

Business Justification Case

PROJECT DETAILS	
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	Local Authority - Swansea <input checked="" type="checkbox"/> Local Cluster <input type="checkbox"/>
	Local Authority - NPT <input type="checkbox"/>

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Priority 1: The delivery of integrated health and social care hubs <input type="checkbox"/>
Priority 2: Rebalancing of the adult residential and social care market <input type="checkbox"/>
Priority 3: Eliminating profit from the provision of children's residential care <input type="checkbox"/>

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GUIDE

This business case template is based on the Five Case Model and comprises of five key dimensions:

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

All sections must be completed. Where a section is irrelevant, please state N/A in the answer box.

The size of the boxes does not reflect the amount of information required. The boxes will expand if required to allow for further information.

Please attach any documentation you feel will support your case at the end of this document. The amount of information provided should be proportionate to the scale and complexity of the scheme, and you are not required to provide a lot of information on schemes that are straightforward and uncomplicated.

You may find the following websites/documents useful to assist you in completing your Business Justification Case (BJC).

- [Welsh Government Five Case Model Templates](#)
- [HM Treasury/Welsh Government: Guide to Developing the Project Business Case](#)
- [HM Treasury: The Green Book Templates and Support Material](#)
- [Welsh Government: HCF Guidance](#)
- [Welsh Government: IRCF Guidance](#)

If you require any assistance with this template, please contact the West Glamorgan Capital Team on the e-mail address below.

Upon completion, please submit the Business Justification Case to WestGlamorganCapital@swansea.gov.uk for review.



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Executive Summary

The purpose of this section is to make the case for change and to demonstrate how it provides strategic fit.

Introduction

This Business Justification Case (BJC) seeks support from West Glamorgan Regional Partnership and Welsh Government (WGov) of £9.9m over a 3-year financial period, for strategic investment to enable Swansea Bay University Health Board (SBUHB) to redevelop the current Dan Y Deri Complex Care Unit, to provide fit for purpose medium-term accommodation for people with identified complex needs and behaviours that challenge.

The Strategic Case

A. The Strategic Case



Figure. Dan Y Deri new build drawing
patient experience.

The business case will improve patient care, by investing in specialist facilities for individuals with complex learning disabilities, behaviours that challenge and co-morbid conditions.

Investment in the case will expand the Health Boards' service offerings and address gaps within the current care process. Additionally, the investment will facilitate the repatriation of patients to locations closer to their home areas and support networks, improving the

The project aligns with supporting people in managing their physical, mental and social health & wellbeing needs and builds upon the Health Boards' Clinical Service plan to transform complex care, emotional wellbeing and mental health.

B. The Case For Change

There is a changing demand to the Learning Disability Services in Wales as a result of the growth in the number of people who are eligible to receive support. The Increased demand is partly due to the rise in of premature babies that are now reaching adulthood and have significant needs due to their learning disabilities. As a result of improved health and social care services people with learning disabilities live longer and it is important that they are supported to lead fulfilled and healthy lives.

In order to support individuals with complex needs, there is a key focus to provide enhanced Learning Disability Services in suitable, efficient and ergonomically designed building developments that are close to home. The investment will reduce the out of area commissioning and independent hospital provision which will reduce the growth of commissioned complex care expenditure.



People with a Learning Disability may require support to maximise the same opportunities and rights as the rest of the population. The business justification case will enhance the ability to offer rehabilitation for individuals with complex needs, creating opportunities to develop patients skill sand build on their strengths. This will help to ensure that the support required in future community placements, once ready for discharge, is as least restrictive as possible.

The Economic Case

The Dan Y Deri Complex Behaviour Unit projects' shortlist options at Business Justification Case stage were as follows:

Figure – Short Listed Options

Option	Option 1 BAU	Option 2 Do Minimum	Option 3 Intermediate/Do Less (Preferred)	Option 4 Do Maximum
Service Scope	Maintain the status quo of the existing service model at Dan Y Deri.	Develop a new service model for increased patient capacity and enhanced care.	Develop a new service model for increased patient capacity and enhanced care.	Develop a new service model for increased patient capacity and enhanced care.
Service / Technical Solution	Essential statutory maintenance only	Develop a part-new build extension / refurbishment to provide a 6-bed ensuite solution	Develop a new build 5-bedroom flat-based solution	Develop a new build 6-bedroom flat-based solution
Service Delivery		NHS Delivery	NHS Delivery	NHS Delivery
Implementation Solution		Phased	Not Phased	Not Phased
Funding Solution		Capital	Capital	Capital

Figure – Short Listed Options

The preferred option is Option 3 (Intermediate/Do Less) i.e., develop a flat-based solution, which will include a bedroom, ensuite, living area and personal outdoor space for 5 patients, including a larger bedroom to facilitate a bariatric patient. The new build will be compliant with WHTM/WHBM's, which will support a sustainable and future-proofed clinical building that will enable safe patient care. This option would require the demolition of the existing shell and construction of a new, traditional build model.

