
REPORT TO: MORAY INTEGRATION JOINT BOARD ON 25 AUGUST 2016

SUBJECT: RELOCATION OF STAFF ON SPYNIE SITE

BY: CHIEF OFFICER, MORAY INTEGRATION JOINT BOARD

1. REASON FOR REPORT

- 1.1 To inform the Board of the intention to relocate staff based at the management offices, on the Spynie Hospital site, Elgin and seek approval to invest additional funding to secure this action.

2. RECOMMENDATION

- 2.1 It is recommended that the Moray Integration Joint Board (MIJB):

- i) note the work that has been undertaken to complete an options appraisal and reach the preferred option for a move to a new development for a period of 3 years as an interim step pending agreement between partners on a feasible long term solution;
- ii) note the commitment from NHS Grampian to meet the fixed costs, including IT infrastructure, related to fitting out the new office facility and to cover all costs associated with removal and storage of medical records, reprovision of the mortuary service and all costs necessary to secure the site e.g. demolition;
- iii) approve the allocation of funding from the MIJB Budget to meet the non recurring costs of moveable equipment and other costs associated with the move (£66k) and the additional net recurring revenue shortfall on revenue costs of the facility (£55k per annum) as detailed in section 5(c) below; and
- iv) approve that this initiative progress on the basis that ongoing costs will be monitored and approved by the Chief Officer and the Chief Financial Officer of the MIJB.

3. BACKGROUND

- 3.1 NHS Grampian has had the site at Spynie Hospital in Elgin earmarked for disposal for many years, following the closure of the last inpatient beds on Spynie site in 2006. The position to move to disposal has been hampered by the difficulties of finding suitable alternative accommodation for the management and community staff based there as well as considering the future of Mortuary provision in Moray; Spynie mortuary provides a service to the police locally and as a back up to the mortuary provision at Dr Grays hospital.

- 3.2 The site itself poses a number of issues for NHS Grampian, it sits with a current backlog maintenance cost of £4,264,363. The accommodation has deteriorated over the years and in recent months there have been several instances of break-in and vandalism, causing significant concern in terms of public liability and of course to the safety and security of staff on the site.
- 3.3 An exercise has been underway involving a collaboration between NHS Grampian, the local Management Team and The Moray Council to consider the options available. The NHS Grampian property team have assisted in identifying the options for alternative accommodation in collaboration with the property department of The Moray Council. The number of staff for whom an alternative working environment needs to be identified is 130, however by adopting smart working principles and challenging the current utilisation of other buildings a preferred option has been developed that will allow the existing accommodation to be vacated.

4. **KEY MATTERS RELEVANT TO RECOMMENDATION**

- 4.1 The following key factors were considered in developing the preferred option:-
- a. 130 staff to be given an appropriate working environment;
 - b. Current accommodation non compliant with Health and Safety regulations and deteriorating;
 - c. Staff readiness/ability to accept alternative work styles;
 - d. Opportunities to maximise capacity within other buildings;
 - e. Broader site issues such as the necessity to reprovide mortuary services and medical records storage and use of empty buildings as storage by other departments;
 - f. The affordability of alternative accommodation including initial fit out and ongoing operating costs;
The requirement to support alternative working styles through investment in ICT.
- 4.2 Dialogue with Council partners confirmed that, short to medium term, capacity would not be available to accommodate the required number of staff within the existing configuration of office accommodation operated by the Council. The Council have however agreed to revisit this position as part of a future broader joint estate review. For this reason it was agreed that the most appropriate way forward would be to secure additional accommodation for a three year period as a transitional arrangement pending final agreement between partners on a feasible long term solution.
- 4.3 Six options were considered within the options appraisal:

Option 1.	Spynie Site - to continue would not be viable/ recommended		
Option 2.	177 High Street, Elgin]	Discounted due to
	development costs,		
Option 3.	51 South Street, Elgin]	accessibility and
	parking issues		
Option 4.	84 South Street, Elgin]	

- Option 5.** The Department of Work & Pensions (DWP), Elgin
Option 6. New Build, Elgin

- 4.4 Following an agreed methodology, the options were scored and the preferred option to meet the current needs concluded as the New Build, Elgin. The DWP option was discounted due to the size of the facility and concerns over the terms of the proposed lease. The scoring methodology was designed to include all of the key domains to demonstrate best value.
- 4.5 Recent negotiations with a local property developer have now concluded with agreement on heads of terms, at an acceptable market rate, to lease new purpose built accommodation for an initial period of three years. It is estimated that this accommodation will be fully fitted and available for occupation 6 to 8 weeks following approval to proceed.
- 4.6 The solutions around the longer term plans for the Mortuary are now being planned with the key stakeholders responsible for these services and their use – The Moray Council, NHS Grampian and Police Scotland. A planning process has been agreed to conclude this with interim arrangements in place to mitigate some of the issues with the Mortuary building.
- 4.7 A full report is available providing the detailed option appraisal in support of the preferred option.

