

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources Committee
DATE	3 February 2021
EXEMPT	Report not exempt. Appendix 1 is exempt under paras 8 and 10
CONFIDENTIAL	No
REPORT TITLE	North East Scotland Joint Mortuary Full Business Case
REPORT NUMBER	RES/21/027
DIRECTOR	Steven Whyte
CHIEF OFFICER	N/A
REPORT AUTHOR	Sandy Beattie
TERMS OF REFERENCE	3.2, 3.3

1. PURPOSE OF REPORT

- 1.1. This report presents the Full Business Case (appendix 1) for the proposed North East Scotland Joint Mortuary as prepared by NHS Grampian and Aberdeen City Council.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1. Approve the Full Business Case and instruct the Director of Resources to formally approach the various partners for funding contributions; and
- 2.2. Agree in principle to underwrite the capital costs for construction of the proposed mortuary, subject to inclusion in the Capital Programme to be presented to Council at the budget meeting on 2 March 2021.

3. BACKGROUND

- 3.1. Aberdeen City Council has been working in partnership with NHS Grampian to develop the Full Business Case for the new joint mortuary. NHS Grampian has offered up to £900k as a contribution to the project and has also offered the land to construct the new mortuary.
- 3.2. The City Growth and Resources Committee approved the Outline Business Case for the North East Scotland and Northern Isles Integrated Mortuary in December 2019 (ref RES/19/434) and instructed the Director of Resources to proceed to procurement for the development of a Full Business Case including financial modelling and detailed design.

- 3.3. Under the Public Health (Scotland) Act 2008, Local Authorities and NHS Boards have a duty to co-operate to provide mortuary facilities. This provision includes a repository for post-mortem examination facilities. Mortuary provision may be located within an NHS or Local Authority building or provided by a third party.

Each Local Authority must provide or ensure the provision of premises and facilities:

- For the reception and temporary storage of the bodies of persons who die in the authority's area; and
- For the post-mortem examination of such bodies, as it considers appropriate.

Each health board must provide or ensure the provision of premises and facilities:

- For the reception and temporary storage of bodies
- For the post-mortem examination of such bodies, as it considers appropriate.

- 3.4. At busy times, the Council (in combination with Aberdeenshire and Moray Councils) is unable to meet its statutory duty to provide sufficient premises and storage for the deceased due to the lack of sufficient storage accommodation at Queen Street. In such circumstances, bodies are sent to Aberdeen Royal Infirmary at additional cost.

- 3.5. There is no facility at Queen Street to store bariatric deceased. Whilst ARI has some capacity, this is an increasing problem as the numbers of bariatric deceased in the population increase.

- 3.6. Scottish Health Planning Note 16-01 (replaces Scottish Hospital Planning Note 20: 'Mortuary & post mortem rooms' (2002), and HBN 20 (2005)) provides facility guidance for mortuary and post mortem services' premises in Scotland, to support public bodies to design new buildings; adapt or extend existing buildings and assess the standards of existing facilities consistently. Scottish Health Planning Note 16-01 (SHP16-01) highlights the expectation of the public that public organisations provide a high level of care to both the bereaved and the deceased which makes this project a high priority for all stakeholders. SHP16-01 further highlights the inadequacies of the current facilities in Aberdeen with regard to bereaved visitors facilities, body receipt, storage and removal facilities, post mortem facilities, teaching and research and gives credence to the provision of a new building to provide a high level of service to North East Scotland and Northern Isles.

- 3.7. The Queen Street mortuary is not currently subject to external inspections or audit, but the recent guidance could mean that is introduced which could present a significant compliance risk.

