director can monitor progress, change management issues and ongoing viability issues. The PID includes a governance structure for the project which is based on previous NSS property projects and has been further developed to meet SNBTS’s specific requirements.

1.7 Partnership Working and TU Consultation

NSS is committed to Partnership Working with Trade Unions and professional organisations. This will be evidenced throughout the planning and implementation of the project through the involvement of TU representatives on the project’s Steering Group, Core Project Team, and Divisional User Groups and at the option appraisal workshop.

In addition all staff within the scope of the project will be consulted on the short listing of options and will be fully involved in the planning and delivery of the agreed property option. A robust communication plan has been developed to ensure that affected staff are fully briefed as the project progresses.

Formal consultation with Trade Unions and professional organisations will take place in parallel with the development of Outline and Full Business Cases.

1.8 Implementation Plan

The following table sets out the estimated timescales for completion of key milestones for delivery of the SNBTS National Centre project (Business Case approvals are shown in green, project activities are shown in yellow):

2009/10	2010/11	2011/12	2012/13	2013/14
Initial Agreement: NSS Board: November 2009 SGHD CIG December 2009	Identify Preferred Site June 2010	Start New Build April 2011	Complete New Build April 2012	Complete Equipping, Commissioning & Validation (phase 1) May 2013
	Outline Business Case: NSS Board October 2010 SGHD CIG November 2010		Start Fit Out May 2012	Complete Equipping, Commissioning & Validation (phase 2) November 2013
	Complete New Build Design & Tender January 2011		Complete Fit Out November 2012	Complete transfer of operations January 2014
	Full Business Case: NSS Board February 2011 SGHD CIG March 2011			

It should be noted that the project timescales detailed above are subject to the following:

- sufficient internal and external project resources being made available;
- availability of the preferred property option;
- confirmation of commissioning and validation works required to be undertaken prior to occupation.

2.0 Strategic Context

This section of the Initial Agreement provides an overview of NSS and SNBTS and, in terms of the proposed investment, demonstrates business fit and synergy with Scottish Government policy and NSS business strategies.

2.1 Organisational Overview

2.1.1 NSS

NSS provides a wide range of support services to NHSScotland and employing 3570 staff at 33 sites across the country. NSS currently comprises 11 operational Divisions and 5 Headquarters departments all organised into 4 support groups:

- Health Support Group (HSG)
- Business Support Group (BSG)
- Clinical Support Group (CSG)
- Corporate Support Services (CSS)

NSS Core Purpose:

“to deliver effective national and specialist services which enable and support improvements in the health and well being of all the people of Scotland.”

Seven strategic enhancement themes (**the 7 SET**) have been developed to provide the route to achieve the NSS Vision, and bring focus, cohesion and added momentum to the efforts of Divisions.

NSS Service Enhancement Themes: -

1. Improve Customer Service;
2. Strengthen our Partnership Working;
3. Ensure our Quality and Innovation.

NSS Ways of Working Enhancement Themes: -

Processes

4. Modernise our Working Practices;
5. Increase our Efficiency.

People

6. Enhance our Leadership Capability;
7. Develop our People.

2.1.2 SNBTS

SNBTS is part of the Health Support Group within NSS. It employs circa 1200 staff and had an expenditure budget of almost £60 million in 2008/9.

SNBTS Core Purpose:

“Meeting the transfusion needs of patients in Scotland”;

SNBTS Mission:

“SNBTS is the specialist provider of transfusion medicine in Scotland supplying high quality blood, tissues, products and services. SNBTS works with communities, hospitals and professionals to ensure that the donor's gift is used wisely and effectively for the benefit of patients.”

SNBTS Vision:

“SNBTS will deliver excellent transfusion healthcare for the people of Scotland by:

- Transforming the donation experience to make it more accessible and satisfying.*
- Modernising our manufacturing processes to achieve pharmaceutical standards.*
- Reshaping clinical services to develop national specialisation and support local provision to patients.”*

SNBTS and is charged with the responsibility of providing safe and sufficient supplies of blood and tissues for NHS Scotland and also delivers a range of specialist Clinical Services. The work is extremely challenging, highly regulated and experience has shown that the scope and stringency of the safety agenda and regulatory process will continue to increase.

2.2 Scottish Government Asset Management Policy

In August 2007, the Cabinet Secretary for Finance and Sustainable Growth commissioned a Review of Public Sector Asset Management that focused on the Scottish Government estate. The over-arching purpose of the review was to bring more consistency to the current arrangements for managing the Government estate in order to improve efficiency and effectiveness.

The review found that due to the lack of forward planning and co-ordination there were inconsistencies across the Scottish Government estate in terms of the efficient and effective use of all parts of the estate at all times. In this regard the review recommended that all parts of Scottish Government should identify best opportunities for the future use of surplus property assets across the central Government estate.

While NSS is not part of central Government, guidance from the Scottish Government Health Department (SGHD) has made it clear that all NHSScotland organisations are similarly required to take into account suitable surplus Scottish Government accommodation when considering options for new property. This will need to be taken into full account when deciding on the preferred property option.

2.3 Business Strategies

The investment proposed in this Initial Agreement fits within, supports and promotes a number of existing business strategies and work programmes of which this project is an integral part:

2.3.1 SNBTS Strategic Development Plan 2009-2014

As a key part of NHS Scotland and NSS, SNBTS operates within the policy framework and strategic direction set by these wider organisations and this is reflected in the approach set out in the SNBTS Strategic Development Plan 2009-14: “Meeting the Transfusion Needs of Patients in Scotland”. The plan is described within five Strategic Themes:

- Enough Blood for Patients;
- Facilities Fit for the Future;
- Sustainable Tissue Services;
- Services for Patients;
- An Organisation Fit for the Future.

The key strategic outputs from the plan include service modernisation; renewing and future proofing the SNBTS estate to maintain licences; continuous improvements in quality and efficiency; ensuring ongoing regulatory compliance; delivering improvements in blood and tissue safety; building a more resilient service; developing new and improved treatments for patients and developing our workforce. The proposals in this Initial Agreement are particularly focused on the strategic theme “Facilities Fit for the Future” but are inherently linked and support the delivery of all five themes.

2.3.2 NSS Property Strategy

The proposed investment in a National Centre for SNBTS, to which this Initial Agreement refers, forms part of the implementation of the NSS Property Strategy 2008-2013, which was approved by the NSS Board on 7 November 2008.

The Property Strategy aims to deliver the following strategic property objectives which are all appropriate to this project:

- Efficiently, coherently and strategically support the implementation of Scottish Government policies;
- Facilitate delivery of Health Support & Business Support services for patients and promote partnership working with NSS stakeholders;
- Provide a safe and secure working environment which fully complies with all applicable statutory and regulatory requirements;
- Be designed to provide a good quality, accessible working environment for our staff which supports recruitment and retention;
- Represent good “Value for Money” and be demonstrably affordable in terms of capital and revenue investment;
- Be “fit for purpose” and flexible over the long term to support organisational and functional change inc. “new ways of working” and blood safety measures;
- Be environmentally sustainable, moving towards a “carbon neutral” estate.