5. SUMMARY OF IMPLICATIONS

(a) Moray 2026: A Plan for the Future, Moray Corporate Plan 2015 – 2017 and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The future aims strategically for these teams and services is to maximise efficiency and effectiveness through the use of new technologies and smart working principles to enable a more flexible working arrangement. This will place less reliance on buildings, with technology aiding communication.

It is important that the MIJB and the health and social care partnership support our professional services by providing fit for purpose accommodation allowing our staff to be able to carry out their duties in a safe and secure way. This move will not only improve the physical working conditions but also significantly improve the morale within the service and all of the benefits this will bring such as reduced absence and improved recruitment/retention.

(b) Policy and Legal

There are clear regulations and statutory obligations governing Health and Safety at work to which NHS Grampian and the Council must adhere. The property and finance departments of each partner body have been supporting the local team to develop options to ensure compliance.

(c) Financial implications**Recurring Revenue Costs and Funding**

	<u>£000s</u>
<u>Recurring Revenue Costs (Leased Property)</u>	
Rental	100
Running Costs	39
IT/Comms	8
Rates	49
Total Recurring Costs	<u>196</u>
<u>Recurring Revenue Funding</u>	
Spynie Property Budget	120
Spynie Rates Budget	21
Total Revenue Budgets	<u>141</u>
Net Recurring Revenue Shortfall to be Funded by IJB	<u>55</u>

Non-Recurring Costs and Funding

	<u>£000s</u>
<u>Non Recurring Costs – NHSG Funded</u>	
Leased Property Power/IT Cabling & Node Cabinet	45
IT Server/Dr Gray's Comms Link/Telephones	66
Spynie Equipment Disposal	4
Dr Gray's Room Refurbishment	2
Dr Gray's Mortuary Capacity Increase	60*
Total Non-Recurring Costs – NHSG Funded	<u>177</u>

	<u>£000s</u>
<u>Non Recurring Costs – Moray IJB Funded</u>	
Moveable Furniture	57
Spynie Physical Move to Leased Property	9
Total Non-Recurring Costs – Moray IJB Funded	<u>66</u>

*Cost of the increase in capacity at the Dr Gray's Mortuary to be confirmed. Design team being appointed through NHS Grampian (NHSG) Estates Projects team.

(d) Risk Implications and Mitigation

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Paragraph 4.2 above explains that the potential to rationalise office accommodation within Moray through smart working and improved use of new technologies will be the subject of a wider joint estate review. The preferred option recommends a 3 year lease of purpose built office accommodation to allow our staff to be housed in compliant and suitable accommodation during the period of this review.

STAFF WORKING ENVIRONMENT

The current working conditions are not compliant with Health and Safety legislation, this is acknowledged by all parties and it is now critical to find alternative space. Currently all measures that can be taken to maintain safety, security and a reasonable working environment are attempted but this is particularly challenging and the building continues to deteriorate.

FINANCE

There are additional costs associated with the running of the new accommodation e.g. rent, rates, cleaning etc and to cover moveable equipment (to allow hotdesking and support smart working) and the costs of the move however this will be worked into our revised budget alongside other costs pressures as we proceed to redesign and reset the budget fit for the future. All fixed costs relating to the fit out and IT/ Communications infrastructure will be met by NHSGs infrastructure programme. The Moray Council are reviewing in collaboration with NHSG eHealth department any additional costs associated with the fit out.

(e) Staffing Implications

It is mandatory that we provide staff with a safe and secure working environment. Whilst change will be challenging for staff groups the Joint Operational Management team have reported that the current state is not satisfactory and a variety of complaints continue to come into managers on health and safety issues.

(f) Property

The Spynie property is sub standard for modern health care requirements and has been earmarked for disposal for many years. It is part of the asset management plan for NHSG who are keen to progress.

(g) Equalities

In terms of access again the site is sub standard for modern health care requirements and does not meet with the standard expected both for staff access and client/visitor access.

(h) Consultations

The process of option appraisal and the development of the preferred option has involved all partner bodies and staff. The Asset Management Group of NHSG have previously considered the options and support implementation of the preferred option.

6. CONCLUSION

- 6.1 The existing office accommodation on the Spynie site is not compliant with the required Health and Safety at work legislation and it is no longer acceptable to have staff based in this accommodation. The buildings in which they work continue to deteriorate and due to age solutions to issues are extremely challenging. In addition to ensuring compliance with the Health and Safety Legislation delivering the preferred option will ensure that our staff enjoy a safe and secure environment where they feel valued and this will also bring benefits from improved morale, reduced absence and improved recruitment and retention prospects.**

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Background Papers:
Ref: