Adult and Older Person's Mental Health Unit Glan Clwyd Hospital

Outline Business Case (OBC)

September 2021
Final Version 1.0
Welsh Government Submission

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
Draft 0.1	27.07.2021	First Draft	Ian Howard, Jill Timmins
Draft 0.2	29.07.2021	Division amendments	Ian Howard, Jill Timmins
Draft 0.3	02.08.2021	Amendments following review by Project Board and Capital Investment Group	Ian Howard, Jill Timmins
Draft 0.4	05.08.2021	Project Team amendments	Ian Howard, Jill Timmins
Draft 0.5	12.08.2021	Amendments following review by Executive Team	Darren Smith, Joanna Garrigan
Draft 0.6	10.09.2021	Update of Cover Sheet to reflect F&P approval	Ian Howard
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Contents

1. Executive Summary

2.1 Introduction

This case aims to improve the quality of care, and support service transformation, through the development of a new Adult and Older Person's Mental Health Unit at Glan Clwyd Hospital. The unit will replace the existing Ablett Unit at Glan Clwyd Hospital, and the Older People's Mental Health inpatient facility at Bryn Hesketh, at a capital cost of £67.7 million[1].

2.2 Strategic Case

Strategically, the case is driven by Together for Mental Health, Welsh Government's ten year cross-governmental strategy to improve mental health and well-being. The key local strategy is BCUHB's Together for Mental Health in North Wales, which has a strong focus on: health promotion; early intervention; providing services which are community-based wherever possible; and supporting recovery. In terms of the acute and urgent care system, there is a commitment to three inpatient units across North Wales, on the District General Hospital sites at Bangor, Bodelwyddan and Wrexham, to ensure the effective delivery of person centred, locality-based acute care. The intention is to manage acute and serious episodes of mental illness safely, compassionately, and effectively through a service within which:

- No-one waits more than 4 hours for mental health assessment in crisis;
- Once assessed, people are placed immediately in accommodation suitable for their needs. For most people, this should be their own home, with sufficiently intensive home treatment support. For some, it could mean a short-stay crisis house. For a minority, it will mean acute inpatient care;
- No-one stays longer than they need to in acute inpatient care. There are no "delayed transfers of care" due to lack of step-down support;
- No-one is admitted to an acute mental health bed outside North Wales.

This case addresses two inter-related issues: the physical limitations of the Estate in the Central Area in delivering both the current and future models of care; and a shortage of inpatient beds to meet current and projected needs. It has been informed by various external reports and investigations - including HASCAS, Ockenden and Health Inspectorate Wales - and produced through an extensive process of engagement.

In terms of Bryn Hesketh, there is a risk to managing patients with high levels of acuity along with co-occurring physical health needs so far away from the acute general hospital. In addition the Bryn Hesketh Unit cannot be regarded as a sustainable facility in terms of national environmental and clinical quality standards.

[1] At PUBSEC 250. This figure includes an assessment of potential inflation, and excludes optimism bias (estimated at 2%).

As regards the Ablett Unit, there are a range of issues: the mixing of older people with mental illness alongside young adults, which is not appropriate and does not deliver good patient experience; ward environments that are not fit for purpose; privacy and dignity standards that not being met; an electroconvulsive therapy (ECT) facility that is not fit for purpose; a pharmacy that is too small and cannot support individual consultations; very limited therapeutic areas and opportunities for exercise; insufficient provision for patient assessment; the absence of a de-stimulation area; poor staff facilities; and traditional single office accommodation for administration which does not support co- location of specialist teams and agile working.

Patients from Conwy and Denbighshire are frequently admitted to either Bangor or Wrexham because of a lack of beds. Current and future bed requirements have been evaluated, taking into account both service transformation and demographic changes, and the conclusion is that there are insufficient beds for both Adult and Older Person's services. Also the Ablett Unit currently has a bed-based rehabilitation facility which is no longer part of the rehabilitation model of care.

The specific objectives of this case are:

1	To provide services which meet the Strategic Direction outlined within *Together for Mental Health* (T4MH) in North Wales and deliver the model of care developed through the quality and workforce groups.
2	To create a quality clinical environment that is fit for purpose, safe and humane.
3	To improve workforce recruitment and retention and absenteeism through providing an environment that supports staff to deliver safe, effective care to patients, carers and families.
4	To improve the quality of the estate by reducing backlog maintenance, reducing running costs, and achieving environmental sustainability
5	Flexibility: to deliver the flexibly to respond to future need – the solution should be designed to respond to future changes in service delivery.

The scope of the case proposes:

- Providing a 14 bed Older Person's Mental Health functional ward that incorporates bedrooms with ensuite facilities, improved circulation and recreational spaces and improved observation.
- A 13 bed new fit for purpose dementia care assessment unit with an end of life bedroom. This will include provision for families and carers to stay with their loved ones overnight, to support the implementation of John's campaign. This ward will have clear circulations routes, with no dead ends, a secure courtyard that will bring light into the ward, ensuite facilities to all bedrooms, recreational and therapy spaces and improved visibility.
- Two purpose-built 16 bedded adult wards, which will be designed flexibly to respond to gender split and future models of care. There will be an age appropriate bed included in the adult ward as required in Welsh Government's admission guidance.

- A de- stimulation area on each ward which will provide a safe nursing environment for high acuity patients. This will support the reduction of transfers to other facilities, in and out of North Wales, and provide teams with more options to manage patients differently and reduce restraints.
- An assessment suite to enable suitable patients to be moved from the Emergency Department (ED) in a timely manner to be assessed by the Psychiatric Liaison Team.
- A small gym and increased use of outdoor space for therapeutic interventions.
- A new 136 suite with an additional assessment room for all admissions to be triaged in a timely manner.
- Increased therapeutic space indoors and outdoors.
- Provision of a modern accredited regional ECT suite.
- Removal of the locked rehabilitation ward.
- Staff change and rest facilities.
- A café and bright reception area.

2.3 Economic Case

A long list of potential options have been evaluated, to establish the most cost-effective way of delivering the project. The conclusion is that the best option is to build a new unit on the Glan Clwyd site. This option addresses the full service scope outlined in the Strategic Case, and carries the least risk in terms of implementation. The socio-economic, equality and health impacts of the proposal have been assessed and found to be positive. The current service at the Ablett and Bryn Hesketh will be maintained while the new unit is constructed. Once the new build is complete, the Ablett Unit and the relevant elements of the Bryn Hesketh service move to the new build. The current Ablett Unit is retained for alternative use. The future use of the Bryn Hesketh site will be the subject of a review with stakeholders to assess whether it should be used to relocate services from other sites or if it is surplus to requirements. Car parking space is created at Glan Clwyd Hospital to replace the spaces lost, and to take account of the increased activity associated with the transfer of services from Bryn Hesketh.

2.4 Commercial Case

The project will be procured via the Building for Wales framework for Projects with a construction value in excess of £10 million.

The following appointments have been made:

▪ Construction Project Manager	Gleeds Management Services
▪ Cost Advisor	Gleeds Cost Management
▪ Supply Chain Partner (construction contractor)	BAM Construction Ltd

2.5 Financial Case

The capital cost of the preferred option is £67.7 million, at PUBSEC 250. This includes an estimate of inflation. It does not include Optimism Bias, which is estimated at 2%.

In terms of revenue, the preferred option is projected to be revenue-neutral. There is an increase in costs of £1.73 million compared to existing arrangements. Of this, £1.48 million relates to an increase in capital charges (i.e. depreciation), which is funded by Welsh Government. The net figure after capital charges is therefore £0.25 million. This gap will be fully mitigated by a corresponding reduction in out of area placements, facilitated by the increase in inpatient beds in the unit.

2.6 Management Case

The project will be managed in accordance with the Procedure Manual for Managing Capital Projects, which was adopted by the Health Board in 2018.

The key milestones for the project are as follows:

Milestones	Target Date
BCUHB approval and submission of Outline Business Case to Welsh Government	September 2021
Full Business Case Completed	January 2023
Construction Completed	December 2025

2. Structure and Contents of the Document

There are three key stages in the development of a project business case. These are: the Strategic Outline Case (SOC); the Outline Business Case (OBC); and the Full Business Case (FBC).

The SOC for this scheme established the strategic context, made a robust case for change and provided a suggested way forward, rather than a definitive preferred option. The SOC was approved by Welsh Government in 2019.

This OBC:

- Reviews and refreshes the strategic context and the case for change;
- Identifies the option which optimises value for money; and
- Outlines the funding and management arrangements for the successful delivery of the scheme.

Approval of the OBC gives consent to the procurement phase of the project. Subject to OBC approval, the FBC will: set out the negotiated commercial and contractual arrangements for the deal; demonstrate that it is 'unequivocally' affordable; and put in place the detailed management arrangements for the successful delivery of the scheme. The intention is to produce the FBC for the scheme in January 2023, and for the scheme to be complete in December 2025.

This OBC has been prepared using the agreed standards and format for business cases, as set out in the NHS Wales Infrastructure Investment Guidance. This approved format is the *Five Case Model,* and comprises the following:

- The **Strategic Case** - this sets out the strategic fit and case for change, together with the supporting investment objectives for the scheme;
- The **Economic Case** - this demonstrates that the organisation has selected a preferred option which optimizes public value for money;
- The **Commercial Case** - this outlines that the preferred option will result in a viable procurement and well-structured deal;
- The **Financial Case** - this demonstrates that the preferred option will result in a fundable and affordable deal;
- The **Management Case** - this demonstrates that the scheme is achievable and can be delivered successfully in accordance with accepted best practice.

3. The Strategic Case

3.0 Introduction

The purposes of the Strategic Case are: to explain how the scope of the project fits within the existing business strategies of the organisation; and to provide a compelling case for change, in terms of existing and future service needs.

The Strategic Case is split into three sections:

1. A brief summary of key strategic changes since the production of the SOC;
2. The strategic context: this contains a brief overview of BCUHB. It also confirms that there is a strategic fit between this project and both national and local policies and objectives;
3. The case for change: this section summarises the investment objectives; highlights the challenges with the status quo; outlines the scope of the project; and summarises the benefits, risks, constraints and dependencies of the project.

3.1 Section A: Strategic Changes since the Production of the SOC

There have been various developments in the strategic context of the project since the SOC was developed in 2018. Taken together they have resulted in a significant change to the proposed scope of the project, and to the nature of the preferred option. The changes cover the following areas:

1. The continued evolution of the national and local strategies for Mental Health Services, which have reinforced the case for change.
2. The ongoing implementation of those strategies, including through new investments. The learning from this has altered some elements of the proposed service model and the design.
3. The impact of Covid-19 on how services should be delivered, which has also altered some elements of the service model and the design.
4. A review of the scope of the project as a result of the first three points outlined above, combined with an extensive process of stakeholder engagement. This has resulted in a significantly increased scope for the project.
5. Judgements about the Older Person's Mental Health (OPMH) inpatient services at Bryn Hesketh: the future of this unit was still under discussion when the SOC was produced. A clear conclusion has now been reached, supported by the CHC, that this service should transfer to Glan Clwyd Hospital. This has changed the range of options considered at the shortlisting stage.

The full analysis of all of these changes is outlined in sections B and C, below.

3.2 Section B: The Strategic Context

3.2.1 Organisational overview

BCUHB was established on 1st October 2009 and is the largest health organisation in Wales. It provides primary, community, acute and mental health services for a population of approximately 700,000. BCUHB is responsible for the operation of over 90 health centres, clinics, community health team bases and mental health units, 19 community hospitals and three Acute Hospitals.

BCUHB employs approximately 16,500 staff and has an annual revenue budget of approximately £1.6 billion.

3.2.2 Strategy for Mental Health

3.2.2.1 National Mental Health Strategy – Together for Mental Health

Together for Mental Health was published in October 2012 and is Welsh Government's ten year cross-governmental strategy to improve mental health and well-being across all ages. The strategy sets out a number of high-level outcomes aimed at achieving a significant improvement to both the quality and accessibility of mental health services for all ages. It recognises that the causes and effects of poor mental health are complex, challenging and multi-faceted and therefore require an integrated, cross-government and cross-sector partnership approach. There are six high level outcomes underpinning the 10 year strategy:

- The mental health and well-being of the whole population is improved.
- The impact of mental health problems and/or mental illness is better recognised and reduced.
- Inequalities, stigma and discrimination are reduced.
- Individuals have a better experience of the support and treatment they receive and feel in control of decisions.
- Improved quality and access to preventative measures and early intervention to promote recovery.
- Improved values, attitudes and skills of those supporting individuals of all ages with mental health problem.

The strategy has since been supported by a series of detailed delivery plans. The third and final delivery plan was published in 2019 and whilst the delivery plan outlines a number of new priority areas for 3 years, they all contribute to achieving the high-level outcomes set out originally in Together for Mental Health.

The key priorities in the 2019-2022 delivery plan are:

- Improving mental health and well-being and reducing inequalities – through a focus on strengthening protective factors.

- Improving access to support for the emotional and mental well-being of children and young people – improving access and ensuring sustainable improvements to timeliness of interventions, as well as supporting the new curriculum and whole school approach, extending the reach of NHS services into schools and filling gaps in services within both primary and secondary care through Child and Adolescent Mental Health Services (CAMHS).
- Further improvements to crisis and out-of-hours provision for children, working age and older adults – moving to a common, multiagency offer across Wales improving the access, quality and range of psychological therapies for children, working age and older adults – to deliver a significant reduction in waiting times by the end of this Government, to increase the range of therapies offered and to support the workforce - ultimately improving service user experience.
- Improving access to and the quality of perinatal mental health services – further development of perinatal mental health services in line with quality standards and care pathways and the provision of in-patient care.
- Improving quality and service transformation – including a focus on improvements to areas such as eating disorders support, people in contact with the criminal justice system and co-occurring mental health and substance misuse issues.
- Positive change will also be achieved by responding to Healthcare Inspectorate Wales/Care Inspectorate Wales thematic reviews, reviews by NHS Delivery Unit and receiving assurance that recommendations have been delivered.