- 3.8. Everyone should receive the care, dignity and respect in death that we would wish in life, whilst also recognising the need to ensure public health and safety. Staff welfare is also crucial. There are a number of key issues to note if the project is not undertaken, such as:

- Mortuary services across the North East of Scotland and Northern Isles will not meet minimum standards.
 - There is no capacity to deal with any additional demand and no known alternative - any interim expansion in NHS mortuaries has already been explored and implemented.
 - Refurbishment will not increase capacity in either mortuaries at ARI or Queen Street.
- 3.9. Public expectation is high and the provision of a quality mortuary and post-mortem service in the North East of Scotland and Northern Isles, which meets these expectations, is the minimum that NHSG and ACC and should strive for in any service reconfiguration. Both facilities in Aberdeen are no longer fit for purpose and do not lend themselves to modernisation due to space constraints and changing public expectations. It is important that any replacement facility should consider and allow for provision of a high-quality service for the population in the city region and beyond.
- 3.10. Relocation of the Queen Street mortuary is also a key component of land assembly and necessary to enable the Queen Street redevelopment programme to evolve and be developed. Owned by the Council, the existing public mortuary at Poultry Market Lane is outdated and does not meet modern mortuary service expectations, including the provision of an appropriate visiting experience for bereaved relatives. In addition, the NHS Grampian mortuary located at the Foresterhill campus is also in poor physical condition. Both facilities have a range of issues in terms of compliance with statutory standards including the most recent Health planning notes, space utilisation and functional suitability. The ability to upgrade the existing facilities is also significantly limited due to space constraints in their respective locations.
- 3.11. Procurement for the Full Business Case took place in partnership with NHS Grampian in February/March 2020 with an effective start date of 6 April 2020. The design work has been undertaken, focussing on a new joint facility at Foresterhill. The anticipated costs are now capped and reported in appendix 1: Full Business Case.
- 3.12. Main issues arising from the Full Business Case include the impacts of both Brexit and the Covid-19 pandemic on the supply of both labour and materials. The Full Business Case includes risk and contingency provision and represents a “not to be exceeded” price for the construction of the new mortuary.
- 3.13. The Full Business Case includes accommodating various groundworks to address site constraints, constructing retaining walls and greenspace network boundaries. NHS Grampian has reviewed the site boundaries since the initial design was finalised. It has emerged that an area of land that had initially constrained the design and therefore the proposed layout of the mortuary, can now be available, thereby removing one of the site constraints.
- 3.14. The project contract includes provision for a value engineering process in order to mitigate arising issues that push costs beyond the target price. The

detailed design has been reviewed and mitigation undertaken to reduce costs where possible through that value engineering exercise.

- 3.15. A more comprehensive redesign proposal, which is only now possible since NHS Grampian has confirmed the new site boundary can be amended to remove one of the constraints, will allow the building footprint to be reorientated thereby reducing the extent of the retaining wall construction required. This additional design work, funded by NHS Grampian, will result in circa £1M saving in construction costs.
- 3.16. Development of the new facility will result in the replacement of the two existing Aberdeen based mortuaries with a purpose-built facility. This new facility will be operated as a single integrated multi-partner, multi-purpose mortuary serving all providers including NHS Grampian, Aberdeen City Council, Aberdeenshire Council, Moray Council, Orkney and Shetland Island Councils, the University of Aberdeen, Crown Office Procurator Fiscal Service and Police Scotland.
- 3.17. The services located in this new integrated mortuary will not only ensure clinical accreditation through compliance with all technical and clinical standards but also deliver an innovative design that will meet expectations of the bereaved, provide dignity for the deceased, support growth in the scope and nature of locally delivered forensic and educational activity, and improve resilience through additional capacity to support civil contingencies. Benefits include:
 - Improved experience for the bereaved and improved dignity for the deceased.
 - Reduction in complaints around speed of release of the deceased
 - Compliance with appropriate national guidance.
 - Accreditation by the appropriate professional bodies e.g., UKAS.
 - Reduction or elimination of offsite temporary / emergency facilities.
 - Improved working and training environment for staff leading to improved recruitment and retention.
 - Reduction in communication costs and transportation costs between facilities to zero.
 - Enhanced space for working allowing social distancing.
- 3.18. The committee is requested to note the full business case and agree in principle to underwrite the construction costs, subject to Council's agreement that the project be included in the capital programme.

4. FINANCIAL IMPLICATIONS

- 4.1. Enabling works including building layout and technical design work, planning and building warrant consents are in place. All enabling works have been fully funded in partnership with NHS Grampian. The Council's commitment will be

supplemented by a contribution to the project of up to £900k from NHS Grampian, who have also offered the land to construct the new mortuary.

