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Your Ref: HL09
Our Ref: H231H_L_SG_28092026

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Dear Alan,

HL09 Lochaber Redesign: Outline Business Case

I write in response to the feedback received in relation to our Lochaber OBC submission and our follow up dialogue.

It was good to hear that you are supportive of the case put forward evidencing the need for a new Hospital in Lochaber and the capital spend that goes with this. We welcomed this validation of our plans and remain committed to working with you and colleagues to reach a satisfactory resolution with regard to the service model and revenue position.

I would like to provide the requested additional assurance around the proposed service model and provide an update on the work undertaken so far to clarify and substantiate the revenue ask.

Activity & Service Modelling Assurance

Our proposed design reflects contemporary healthcare best practice with a space that will be flexible in a changing health and social care landscape. Predominantly single-room accommodation is now the preferred model for new hospital developments, supporting infection prevention and control, patient privacy & dignity, and operational flexibility. Similarly, the provision of two procedural theatres supports the safe separation of planned and emergency activity, improves resilience, protects elective capacity, and reduces cancelled procedures.

Activity data was reviewed at remobilisation and we are confident that the planned space is appropriate for anticipated activity at time of opening and allows for expected growth in key areas without over provision.

Dual Theatre provision:

The current Belford Hospital configuration comprises one operating theatre and one endoscopy room delivering approximately 8 theatre sessions and 3 endoscopy sessions per week. The OBC identifies the inability to effectively separate planned and emergency pathways as a significant limitation of the existing Belford configuration.

The provision of two procedural theatres is consistent with modern hospital design principles where both planned and unscheduled surgical activity are to be delivered. The proposed model provides two procedural rooms which support a combination of elective surgery, endoscopy and emergency surgical activity, improving resilience, reducing disruption to planned care, and providing flexibility to meet current and future needs and to futureproof the region as we move into a new west system.

An alternative solution of providing a single theatre and endoscopy room reduces building footprint but does not provide opportunities to expand elective activity locally and reduce associated patient travel, nor does it address issues of resilience. The impact on revenue position is negligible and relates only to maintenance and facilities related costs.

Intensive Rehabilitation:

The enhancement to the hospital-based rehabilitation model is not intended to replace community rehabilitation, but to complement and strengthen it within the unique context of a large remote and rural geography with growing demand. Whilst community-based rehabilitation remains the preferred approach wherever appropriate, the Lochaber population is dispersed across a wide geographical area with significant travel distances, workforce challenges and limited ability to effectively provide the intensity of rehabilitation that can routinely be delivered in more urban settings.

The proposed model concentrates the most intensive phase of rehabilitation within a dedicated multidisciplinary rehabilitation environment, providing coordinated physiotherapy, occupational therapy, speech and language therapy, dietetic and rehabilitation support input. This enables patients to receive regular therapy, avoid deconditioning, maximise functional recovery and return home sooner with improved independence.

Current activity data demonstrates increasing length of stay, rising delayed discharges and a disproportionate use of bed capacity by patients with neurological, stroke and musculoskeletal conditions who are most likely to benefit from intensive rehabilitation interventions. The intensive rehabilitation model has been specifically designed to support earlier discharge, reduce pressure on acute beds, improve patient flow and minimise avoidable future admissions. It is therefore considered a clinically effective and operationally sustainable response to the needs of a remote

and rural population, recognising that conventional community-based rehabilitation models are more difficult to deliver at the required intensity and frequency across the geography of Lochaber.

Same Day Emergency Care:

We have been able to evidence in Raigmore that introduction of SDEC reduces admissions and length of stay which will support us in our aim for 85% bed capacity in the new Hospital as well as having a real benefit for people receiving the service. This type of learning from our current unscheduled care programme as well as the national flow plan will continue to influence the redesign of services as we progress to FBC.

Revenue Implications

In relation to the service model, the drivers of the increased revenue requirement are twofold; firstly, the implications of moving to a much larger footprint with single rooms and a larger, more complex space for estates and facilities to manage. Secondly, to provide an enhanced offer for the people of Lochaber for care closer to home within a wider system both locally, Board wide and in the west.

In order to respond to your feedback on the OBC submission we have considered all revenue costs as well as your reference to ensuring we are looking at our plans in the wider community and system context. We have reviewed all recurring revenue requirements set out in the OBC and have reduced the additional ask from £2.01m to £1.18m (-£827k), exclusive of costs related to capital charges. All non-recurrent costs (including transitional costs) remain unchanged.

Facilities costs have also been reviewed and reduced to reflect the revisions to the service model outlined above and anticipated income generated.

This reflects the reduction in costs associated with both the size and service scope for the building.

The reason why we have not reduced this funding ask further at this time is because we know the hospital will be more expensive to run and we do still want to ensure genuine benefits for the community such as intensive rehabilitation provision and SDEC.

We have taken out the additional cost for extra theatre capacity, however we are currently doing a piece of redesign work across our RGHs to optimise their use within the existing or potentially a reduced financial envelope whilst doing higher volumes of local provision. This work is at an early stage but will be progressed before FBC.

This demonstrates a substantial reduction in the affordability gap while retaining the key benefits of the preferred option and with a commitment to further work to ensure we optimise the benefits previously identified through service and system redesign. This reflects a focused approach whereby only those costs directly attributable to the new facility and preferred service model are included.

In relation to the latter point regarding wider service and system planning we are working in close collaboration with community colleagues and the Highland Council with regard to whole system working and planning. This will though need to progress over the course of the OBC to FBC work given the co-dependencies and will now need to take into consideration the Programme for Government considerations.

Additional work will be undertaken during the Full Business Case stage to further narrow the affordability gap through a whole-system assessment of costs, benefits, released capacity and avoided expenditure across NHS Highland.

I hope that this provides sufficient assurance that we have carefully considered and responded to the feedback provided by you. Should you require further information please do not hesitate to contact me.

Yours sincerely,

Louise Bussell

Nurse Director & Senior Responsible Officer, Lochaber Redesign
NHS Highland