Together for Mental Health is being refreshed for the period 2022-2025. It is anticipated that it will continue to support the acute care inpatient pathway with further crisis and community services complementing our ambition that people will be in hospital for the shortest duration required.

3.2.2.2 BCUHB Mental Health Strategy – Together for Mental Health in North Wales

Overview

The key strategy that drives this business case is Together for Mental Health in North Wales (T4MHNW), which was adopted by the Health Board in 2017 and is enclosed as Appendix A. This is an all-age mental health strategy developed in partnership to support the delivery of the objectives outlined in the National Mental Health Strategy. T4MHNW is being refreshed with stakeholders via the North Wales Partnership Board, concurrently with the national strategy. As with the national strategy, it anticipated that the key strategic drivers that inform this business case will remain in place.

Together for Mental Health in North Wales is also an integral part of the Health Board's overall clinical strategy, Living Healthier, Staying Well, which was published in 2018. This overarching strategy sets out the vision for the Health Board over the next ten years, with a particular focus on: the shift of resources to community settings; the movement of care closer to home; the development of seamless multi-agency services; and the emphasis on a well-being system.

Together for Mental Health in North Wales commits the Health Board to six key principles in everything it does:

- We will treat people who use our services, and their carers and families, as equal partners – all of us must be seen as essential assets in improving the mental health and wellbeing of the communities of North Wales;
- We will ensure everything we do is as integrated as possible – across disciplines, across agencies, across services – in both planning services, and delivering services. Fragmented care must be replaced by joined-up and continuous care;
- We will work to ensure everyone feels valued and respected;
- We will support and promote the best quality of life for everyone living with mental health problems;
- We will promote local innovation and local evaluation in how we provide services;
- We will continually measure our impact on outcomes, within both national and local quality and outcomes frameworks – whether we have improved the lives of people for and with whom we provide services.

The mental health strategy confirms the Health Board's intention to offer a comprehensive range of services which:

- Promote health and wellbeing for everyone, focussing on prevention of mental ill health, and early intervention when required;
- Treat common mental health conditions in the community as early as possible;
- Are community-based wherever possible, reducing our reliance on inpatient care;
- Identify and treat serious mental illness as early as possible;
- Manage acute and serious episodes of mental illness safely, compassionately, and effectively;
- Support people to recovery, to regain and learn the skills they need after mental illness;
- Assess and treat the full range of mental health problems, working alongside services for people with physical health needs.

Urgent Care

In terms of the acute and urgent care system Together for Mental Health in North Wales envisages a service within which:

- No-one waits more than 4 hours for mental health assessment in crisis;
- Once assessed, people are placed immediately in accommodation suitable for their needs. For most people, this should be their own home, with sufficiently intensive home treatment support. For some, it could mean a short-stay crisis house. For a minority, it will mean acute inpatient care;

- No-one stays longer than they need to in acute inpatient care. There are no “delayed transfers of care” due to lack of step-down support;
- No-one is admitted to an acute mental health bed outside North Wales.

Specific Actions and Ambitions

The strategy commits the Health Board to a range of specific actions and ambitions. Significant amongst those are:

- New services and approaches will be available to promote good mental health: promotion of the five ways to wellbeing; schools-based programmes; employer-based approaches; welfare rights and money advice;
- Peer support services will be available as a step-down option from statutory community care;
- Social prescribing will be more widely available, promoting access to education, exercise, personal and creative development;
- There will be new integrated teams to manage very common co-morbidities between physical and mental health, for example anxiety and COPD;
- We will improve the availability of a range of psychological therapies, including online therapeutic interventions;
- People experiencing first episode psychosis will have access to the full range of NICE-approved interventions;
- There will be alternatives available to inpatient admission for those able to manage safely in more intensive community situations;
- All ward environments will be fit for purpose, safe and humane;
- Information about patients’ history, and care and treatment plans, will be available in real-time to all staff working with them;
- There will be a realistic and sustainable fit between our service commitments, and the numbers and skills of staff to deliver them;
- We will ensure full and effective governance of both our commissioned services, and those we directly provide.

The Estate

In terms of the Estate, the strategy contains an analysis of the significant problems with the existing inpatient facilities. In particular:

- All of the wards at the Ablett Unit at Glan Clwyd Hospital are out-of-date in design, with cramped facilities, lack of ensuite provision and narrow corridors;
- Bryn Hesketh has limited bathroom facilities, no ensuite facilities, and significant backlog maintenance problems. It is also isolated from other services;
- The Hergest Unit in Bangor is not designed to modern standards, and is of an age where upgrade to elements of the fabric and services are required;

- Coed Celyn rehabilitation unit is dated and cramped in its design;
- Cefni requires improvement to internal and external facilities.

The strategy commits the organisation to an approach which "will …generate new ward/unit designs that support future service requirements. We would expect to close more remote and isolated units, and incorporate their services in larger hubs." To deliver the ambition laid out in the strategy, there is a clear requirement for a substantial programme of investment in the estate across North Wales. Within that context there is a particular priority to address the issues related to the Ablett Unit and Bryn Hesketh in the Central Area, which are summarised above and outlined in depth in the section below on issues with current service provision.

Three Acute Mental Health Units Co-located with the Three Major General Hospitals

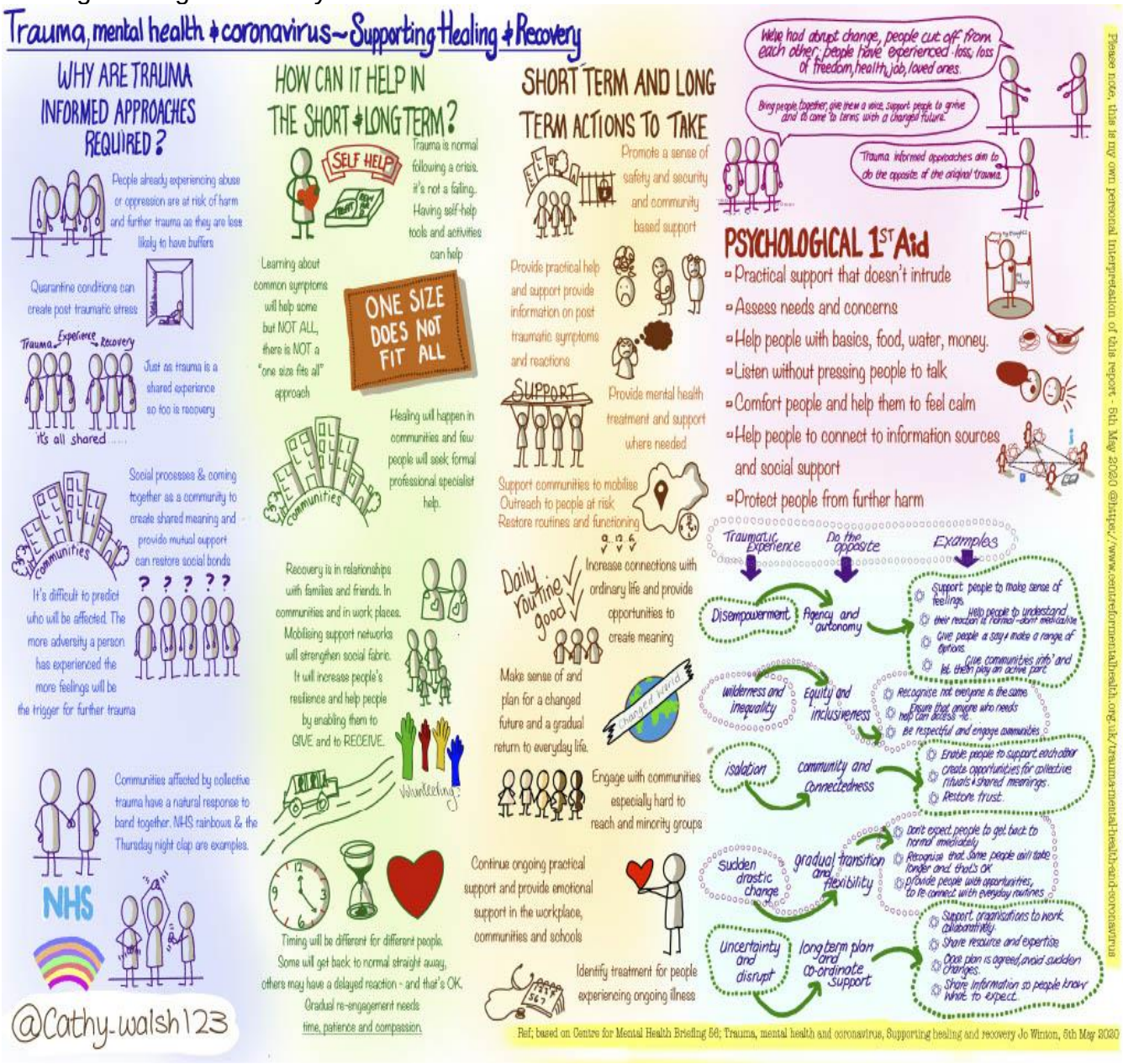
As outlined in the SOC, a central tenet of both Living Healthy Staying Well and Together for Mental Health is the delivery of care closer to home. The commitment given in Living Healthy Staying Well is that in order to deliver services to meet future needs the three main hospitals at Ysbyty Gwynedd in Bangor, Glan Clwyd Hospital in Bodelwyddan and Wrexham Maelor Hospital will provide core services to meet the needs of the population. It is important to ensure parity of esteem across physical and mental health provision. Parity of esteem means equal access to effective care and treatment; equal efforts to improve the quality of care; equal status within health care education and practice; equally high aspirations for service users; and equal status in the measurement of health outcomes. This is a key objective within the mental health strategy for North Wales. Also addressing mental and physical health needs together is better for patients' outcomes and can be more cost-effective. The Health Board will continue to operate acute admissions on all three sites to ensure that patients admitted under the Mental Health Act in an acute phase will remain closer to home in relation to their treating team and families which will impact positively on length of stay and enable timely discharge to Home treatment. The three site model will ensure that all acutely ill patients will not be travelling for extended periods of time and also takes into account operational pressures of partners such as the six Local Authorities in relation to Adult Mental Health provision, and North Wales Police in terms of crisis response.

The practical impact of this analysis is that there is a need for three inpatient units across North Wales, on the District General Hospital sites at Bangor, Bodelwyddan and Wrexham, to ensure the effective delivery of person centred, locality-based Acute care.

The implementation of Together for Mental Health in North Wales – ICAN and Service Transformation

Since the publication of the strategy in 2017 work has been ongoing on both continuing to develop the models of care via the quality and workforce groups and the Local Implementation Teams (LITs) and progressing the implementation of new services. This work has been co-produced with service user and staff involvement, undertaken in close collaboration with partners across North Wales via the Together for Mental Health Partnership Board.

As part of the engagement work, local people with lived experience said that they wanted a focus on mental health throughout their lives, from birth (and planning pregnancy) until death. Our plans build on these discussions and take an 'all-age' approach to mental health, removing potential barriers and building resilience as early as possible. In addition people with lived experience have told us that they would welcome increased accessibility and trauma informed care at the primary care level, provided in their communities, with a shared vision of moving towards recovery and utilising existing community assets.



The development of ICAN is a key element of the approach to implementing BCUHB's Mental Health Strategy. The vision is that people who use our services will lead the way in driving the cultural change required in Mental Health Services across North Wales, equipping our workforce (staff, volunteers and partners) with the skills and confidence to work in a trauma informed way across the whole continuum of care, encouraging open conversations about Mental health and reducing the stigma that exists in our Communities.

ICAN will be leaders in Mental Health Support Services, with the focus on connecting people to the right support at the right time, making the right connection at the first contact, but also connecting the wider system to itself. Creating a more organised, coordinated response to supporting people.

We will continually measure the impact of our services and will commission services based on evidence of demand and need and on the whole system outcomes we want to achieve.

ICAN Aims:

- Give a voice to people with lived experience
- Shift the focus of Care to prevention and early intervention
- Empower people to maintain their mental health and well being
- Encourage open and informed conversations about Mental Health
- Co-produce a framework to deliver a trauma informed service

The ICAN Offer will continue to be developed. However there are 4 key components to ICAN service offer aimed to support Primary Care and the whole system at a Community level:

- **ICAN Hubs** – Multi Agency community spaces offering wide ranging support.
- **ICAN Primary Care – Enhanced Mental Health offer at a GP surgery**. A first point of contact appointment as an alternative to a GP appointment and connection to the wider ICAN Offer of support.
- **ICAN Work** – Access to time unlimited intensive employment support – supporting people into competitive employment but also empowering employers to support individuals to remain in work.
- **ICAN Crisis**–services. A Twilight service. A safe space during the twilight hours when people are in crisis delivered by a third sector provider. Agreed pathways into the service from the 111 crisis team, WAST and NW police.

The ICAN approach is summarised in the following diagram:

ICAN Primary

- First contact appointment with a MH professional at the GP surgery
- Access to physical and mental health advice and support
- Access to self-management information and techniques
- Book a physio or nurse appointment
- Discuss medication
- Access to ICAN Hub & ICAN Work
- Information on local groups and services

ICAN Community Hubs

- Instant access to support within the local community
- Face to face, telephone and virtually delivered service
- Access to information
- Access to local groups and activities
- Referral to ICAN Primary Care
- Referral to ICAN Work
- Referral to specialist 3rd sector organisations

Advice and support

Putting the individual first **Close to home**

Early intervention

Accessible No wrong door

Mental Health & Wellbeing

Tailored Support

ICAN

- It aims to get people into paid employment
- Open to all those who want to work and are receiving support from a health professional for mild to moderate mental health problems.
- Provides support to people at risk of losing employment due to their condition
- The aim is to find jobs consistent with people's preferences
- It works quickly – we start job searches within 30 days
- It brings I CAN Work teams and health professionals together so that employment becomes a core part of recovery and wellbeing
- I CAN Work teams develop relationships with employers so they can match a person to a job based on their work preferences, not based on who happens to have jobs available
- It provides ongoing individualised support for the person and their employer, helping people to keep their job at difficult times
- Benefits counselling is included, because nobody should be worse off

ICAN Crisis

- Provides an alternative to A&E for Mental Health only conditions via walk in assessment unit.
- Eventual 24/7 Telephone Support
- Referral to ICAN Primary Care
- Referral to ICAN Community Hub
- Referral to ICAN Sanctuary

The recent increased provision of Welsh Government transformation funds for Mental Health has enabled the vision of investment in wider mental health community teams, primary care, specialist services and crisis support all which will complement the inpatient element of the acute care pathway. By providing more multi-disciplinary specialist advice and interventions earlier in the patient pathway, as close to home as possible, we will ensure that each acute inpatient admission is meaningful and for the shortest time required.

Prioritising investments in additional roles to support the new inpatient environment such as Occupational Therapy, Psychology, Advanced Nurse Practitioners and Pharmacists will ensure that a holistic approach to care is taken. Care will be delivered by a well-trained, highly skilled, trauma informed inpatient multi-disciplinary team providing evidenced based interventions in a modern, fit for purpose, mental health unit. This will ensure that any acute in-patient with stay is as short as possible with a seamless transition for treatment continuation in the community, close to home.

A summary of the Division's Transformation Plans is included as Appendix B.

3.3 Section C: The case for change

This section: outlines the investment objectives; highlights the challenges with the status quo; outlines the scope of the project; and summarises the benefits, risks, constraints and dependencies of the project.

3.3.1 Investment objectives

The investment objectives have been refined - for example investment objective 3 has been broadened to include the goal of improving workforce recruitment, retention and absenteeism – but cover the same territory as in the SOC. They are as follows:

Investment Objective 1	To provide services which meet the Strategic Direction outlined within *Together for Mental Health* (T4MH) in North Wales and deliver the model of care developed through the quality and workforce groups.
Investment Objective 2	To create a quality clinical environment that is fit for purpose, safe and humane.
Investment Objective 3	To improve workforce recruitment and retention and absenteeism through providing an environment that supports staff to deliver safe, effective care to patients, carers and families.
Investment Objective 4	To improve the quality of the estate by reducing backlog maintenance, reducing running costs, and achieving environmental sustainability.
Investment Objective 5	Flexibility: Deliver the flexibly to respond to future need – the solution should be designed to respond to future changes in service delivery.

A set of specific measurables that contribute to the delivery of each of these high level objectives, including baseline measurements, are included as Appendix C.

3.3.2 Existing arrangements

This section briefly describes the existing service arrangements for Mental Health services.

All of the Health Board's services, not only the specialist mental health services, play a part in maintaining and improving the mental health and wellbeing of communities in North Wales. This includes the "universal" services available across the community, such as primary care, health visiting and school nursing. It also includes the roles that other specialist and acute services take in supporting the wellbeing of people who use them, particularly services which have long-term relationships with their patients and clients.

The role of the specialist mental health services is therefore to work with the smaller number of people who have more serious and complex mental health problems.

Mental health services include primary, community and therapy services within localities across North Wales, and from inpatient services from four hospital sites. As such we make an important contribution to improving the health and wellbeing to a population of around 700,000 people. This encompasses prevention of mental ill health as well as treating illness and providing healthcare services.

The Health Board currently provides the following services for adults and older persons, based across North Wales:

- Community mental health teams for adults based in each County
- Home treatment teams based in each county
- A regional Specialist Eating Disorder service
- Mental health nurses in North Wales Police call centre undertaking triage & training of police staff
- A regional Criminal Justice and community based forensic team
- Community rehabilitation teams
- Community mental health teams for older people in each County
- Memory clinics for older people with dementia in each County
- Day hospitals for older people
- Specialist community based substance misuse services in each County
- Specialist community based learning disability services in each County
- A regional acquired brain injury service
- A range of specialist psychological therapy services in hospitals and community.
- Liaison teams working across mental health and physical health with the acute hospitals
- A regional Perinatal Team
- Primary Care Mental Health teams in each cluster

- A regional Early Intervention in Psychosis Team
- Complex Case work (for people with trauma and attachment problems)
- Inpatient services for:
    - Adults
    - Older people with functional mental health problems (a range of serious mental health problems, such as schizophrenia, bipolar disorder, or severe depression)
    - Older people with organic mental health problems (dementia and related conditions)
    - Rehabilitation
    - Learning Disabilities
    - A medium secure unit (a service for people with serious mental health problems and a history of criminal offences)
    - Detoxification unit (commissioned service via CAIS)

The main inpatient facilities are currently located in the Ablett Unit on the Glan Clwyd hospital site at Bodelwyddan, close to Rhyl; the Heddfan Unit adjacent to the Wrexham Maelor Hospital Site in Wrexham; the Hergest Unit on the Ysbyty Gwynedd hospital site on the outskirts of Bangor, and the Bryn y Neuadd site in Llanfairfechan.

In terms of the two units that are the subject of this business case, the specific services provided are as follows:

Ablett Unit	10 bedded functional older persons ward 10 bedded female acute ward 10 bedded male acute ward 8 bedded Rehabilitation ward (currently being used to cohort acute admissions due to covid isolation requirements) Regional ECT department Psychiatric Liaison Service Regional Peri-Natal Team Home Treatment Team Administration Hub
Bryn Hesketh	13 bedded organic ward (plus a family room) Memory Clinic

3.3.3 Business needs

Introduction

This section describes the problems associated with the existing service in relation to current and future needs. It focuses on the Central Area, which is the subject of this business case, and addresses two inter-related elements: the limitations of the Estate in delivering both the current model of care and the changing models of care set out

in *Together for Mental Health*; and a shortage of inpatient beds in the Central area to meet current and projected future needs.

Approach to Engagement

It is important to emphasise that the analysis of issues outlined below, and the proposed solutions, have been developed through a wide range of engagement exercises prior to and during the OBC development. In October 2016 CANIAD - which is a local service user-led organisation who supports people who want to have their voices heard, influence decisions and help shape the services they use - participated in five open events for adult service users across North Wales. 153 people attended the workshop events or gave one to one feedback, and 71 people responded to an on-line survey issued as part of the same process.

Across the patient journey, the CANIAD engagement process reported there was a strong view that both the physical and therapeutic environment of hospital wards needed to be improved. Many people spoke about there being a lack of privacy on the ward, and that some psychiatric wards felt more like a prison than a hospital. Many people also spoke about a lack of meaningful activities, having nothing to do, and feeling bored.

A Patient Flow Programme was also undertaken in response to a number of challenges such as the Division being placed in Special Measures. A Rapid Improvement Event was held on the 17th March 2016 attended by members from across Older People and Adult Services from all functions and professional groups with one of the outcomes being that people need to be treated and cared for in a safe environment and protected from avoidable harm. A multi-agency mental health summit was held in January 2017, to stimulate and draw together leaders of a wide range of local agencies which concluded that we must work together to create recovery-focused services.

Stakeholder engagement has continued to inform the development of the OBC, and has had a significant impact on the change in scope and the preferred option. A series of engagement events were held between October 2019 and January 2020. The purpose of these informal events was to gather feedback from a range of stakeholders about the options set out in our Strategic Outline Case (SOC) surrounding the future of older persons and adult mental health inpatient care in Conwy and Denbighshire. BCUHB has attended or hosted 21 meetings and events and spoken with 267 people. This included people with lived experience of older person's mental health care, their carers and loved ones, our own staff, and staff from partner organisations from across the statutory, voluntary and third sector. Our paid social media adverts also reached 5,585 Facebook users resident in Conwy & Denbighshire. Feedback from the engagement events held and engagement calendar are enclosed at Appendix D and E.

The limitations of the Estate in supporting current and future service models

A number of external reviews and inspections of the current facilities have been undertaken by the Community Health Council (CHC), Health Inspectorate Wales

(HIW) and Welsh Government (WG) as part of the review of services over a number of years, all of which have reached similar conclusions, including:

- The remote older people's mental health unit at Bryn Hesketh: although significant improvements have been made in relation to environment and staffing there is still a risk to managing patients with high levels of acuity along with co-occurring physical health needs so far away from the acute general hospital. In addition the Bryn Hesketh Unit cannot be regarded as a sustainable facility in terms of national quality standards for environment (Kings Fund 2013) or the Royal College of Psychiatrists' criteria for Older Adult Psychiatry Services in the UK for units to be based on a District General Hospital campus. (Royal College of Psychiatrists 2011)
- The mixing of older people with mental illness alongside young adults is not appropriate and does not deliver good patient experience, as well as causing significant challenges for staff to manage the differing dynamics within the ward;
- The ward environments are not fit for purpose, including lack of space (indoor and outdoor) to undertake meaningful recreation. There is a lack of space to undertake therapeutic work. Some areas are not Equality Act compliant. Mixed sex accommodation is common and the line of sight in ward areas is not to the standard it should be which leads to the increased constant levels of observation (to maintain safety) but which may compromise psychological well- being as well as increasing revenue costs.
- Privacy and dignity standards are not being met across the inpatient environments including the use of dormitory style wards, the lack of ensuite facilities and the availability of separate lounge facilities.

To give more detail in relation to the ward facilities at the Ablett Unit:

- **Tegid Ward** which hosts older people with functional illness, is not fit for purpose; the ward is very short of space with a small day room and dining area and very narrow corridors. Access is particularly challenging for those with mobility issues particularly into the bedrooms and bathrooms. There are limited sanitary and

bathing facilities; the lounge and dining area are small, cramped and used for multiple functions. HIW comment that in the longer term, the suitability of this environment for the patient group must be addressed.

- **Dinas Ward**, which hosts Adult services, has 14 single bedrooms and 3 twin rooms, none of which are ensuite. Corridors are narrow, the circulation/lounge areas are too small and it lacks dedicated recreational and therapeutic space.
- **Cynydd Ward** is an 8 bedded rehabilitation ward, which has sufficient space for the patient group. There is a large communal area in the centre of the ward, two separate lounges and a games/recreational area. The bedrooms are all single occupancy but do not have ensuite facilities. The model of providing locked rehabilitation on a district general hospital site does not link with the overall direction of travel for our future rehabilitation services which has been supported by the National Collaborative Commissioning Unit.
- **Tawel Fan** (an Adult inpatient ward) is currently closed. The ward has 14 bedrooms and 20 bed spaces, none of which are ensuite.

In addition to these issues, which were explored fully in the SOC, there are a range of other problems with the Ablett Unit which makes it not fit for purpose. These have been explored fully through a number of stakeholder events that were held between October 2019 and January 2020, as outlined above, and can be summarised as follows:

Electro Convulsive Therapy (ECT): The Ablett Unit is now the single regional ECT provision for the whole division, including the provision of outpatient ECT for the whole of North Wales. There has been an increased use of ECT as a treatment across the UK in recent years, and locally activity has increased from 300 treatments in 2017 to 500 in 2019. In order to maintain their Electroconvulsive Therapy Accreditation Service (ECTAS) update is required to the department in relation to both the flow of the patients and the modernisation of anaesthetics in relation to piped oxygen and other issues. This means the department needs to be fully upgraded to deliver safe clinical care for the increasing numbers of patients that they are treating. Between 2017 and 2019 200 more treatments were delivered and whilst the Covid pandemic impacted in 2020 the clinical leads expect the rise to be sustained as ECT is utilised as an increasing treatment of choice for both inpatients and outpatients.

Pharmacy: The existing pharmacy facility in the unit is small and has no provision for individual consultations or a waiting area. This results in limited opportunity for Pharmacists to have one to one discussions in relation to medication, concordance, side effects and providing discharge advice to patients and their carers.

Therapeutic Areas: Investment in allied health professionals and activity workers across inpatient units, as a result of a number of HIW recommendations, has led to a limitation of therapy spaces and consequently the inability to separate specific groups of patients based on their clinical presentation and treatment needs. In addition the current assisted daily living kitchen does not enable disabled access to these with mobility issues as it is too small and the worktops are not adjustable. Both these issues have been highlighted by lead Psychologists and Occupational Therapists in terms of

the ability to offer evidence based treatment, therapy and assessment for all patients which they see as key to reducing length of stay and undertaking robust discharge preparation.

Stakeholders with lived experience and their carers identified that the provision of a welcoming reception area with a café would reduce their anxieties on entering the unit and also enable other hospital staff and visitors to utilise the facility, thus reducing stigma as has been experienced in other modern mental health units. In addition they identified this as a key part of recovery where it could be an opportunity for current inpatients and those who've been discharged to gain valuable experience as part of the journey back into paid employment via a social enterprise arrangement with the third sector. This partnership approach is already in operation with KIM in the Heddfan Unit Wrexham with many positive outcomes and at no revenue cost to BCUHB.

Introduction to physical exercise via the addition of a small gym and larger space for yoga and pilates as well as enabling the therapeutic use of outside space, as opposed to just gardens, was identified as being a key element by those with lived experience and staff. This important aspect links to the five ways of wellbeing and bridges an important gap between mental and physical health. It will also provide an opportunity for staff to utilise the facilities which supports the aims identified in our Wellness Work and You Strategy MHLD (2020).

Increased Assessment Provision: The original SOC included a 4 bedded area for a clinical decision unit (CDU). During the OBC development clinicians have visited a number of these facilities and reviewed their impact. During COVID19 changes were also made to the psychiatric liaison pathway. This saw the creation of a liaison assessment hub where suitable patients were assessed on the Ablett site to minimise the footfall through the emergency department. During COVID19 the liaison hub was located in the ECT suite which did not operate during the pandemic. The experience for patients, psychiatric liaison and emergency department staff has been positive in terms of this shift to a new location for assessment and it is recommended that this continues and is included in the new development. This will be a small bespoke area situated close to the S136 suite with 4 recliner chairs with access to beverages and snacks, and both areas will be staffed by psychiatric liaison staff. Undoubtedly continuation of this approach, post the initial covid phase, will not only provide qualitative benefits to both MHLD patients and their carers but also impact on the Emergency Department in terms of patent flow and other operational pressures.

De-stimulation Area: Stakeholders have identified the requirement for de-stimulation area to be present on each ward so that acutely ill patients can be nursed in a more conducive environment to meet their needs. The aspiration of the clinical team is that this will enable patients to remain in their local unit as they will not require a transfer to psychiatric intensive care unit (PICU) which is currently only provided in East and West. Provision of this area will further support the significant reductions in restrictive practice that has been progressed within BCUHB over the last few years making the health board the second lowest across the UK in relation to restraint (NHS Benchmarking report 2019). In addition this development will support a reduction in patient on staff assaults and patient on patient assaults in the Central area as there will be de-stimulation areas on site. These bedrooms will form part of the overall adult ward numbers.

Staff Facilities: A range of staff groups identified the need for suitable staff changing and rest facilities on site which has also been previously raised by HIW. This element has become more urgent in terms of the impact of COVID19 and associated transmission risks. In addition the provision of Junior doctor/on call doctor rest rooms was highlighted as a key requirement in terms of both attracting junior doctors and retaining them. This is a key factor highlighted by a Royal College of Psychiatry review of fatigue in psychiatry in 2016 (Supported and Valued Staying Safe RCPsych 2016). The provision of onsite training facilities was identified across all disciplines as another key requirement in terms of attendance at mandatory training and maintaining continuous professional development for inpatient staff.

Acute Care Campus: More efficient use of administration resources and office space was identified by a number of stakeholders, especially in relation to enabling reconfiguration of the overall footprint to prioritise therapeutic space to improve the patient experience. The vision of creating an "acute care campus" incorporating specialist teams such as the new perinatal service where they can link with the Sub Regional Neonatal Intensive Care Unit (SURNICC), liaison psychiatry and home treatment who can work more collaboratively was seen an opportunity to work across specialisms and be more efficient in relation to sharing knowledge and expertise. In addition hot desk space for in reach provision from third sector organisations, partners and community staff was identified as a key requirement to enable the unit to be a continuum of care rather than a distinct episode of care, as it is often currently viewed.

Issues highlighted by external investigations

There have been two investigations related to care on Tawel Fan: the Ockenden Review relating to the care of patients on Tawel Fan ward prior to its closure on 20th December 2013; and the Independent Investigation into the Care and Treatment Provided on Tawel Fan Ward: a Lessons for Learning Report undertaken by Health and Social Care Advisory Service Consultancy Limited (HASCAS).

This OBC will support the delivery of a number of recommendations contained within both the HASCAS and Ockenden investigations, namely:

- HASCAS recommendation 13: Restrictive Practice Guidance

The potential alignment of Organic services onto one acute site will increase the pool of trained Restrictive Practice Intervention staff to ensure that all older adults are in receipt of lawful and safe interventions throughout a 24 hour period.

- HASCAS recommendation 15: End of Life Care Environments

The potential alignment of Organic services onto one acute site linked to a DGH will enable timely access to diagnostics and more suitable environments for end of life care.

- Ockenden recommendation 10: A review of all external reviews in relation to older people.

HIW have raised concerns in relation to the environment of Tegid ward not being fit for purpose for older persons. Redevelopment of the Ablett site would enable the environmental concerns to be addressed for both organic and functional patients.

- Ockenden recommendation 11: Outstanding estates issues

Re-provision of older person's services in Ablett would enable the creation of wards that fit the Kings fund Enhancing Healing Environments standards specific to Dementia care.

It is also worthy of note that the focus on the Ablett unit over a number of years in relation to the HASCAS investigation into standards of care has resulted in very negative perceptions of the unit with the public and partners. The development of a new unit provides a real opportunity to continue to rebuild public confidence and the reputation of psychiatric services provided on the Glan Clwyd Hospital site.

Physical Capacity

As outlined above, the national and local strategic intent is to shift the balance of care from Acute to Community settings. However even within this strategic context, the bed capacity for Adults and Older People's Mental Health in the Central Area is insufficient to meet current needs, and is also projected to be insufficient in the future. The overall analysis that has led to this conclusion is summarised below, with supporting information included in Appendix F.

The SOC utilised the "Inpatient and Community Mental Health Benchmarking 2017/18" published in October 2018 with other supporting data such as length of stay, occupancy levels and population. It identified that a high number of Conwy and Denbighshire residents were receiving their inpatient care in the West (Hergest) and the East (Heddfan), which is not in line with the strategic intention to treat patients closer to home. The conclusion reached in the SOC analysis was that the estimated numbers of beds required was 36 Adult beds and 24 OPMH beds and stated that further work would be undertaken as part of the development of the OBC to reach firm conclusions on the bed numbers and bed configuration.

During the OBC development the practice of sending Conwy and Denbighshire patients out of area (but within North Wales) was highlighted strongly as a significant issue by patients, carers and staff (including community staff) in terms of care closer to home and continuity of care often impacting negatively on length of stay and recovery.

Further analysis was also undertaken in terms of patient admissions, identified by postcode, to the other two acute units which confirmed the current capacity in central area remains insufficient to meet the needs of patients treating them closer to home.

The updated benchmarking data published in October 2019 was reviewed. For Inpatient Adult Mental Health BCUHB is essentially in line with the national average in terms of beds per 100,000 (BCUHB 22.2, benchmark mean 20.6). Average length of stay including leave is lower than the national average (BCUHB 22.8, benchmark mean 34.8). Admissions per 100,000 are well above the national average (377 admissions per 100,000 population, compared to a mean of 232). Average bed

occupancy (including leave) at midnight is also above the national average (BCUHB 104%, benchmark mean 101%). 104% is also substantially higher than the national target for mental health of 85% occupancy.

A system running at above 85% occupancy on average at midnight will frequently have insufficient beds to cope with normal variations in demand, and in a Mental Health service this is likely to lead to home leave being used as *a pragmatic response to scarce bed capacity as well as a tool for managing patient discharge*.[2] The issue of occupancy has been a key factor in considering the required number of beds for the OBC, as has the delivery of care closer to home for Central patients and future demographic changes.

The Royal College of Psychiatrists indicates that 85% bed occupancy should be optimal, but a paper published in the American Psychiatric Association suggest an even lower figure for smaller units (Rodney P Jones 2013). Whilst a target of 85% occupancy in many specialities is no longer considered a realistic goal, within Mental Health the target is still a key aspiration. The impact of running acute and older persons inpatient units at over the 85% occupancy is well documented to have a negative impact on a range of metrics, including staff sickness and retention, serious incidents and patients' experience e.g. in terms of home leave relapse and Mental Health Act (MHA) detention when no local bed is available.

A recent study exploring inpatient capacity in mental health commissioned by the Royal College of Psychiatrists highlights the same risks for high occupancy units and concluded that too many beds have been taken out of the system across the UK. The review also found that the threshold for admission has risen and patients are often discharged too early presenting risks in the community at both interfaces with bed based provision (The Strategy Unit 2019)[3].

For Older People's Mental Health BCUHB is a little below the national average in terms of beds per 100,000 (BCUHB 40.0, benchmark mean 42.9). As with Adults, admissions per 100,000 are well above the national average (230 admissions per 100,000 population, compared to a mean of 175). Average length of stay (including leave) is below the national average (BCUHB 62.0, benchmark mean 76.0). Average bed occupancy (including leave) at midnight is also well above the national average (BCUHB 101%: with the benchmark mean at 90%).

In November 2020 the annual NHS Benchmarking Network "Inpatient and Community Mental Health Benchmarking 2019/20 was published. The data and a range of relevant metrics have been reviewed by clinicians and it has been agreed that the benchmarking supports the conclusions reached in this OBC.

In terms of demography, for Adults future population projections do not indicate a change in levels of demand, however to ensure people receive care closer to home

[2] Optimum Bed Occupancy in Psychiatric Hospitals, Rodney P Jones 2013

[3] Exploring Mental Health Inpatient Capacity, The strategy Unit 2019. Commissioned by the Royal College of Psychiatrists.

and to address some of the risks posed by current occupancy levels across the system increasing the adults beds by 12 and 4 for the older persons functional ward is considered to be clinically appropriate. Whilst OPMH demand is set to rise in Central, during the stakeholder sessions Senior OPMH clinicians advised against a bed increase for organic patients in terms of risk. They strongly recommended that the preferred direction of travel should be investment in community home treatment and nursing home in reach which is identified within the current MHLD transformation delivery plan as priority areas of development, as unnecessary admissions for older persons with an organic presentation can increase their individual risk.

In relation to Rehabilitation beds, the existing locked rehabilitation ward on the Ablett unit does not deliver against the proposed future model. It is proposed that this facility is closed, as per the SOC submission, and patients are treated in other BCUHB facilities as part of the developing model of rehabilitation also outlined within the T4MH delivery plan. This direction of travel will also ensure that rehabilitation patients will be treated closer to the community ensuring the full range of community assets are utilised to aide their recovery and fully integrate those patients back into the community.

In terms of the CDU described in the SOC, stakeholder engagement during the OBC and learning form COVID19 has concluded that this area will be an assessment area with chairs and access to fluids and nutrition. It will be staffed by the Psychiatric Liaison Team who will pull medically fit patients presenting to Emergency Department to enable a full assessment of patients presenting in crisis and support plans to be agreed with partners and other stakeholders.

To conclude: the number of beds and configuration described in the SOC have been revisited and amendments have been made for both adults and older persons based on the following criteria:

- Occupancy levels
- Future population predictions
- Updated benchmarking data
- Learning from COVID19
- The Rehabilitation transformation plan
- Providing care closer to home

Therefore the future beds required are as follows:

	Adult	OPMH	Rehab	Vacant [Tawel Fan]	Total Physical Beds	Total Open Beds
Current Beds	20	23	8	20	71	51
Future Beds	32	27	0	0	59	59
Change	12	4	-8	-20	-12	8

This proposal will reduce bed pressures in Hergest and Heddfan. Given the current high levels of occupancy in these hospitals this may result in a qualitative benefit, rather than a cash-releasing reduction in the number of beds on those sites, and there is no assumption about cash-releasing savings in the Financial Case. This will be reviewed further at FBC stage.

Conclusion: Summary of the Case of Need

In summary, the current configurations of both the Ablett Unit and Bryn Hesketh do not provide the right environment to deliver high quality services. In addition the limitations of the current units do not allow any flexibility for changing the size and the gender configuration of each ward or support the implementation of new pathways, which will improve the flow of patients within the system and result in better outcomes for patients. There is also insufficient capacity to meet current and projected future need for the local population.

3.3.4 Potential Business Scope and Key Service Requirements

Given the specific issues related to service provision and the estate, the project focuses on the provision of inpatient Adult and Older People's Mental Health services in the Central Area of BCUHB. In Estates terms, the case therefore addresses all the current issues at the Ablett Unit and at Bryn Hesketh.

In summary it proposes:

- Providing a 14 bed OPMH Functional ward that incorporates bedrooms with ensuite facilities, improved circulation and recreational spaces and improved observation.
- A 13 bed new fit for purpose dementia care assessment unit with an end of life bedroom. This will include provision for families and carers to stay with their loved ones overnight, to support the implementation of John's campaign (Johns Campaign 2014). This ward will have clear circulations routes, with no dead ends, a secure courtyard that will bring light into the ward, ensuite facilities to all bedrooms, recreational and therapy spaces and improved visibility.
- Two purpose built 16 bedded adult wards, which will be designed flexibly to respond to gender split and future models of care. There will be an age appropriate bed included in the adult ward as required in Welsh Governments admission guidance.
- A de- stimulation area on each ward which will provide a safe nursing environment for high acuity patients. This will support the reduction of transfers to other facilities, in and out of North Wales, and provide teams with more options to manage patients differently and reduce restraints.
- An assessment suite to enable suitable patients to be moved from the Emergency Department in a timely manner to be assessed by the Psychiatric Liaison Team.
- A small gym and increased use of outdoor space for therapeutic interventions.

- A new 136 suite with an additional assessment room for all admissions to be triaged in a timely manner.
- Increased therapeutic space indoors and outdoors.
- Provision of a modern accredited regional ECT suite.
- Removal of the locked rehabilitation ward.
- Staff change and rest facilities.
- A café and bright reception area.

3.3.5 Main risks

The main business and service risks associated with the scope for this project are:

- Unexpected changes in service capacity/demand
- Failure to deliver the model of care
- Capital affordability

These issues are included in the risk register and will be addressed systematically as the project develops. Demand risk, service and design risk and service continuity risk are addressed as part of the option appraisal in the economic case.

3.3.6 Constraints

The requirement to co-locate services on an Acute site means that there are space constraints, which limit design options.

3.3.7 Dependencies

The project is dependent on capital funding from Welsh Government.

4. The Economic Case

4.1 Introduction

This section of the business case focuses on the main options available for delivering the required services. These options are evaluated, and the option which gives the best Value for Money (VfM) is established.

4.2 Changes from the Strategic Outline Case

The shortlisted options at SOC stage were as follows:

Option 1 – business as usual: i.e. continue with current arrangements for service provision, with incremental investment to prevent further deterioration of the estate. This was included as a baseline to compare the value for money of other options.