These property objectives cannot be effectively supported by significant elements of the current SNBTS estate. An Estatecode survey in 2008 established that the majority of SNBTS’s current accommodation is in an unacceptable condition. The current estate is also not sufficiently flexible to allow changes in work processes and there is concern over the ability to continually meet stringent regulatory compliance. In addition, upcoming lease expiries at Summerhall and Possilpark provide opportunities to relocate SNBTS operations at these sites to suitable alternative accommodation.

3.0 The Case for Change

As part of the development of this Initial Agreement a thorough analysis has been undertaken to develop a clear understanding of what SNBTS is seeking to achieve (the investment objectives); what is currently happening (existing arrangements) and the associated problems (business needs). Analysing the project in this way has led to the development of a compelling case for change and investment.

3.1 Investment Objectives & Critical Success Factors

The investment objectives for this project relate to the underlying policies, strategies and business plans of NSS and SNBTS. Furthermore, they are intrinsically linked to SNBTS's Strategic Objectives, the SNBTS/NSS LDP and HEAT Targets, NSS's 7 SET Objectives and SNBTS Directorates' Objectives for 2009/10. Annex A details the NSS "Strategy Map" showing the context and relationship between these various objectives.

The investment objectives for this project can be grouped under four main headings:

- Business Objectives
- Regulatory Compliance Objectives
- Sustainability Objectives
- Design Quality Objectives

These will be further developed into SMART objectives (with measurable KPIs) as part of the development of the Benefits Realisation Plan within the Outline Business Case.

3.1.1 Business Objectives

Objective 1: To ensure SNBTS can continue to meet the transfusion needs of patients in Scotland and that Scotland's blood and tissue supply are not compromised.

Objective 2: To facilitate and enable the introduction of lean and compliant pharmaceutical manufacturing.

Objective 3: To improve business effectiveness, efficiency and service quality in accordance with the measurable objectives and targets in the current SNBTS Business Plan

3.1.2 Regulatory Compliance Objective

Objective: To fully comply with relevant requirements of Good Manufacturing Practice (GMP) for all relevant processing, testing and storage activities relating to the manufacture of blood components and tissues, with workflows that prevent cross-contamination of products.

The final building will be subject to formal Inspection by regulatory bodies, notably the Medicines and Healthcare Products Regulatory Agency (MHRA) and Human Tissues Authority (HTA). They will expect that the design meets necessary quality standards, notably those defined in the EEC Guide to Good Manufacturing Practice (GMP). Key elements, such as layout, finish, air handling, equipping will need to meet defined standards for processing of sterile pharmaceutical products.

All elements of the project will be subject to compliance with the SNBTS Quality Management System, particularly with regards to Specification of facilities and equipment, Validation, change control, GMP risk assessment, Standard Operating Procedures (SOP) documentation, training, etc. The role of the SNBTS Quality Directorate will be crucial in ensuring these specific GMP requirements are met at each stage of the project and in order that the facility can be commissioned for operational use.

3.1.3 Sustainability Objective

Objective: To comply with “A Sustainable Development Strategy for NHSScotland”, to enhance the contribution of the health sector to sustainable development in respect of transport, procurement; facilities management; employment and skills, community engagement, new build and refurbishment.

Land and Property, Energy and Waste are key programmes contained within the NSS Environmental Management Strategy currently under development. These programmes are designed to measure and improve the environmental performance of the NSS estate by creating lower carbon buildings and providing the organisation with potential savings from carbon efficiency and are directly relevant to this project.

The programmes will extend to both the procurement, design, fit out and equipping and subsequent management of the proposed new facilities and the anticipated outcome from this will be that the new SNBTS National Centre building will obtain a BREEAM Healthcare/ or equivalent 'Excellent' rating.

3.1.4 Design Quality Objective

Objective: To deliver high quality buildings with a strong focus on lifetime costs, quality and design.

The proposals in this Initial Agreement represent a unique opportunity to meet the need to provide improved accommodation for SNBTS and at the same time to significantly rationalise and consolidate current SNBTS property holdings.

Considerable thought has gone into the planning of new NSS office property since 2004 resulting in the development of an NSS Accommodation Framework, agreement of space standards for the design and use of office space and a move towards the adoption of new ways of working. All of this has resulted in a shift to open-plan flexible working within space efficient, well-designed accommodation and can accommodate growth in staff numbers.

This approach will be further enhanced and developed specifically for SNBTS accommodation as part of this project through the examination of compliance requirements, operational and individual work styles and the development of a detailed space budget which is closely matched to SNBTS operational needs. This work will build on the User Requirement Specification (URS) developed in early 2008 to inform the development and appraisal of strategic options for the SNBTS estate.

While space requirements for the new facilities will inherently include some capacity for additional growth this has to be balanced with the cost of property. Accordingly it is assumed that the workforce planning information and anticipated future blood and tissue safety requirements provided for this project is reasonably accurate.

When considering the preferred option as part of the OBC, an AEDET (Achieving Excellence Design Evaluation Tool) assessment workshop will be held within the SNBTS, followed up with a workshop involving the construction team to ensure that key design objectives are embedded and addressed as the project develops

3.2 Existing Arrangements

A review of the existing arrangements has been undertaken and examined how services are currently organised, provided and supplied. This provides a snapshot of 'where we are now?' and consequently the basis for the 'Do Nothing' option. The existing SNBTS functions within the scope of this project are as follows:

3.2.1 Blood Processing and Testing

SNBTS currently carries out blood component processing and testing at two locations prior to delivering stocks to hospital blood banks.

To derive the maximum benefit for patients, and ensure that every donor's gift is put to the best use, blood donations undergo a number of processing and testing steps prior to delivering stocks to hospital blood banks for transfusion to ensure their safety, increase their effectiveness and optimise their availability and utilisation.

SNBTS has a duty to ensure the continued safety and quality of all of its products and services. Every donation is subjected to a number of mandatory tests including those for several infectious agents that can be transmitted by blood transfusion. Donations of whole blood are then processed to separate them into specific components that patients need i.e.:

- Red blood cells (to carry oxygen to the tissues);
- Platelets (which help stop bleeding);
- Plasma components (the clear liquid part of blood which carries a range of proteins, including those which stop bleeding).

Within its current strategic plan SNBTS expects it will be necessary to implement a significant number of blood and tissue safety initiatives and these will have an impact on staff, space, cost and, on occasion, product availability.

It is imperative that SNBTS is in a position to implement all future mandatory safety measures in a timely and effective manner. Not surprisingly, the further we look into the future, the less certain we can be about the extent of these impacts or their implementation date. Nevertheless, it is essential that the SNBTS estate can accommodate future developments including:

- initiatives that we are about to implement;
- those we anticipate being instructed to implement at a date yet to be decided;
- safety measures which are not yet scientifically feasible or proven but, from experience, we can predict they will need to be implemented at some future date e.g. applying pathogen reduction technology to red cell components; testing for some as yet unidentified but emerging pathogen that is transmissible by blood and tissues.

SNBTS blood component processing and testing facilities are currently located at Lauriston Place, Edinburgh and Gartnavel Hospital, Glasgow.

3.2.2 Tissue Services

Products prepared from bone, tissues and cells are relatively new therapeutic agents. SNBTS experience in preparing biological materials as medicinal products makes SNBTS ideally placed to supply these preparations to the NHS in Scotland. This work has become established in the Tissue Services Directorate of SNBTS (with close links to the Clinical Directorate) and the consolidation and development of these products is a major feature of the SNBTS Strategy.

Tissue Services supports surgeons in Scotland by collecting bone, tendons and heart valves for use in orthopaedic and cardiac surgery. Recent developments have seen the provision of skin for patients with burns, as well as some blood vessels for specialist transplant operations, whilst imminent new developments will be the isolation and processing of islet cells for patients with brittle diabetes. As with blood donations, all tissue donations have to be prepared, processed and tested before they are released for use.

SNBTS Tissue Services is currently located at Ellen's Glen Road, Edinburgh, with bone banks within the Glasgow, Aberdeen, Dundee and Inverness Centres. Additionally, dedicated tissue retrieval facilities (mortuary accommodation) are located within the Western General Hospital in Edinburgh and Gartnavel Hospital in Glasgow.

3.2.3 Quality and Engineering

The key regulatory objective for SNBTS is to ensure that all its operations remain compliant with all relevant legislation, including Blood Directive, Tissue Directive and Information Governance. In the last few years, the regulatory expectations placed on SNBTS have increased. This has been reflected in a wider range of regulatory inspections by various Inspection bodies, which will continue to expand.

Not only is the range of regulatory requirements increasing, the intensity of inspection is also increasing. In response to this increase of regulatory demands, the role of the Quality Directorate has broadened and expanded. For example, in 2008, the Directorate took on responsibility for Information Governance and Engineering. The next stage will be to move to provision of quality management on a functional rather than geographical basis, by appointing senior quality managers as support for each of the main functional Directorates (Supply Chain and Clinical).

In order to facilitate this development, it is planned to further strengthen the core Quality Management System, so that it is readily applicable in all parts of the SNBTS. This will involve the development of national expertise in key parts of the QMS (e.g. training, audit, validation) and a significant expansion of the current dedicated computer system (QPulse) to assist in developing true SNBTS wide quality systems. In addition to the provision of widespread quality support within SNBTS, there will be closer links with other parts of NSS (e.g. Facilities, IM+T and Procurement) to ensure that QMS support is provided and delivered to those parts of the wider NSS organisation which provide SNBTS with key services which are subject to regulatory scrutiny.

SNBTS is already delivering a significant service to non-SNBTS blood banks in support of their requirement to comply with the UK Blood Safety and Quality Regulations. This new requirement commenced in 2005 and is imposing great demands on organisations with no previous experience of formal regulatory scrutiny.

SNBTS have arranged audits of the QMS operated in some blood banks, and have assisted blood banks in preparing for MHRA Inspections. This process will continue and expand, with closer partnerships being formed with relevant hospital and laboratory management throughout Scotland.

The end of manufacturing activities within the Protein Fractionation Centre (PFC) provided an opportunity for SNBTS Engineering to dedicate 100% of its resources to the wider SNBTS and, more specifically, to issues connected with regulatory compliance. In recognition of the changing focus, the Engineering department formally became part of the Quality Directorate in April 2008 with the key objective to provide support, validation and calibration services to the SNBTS thus ensuring that equipment, services, and facilities are maintained in compliance with regulatory requirements. This part of the Quality Directorate provides the following services:

- Contract management;
- Validation;
- Calibration;
- Remedial works and failure response.

SNBTS Engineering also provides a role for the recording of maintenance, validation and calibration activities through the Frontline computer system which is networked throughout the operational parts of SNBTS.

The SNBTS Quality Directorate currently has staff located at Ellen's Glen Road, Edinburgh and in each of the operational centres.

3.2.4 Research and Development (non clinical)

SNBTS ongoing commitment to research and development will continue to enhance the services that NHS Scotland can provide to patients through the development of high impact R&D programmes, both in the clinical and operational areas. In recognition of this, SNBTS forward planning in the research area calls for "Investing in High Impact Science". To achieve this requires an appropriately skilled workforce working on projects relevant to the organisation with sufficient resource and links to other research groups to ensure the work will have high impact.

The current R&D 4 year plan, agreed with SNBTS's external Research Advisory Group in January 2008, envisages the following areas of activity:

- Providing support to the Supply Chain by:
 - ensuring that blood components are current and appropriately validated;
 - assessing options in terms of component pathogen inactivation;
 - ensuring methods for the removal and assay of prions are assessed and, where appropriate, such technologies introduced into routine practice e.g. confirmatory assays for vCJD screening, prion removal filters;
 - undertaking basic research, and providing reference facilities, to ensure that methods for screening for emerging and existing transfusion transmitted infections are available when needed and that the epidemiology of infections of concern is understood;
 - supporting the Better Blood Transfusion Initiative in establishing a good evidence base for transfusion practice.

- Providing support to the Clinical & Tissues Directorate by:
 - developing, trialling and providing existing and novel cell therapies within GMP facilities;
 - developing, trialling and providing existing and novel tissue therapies within GMP facilities.
- Providing support to SNBTS overall by:
 - maintaining the product services group skills to support planned audit and trial activities in support of best transfusion practice;
 - supplying library and teaching support to enable life long learning.

The SNBTS non clinical R&D is currently located at Ellen's Glen Road and Summerhall Place in Edinburgh and at Gartnavel Hospital in Glasgow.

3.2.5 Donor Administration

Donor Administration undertakes a variety of functions including:

- Donor records management;
- Collection program planning and booking;
- Session resource management;
- Community liaison;
- Grassroots recruitment;
- Local publicity ;
- Session call up;
- Post session clear up;
- Donor inquiries;
- Maintenance of data systems for Adverse Events, Waiting Times, Session Resource and Program Performance;
- Management of donor deferrals.

The Donor Administration and Support functions are currently co located with the five collection sites at Lauriston Place (Edinburgh), Foresterhill (Aberdeen), Ninewells (Dundee), Gartnavel (Glasgow) and Raigmore (Inverness).

The current footprint is largely unchanged since the first SNBTS Strategy which reduced processing and testing sites from five to two in 1998. Since the Donor Services Review in 2003, the local Donor Administration offices operate on standardised procedures utilising a multifunctional system of working processes. Additionally, advances in technology offer the opportunity to modernise working practices and potentially release resource to improve our overall efficiency while fostering continuous improvement and quality.

Development of the proposed National Centre offers the opportunity to review how and where this service is delivered in the future. As part of the SNBTS strategy the current functions undertaken by Donor Administration will be reviewed in order to establish:

- What functions need to be delivered & conducted locally;
- What functions would be best served by co-location with P&T sites;
- What new activities could be supported by the release of resources;
- How technology could facilitate the redesign of our working practices.