- 4.2. There is currently no provision in the capital programme for the construction of the new Mortuary. It is recommended that a bid to Capital Programme budget setting process is made to underwrite the costs related to the construction phase/handover in order to progress delivery.
- 4.3. Table 1: Cost Summary on Page 7 of the Full Business Case details Stage 3 (Design) costs relate to the completion of the Full Business Case phase and represents spend to date. This has been funded through the Queen Street budget and contributions from NHS Grampian as outlined above. The Stage 4 total represents the upper limit of spend to construct the mortuary, including risk and contingencies related to contractor's risk, COVID-19 and optimism bias. A Value Engineering process is currently being undertaken which will reduce that overall target price. The Framework Scotland contract in use (subject to funding approval) means that the project construction cannot exceed the price in the Full Business Case.
- 4.4. Now that a maximum target price for the delivery of the project has been determined, the Director of Resources can now formally approach each of the partners to agree their contributions to either or both capital and revenue streams. It should be noted that NHS Grampian has agreed to provide the land required to construct the mortuary at an estimated value of £0.95M and as stated above, will contribute up to £900k to the project.

5. LEGAL IMPLICATIONS

- 5.1. The design and build procurement contract has been let in partnership with NHS Grampian under Framework Scotland 3, with a stage review at the end of the full business case process. The contract to deliver the project is therefore in place should the committee agree to proceed.
- 5.2. Should the project progress, arrangements for operation including, for example Service Level Agreements, will require to be agreed with partners.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Covid-19 (impact on programme, supply)/ EU Exit (impact on prices, supply, procurement)	H	Value engineering process and market testing to ensure viability. FBC sets target price which will not be exceeded
Compliance	Existing mortuary non-compliant/	H	Work with partners to develop new mortuary,

	experience poor for bereaved		improve quality of access and environment
Operational	Uncertainty over future operations	M	Engagement with staff, unions
Financial	Mortuary construction costs	H	Value engineering and “not to be exceeded” Target Price to be set.
	Police HQ demolition delay, empty building rates	M	Exit strategy dependent on Mortuary. Internal strip and decouple services to reduce impact on programme/rates.
	EU exit materials/construction prices	H	“Not to exceed” Target Price will be set pending approval of FBC
Reputational	Stalled delivery programme	M	Continued monitoring
Environment / Climate	No impact at this stage of reporting	L	A climate/environment risk management schedule is included in the FBC

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The proposed mortuary relocation is a key component of the Queen Street Redevelopment programme which supports the delivery of Economy Policy Statement 4 – Increase city centre footfall through delivery of the City Centre Masterplan. The paper seeks approval to progress the next stages of mortuary relocation to enable land assembly, site clearance to facilitate delivery of city centre living in Queen Street.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The proposed mortuary relocation is a key component of the Queen Street Redevelopment programme which supports LOIP Stretch Outcome 1 – 10% increase in employment across priority and volume growth sectors by 2026
Prosperous People Stretch Outcomes	Whilst there is no specific stretch outcome related to mortuary facilities, the proposed new mortuary will provide a significantly improved and accessible experience for the bereaved and improved dignity for the deceased.
Prosperous Place Stretch Outcomes	
Regional and City Strategies	The proposed mortuary relocation is a key component of the Queen Street Redevelopment programme which supports both the City Centre

	Masterplan and policies and strategies outlined in the Local Development Plan. The Queen Street Redevelopment will address housing shortage in Aberdeen (specifically in relation to affordable housing in the city-centre). The supply of new high-quality urban homes will be delivered alongside increased public amenity space to combat air quality issues in the area.
--	--

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An Assessment has been carried out and concludes that this report has a 'positive impact' on Equality and 'no impact' on Human Rights.
Data Protection Impact Assessment	Not required at this stage.

9. BACKGROUND PAPERS

RES/20/158 Queen Street Redevelopment Programme Update
http://councilcommittees.acc.gov.uk/documents/s114840/RES_20_158%20Queen%20Street%20Update%20CGR.pdf

10. APPENDICES

Appendix 1: Full Business Case (any appendices referred to in the FBC can be viewed on request)

11. REPORT AUTHOR CONTACT DETAILS

Name	Sandy Beattie
Title	Queen Street Masterplan Manager
Email Address	sbeattie@aberdeencity.gov.uk
Tel	07793 708818