Option 2 – A combination of refurbishment and new build at Glan Clwyd. This entails the full implementation of the proposed service model, except for retaining the existing services at Bryn Hesketh. In summary:

- Demolish Tawel Fan
- Create new adult / OPMH functional ward(s)
- Create a clinical decisions unit
- Form a 136 suite fit for purpose
- Create a de-stimulation area
- Significantly improved environment with ensuite facilities for all service users at the Ablett Unit.

Option 3 – A combination of refurbishment and new build at Glan Clwyd in line with the proposed service model, including transferring services from Bryn Hesketh. In summary:

- Demolish Tawel Fan
- Create new adult / OPMH functional ward(s)
- Create a clinical decisions unit
- Form a 136 suite fit for purpose
- Create a de-stimulation area
- Significantly improved environment with ensuite facilities for all service users
- Transfer OPMH Organic patients from Bryn Hesketh to the Ablett site.

This was the suggested way forward.

Option 4 – Introduce the service model outlined in option 3, through an entirely new build on the Glan Clwyd site.

There have been significant changes since the development of the SOC in 2019, which have resulted in a fundamental re-appraisal of the options. Firstly, as outlined in full in the Strategic Case, there are a range of issues with the existing facilities at Glan Clwyd Hospital which need to be addressed, but which were not included in the scope of the SOC. These include: issues with the ECT facilities; the need for more therapeutic areas (including more appropriate space for group sessions, improved Occupational Health kitchen facilities, and the provision of a gym and outdoor exercise space); the requirement for increased assessment provision; the need for a de-stimulation area; improved staff facilities; and administrative accommodation that facilitates integrated working. Secondly, there is now a clear view that the issues and risks at Bryn Hesketh are sufficiently serious to rule out shortlisting any options that do not transfer the service to Glan Clwyd Hospital. This view is supported by the Community Health Council, whose letter of support is enclosed as Appendix G. In light of these changes to the strategic context the process of long-listing, short-listing and selecting the preferred option has been fully re-run, and is outlined in the remainder of this section of the business case. This has led to a change in the preferred option.

4.3 Critical Success Factors

The critical success factors (CSFs) are the attributes which are essential to the successful delivery of the scheme, against which the options are assessed. Alongside the assessment of the CSFs is the assessment of how well the options meet the scheme's spending objectives and benefits criteria. The CSFs are unchanged since the SOC, and are as follows:

- **CSF 1: Business Needs**: how well the option satisfies the existing and future business needs of the organisation.
- **CSF 2: Strategic Fit**: how well the option provides holistic fit and synergy with other key elements of national, regional and local strategies.
- **CSF 3: Benefits Optimisation**: how well the option optimises the potential return on expenditure, business outcomes and benefits (qualitative and quantitative, direct and indirect to the organisation), and assists in improving overall VFM (economy, efficiency and effectiveness).
- **CSF 4**: **Potential Achievability**: the organisation's ability to innovate, adapt, introduce, support and manage the required level of change, including the management of associated risks and the need for supporting skills (capacity and capability). Also the organisation's ability to engender acceptance by staff.
- **CSF 5**: **Supply-side Capacity and Capability**: the ability of the market place and potential suppliers to deliver the required services and deliverables.
- **CSF 6**: **Potential Affordability**: the organisation's ability to fund the required level of expenditure namely, the capital and revenue consequences associated with the proposed investment.

4.4 The Long Listed Options

As recommended in Welsh Government and HM Treasury's Guide to Developing the Project Business Case, the Options Framework has been used to systematically

identify and evaluate a wide range of options, and to derive the shortlist for more in-depth evaluation. The Options Framework considers five categories of choice, which are:

- The scope of the service
- Service solution options
- Service delivery options
- Implementation options
- Funding options

The following table describes the options considered and the findings.

Options	Finding
1.0 Scope	
1.1 **Business as usual / Do nothing**: No change to the Ablett Unit or Bryn Hesketh, aside from incremental investment to prevent further deterioration of the estate	**Discounted**: it would not address the service and estates issues outlined in the strategic case, but is retained as a comparator against which to assess whether other options offer VfM.
1.2 **Minimum**: Resolve the issues at the Ablett Unit, retain the existing service model at Bryn Hesketh	**Discounted:** it would resolve the issues at the Ablett Unit, but all of the risks and issues associated with Bryn Hesketh would remain.
1.3 **Intermediate:** Resolve the issues at the Ablett Unit and Bryn Hesketh that were identified in the original SOC	**Possible:** it would address the service and estates issues at Bryn Hesketh, and those at the Ablett Unit that were identified in the SOC. The additional issues that have been identified since the SOC would remain, and the service model could not be implemented in full. The inclusion of this option in the shortlist means that the additional value for money delivered by increasing the scope of the project can be tested.
1.4 **Intermediate**: Resolve in full the issues at the Ablett Unit and Bryn Hesketh, as outlined in the Strategic section of this OBC	**Preferred:** this option fully addresses the scope of the project, and is the preferred option.
1.5 **Maximum:** Expand the catchment area served by the Central Area to include all Acute admissions	**Discounted:** greater centralisation of services is not in line with the Health Board's strategy.
2.0 Service Solution	
2.1 **Business as usual / Do nothing**: No change to the Unit or Bryn Hesketh, aside from incremental investment to prevent further deterioration of the estate	**Discounted**: it would not address the service and estates issues outlined in the strategic case, but retained as a comparator against which to assess whether other options offer VfM.

2.2 **Full remodelling of the current unit:** Address the full service scope outlined in the Strategic Case through a combination of refurbishment and extension of the new unit	**Possible**: this would meet the full scope requirements, but has the disadvantage that the current unit would need to be decanted to allow demolition and phased refurbishment.
2.3 **Full demolition of the existing unit to provide space for a new build on the existing site**	**Discounted**: this is not practical due to the level of decant required, and the operational impact on two other units (East and West) if patients are transferred to those facilities. There is a need to continue to provide local services for Conwy and Denbighshire residents in line with care closer to home.
2.4 **New build unit located elsewhere on the YGC site**: The current service at the Ablett and Bryn Hesketh is maintained while a new unit is constructed. Car parking lost as a result of the construction is re-provided and the existing Ablett Unit is retained for alternative use.	**Preferred**: this option provides a purpose-built facility on the Glan Clwyd site and minimises service disruption.
2.5 **Remodelling of the existing unit to support the service scope outlined in the SOC:** This would be achieved through a combination of new build and refurbishment.	**Possible:** however this option offers very limited opportunity for future development and does not address the full scope of the project, with no works to reception, ECT, staff rest areas or administration areas.
3.0 Service delivery	
3.1 **In house**	**Preferred:** in line with Welsh Government Policy
3.2 **Outsource**	**Discounted:** not in line with Welsh Government Policy
3.3 **Strategic partnership**	**Discounted:** not in line with Welsh Government policy
4.0 Implementation	
4.2 **Big Bang**: Implement the proposal as a single project	**Preferred:** the service & estates issues are interlinked and need to be resolved as a single project
4.3 **Phased**: Implement the proposal as a series of discrete projects	**Discounted:** for the reason given above.
5.0 Funding	
5.1 **Private funding**	**Discounted:** as unaffordable
5.2 **Public funding**	**Preferred**

4.5 Short-listed Options

The preferred and possible options identified above have been carried forward into the short list for further appraisal and evaluation. All the options that were discounted have been excluded at this stage. On the basis of this analysis, all the shortlisted options propose a single project (aside from business as usual) with the service delivered in-house and funded by public monies.

In terms of the Options Framework the shortlisted options are:

	Option 1	Option 2	Option 3	Option 4
Scope	Business as usual (1.1)	Preferred – full scope (1.4)	Preferred – full scope (1.4)	Minimum – SOC scope (1.3)
Service Solution	Business as usual	Full remodel of the existing Ablett Unit (2.2)	New build on the Glan Clwyd Site (2.4)	Partial remodel of the existing Ablett Unit (2.5)
Service Delivery	In house	In house	In house	In house
Implementation	Not applicable	Big bang	Big bang	Big bang
Funding	Public	Public	Public	Public

A brief narrative description of the shortlisted options is as follows:

1. **Business As Usual**: no change to the service model or the physical units at Glan Clwyd or Bryn Hesketh, aside from incremental investment to prevent further deterioration of the estate (included as a comparator).

2. **Full remodelling of the current Ablett Unit**: this option addresses the full service scope outlined in the Strategic Case, through a combination of refurbishment and extension of the existing Ablett Unit. The current unit would be decanted a phase at a time, and the relevant elements of the Bryn Hesketh service would be transferred into the remodelled unit.

3. **A new build unit located on the YGC site**: this option addresses the full service scope outlined in the Strategic Case. The current service at the Ablett and Bryn Hesketh would be maintained while the new unit is constructed. Once the new build is complete, the Ablett Unit and the relevant elements of the Bryn Hesketh service move to the new build. The current Ablett Unit is retained for alternative use. The use of the Bryn Hesketh site will be the subject of a review with stakeholders to assess whether to relocate services from other sites that are of an inferior standard. This review may result in the capital receipt of Bryn Hesketh or an alternative service. Car parking space is created at YGC to replace the spaces lost, and to take account of the increased activity associated with the transfer of services from Bryn Hesketh.

4. **Partial re-modelling of the current Ablett Unit**: the service scope and the building works are as outlined in the SOC preferred option with works to ward areas only and adding Bryn Hesketh. No other works to reception, ECT, staff rest areas or administrative areas. Given that the building works are unchanged since the SOC, this option also does not meet the requirements of the recently published NHS Wales Decarbonisation Strategy Delivery Plan.

4.6 Economic Appraisal of the Shortlisted Options

4.6.1 Introduction

This section provides a detailed analysis of the main costs and benefits associated with each of the shortlisted options. The benefits are evaluated in terms of:

- A qualitative benefits analysis
- An analysis of the monetised costs and benefits – cash releasing and non-cash releasing
- A risk analysis

4.6.2 Qualitative Benefits Appraisal

A workshop was held to evaluate the qualitative benefits associated with each option. There were sixteen attendees in total and included patient representation, senior doctors, nurses and managers from the relevant disciplines, and representatives from finance and capital planning. A full report of the workshop, including a list of attendees, is included as Appendix H. Given the passage of time since the workshop was held, the Project Team has reviewed the analysis and confirmed that it remains robust.

4.6.2.1 Methodology

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

- identifying the benefits criteria relating to each of the investment objectives
- weighting the relative importance (in %s) of each benefit criterion in relation to each investment objective
- scoring each of the short-listed options against the benefit criteria on a scale of 0 to 10
- deriving a weighted benefits score for each option.

It is important to note that weighting and scoring has been used to give a framework to the analysis, and an approximate quantification to the differences between the four options. However the primary focus is on the analysis undertaken, rather than the score.

4.6.2.2 Qualitative Benefits Criteria

The benefits criteria were weighted as follows:

Benefits Criteria	Outcomes & Sub Benefits Criteria	Weighting
Model of care	▪ Ability to flex gender separation / specialist areas for wards dependent on need. ▪ Flexible option in terms of future demand e.g. Psychiatric Intensive Care Unit (PICU) and ability to add future service developments. ▪ Ability to change functions as strategy progresses e.g. reduce beds/ change use. ▪ Reduce/eliminate use of out of area beds. ▪ Ensure there are sufficient beds to meet current demand. ▪ Provision of a facility which enables and supports effective patient flow ▪ Closure of isolated units. ▪ Provide effective evidence-based interventions, working alongside services for people with physical health needs. ▪ Improve the availability of a range of psychological therapies, including online therapeutic interventions. ▪ Flexibly deploy our workforce to deliver appropriate levels of activity and reduce the need for overtime, bank and agency staff. ▪ In line with the rehabilitation clinical strategy.	25 %
Clinical environment	▪ Enables gender separation-and links to sexual safety work. ▪ Provision of ensuite rooms. ▪ Layout will enable good observation opportunities to reduce use of 1:1. ▪ Therapeutic use of outside space. ▪ Anti-ligature compliant. ▪ Provides least restrictive environment. ▪ Reduce inequalities, stigma and discrimination. ▪ Enables introduction of John's campaign. ▪ Includes an end of life suite with family room ensuite. ▪ Provision of children's visiting room away from ward. ▪ Includes de-stimulation areas. ▪ Meets Kings Fund Standards for dementia care wards. ▪ Meets WHBN 03-01 for acute adult wards. ▪ Meets Electroconvulsive Therapy Accreditation Service (ECTAS) Standards to maintain accreditation. ▪ Meets Royal College of Psychiatrists (RCP) Section 136 Standards. ▪ Addresses Health Inspectorate Wales (HIW) concerns re Bryn Hesketh and Tegid. ▪ Provision of a facility which enhances patient experience through improved dignity, confidentiality and comfort.	25 %

Workforce	▪ Improved staff rest and change facilities onsite. ▪ Improved access to rooms for on-site training. ▪ Improved Junior Doctor rest facilities. ▪ Improved Doctor on call rest facilities. ▪ Improved opportunities for staff exercise. ▪ Consolidation of inpatient services on one site. ▪ Improved on site study facilities for students. ▪ Bright, well ventilated areas of work. ▪ Availability of de brief rooms. ▪ Ability to provide on-site training and teaching.	10 %
Quality of the estate	▪ Provision of a modern mental health facility in accordance with the Ysbyty Glan Clwyd Services and Estates Strategy. ▪ Provision of purpose built facility which meets modern building regulations. ▪ Providing a safe and fit for purpose environment which meets current guidance on infection control and health and safety standards. ▪ Reduce running costs and backlog maintenance. ▪ Meet statutory requirements e.g.: The Health & Safety at Work etc. Act (1974), The Management of Health & Safety at Work Regulations (1999) etc.	15 %
Deliverability	▪ Impact on patients and visitors from noise and contractors presence. ▪ Risk to operating in live acute areas. ▪ Disruption for staff on duty. ▪ Additional requirement for nursing staff oversight of contractor's required. ▪ Reduced access to parts of the building for staff and patients. ▪ Reduced parking for staff, visitors and community staff. ▪ Impact on delivery of therapeutic interventions due to noise and reduction of space available. ▪ Risk to red route from reduced parking and deliveries. ▪ Decant options may not be fit for purpose for the patient / staff group. ▪ Impact on two other acute units in terms of flow and occupancy during decant and re build phase. ▪ Impact on patient length of stay.	25 %

Weighting of Criteria

The weighting of the main benefits criteria was agreed as follows:

Main Benefits Criteria	Weighting (%)
Model of Care	25
Clinical Environment	25
Workforce	10
Quality of Estates	15
Deliverability	25

4.6.2.3 Qualitative Benefits Scoring

Benefits scores were allocated on a range of 0-10 for each option and agreed by discussion by the workshop participants to confirm that the scores were fair and reasonable. The scoring exercise was held without knowledge of the weightings, in order to prevent any bias in the scores allocated. Scores of between 0 and 10 were allocated to each option against each criterion. A score of zero indicated that the option failed to satisfy the criteria in any respect.