It is anticipated that “post session clear up” will transfer to the proposed National Centre and this has already been implemented in Aberdeen and Inverness with the associated transfer of resources to Edinburgh & Glasgow respectively.

Currently the medical management of blood donors is delivered in the five regional centres. It is anticipated that in the next 5 years there will be a significant change in the current staffing of this function due to retirement. There is likely to be significant issues with recruitment in this area. In the last three years there has been significant progress in developing national practice and standardisation. The development of the national site and the review of the Donor Administration function offers the opportunity to similarly review how we deliver the medical care of blood donors. Major aims would be to address the workforce planning challenges and consider how this area of service provision could be further improved.

3.2.6 Logistics

Using the principles of modern stock and inventory management systems to increase efficiency and reduce wastage, the Logistics Team manage the process of delivering sufficient blood and tissues to NHS Scotland. This ensures that blood stocks go further and that SNBTS maximises the extent to which the donor’s gift benefits patients who may require a blood transfusion as part of their treatment.

Delivery of this service includes the following activities:

- Collection and delivery of blood and blood components;
- Transportation of staff and equipment to sessions;
- Matching supply and demand;
- Stock level reporting.

Over the next 5 years, this team will explore ways to continue to develop stock management systems that will ensure blood components will always be available.

Note: SNBTS plans to introduce vendor managed inventory and automatic stock replenishment techniques to minimise wastage, improve efficiency and substantially reduce unscheduled deliveries. This should result in less ad hoc ordering activity in hospitals, less work for our Hospital Services Despatch Departments in responding to these orders, and significantly reduced courier costs for SNBTS and NHS hospitals. Also, by encouraging more appropriate blood stock management practices in hospitals, SNBTS will reduce the number of emergency deliveries to reduce risks for patients, SNBTS drivers and the public, resulting in an improved effective and streamlined logistics service.

- Continue to ensure the blood supply is appropriately managed in emergency situations;
- Ensure the logistics function is located close to the main blood stock (ideally beside the processing and testing functions);
- Review the transport function to ensure that it has the workforce, skills and infrastructure to deliver blood components and tissues in the most effective and efficient manner in support of patient care;
- Develop the Blood Express project to harness the large but disparate data sets within SNBTS/NSS/NHSS and thereby produce accurate, timely and actionable Management Information for the wider Blood Transfusion community in Scotland.

Within the Logistics team, the Transport Department are currently located in leased garage accommodation at Possilpark, Glasgow and at Ellen’s Glen Road, Edinburgh.

The stock and inventory management functions are based at the Processing and Testing sites at Lauriston Place, Edinburgh and Gartnavel Hospital, Glasgow.

3.2.7 Head Office

SNBTS Head Office functions support front line delivery. In an organisation which is driven by the collection of a "raw material" (blood or tissue) and processing it to a product for issue, the distinction between front line and support is often blurred, especially in areas such as logistics, IT and Quality. For this reason, many of the changes in support functions and their impacts are contained in developments noted in the earlier sections of this Initial Agreement. Currently, Head Office accommodates the following functions/personnel:

- National, Medical and Scientific Directors;
- Better Blood Transfusion;
- Corporate Affairs;
- Procurement;
- Business Development;
- Public Inquiry;
- Public Affairs;
- Support Services inc Finance, HR and IT.

SNBTS Head Office functions are currently located at Ellen's Glen Road and Lauriston Place, Edinburgh and Gartnavel Hospital, Glasgow.

3.2.8 Workforce Plans

The proposals in this Initial Agreement have taken full account of workforce planning information for the 5 year period 2008/9 to 2012/13 provided by the SNBTS functions in scope

- Processing & Testing have estimated growth in staff numbers of 63 (40%).
- NMRU have estimated growth in staff numbers of 4 (80%)
- Tissue Services have estimated growth in staff numbers of 10 (45%).
- Quality have estimated growth in staff numbers of 10 (25%).
- R & D (non clinical) have estimated a reduction in staff numbers of 1 (3%)
- Donor Administration (including the national Donor Services and Medical Management of Donors teams) have estimated growth in staff numbers of 4 (6%)
- National Engineering Services have estimated no change in staff numbers
- Logistics have estimated no change in staff numbers
- Head Office have estimated growth in staff numbers of 4 (28%).
- Finance & Procurement have estimated a reduction in staff numbers of 2 (9%)
- NISD have estimated growth in staff numbers of 4 (25%)
- BBT have estimated no change in staff numbers

A summary of the SNBTS workforce plans for staff included within the scope of this project is shown in the following table:

SNBTS Function	Location	2008/9	2009/10	2010/11	2011/12	2012/13
Processing & Testing &	Gartnavel	83	94	98	110	114
	Lauriston Place	74	85	89	102	106
NMRU	Gartnavel	5	6	7	8	9
Tissue Services	Ellen's Glen Road	12	20	22	22	22
	Gartnavel Hospital	11	11	11	11	11
Quality	Ellen's Glen Road	18	23	23	23	23
	Lauriston Place	10	11	14	14	14
	Gartnavel	11	12	12	12	12
R&D (non-clinical)	Ellen's Glen Road	20	20	19	19	19
	Summerhall Place	11	13	13	11	11
	Gartnavel	5	5	5	5	5
Donor Administration (including Nat Donor Services Team & Medical Management of Donors)	Lauriston Place	31	35	35	35	35
	Gartnavel	31	31	31	31	31
National Engineering Services	Ellen's Glen Road	11	11	11	11	11
	Gartnavel	2	2	2	2	2
Logistics	Lauriston Place	4	4	4	4	4
	Ellen's Glen Road	15	15	15	15	15
	Possil Gartnavel	26	26	26	26	26
Head Office	Ellen's Glen Road	9	13	13	13	13
	Gartnavel	5	5	5	5	5
Finance & Procurement	Ellen's Glen Road	22	20	20	20	20
	Gartnavel	2	2	2	2	2
	Lauriston	2	2	2	2	2
NISD	Ellen's Glen Road	16	18	20	20	20
BBT	Ellen's Glen Road	9	9	9	9	9
	Gartnavel	2	2	2	2	2
	Lauriston	1	1	1	1	1
Total		449	497	512	536	545

These headcount figures represent a broad estimate based on an analysis of WTE budgets plus externally funded posts and new posts from developments approved 08/09 or anticipated in future years.

These projections will require to be revisited and refined as necessary as part of the development of the Outline Business Case.

Additionally, it should be noted that as these projections pre-date the move to a new national site (in 2013), growth/reductions arising from that move will be considered and agreed, in partnership, as the SNBTS Business Strategy and this project develop.

3.2.9 Existing Property

SNBTS current properties within the scope of this Initial Agreement are as follows:

Property	Tenure/ Property Events	Sq.m (NIA)
Lauriston Place, Edinburgh	Feuhold (Lothian Health Board)	2,708
Ellen's Glen Road, Edinburgh	Part Feuhold Part Leased: • NSL expires Feb 2010 • Alba expires Sep 2012	13,734
Summerhall Place, Edinburgh	Lease expires March 2010	87
Gartnavel Hospital, Glasgow	Ground Lease	3,347
Possilpark, Glasgow	Lease expires May 2011	1,223
Total		21,099

As part of the development of the NSS Property Strategy 2008–2013 an appraisal of the condition and performance of the NSS estate was carried out in 2008 in accordance with NHS Estatecode, which comprises the following 5 audit areas:

- 1) Physical Condition & Statutory Compliance;
- 2) Environmental Management;
- 3) Functional Suitability;
- 4) Space Utilisation;
- 5) Adaptability.