Score	Evaluation
10	Could Hardly Be Better
9	Excellently
8	Very Well
7	Well
6	Quite Well
5	Adequately
4	Somewhat Inadequately
3	Badly
2	Very Badly
1	Extremely Badly
0	Could Hardly Be Worse

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

Investment Objective/Main Benefits Criteria: To provide services which meet the Strategic Direction outlined within *Together for Mental Health* (T4MH) in North Wales and deliver the **model of care** developed through the quality and workforce groups.

Option 1: Business As Usual: The status quo could not achieve the core standards as detailed within *Together for Mental Health* e.g. numbers of beds, gender separation, flexibility and future ability to meet new requirements under the strategy. Whilst there were no concerns in relation to service quality currently provided, the existing environment/estate makes it difficult to meet many of the sub benefits e.g. unit configuration/structure and WHBN. This option was scored as 2.

Option 2: Full remodelling of the current Ablett Unit: This option was judged to be an improvement on the status quo in that it delivered all the requirements identified by the design user group in relation to areas other than wards being developed e.g.: ECT, therapies, and administration areas. In addition it provides increased bed numbers and flexibility of ward space for gender separation. However it was also noted that the flexibility of future demand and other provisions being added was limited with option 2 due to the current footprint and uncertainty in relation to the stability/future opportunity of the existing buildings i.e.: if additional levels are required for future development there is an identified lack of opportunity to increase the current boundary. Option 2 was judged to be an improvement on option 1 and subsequently scored 8.

Option 3: A new build unit located on the YGC site: Similar discussion took place in relation to option 2. This option was seen as superior in relation to future flexibility and development, in that it enables additional levels to be built to accommodate and meet the needs of future service requirements (clinical or non-clinical areas). Furthermore, the boundary issues identified in option 2, were not as constraining. This option was given a slightly higher score of 9.

Option 4: Partial re-modelling of the current Ablett Unit: Option 5 was viewed as having very limited opportunity for future development, including a lack of flexibility in relation to gender separation and specialism. There would be no increase to existing therapeutic space, which is a key element of the *Together for Mental Health* Strategy. However this option would provide increased acute and older persons mental health functional beds. This option was assessed as slightly better than the status quo option in relation to links with the *Together for Mental Health* strategic intent and was therefore scored at 5.

Investment Objective/Main Benefits Criteria: To create a quality **clinical environment** that is fit for purpose, safe and humane

Option 1: Business As Usual: Whilst acknowledging the quality of service provided, this option would fail to deliver on many of the current clinical standards as nothing will change aside from incremental maintenance work, as and when required - WHBN standards would not be achieved. The group acknowledged the upkeep work to date but concluded there would be little privacy or dignity due to the continuation of some dormitory rooms and shared bathroom facilities. For those reasons the consensus opinion was that this option would be scored at 2.

Option 2: Full remodelling of the current Ablett Unit: The plenary debate reached consensus quickly in relation to the benefits criteria for option 2 as it was felt that the option met all the requirements and would be fully compliant. This option was given a score of 9.

Option 3: A new build unit located on the YGC site: Similar to the discussions in relation to option 2 consensus scoring was quickly reached for this benefit criteria for the same rationale as above. In additional, this option provides the opportunity to achieve *BREAMM Excellent* - construction standards used to assess the design, construction, intended use and future-proofing of new build developments. This option was given also given a score of 9.

Option 4: Partial re-modelling of the current Ablett Unit: It was acknowledged that this option does not meet all requirements and current standards as there would be little change in the current configuration aside from the bedroom areas. The WHBN would only apply to the new build sections and ECT would not be upgraded risking future proofing that regional facility from a flow and clinical standards accreditation perspective. In addition it was noted that there would be limited impact on stigma related in particular to previous issues for the unit, however the bedroom areas would be upgraded in terms of privacy and dignity. Therefore this option was scored a 6.

Investment Objective/Main Benefits Criteria: To improve **workforce** recruitment and retention and absenteeism through providing an environment that supports staff to deliver safe, effective care to patients, carers and families.

Option 1: Business As Usual: The status quo option would not address the issues with additional training facilities; staff rest rooms and Junior Doctor or Doctor on call rest facilities. In addition Bryn Hesketh would remain where it is with nursing and allied health professional staff spread across two sites. This option was given a low score of 1 to reflect the issues that would remain with the status quo.

Option 2: Full remodelling of the current Ablett Unit: Participants concluded that given the level of demolition and rebuild related to option two it would meet most of the benefits criteria e.g.: shows a commitment that the service is moving in the right direction including with a potential to review staffing profiles etc. This option was given a score of 8.

Option 3: A new build unit located on the YGC site: Similarly as with option two participants concluded that given this is a complete new build it would meet most of the benefits criteria and as a new build would be attractive to new recruits across the multi- disciplinary team. Therefore this was given a slightly higher score of 9.

Option 4: Partial re-modelling of the current Ablett Unit: The level of work in relation to option 5 means that only the ward areas would be refurbished. There would be no additional rest of training facilities and indeed much of the facade of the building would remain. In relation to on call Doctors and Junior Doctors rest facilities there would be no improvements therefore this criteria scored a 4.

Investment Objective/Main Benefits Criteria: To improve the **quality of the Estate** by reducing backlog maintenance, reducing running costs, and achieving environmental sustainability

Option 1: Business As Usual: The current facilities in the unit infrastructure do not adhere currently to efficient use of energy or carbon targets. It is difficult to maintain health and safety standards and funding for routine maintenance is often being cut too maintain clinical services. There was consensus that the quality of the current estate is not of a high standard and will only

deteriorate further as time progresses. Plenary discussion subsequently awarded this criteria a score of 1 for that reason.

Option 2: Full remodelling of the current Ablett Unit: Discussion related to the improvements to many areas of the unit, however a there was acknowledgement that some elements of the build would be retained and some uncertainty how the old would function alongside the new in terms of infrastructure. Therefore the consensus score for this criteria was a 6.

Option 3: A new build unit located on the YGC site: Option 4 was considered to be the best in relation to this criteria, in that given it's a complete new build it will be able to have the most energy efficient systems from the outset, the build would meet BREAMM excellence standards. There would be opportunity to utilise the most energy efficient materials in the build and even an opportunity to generate power to give back to the grid meeting improved environmental standards. Option 4 was subsequently given a 9 for those reasons.

Option 4: Partial re-modelling of the current Ablett Unit: Option 5 has some limited works undertaken in the ward areas only and the rest of the unit would remain as is. Whilst the discussion considered the improvements made to ward areas, it was clearly highlighted that many of the other areas in the unit would not be upgraded and will still be reliant on unpredictable heating and ventilation sources. In addition the requirements for ongoing maintenance to the retained parts of the building would not alter. Therefore this was given a score of 4 to reflect the partial building works undertaken and the ongoing risks.

Investment Objective/Main Benefits Criteria: Deliverability: how straightforward is it to deliver the option in terms of disruption to patients and staff both within the Unit and on the Glan Clwyd site.

Option 1: Business As Usual: Participants discussed that given the status quo option entails just the ongoing maintenance work as and when required this was awarded a high score in relation to deliverability. Therefore the consensus score for this criteria was 9.

Option 2: Full remodelling of the current Ablett Unit: Participants felt that whilst this option is deliverable would be significant impact as the total refurbishment is much larger than the original SOC submitted, following wider engagement through the design user groups. More areas would be required to decant, and concerns were discussed in relation to the potential length or works in terms of lessons learned from the anti- ligature programme i.e.: delays and incidents. Concern was raised in relation to the noise and disruption to service users and potential impact on individuals' recovery and length of stay, which was also raised as an issue in recent engagement events. Capacity of the unit was discussed and the potential impact on the two other inpatient units East and West dependent on areas requiring closure or reduction in beds. Maintaining the health and safety of patients' staff and contractors was seen as an issue and risk during the demolition and rebuild and the potential impact on increased works to the red route which runs just in front. Due to all of the issues highlighted this option was given a score of 3.

Option 3: A new build unit located on the YGC site: Discussion took place in terms of the new build and that it would only require disruption in terms of one move for both staff and patients. There would be no decant requirements and flow would be maintained fully in Central avoiding impact on the other two units or on out of area placements. In terms of parking there's a planned

solution and there would be no impact on the red route as the build is planned for the back of the building, so disruption to the YGC site was not viewed as an issue, other than deliveries which would need to be carefully planned. The score for this option was 8.

Option 4: Partial re-modelling of the current Ablett Unit: This option was considered in terms of the impact. Discussion took place in relation to the deliverability and that the impact would be less than option 2 but there would still be disruption to staff and patients as some demolition would take place whilst operating a live environment. Similarly to option 2 there may be an impact on other units dependent on maintenance of flow in Central and length of the works. This criteria scored a 5.

4.6.2.4 Summary of Results

The results of the benefits appraisal are shown in the following table:

Benefit Criteria and Weight	**Weight %**	**Option 1 Business as usual**		**Option 2 Full remodel**		**Option 3 New build**		**Option 4 Partial remodel**	
Raw (R) & Weighted (W) scores		**R**	**W**	**R**	**W**	**R**	**W**	**R**	**W**
Model of Care	25	2	50	8	200	9	225	5	125
Clinical Environment	25	2	50	9	225	9	225	6	150
Workforce	10	1	10	8	80	9	90	4	40
Quality of the Estate	15	1	15	6	90	9	135	4	60
Deliverability	25	9	225	3	75	8	200	5	125
Total	**100**	[redacted]	**350**	[redacted]	**670**	[redacted]	**875**	[redacted]	**500**
Rank		**4**		**2**		**1**		**3**	

4.6.2.5 Sensitivity Analysis

A sensitivity analysis has been undertaken to test the robustness of the ranking of the options. The methods used were:

- Equal weighting
- Exclusion top ranked criteria
- Switching values

Undertaking the sensitivity analysis shows that the preferred option would not be different under any of the alternative methods (the full sensitivity analysis is included in Appendix I).

4.6.2.6 Conclusion of the Qualitative Option Appraisal

In summary, the benefits appraisal exercise demonstrates that the full implementation of the new service model is clearly superior when compared to both continuing business as usual and implementing the more limited scope outlined in the SOC. The option for a new build scores substantially higher than the refurbishment option in both the raw and weighted scores.

4.6.3 Monetised Benefits Appraisal

The detailed economic appraisals for each option are attached in the supporting Appendix J. The tables have been completed using the Generic Economic Model for OBCs and show the summary output tables from the model.

Output tables

	Undiscounted (£000s)	**Net Present Cost (Value) (£000s)**
Option 1: Business as Usual / Do Nothing		
Capital Costs (net VAT)	**5,500**	
Lifecycle Costs	2,560	
Optimism Bias (included under capital)	806	
Capital Cost Sub-total	**8,866**	7,071
Opportunity Costs	0	0
Revenue Costs		215,751
Total Costs		**222,822**
Less: cash releasing benefits		0
Costs net cash savings		222,822
Non-cash releasing benefits		0
Total NPC		**222,822**
Equivalent Annual Cost		**7,427**

	Undiscounted (£000s)	Net Present Cost (Value) (£000s)
Option 2: SOC + Full remodelling of the current unit		
Capital Costs (net VAT)	**65,086**	
Lifecycle Costs	5,736	
Optimism Bias (included under capital)	2,833	
Capital Cost Sub-total	**73,655**	62,729
Opportunity Costs	0	0
Revenue Costs		219,677
Total Costs		**282,407**
Less: cash releasing benefits		(4,627)
Costs net cash savings		277,779
Non-cash releasing benefits		0
Total NPC		**277,779**
Equivalent Annual Cost		**9,259**

	Undiscounted (£000s)	Net Present Cost (Value) (£000s)
Option 3: New Build on YGC site		
Capital Costs (net VAT)	**67,676**	
Lifecycle Costs	5,736	
Optimism Bias (included under capital)	1,468	
Capital Cost Sub-total	**74,880**	63,720
Opportunity Costs	0	0
Revenue Costs		220,378
Total Costs		**284,098**
Less: cash releasing benefits		(4,627)
Costs net cash savings		279,470
Non-cash releasing benefits		0
Total NPC		**279,470**
Equivalent Annual Cost		**9,316**

	Undiscounted (£000s)	Net Present Cost (Value) (£000s)
Option 4: SOC ward areas inc. Bryn Hesketh		
Capital Costs (net VAT)	**24,861**	
Lifecycle Costs	2,708	
Optimism Bias (included under capital)	1,103	
Capital Cost Sub-total	**28,673**	24,873
Opportunity Costs	0	0
Revenue Costs		215,911
Total Costs		**240,783**
Less: cash releasing benefits		(4,627)
Costs net cash savings		236,156
Non-cash releasing benefits		0
Total NPC		**236,156**
Equivalent Annual Cost		**7,872**

As summarised in the table above, the options have been assessed in terms of optimism bias, and the following percentages have been applied: option one 10%; option two 4%; option three 2%; option four 4%. The analysis of optimism bias is included in Appendix K.

A sensitivity analysis made no significant difference to the scores and therefore did not affect the ranking.

Conclusion of the Monetised Benefits Appraisal

The business as usual option is obviously ranked first for monetised benefits, as the other options entail investment to improve service quality and meet clinical standards. It should be noted that following discussions with Welsh Government a proportionate approach has been adopted to monetisation with, for example, no attempt to monetise the benefits of improved patient outcomes or reduced travel times for families.

4.6.4 Risk Assessment

A risk assessment workshop was held in July 2021. The full report of the workshop, including the attendees, is included as Appendix L. Workshop participants reviewed the risk register, and considered the types of risks generally faced by projects – as outlined in HM Treasury and Welsh Government's Guide to Developing the Project Business Case.

The following risks are the material ones that are applicable to this project, and therefore form the basis of the option appraisal:

- Service and Design Risk
- Service Continuity Risk
- Demand Risk

A summary of the discussion and conclusions from the workshop is as follows:

Service Risk: The risk that the service is not fit for purpose

Design Risk: The risk that design cannot deliver the services to the required quality standards

Option	Risk
Option 1: Business As Usual / Do Nothing: No change to the unit at Glan Clwyd or Bryn Hesketh, aside from minor maintenance	- Continuation of risks associated with treating patients out of area, as there will be insufficient beds to treat all Conwy and Denbighshire residents at Glan Clwyd - Risk to the provision of a quality service, as unable to maintain ECT accreditation - Risk to the quality of care, as unable to fully implement service transformation – including: unable to provide required therapeutic space to meet ongoing service transformation; does not support future provision of a multi-disciplinary / multi-therapeutic service as part service transformation e.g.: pharmacy provision - Privacy / dignity issues including sexual safety risks and concerns as a result of the current building layout e.g.: mixed wards - Risk of not supporting the implementation of external reports / recommendations as outlined in the strategic case i.e.: ▪ Community Health Council Reports ▪ Health Inspectorate Wales Reports ▪ Welsh Government Reports ▪ The Ockenden Report ▪ Health and Social Care Advisory Service Consultancy Limited (HASCAS) - Does not address the risks at Bryn Hesketh as outlined in the Division's risk register.

Option 2: Full remodelling of the current unit: the current Strategic Outline Case (SOC) scope plus additional works to provide the same footprint and space as a new build. The current unit would need to be predominantly decanted to allow large amount of demolition and phased reconstruction of all wards	- Reduces many of the risks - Risk to the continued evolution of the service as there will be constrained / limited scope for future development as a result of retaining the current footprint and site - Risk to the full implementation of the service model: adjacencies may not be ideal as refurbishment constrains the design, and there are limited external areas
Option 3: A new build unit located on the YGC site: the current service at the Ablett and Bryn Hesketh is maintained whilst a fully designed new build unit is constructed. Once the new build is complete, Ablett Unit and the relevant elements of the Bryn Hesketh service move to the new build. The current Ablett unit is retained for alternative use. Car parking space is created at YGC to replace the spaces lost, and to take account of the increased activity associated with the transfer of services from Bryn Hesketh.	- Addresses all identified risks
Option 4: The proposal as outlined in the SOC with works to ward areas only and adding Bryn Hesketh: no other works to reception, ECT, staff rest areas or admin areas	- Risk to ECT service as unable to maintain ECT accreditation - Risk to the quality of care, as unable to fully implement service transformation – including: unable to provide required therapeutic space to meet ongoing service transformation; does not support future provision of a multi-disciplinary / multi-therapeutic service as part service transformation e.g.: pharmacy provision

Service Continuity Risk: The risk arising in accommodation projects relating to the need to decant staff/clients from one site to another.

Option	**Risk**
Option 1: Business As Usual / Do Nothing: No change to the unit at Glan Clwyd or Bryn Hesketh, aside from minor maintenance	- There are no decantation risks as there is no project.

Option 2: Full remodelling of the current unit: the current Strategic Outline Case (SOC) scope plus additional works to provide the same footprint and space as a new build. The current unit would need to be predominantly decanted to allow large amount of demolition and phased reconstruction of all wards	- There is a significant risk to the quality of care as a result of noise / contractor access to an operational building when patients are acutely ill. - There is a significant risk of disruption to patient care in having to decant. - This would be a phased work programme so the risk of disruption will be for a prolonged period. - There are risks associated with the interface between clinical / service delivery areas and building works – these risks cannot be fully mitigated against unless a full decant of the current site is undertaken.
Option 3: A new build unit located on the YGC site: the current service at the Ablett and Bryn Hesketh is maintained whilst a fully designed new build unit is constructed. Once the new build is complete, Ablett Unit and the relevant elements of the Bryn Hesketh service move to the new build. The current Ablett unit is retained for alternative use. Car parking space is created at YGC to replace the spaces lost, and to take account of the increased activity associated with the transfer of services from Bryn Hesketh.	- The only risk will be when the services are transferred to the new unit. This will need careful managing but is not regarded as a substantial risk.
Option 4: The proposal as outlined in the SOC with works to ward areas only and adding Bryn Hesketh: no other works to reception, ECT, staff rest areas or admin areas	- The scale of work is reduced, however the risks are the same as are outlined in Option 2.

Demand Risk: The risk that the demand for a service does not match the levels planned, projected or assumed

Option	Risk
Option 1: Business As Usual / Do Nothing: No change to the unit at Glan Clwyd or Bryn Hesketh, aside from minor maintenance	- This option will not deliver the level of service required to meet current or projected demand, as outlined in the Strategic Case. - The need to isolate new admissions until their COVID-19 status us clear is further reducing the effective bed capacity in the Unit

Option 2: Full remodelling of the current unit: the current Strategic Outline Case (SOC) scope plus additional works to provide the same footprint and space as a new build. The current unit would need to be predominantly decanted to allow large amount of demolition and phased reconstruction of all wards	- This option meets current and projected demand, as outlined in the Strategic Case. However there is a risk of failure to meet future demand as the limitations of the location reduce flexibility for future developments.
Option 3: A new build unit located on the YGC site: the current service at the Ablett and Bryn Hesketh is maintained whilst a fully designed new build unit is constructed. Once the new build is complete, Ablett Unit and the relevant elements of the Bryn Hesketh service move to the new build. The current Ablett unit is retained for alternative use. Car parking space is created at YGC to replace the spaces lost, and to take account of the increased activity associated with the transfer of services from Bryn Hesketh.	- This option meets current and projected demand, as outlined in the Strategic Case.
Option 4: The proposal as outlined in the SOC with works to ward areas only and adding Bryn Hesketh: no other works to reception, ECT, staff rest areas or admin areas	- This option does not meet all elements of demand as it does not support the full service model. - The need to isolate new admissions until their COVID-19 status us clear is reducing the effective bed capacity in the Unit. This limited refurbishment does not address this risk.

In summary, the new build option (option 3) is the lowest risk option. In terms of service and design, it addresses all identified risks. The only risk in terms of service continuity comes at the point of transferring services to the new building, which will require careful managing but is not regarded as a substantial risk. The option meets current and projected demand, and the location and design are sufficiently flexible to allow adaptation to meet unanticipated future changes. Option 2 (full remodelling of the current Ablett Unit) carries a significant risk to service continuity during an extended period of refurbishment and decantation in a building where acutely ill patients are receiving treatment. It is a relatively low risk in terms of service, design and meeting demand, though it lacks the flexibility of option 3. Option 4 (partial remodelling of the current Ablett Unit) also entails a significant risk to service continuity during an extended period of refurbishment and decantation, and only partially mitigates the risks to service, design and meeting demand. Option 1 (business as usual) is the poorest option from a risk perspective, as service and design risks remain unmitigated, and current and future demand is not met.

The risks associated with planning permission for the new build option have also been considered, and are regarded as relatively low. As is outlined fully in the Estates Annex, outline planning permission was sought for a different location on the site. The application was recommended for approval by the Local Authority's planning officials, but rejected by the planning committee on the basis of the impact on residential amenity. The new site location has been selected to address these concerns. BCU have appointed Tetra Tech to provide specialist planning advice and support. Their report (section 4 of the Estates Annex) notes that the revised location is some 160 metres from the nearest residential neighbour and considers that this addresses the previous concerns with respect to residential amenity. The Health Board has continued to engage with the local community and no adverse comments have been received to date. Dialogue has also continued with the planning authority whose officers are supportive of the location.

4.7 The Preferred Option

The table below summarises the key outcomes and rankings of the qualitative benefits, the monetised benefits and the risk appraisals of the shortlisted options.

Appraisal	Business as Usual	Full Refurbishment	New Build	Partial Refurbishment
Qualitative benefits	4	2	1	3
Monetised benefits	1	3	4	2
Risk appraisal	4	2	1	3
Overall ranking	4	2	1	3

The preferred option is Option 3, the new build option. This option addresses the full service scope outlined in the Strategic Case, delivers the greatest qualitative benefit and carries the least risk. The service quality benefits of the scheme justify the higher capital costs.

4.8 Impact Assessments of the Preferred Option

The preferred option has been assessed in terms of:

- Equality Impact
- Socio-Economic Duty
- Community Benefits
- Health Impact

The Equality Impact Assessment indicates that the preferred option has a positive impact for many of the protected characteristics (notably age, due to the improvements in OPMH provision) and no negative impacts. The Socio-Economic Duty and Community Benefits highlight in particular the employment opportunities (both paid and voluntary) of the scheme. The Health Impact is very positive, reflecting the core purpose of the project – to improve the quality of care for patients. The full impact assessments are included as Appendices M to P.

4.9 Decarbonisation

In developing the design of the preferred option the Health Board has responded to the Welsh Government's declaration of a climate emergency and the recently published NHS Wales Decarbonisation Strategy Delivery Plan. A number of proposals have been incorporated within the design. These have sought to provide the optimum balance between the benefits in diminishing carbon emissions and the associated capital cost to ensure value for the public money invested. The design proposals include:

- A minimum of 10% of additional parking spaces to have electric vehicle charging provision. The proposed multi-storey car park will be future proofed to increase this amount when capacity allows.
- Sustainable energy generation through photo voltaic panels located at roof level
- Heating provision through air source heat pumps and air-cooled chillers
- Selection of external cladding materials that maximise thermal and solar efficiency
- Green space and green wall/roofing provision
- Permeable paving and sustainable drainage considerations
- Natural ventilation to non-clinical areas
- Incorporation of materials that have lower embodied carbon in their composition and manufacture
- Utilisation of Modern Methods of Construction (MMC) and off-site fabrication to minimise carbon emissions during the construction process
- BREEAM Excellent accreditation.

Full details are included in the Estates Annex.

5. The Commercial Case

5.1 Introduction

This section of the OBC outlines the proposed contract strategy in relation to the preferred option outlined in section 4: The Economic Case. The aim of the Commercial Case is to secure the optimal deal for the preferred option. In accordance with national guidance the contract will be the National Engineering Contract 3 with target cost.

5.2 Required Services

5.2.1 The expected cost of the works requires that BCU utilise the national Design for Life; Building for Wales third generation frameworks and procure the following support:

- NEC 3 Project Manager
- Supply Chain Partner (construction contractor).

The national Frameworks comprise companies with proven experience and resources to deliver complex health capital projects. All companies are subject to regular performance review by a Framework Board that comprises members from NWSSP, Welsh Health Boards, Welsh Government and industry bodies. Selection from the Framework therefore provides the Health Board and Welsh Government with assurance of the selected organisation's ability to successfully deliver the project.

NWSSP Specialist Estate Services (NWSSP – SES) supported and advised the Board on the appropriate procurement processes.

Currently there is no national framework for cost advisors. As a consequence BCU utilised the Crown Commercial Services framework, and NWSSP-Procurement Services (NWSSP-PS) supported and advised the Board on the appropriate procurement processes.

5.2.2 In accordance with the appropriate framework invitations to tender were sought from the companies identified within the appropriate national framework. Tender submissions where evaluated on the basis of cost and quality and each company was invited to attend an interview in support of their tender. The interviews, together with the company's written submissions, sought to assess their proposed team, their experience of similar commissions and their approach to the project. Tenders were evaluated by a small team comprising the Project Director, Service Leads and the leads for Capital Development and Operational Estates together with support from NWSSP – SES.

Following these processes BCUHB has confirmed the following appointments:

▪ Construction Project Manager	Gleeds Management Services
▪ Cost Advisor	Gleeds Cost Management
▪ Supply Chain Partner (construction contractor)	BAM Construction Ltd

5.3 Potential for Risk Transfer

The general principle is that risks should be passed to the party best able to manage them, subject to Value for Money (VfM).

This section provides an assessment of how the associated risks might be apportioned between the BCUHB and the appointed Supply Chain Partner (SCP) and Project Manager (PM).

The risk register details how the risks have been apportioned between the BCUHB and the SCP. The risk register was generated by following the NWSSP-SES Standard Risk Register Template, adding scheme specific risks and the apportionment of the risks between the BCUHB and SCP agreed at a risk workshop.

Risk Category	Potential Allocation		
	BCUHB	SCP	Shared
Design Risk			X
Construction Risk		X	
Transition & Implementation Risk	X		
Availability & Performance Risk	X		
Operating Risk	X		
Revenue Risks	X		
Termination Risks			X
Technological Risks			X
Control Risks			X
Residual Value Risks	X		
Financial Risks			X
Legislative Risks	X		
Other Project Risks			X

5.4 Proposed Charging Mechanisms

The *Building for Wales Framework* ensures that a *collaborative working model* will be adopted. It is therefore expected that the charging mechanisms in respect of this project will be covered within the framework agreement. The framework will require a Not To Be Exceed Price (NTBE) and will also stipulate the requirement for a staged payment mechanism, which would normally be monthly via valuation. Once approved by *open book* the BCUHB would issue an interim certificate for payment.

5.5 Proposed Contract Lengths

The proposed contract length for the project is 35 months from Strategic Outline Case approval to handover (timescales are summarised in paragraph 5.8.2 below and outlined in full in the Estates Annex).

Partnership between the SCP and the BCUHB will continue twelve months after project completion and handover, ensuring any defects have been made good.

5.6 Proposed Key Contractual Clauses

The form of contract will be the *NEC 3 Option C* with Target Cost that is utilised within the *Designed for Life: Building for Wales 3 Framework*.

5.6.1 Contractual Arrangements

The contractual relationships between the various parties are subject to the rules and regulations of the framework.

5.6.2 Contract Type

The NEC contract has been chosen as the contract type to be utilised under the framework. The NEC contract will be applicable the appointment of both the Supply Chain Partners and Support Consultants. The Support Consultants will enter into the NEC Professional Services Contracts (PSC) with the BCUHB.

5.7 Personnel Implications (including TUPE)

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

5.8 Procurement Strategy and Implementation Timescales

5.8.1 Procurement Strategy

The project will be procured via the *Building for Wales framework* for Projects with a construction value in excess of £10 million.

The framework supports the objectives of the Welsh Government, the core objectives of the framework are as follows:

- Obtain Best Value for Money in procuring major health capital developments.
- Implement the Welsh Government's construction policy to ensure that the NHS in Wales complies with best practice models of procurement based on long-term strategic partnerships.
- Ensure that NHS Wales becomes an exemplar client for all major construction procurement projects.
- Create an environment of collaborative working and continuous improvement that utilises strategic partnerships with integrated supply chains.

Through the attainment of these objectives the framework will ensure that construction projects are delivered with improved success factors in terms of:

- Lower design and construction costs
- Reduced programme of design and construction
- Higher quality of design and construction and less defects
- Greater predictability in relation to cost and programme
- Reduced accident rate on site
- Higher sustainability ratings
- Community benefits

5.8.2 Implementation Timescales

It is anticipated that the implementation milestones will be as follows:

Milestones	Target Date
BCUHB approval and submission of Outline Business Case to Welsh Government	September 2021
Full Business Case Completed	January 2023
Construction Completed	December 2025

The full project timetable is outlined in the Estates Annex.

6. 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 section) and the proposed deal (as described in the commercial case section).

Detailed financial workings are provided in Appendix Q to support the summary information provided in the financial case and the economic case.

6.2 Impact on the Organisation's Income and Expenditure Account

The revenue projection for the preferred option is detailed below:

Category	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 Onwards	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Capital Expenditure	1,310	1,441	1,990	10,815	31,267	21,596	208	73,412
Revenue Costs	-	-	-	-	-	-	-	-
Recurrent	13,549	13,549	13,549	13,549	13,549	13,549	13,549	406,457
Non Recurrent	-	-	-	-	-	-	-	-
Total	13,549	13,549	13,549	13,549	13,549	13,549	13,549	406,457
Funded by:	-	-	-	-	-	-	-	-
WG Capital	1,231	1,346	1,911	10,715	31,176	21,298	-	67,676
Revenue Streams	11,334	11,334	11,334	11,334	11,334	11,334	11,334	340,019
Cash Releasing Savings	243	243	243	243	243	243	243	7,292
WG Funding (depreciation)	1,972	1,972	1,972	1,972	1,972	1,972	1,972	59,146
Capital Expenditure	79	95	79	100	91	299	208	5,736
Operating Expenditure	-	-	-	-	-	-	-	-

6.3 Overall Affordability

The preferred option is revenue neutral.

There is a projected increase in annual revenue costs of £1,725,925 compared to existing arrangements. The total expected capital charge (i.e. depreciation) is £1,971,523; this is an increase of £1,482,895 over the current charge. As capital charges are funded by Welsh Government the increase in capital charge is deemed to be revenue neutral for the purpose of financial affordability.

The net additional impact after the capital charges is therefore £243,081. This increased cost will be mitigated by a sustained reduction in out of area placement costs due to the creation of 12 more adult beds and 4 more older person's beds in the central area. The reduction of £243,081 will require a the use of 316 less bed days per annum at an average cost per day of £767. In 2021/21 the number of out of area bed days utilised (excluding the impact of covid) was 931. In 2019/20 the equivalent figure was 783.

6.4 Summary Revenue Costs

The financial case sets out the forecast financial implications of the preferred option. Detailed financial workings are provided in the financial appendices to support the summary information provided in the financial case and the economic case.

The costs are priced at 2020/21 price base. Staffing costs are based on the compliant standards and are costed at NHS pay scales.

The summary position from a recurrent revenue perspective for the preferred option is as follows:

Revenue Impact of Preferred Model	£000's
Inpatient Service Costs	-161
Estates and Facilities Costs	404
Net Increase in Running Costs	243
Less: Reduction in Out of Area Placements	-243
Net Position	0

There is an overall reduction in staffing costs of £161k despite the increase in the number of inpatient beds, due to the greater efficiency of the new ward layouts. While the proposed new building is more efficient than the current accommodation, there is a net increase in estates and facilities costs due to the size of the footprint of the building.

6.5 Summary Capital Costs

The summary position from a capital perspective of the preferred option (excluding optimism bias) is as follows:

Category	£000's
Works Costs	38,653
Fees	7,058
Non Works Costs	1,485
Contingency	5,233
Equipment Costs	5,143
Project Costs (before inflation)	**57,573**
Vat	11,515
Less Recoverable VAT	-1,412
Total	**67,676**

Detailed Capital Cost Forms are provided in Appendix R i to R iv.

6.6 Impact on the Balance Sheet

The business case assumes that funding will come via the conventional route and not through the Private Finance Initiative (PFI). It is anticipated there will be an impairment adjustment against the capital cost once the District Valuer (DV) values the site. The impairment is estimated to be £17.029m and is subject to final assessment by the DV. It is anticipated this impairment will need to be actioned through the Income & Expenditure account as opposed to the revaluation reserve in the balance sheet. It is assumed this will be funded by the Welsh Government as a funding flow adjustment in line with current policy.

7 Management Case

7.1 Introduction

This section of the Business Case addresses the achievability of the scheme. It sets out the actions that will be undertaken to ensure its successful delivery.

7.2 Programme and Project Management Arrangements

The project management arrangements for capital projects are outlined in the Procedure Manual for Managing Capital Projects, which was adopted by the Health Board in 2018.

7.3 Project framework

The Senior Responsible Owner for the project is Teresa Owen, the Executive Director of Public Health.

The Project Director is Jill Timmins.

The project governance arrangements are outlined in full in Appendix S.

7.4 Project Plan

It is anticipated that the implementation milestones will be as follows:

Milestones	Target Date
BCUHB approval and submission of Outline Business Case to Welsh Government	September 2021
Full Business Case Completed	January 2023
Construction Completed	December 2025

7.5 Arrangements for Change and Contract Management

The approach to change management is as follows:

- Based on the principle of involvement and inclusion: service managers and user representation have been fully involved in the process of achieving short-listed options and the design development.
- Any HR implications that are a result of preferred options will be managed in accordance with the BCUHB's' Organisational Change policy.
- A detailed change management plan will form part of the strategy for implementing any service changes. This will be documented in the Full Business Case.
- The arrangements for contract management are as set out within the *Designed for Life: Building for Wales Framework* agreement and these arrangements are as per *the JCT Design & Build Contract (2011).*

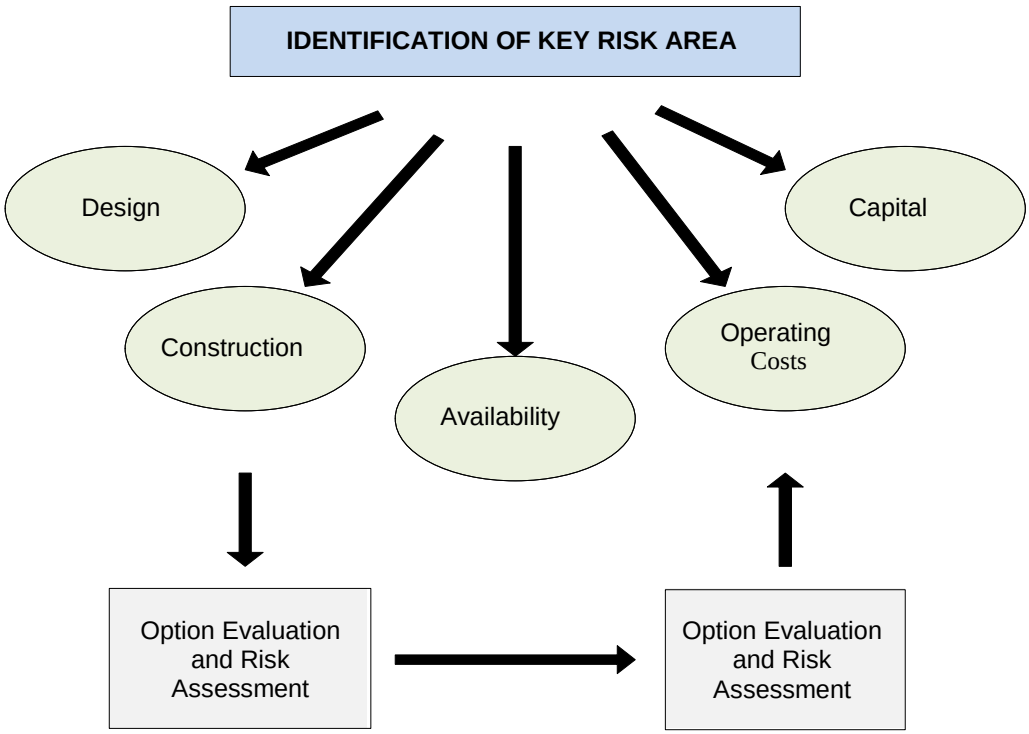
The procurement process is described within Section 5: The Commercial Case.

7.6 Arrangements for Benefits Realisation

The approach to dealing with the management and delivery of the project benefits is detailed within the Benefits Realisation Plan, which is enclosed as Appendix C. The plan provides details of who is responsible for delivery of the specific benefits, how and when they will be delivered and what activity needs to be undertaken to deliver them.

7.7 Arrangements for Risk Management

The Health Board is required to undertake a comprehensive assessment of the risks associated with the Preferred Option. The approach is shown in the diagram below:



The risk management strategy is based upon the following principles:

- Identifying the possible risk in advance, putting in place mechanisms to minimise the likelihood of risks occurring and their associated adverse effects
- Having processes in place to ensure up to date, reliable information about risks is available, and establishing an ability to effectively monitor risks
- Establishing the right balance of control is in place to mitigate the adverse consequences of risks, should they materialise
- Setting up decision-making processes, supported by a framework of risk analysis and evaluation

The Project Board has identified and quantified the key risks associated with the preferred option. All identified risks have been apportioned to either the Health Board or SCP and mitigating strategies identified in the risk register. This will be monitored on a monthly basis by the Project Board for the life of the project. It is the project manager's responsibility to manage the risk register.

A copy of the Project Risk Register is attached at Appendix T.

7.8 Arrangements for Post Project Evaluation

The outline arrangements for Post Implementation Review and Project Evaluation Review have been established in accordance with best practice guidelines.

All NHS organisations have a duty to evaluate Capital projects where they cost more than £1m, to duly learn from them and to report the findings of the evaluation to the Welsh Government. Guidance has been produced for undertaking Post Project Evaluation (PPE) as part of the Capital Investment Manual, and subsequent to that, a toolkit for evaluating design proposals has been produced.

The project will be evaluated by undertaking the following investigations:

- Review of the strategic case made for the project to confirm that it is still relevant
- Review of the benefits detailed in the Benefits Realisation Plan and confirmation that they have been met
- Review of the Business Case capital costs to confirm that the capital costs were robust
- Review of the Project Programme and adherence to it throughout the life of the project

A full post-project evaluation of the scheme will be produced and submitted to the Finance and Performance Committee of the Board 15 months after the completion of the scheme.

<u>Gateway Review Arrangements</u>

The OGC Gateway Process examines programmes and projects at key decision points in their lifecycle. It looks ahead to provide assurance that the programme and projects can progress successfully to the next stage; the Process is seen as best practice by public sector bodies. The value of the OGC Gateway Review is recognised by Health Board and we intend to utilise the peer reviews in which independent practitioners from outside the project use their experience and expertise to examine the project post commissioning. This will include a Gateway 5 to support the post-project evaluation.

8.0 Conclusion and Recommendation

This Business Case is recommended for approval.

Appendices

Appendix A	Together for Mental Health in North Wales
Appendix B	Division's Transformation Plans
Appendix C	Benefits Realisation Plan
Appendix D	Feedback from engagement events October 2019– Jan 2020
Appendix E	Series of engagement events / calendar
Appendix F	Bed capacity / model
Appendix G	CHC Letter of Support for the Business Case 15.07.2021
Appendix H	Qualitative Benefits Appraisal: Workshop Friday 17th January 2020 Attendance List
Appendix I	Qualitative Benefits Appraisal: Sensitivity Analysis
Appendix J	Financial Economical Benefits Appraisal
Appendix K	Optimism Bias
Appendix L	Risk Assessment: Workshop Report and Attendance List July 2021
Appendix M	Equality Impact Assessment
Appendix N	Socio-Economic Duty
Appendix O	Health Impact Assessment
Appendix P	Community Benefits
Appendix Q	Financial Analysis August 2021
Appendix R i - iv	Capital Cost Forms
Appendix S	Project Governance Arrangements
Appendix T	Project Risk Register