The appraisal identified that current SNBTS property holdings within the scope of this Initial Agreement are deficient in terms of their condition and performance in a number of audit areas as summarised below:

Lauriston Place (laboratory donor centre and offices): in satisfactory physical condition following recent refurbishment, however the accommodation is inefficient and does not provide adequate space to accommodate anticipated blood safety measures. The mechanical and engineering plant is reaching the end of its serviceable life;

Ellen's Glen Road (factory, laboratory & offices): requires major investment to address £11.7m backlog maintenance. There is a lack of modern energy-efficient systems within the building.

The office accommodation is largely comprised of a number of “temporary” buildings which are in poor condition, beyond their useful life and requiring replacement. Space is under utilised following closure of the Protein Fractionation Centre in 2008;

Summerhall Place (laboratory): the accommodation is in poor physical condition and lacks thermal comfort controls. Occupancy is over capacity;

Gartnavel (laboratory and offices): in good physical condition, however there is inadequate work and storage space and a poor layout/workflow. The building requires major improvements to ventilation and cooling systems. Occupancy is over capacity and the accommodation does not provide adequate space to accommodate anticipated blood safety measures;

Possilpark (garage): in satisfactory condition but lacks staff amenities and thermal controls. Occupancy at full capacity.

3.2.10 Co-location Opportunities

Inter NSS: It was recognised within the Property Strategy that opportunities may emerge to co-locate other parts of NSS (e.g. Counter Fraud Services at Earlston House, Heath Facilities Scotland’s laboratory at Broxburn and Practitioner Services scanning facility at Bain Square) with SNBTS on the proposed National Centre site however this will be dependant on the location of the National Centre which will be determined following an option appraisal.

NHS Scotland Unlicensed Medicines: Unlicensed medicines are needed in both acute and primary care settings where licensed medicines manufactured by the pharmaceutical industry cannot meet the clinical needs of patients, and are currently manufactured by Tayside Pharmaceuticals (TP) and Greater Glasgow and Clyde Pharmacy Production Unit.

A Briefing Paper to the NHS Scotland Chief Executives Group in March 2009 recommended that the two existing sites should be closed in favour of a single site new build option. Subsequently it was agreed that the potential for synergy in moving forward both the Unlicensed Medicines and SNBTS National Centre business cases should be explored.

In this regard an exercise was undertaken to identify the potential for synergy and efficiency in the build, operation and project management of the two projects, and associated risks and benefits. It was concluded that:

- Both facilities share some synergies and could benefit from professional collaboration;
- Unlicensed Medicines and SNBTS have very different process and testing requirements, which need distinct and separate facilities to prevent cross contamination and meet regulatory requirements;
- There is marginal potential for reduction in total facility area if combining non production activities in a single site option;
- The identified risks and costs of securing a skilled workforce for unlicensed medicines in a geography compatible with SNBTS business needs, combined with little evidenced benefit of significant synergy in a single facility would conclude that a single site option is not preferred;
- The two site option is the preferred solution;

- There are some potential efficiencies and operational benefits from procuring the projects together through Framework Scotland. However the complexity of project management increases with multiple sites and multiple clients.

At a meeting of the NHS Scotland Chief Executives Group in September 2009 it was agreed that both projects would move forward separately and that NSS would continue to progress the SNBTS business case.

3.3 Business Needs

Having fully analysed the existing arrangements for the service, this section of the Initial Agreement pinpoints the ‘business gap’. In other words, the difference between ‘where we want to be’ (as suggested by the investment objectives) and ‘where we are now’ (in terms of existing arrangements for the service). This highlights the problems, difficulties and inadequacies associated with the status quo. This analysis has taken into account existing and future changes in the demand for services, and the location for their delivery.

Business Objective 1	Ensure SNBTS can continue to meet the transfusion needs of patients in Scotland and that Scotland’s blood and tissue supply are not compromised.
Existing arrangement	In general the estate does not meet the ESTATECODE standards and does not provide adequate accommodation or facilities for staff. In particular there are difficulties with the space, layout and plant in the blood Processing and Testing Centres at Lauriston Place, and Gartnavel, and Tissue Services at Ellen’s Glen Road.
Business Need	Modern facilities that support and facilitate the effective and efficient delivery of services
Business Objective 2	Facilitate and enable the introduction of “lean” and compliant pharmaceutical manufacturing
Existing arrangement	The Estatecode appraisals identified that 75% of the existing estate is functionally unsuitable for modern P&T practice. The master planning exercise confirmed this.
Business Need	Modern, purpose designed and built facilities with flexibility for accommodating future processes for processing and testing.
Business Objective 3	Improve business effectiveness, efficiency and service quality in accordance with the targets in current SNBTS Business Plan
Existing arrangement	The poor condition and performance of the existing estate provide a serious constraint on improving business effectiveness and efficiency. For example, there is significant under utilisation of space at Ellen’s Glen Road but it is unsuitable functionally and technically for processing and testing functions.
Business Need	Facilities that closely match the service need in terms of size, performance and quality and through their performance contribute to greater overall effectiveness and efficiency in the delivery of SNBTS services

Statutory Compliance Objective	Full compliance with relevant requirements of Good Manufacturing Practice (GMP) for all relevant processing, testing and storage activities relating to the manufacture of blood components and tissues
Existing arrangement	Although the existing premises are currently licensed, it is firmly believed that this position will be severely challenged beyond the next two rounds of inspections by the Medicines and Healthcare Products Regulatory Agency (MHRA) and Human Tissues Authority (HTA) unless there are firm plans to provide suitable alternative accommodation.
Business Need	An urgent requirement to ensure that our premises and systems of work, which are regularly inspected by the MHRA and HTA, are carefully reviewed and modernised to facilitate compliance into the future
Sustainability Objective	Compliance with "A Sustainable Development Strategy for NHSScotland", to enhance the contribution of the health sector to sustainable development. These include transport; procurement; facilities management; employment and skills; community engagement, and new build and refurbishment. Achievement of BREEAM Healthcare/ or equivalent 'Excellent' rating for any new build.
Existing arrangement	Estatecode appraisals identified 50% of the existing estate as unsatisfactory in terms of environmental performance
Business Need	An estate that seeks to maximise energy efficiency and best practice to reduce CO ₂ emissions, and in doing so reduce lifetime revenue or running costs and the financial burdens (recurring revenue costs) that are associated with poor performance under the Carbon Reduction Commitment.
Design Quality Objective	To deliver high quality buildings with a strong focus on lifetime costs, quality and design
Existing arrangement	The current property portfolio has been developed over a number of years and often in response to short term needs rather than long term strategic requirements. Its current condition and performance is generally unsatisfactory
Business Need	Buildings that combine fitness for purpose with whole-life costs to achieve value for money. They should address the sustainability agenda by anticipating future service developments and the requirements of climate change. Buildings that are assessed under AEDET – the industry-wide framework for assessing design which groups key criteria under the headings of Impact, Build Quality and Functionality.

4.0 Potential Scope and Service Requirements

This section of the Initial Agreement describes the scope of the project from the standpoint of the business. It effectively set out the boundaries or limitations of the project – only options within this scope will be subjected to the full economic appraisal in the Outline Business Case.

4.1 Potential Scope

At this stage, the “minimum” scope denotes the “must have”, “intermediate” denotes things which will be included on a cost/benefit basis and “maximum” denotes those things which will be provided if they have benefits and can be provided at low cost.

	Core scope/minimum requirement	Desirable/intermediate Scope	Maximum Scope
Potential Business & Project Scope	<ul style="list-style-type: none"> Processing & Testing Parts of Tissue Services Parts of Quality including Engineering Parts of R&D Donor administration SNBTS Head Office (inc Corporate Support Services functions) Parts of Logistics 	<ul style="list-style-type: none"> Co-locate with CFS, HFS (equipping & technical function) and PSD currently located in the central belt. 100% apheresis platelets (may become core in 2009/10) vCJD Screening Test (may become core in 2010) 	<ul style="list-style-type: none"> Advanced technology – robotics/IT etc. Intelligent blood component inventory
Key service requirements	<ul style="list-style-type: none"> Continue to meet transfusion needs of Scotland Regulatory Compliance Business efficiency Business continuity Environmental sustainability Design Quality 	<ul style="list-style-type: none"> Integration of SNBTS/NSS functions where synergies exist. Flexibility to cope with future change Long term business resilience 	<ul style="list-style-type: none"> High operational efficiency Future proofing Avoidance of future expenditure needs

4.2 Service Requirements

Prior to the major regulatory changes that have been introduced over recent years, accommodation used by SNBTS for the manufacture of blood and tissue products evolved around procedures developed in our laboratories over many years. These arrangements will become unacceptable and it has become abundantly clear that blood and tissue products need to be manufactured in premises that meet the standards expected in the pharmaceutical industry. This will include a move from general laboratory manufacturing towards manufacturing carried out in ‘clean rooms’.

5.0 Benefits & Critical Success Factors

5.1 Benefits

A new SNBTS National Centre will support the delivery of corporate and divisional business objectives through the realisation of the following benefits:

- Enabling the delivery of products and services which assure patient safety by manufacturing blood, cells and tissue products in appropriate premises and by procedures that comply with current and future regulatory requirements;
- Addressing current building condition and performance issues where they exist on the current SNBTS estate currently occupied by the functions identified within the scope of this project;

- Addressing current issues around quality of working environment & thereby facilitating the retention and recruitment of staff; enabling the improved provision of staff welfare facilities. Promoting staff morale;
- Providing flexible, well designed, efficient space that will enable SNBTS to better cope with uncertainty around the future property needs of the organisation and support opportunities to changing working practices and new technology;
- Supporting SNBTS interaction with NHS clinical activity and with NHS and medical school research;
- Supporting the SG & NSS environmental sustainability agendas through the appropriate procurement, design and operation of the NSS property portfolio;
- Delivery of a working environment which maximises the opportunity for staff to develop and deploy their knowledge, skills and personal qualities creatively to add value to the business and services;
- Enabling integrated/collaborative working and thereby encouraging better use of skills and resources;
- Achieving synergies from shared use of accommodation & support services.

Measurement of specific non financial benefits associated with the proposals within this Initial Agreement will be undertaken as part of the option appraisal of property options using SMART benefit criteria initially developed for the NSS Property Strategy in 2000, consistently used in subsequent property option appraisals and further developed to reflect SNBTS's specific strategic, compliance and operational requirements. These benefits will be reflected in the Benefits Realisation Plan that will be developed for the Outline Business Case and will used to measure the success of the project following implementation.

5.2 Critical Success Factors

Revised for SGHD CIG approval:By definition, Critical Success Factors are the attributes essential to the successful delivery of the scheme, against which the available options are assessed. The Critical Success Factors for this project are as follows:

1. Delivery of a safe and sustainable supply of blood components, tissues and cells that meets the needs of patients within Scotland for the foreseeable future;
2. Modernisation of blood processing and testing facilities to ensure resilience and compliance with pharmaceutical regulatory & quality standards;
3. A scheme that maximises the return on the required investment (benefits optimisation) in terms of productivity, efficiency, effectiveness and value for money;
4. Delivery of the scheme within the funding constraints of the organisation and so as to achieve and maintain a sustainable financial position;
5. A scheme that demonstrates that effective Partnership structures were in place with sufficient time and resource available for managers, trades union representatives and staff to deliver successful outcomes for the project;
6. Delivery of a scheme that complies with "A Sustainable Development Strategy for NHSScotland" through the achievement of a NHS BREEAM "Excellent" rating for the new building;
7. Successful operational transition from existing accommodation to the proposed new National Centre ensuring no disruption to Scotland's blood supply;
8. Successful closure and disposal of all surplus accommodation derived from the scheme.

6.0 Constraints

Regulation and compliance in healthcare continues to develop both in terms of stringency and increased frequency of change. The introduction of the EU Blood Directive (transposed into UK Law as the Blood Safety and Quality Regulations, 2005 (BSQR)) resulted in a phased shift in the extent and stringency of achieving regulatory compliance and our Tissue Services activity has experienced a similar situation arising from the Human Tissues Act (HTA).

These developments have meant that the standard of premises in which blood and tissue manufacturing take place, and the quality systems and resources required to support this activity and maintain licences, have significantly increased. Furthermore, the emergence of new infectious agents that can be transmitted by blood or tissues and of new technologies that improve blood and tissue safety, leads to the need to introduce new tests and technology to keep the blood and tissue supply safe by current standards. Not surprisingly, this continually drives up the costs of blood, tissues and related services whilst driving down operational flexibility

Doing nothing or minimum is not realistic and undertaking major refurbishment of existing properties whilst maintaining services is not feasible.

Within the period of the SNBTS Strategic Development Plan 2009-2104 we expect to be mandated to introduce additional blood and tissue safety measures which will compound our current accommodation issues and would almost certainly require agreement with MHRA and HTA that we had firm plans to relocate our operations to new premises within an agreed timescale. Consequently, the workable options are extremely limited and moving outside the chosen option or the timescale for its implementation carries considerable operational and regulatory risks and would almost certainly lead to a requirement to explore contracting out a proportion of our Processing and Testing to NHS Blood and Transplant in England and serious adverse comments from MHRA/HTA.

7.0 The Way Forward

Having determined the strategic context for the project and established a robust case for change this section of the Initial Agreement focuses on the main choices (options) available for delivering the required services.

7.1 Strategic Options

A series of workshops were held which provided an opportunity to develop and explore the strategic plans and key drivers for change for each of the main SNBTS functional units.

The workshops included a SWOT analysis of a range of options for delivering the strategic plans and from this work five strategic options for the future SNBTS estate aligned with the "SNBTS Strategic Direction 2007 – 2011" were developed in Partnership. The scope of the options focuses on future requirements for Blood Processing and Testing facilities but also include other functions including Tissue Services, Quality and Engineering, non-clinical Research & Development, Donor Administration, Logistics and Head Office. The five strategic options considered were as follows:

- **Option 0** - Do minimum - backlog maintenance only; (the “Do Nothing” option in terms of continued occupation of a number of existing SNBTS facilities which are either, in an unacceptable condition, approaching their lease-end or in conflict with the previously agreed strategic direction as to the suitability of the existing estate to meet business needs going forward was rejected from the short list)
- **Option 1** - Upgrade Gartnavel & Lauriston to provide P&T on both sites - all other functions to be located in a new building on another site;
- **Option 2** - Single new building - new central P&T facility with other functions co-located;
- **Option 3** - Upgrade Gartnavel for P&T only - Edinburgh P&T plus all other functions to be located in a new building on another site;
- **Option 4** - Upgrade Gartnavel for single testing facility - single processing facility plus all other functions to be located in a new building on another site.

All options were fully scoped through the completion of a Site Master Plan Study which:

- reviewed current facilities at Lauriston & Gartnavel for suitability to meet current and future P&T requirements;
- developed a User Requirement and Performance specification to ensure MHRA compliance, utilising efficient BioPharma best practice;
- developed detailed “future proofed” schedule of space requirements;
- developed “concept design” for new facilities incorporating optimum process & people flow and achieving full GMP compliance;
- developed a lifecycle cost plan for all strategic options.

A summary report on the Site Master Plan Study is shown in Annex B.

7.2 The Preferred Way Forward

The five strategic options were the subject of an option appraisal exercise carried out in Partnership in March 2008 and a summary of the outputs is shown below.

No.	Option Description	Weighted Benefits Score				Risk		Lifecycle Costs		Cost per benefit point	
		Con' sus	Opt	Pess	Rank	Score	Rank	£m	Rank	£000	Rank
0	Do minimum (backlog maint.)	233	234	229	5	378	5	104	4	444	5
1	Lauriston & Gartnavel refurb (P&T) + new build (new site)	473	473	473	4	368	4	105	5	223	4
2	Single New build, (new site)	823	835	798	1	126	1	88	1	107	1
3	Gartnavel (P&T only) + new build (new site)	644	647	644	3	306	3	101	3	157	3
4	Gartnavel (T only) + new build (new site)	726	739	710	2	148	2	97	2	134	2

As can be seen, Option 2, single new build (all functions) on a new site, was the preferred option on all appraisal measures. It identified the co-location of P&T, IT support, engineering, head office, logistics, select R&D functions and donor administration, and the Tissue Services and Quality Directorates on this new National SNBTS site and this was identified as the preferred strategic option. This approach was approved by the NSS Board in November 2008.

A summary report on the strategic option development and appraisal is shown in Annex C.

The new National Centre will allow SNBTS to guarantee ongoing blood and tissue service support for patients in Scotland. It will allow future blood and tissue safety measures to be implemented in a timely and cost effective manner and will also provide sufficient flexibility to accommodate future changes to both operational and workforce practices within the 'Patient Focus Public Involvement' (PFPI) framework for delivering a culture change in NHSScotland where patient-focus is at the heart of service design and delivery.

This approach will also support the introduction of manufacturing processes in premises that will meet the pharmaceutical industry standards our regulators (MHRA and HTA) increasingly expect to see. We anticipate this approach will become the minimum standard in future and it is already in place in the newly opened flagship NHSBT Centre at Filton near Bristol.

The potential for transfer will result in surplus space at Lauriston Place, Edinburgh and Gartnavel Hospital, Glasgow to territorial Health Boards to be explored and operations at Summerhall relocated elsewhere on the current SNBTS estate by the end of 2009.

7.3 Indicative Costs

A high-level assessment of the projected capital and revenue (recurring and non-recurring) requirements for project has identified the following Capital and Revenue implications net of Baseline over the upcoming ten year period:

Funding £m	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Capital	(0.9)	(29.3)	(5.2)	-	-	-	-	-	-	-
Revenue	(1.2)	(0.3)	(0.4)	(1.0)	0.5	0.5	0.6	0.6	0.6	0.7

Capital

The estimated capital requirement of £35.4m from 2010/11 to 2012/13 assumes a capital funded build of the proposed SNBTS National Centre and has been included in NSS's Local Delivery Plan for 2009/10. This estimate has been derived from the Site Master Plan Study undertaken to inform the SNBTS Strategic Property Option Appraisal in 2008. This Capital requirement exceeds NSS's delegated authority and would require approval by SGHD Capital Investment Group. It is assumed that subject to Full Business Case approval all capital funding for this proposal would be provided by SGHD net of any capital receipts from the sale of NSS property holdings.

Revenue

The estimated increase in annual revenue costs from 2010/11 to 2012/13 reflects the introduction of planned building maintenance and lifecycle replacement costs for retained properties. The additional increased revenue costs in 2013/14 are associated with double running costs while the proposed new build is equipped and commissioned. The recurring revenue savings from 2014/15 assumes the sale of Ellen's Glen Road and the transfer of surplus property at Lauriston Place and Gartnavel and also at Foresterhill and Raigmore to Health Boards.

Revenue requirements have been considered against future year financial plans as part of the 2008/9 financial planning process. The intention is that these will be met from annual uplifts to the NSS baseline allocation and additional revenue funds generated from the annual NSS efficiency programme.

Excluded Costs

Staff, operational equipping and transition costs have not been included from the scope of costs within this Initial Agreement as they will be dependent on location and other factors which will be examined as part of the development of the Outline Business Case.

7.4 Delivery Arrangements

Revised for CIG approval: A key driver, and operational constraint, for the location of the proposed National Centre is the movement of blood, blood components and tissues, with transit and delivery times for both incoming donations and outgoing blood components and tissues being time sensitive.

As part of the public consultation exercise, which was undertaken in April 2008, SNBTS set out its favoured strategic approach for a new single processing and testing facility to be developed within the central belt corridor. This area was defined to allow SNBTS to guarantee ongoing blood and tissue service support for patients in Scotland. Respondents to the consultation exercise fully supported the consolidation of processing centres, and suggestions included taking transport links into consideration when deciding on location. The SNBTS reply confirmed that strong transport links are a pre-requisite and the preferred location is the triangle bounded by Glasgow, Edinburgh and Falkirk.

NSS will identify suitable property options for delivering the preferred way forward through the following:

- Trawl of surplus Scottish Government and NHSScotland properties;
- Liaison with NHSScotland Health Boards;
- Advertisement in the Official Journal of the European Union (OJEU).

Consideration will be given to options for an existing building, a capital build on land purchased or leased, or a new building constructed by a developer and leased to NSS. The short listing and evaluation of options will be undertaken in Partnership, using agreed criteria and weightings, which will be further developed to reflect SNBTS's specific strategic, compliance and operational requirements and fully detailed in the Outline Business Case to follow. The options will be evaluated in terms of financial and non-financial benefits, lifecycle cost and risk.

7.4.1 The appraisal of non-financial benefits

The methodology adopted for the option appraisal in terms of non-financial benefits will closely follow the guidance provided in the Scottish Capital Investment Manual Option Appraisal Guide and comprises:

- The scoring of the options against the SMART benefit criteria and sub-criteria that were developed for the Property Strategy and which are consistently used for the business cases developed for implementing the Property Strategy;
- The calculation of a "weighted benefit score" for the option.

The scoring of the options against the benefit criteria will be carried out at a workshop attended by a range of SNBTS & NSS management and TU representatives. This workshop will be aimed to address the question “How well can we expect the option to deliver each required benefit?” The workshop will seek to reach a consensus score for each option and achieve this in relation to the majority of scores. However, where this is not possible, a pessimistic and optimistic score will be recorded to reflect the differences in opinion within the group or to reflect uncertainty on the magnitude of the score for the options.

The scores are then multiplied by the weights to arrive at a “Weighted Benefit Score” for each option and for consensus, optimistic and pessimistic scoring scenarios. The options with the highest “Weighted Benefit Score” are those most likely (in the view of the workshops delegates) to maximise the delivery of non-financial benefits.

7.4.2 The financial appraisal of options

The lifecycle property costs will be calculated over the 30 year period of the project. 30 years is considered to be the appropriate period to best suit SNBTS strategic and operational requirements. Discounted cash flow techniques will be used in accordance with the Scottish Capital Investment Manual (3.5% discount rate) to arrive at a Net Present Cost (NPC) for each option. The lifecycle costs for each option will be identified as follows:

- **Property Costs:**
 - Capital: Professional Fees, Accommodation Fit-out, IT Fit-out, Equipment and Furniture, Optimism Bias;
 - Revenue: Rent, Rates & Service Charges, Running costs (utilities and building/plant maintenance), Removals, Dilapidations, Capital Charges.
- **Staff Relocation Costs:**
 - Revenue: Travel, Recruitment and Training.

7.4.3 The appraisal of risks

NSS Facilities Management and NSS Corporate Programme Office have jointly completed an NHSScotland Risk Assessment of the project which has identified the project as “High Risk” due to the project being linked to the NSS Local Delivery Plan.

The completed risk assessment is attached as Annex E.

As part of the appraisal of options a detailed evaluation of risks during the design, construction and operational phases of the project will be undertaken. This exercise will be carried out in relation to non-financial benefits and both capital and revenue costs. In the case of risks which cannot be quantified i.e. non-financial benefits, the risks of not achieving these benefits will be assessed at the option appraisal workshop using the “weighting and scoring” technique described above. The objective of assessing cost risk will be to enable a more complete assessment of the total relevant cost of the options under consideration. It will be used within the Value for Money analysis of each option and also will form the basis for the assessment of accounting treatment.

Optimism Bias will be assessed in accordance with SGHD and HM Treasury “Green Book Supplementary Guidance – Optimism Bias”. This adjustment will take into account the tendency for project appraisers to be overly optimistic in the estimation of capital costs during a project’s early stages.

7.4.4 Building Construction and Accommodation Fit Out

Building construction and accommodation fit out procurement for all NSS property projects since 2004 has been by competitive tender utilising OJEU procedures, where appropriate.

In the event that the preferred property solution is a capital funded new build, NSS will utilise Frameworks Scotland for the procurement of a Principal Supply Chain Partner (PSCP). In this regard NHS Health Facilities Scotland (HFS) has advised that engagement with a preferred PSCP is not appropriate until a preferred site and construction procurement route is identified.

7.4.5 IT Systems

The core IT systems implemented across new NSS offices in Edinburgh, Livingston, Aberdeen and Glasgow since 2004 have proved to be a successful first phase in implementing the NSS IM&T Strategy. The design principles and implementation experience will be adopted and developed for the proposed new SNBTS National Centre. In addition, SNBTS legacy IT systems will be transferred to the new facilities.

7.4.6 Equipping

SNBTS operational equipment will either be transferred from existing accommodation or replacement equipment purchased, subject to age, condition and any transition planning requirements. Office furniture & equipment will be procured from NHS Scotland national contracts wherever possible on the basis of best value, suitability for function, sustainability and flexibility and to meet all ergonomic and Health & Safety requirements. All equipment quantities, types and general specifications will be defined by agreed and costed equipment schedules.

7.5 Project Governance

A Project Initiation Document (PID) has been developed with the purpose of defining the “SNBTS National Centre” project and to form the basis for its management and the assessment of overall success. The PID has been developed to reflect accepted best practice taken from the OGC methodologies, PRINCE 2™ and “Managing Successful Programmes” and will provide project governance assurance to the Project Owner.

The PID includes a governance structure for the project which is based on previous NSS property projects and has been further developed to meet SNBTS’s specific requirements.

Details of the Project Governance Structure are shown in Annex D.

7.6 Partnership Working and TU Consultation

NSS is committed to Partnership Working with Trade Unions and professional organisations. This will be evidenced throughout the planning and implementation of the project through the involvement of TU representatives on the project’s Steering Group, Core Project Team, Divisional User Groups and at the option appraisal workshop.

In addition all staff within the scope of the project will be consulted on the short listing of options and will be fully involved in the planning and delivery of the agreed property option. A robust communication plan has been developed to ensure that affected staff are fully briefed as the project progresses.

Formal consultation with Trade Unions and professional organisations will take place in parallel with the development of Outline and Full Business Cases.

7.7 Implementation Plan

The following table sets out the estimated timescales for completion of key milestones for delivery of the SNBTS National Centre project (Business Case approvals are shown in green, project activities are shown in yellow):

2009/10	2010/11	2011/12	2012/13	2013/14
Initial Agreement: NSS Board: November 2009 SGHD CIG December 2009	Identify Preferred Site June 2010	Start New Build April 2011	Complete New Build April 2012	Complete Equipping, Commissioning & Validation (phase 1) May 2013
	Outline Business Case: NSS Board October 2010 SGHD CIG November 2010		Start Fit Out May 2012	Complete Equipping, Commissioning & Validation (phase 2) November 2013
	Complete New Build Design & Tender January 2011		Complete Fit Out November 2012	Complete transfer of operations January 2014
	Full Business Case: NSS Board February 2011 SGHD CIG March 2011			

It should be noted that the project timescales detailed above are subject to the following:

- sufficient internal and external project resources being made available;
- availability of the preferred property option;
- confirmation of commissioning and validation works required to be undertaken prior to occupation.

8.0 Conclusion

NSS Board members are asked to **approve** this Initial Agreement for a new SNBTS National Centre prior to submission to SGHD CIG.

Following approval of this Initial Agreement by NSS Board and SGHD CIG an Outline Business Case will be developed for NSS Board consideration in October 2010.

Initial Agreement approved:

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Chief Executive

Date.....

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Chairman

Date.....