The Commercial Case

Required Services and Procurement Strategy

The main contractor will be procured from the South West Wales Regional Contractors Framework (SWWRCF) and appointed under the NEC 4 (Option A – Priced with Activity Schedule) Contract. The associated design team will be procured through a mix of the Health Boards Local Consultants Framework and the NHS Shared Business Services (SBS) Framework, ensuring value for money and compliance in accordance



with the Public Contracts Regulations (2015). Furniture and general equipment for the CBU will be procured with the support of NWSSP Capital Equipping Team.

The Financial Case

The tendered capital costs for the preferred option (Option 3) are summarised below (inclusive of non-recoverable VAT):

Cost Centre	Net £	VAT at 20% £	Gross £
Works Cost	6,175	1,235	7,410
Fees	1,553	310	1,864
Non-works Cost	196	39	235
Equipment Costs	214	42	257
Contingency	395	79	474
Forecast Project Out-turn Cost (Pre-VAT Recovery)	8,534	1,706,944	10,241,667
Less Recoverable VAT		-310	-310
Forecast Project Out-turn Cost	8,534	1,385	9,930

*Total project out-turn cost is inclusive of £614,089 previously awarded by WGRP. See 'Cost Form Option 3' for further details.

Figure – Tendered Capital Costs

Overall Affordability

The revenue analysis of the preferred options is set out in the table below. It is noted that the recurrent revenue costs of the preferred option are *less* than the baseline costs.

	wte	Pay £	Non-Pay £	Total £
Clinical Costs	43.33	1,826	1,540	1,827
Non-Clinical Costs	3.95	117	45	163
Building Running Costs			45	45
Total	47.28	1,944	93	2,037

Figure - Revenue Costs

Description	Recurrent Annual Costs	
	Option 1 Business as Usual £	Option 3 Preferred Option £
Pay		
Clinical	1,911	1,826
Non-clinical		117
Non-Pay		
Clinical	5,975	1,540
Non-clinical	83	45
Building running costs	39	45
Total Recurring Cost	2,040	2,037



The Management Case

Project Management Arrangements

The project management arrangements are as follows:

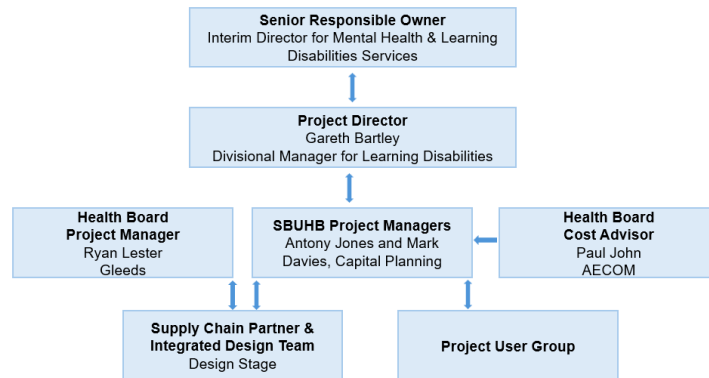


Figure - Indicative Project Milestones

Milestone Activity	Date
SBUHB and WGRPB Governance Sign-Off Business Case	July 2025
Welsh Government Approval	November 2025
Agree and Enter Contract	February 2026
Mobilisation	February 2026
Main Works	March 2026
Handover (subject to contractor's programme)	May 2027
Technical Commissioning	June 2027
New Build Operational	TBC
Technical Project Evaluation (approx.3 months post new-build handover)	TBC
Benefits Realisation (12 months post operational)	TBC -July 2028

Recommendation

This business case supports the development of a modern, fit for purpose New Build Challenging Behaviour Unit for the population of South Wales. The Project Board estimate that works could start in March 2026.

We recommend that Welsh Glamorgan Partnership Board and Welsh Government approve this project.

Mr Dermot Nolan,

Interim Service Group Director for Mental Health and Learning Disabilities,

Swansea Bay University Health Board



Strategic Case

The purpose of this section is to make the case for change and to demonstrate how it provides strategic fit.

Strategic Context

Introduction

This Business Justification Case (BJC) seeks support from West Glamorgan Regional Partnership and Welsh Government (WGov) of **£9,930,919** over a 3-year financial period, for strategic investment to enable Swansea Bay University Health Board (SBUHB) to redevelop the current Dan Y Deri Complex Care Unit Hospital, to provide fit for purpose medium term accommodation for people with identified complex needs and behaviours that challenge.

This investment will:

- Improve patient care by investing in specialist facilities for individuals with complex learning disabilities, behaviours that challenge and co-morbid conditions.
- Expand service offerings and address gaps within the current care process.
- Facilitate the repatriation of patients to locations closer to their home areas and support networks, enhancing their overall experience.
- Generate cost-savings as repatriated patients are currently in high-cost, independent hospital placements.

This project aligns with supporting people in managing their physical, mental and social health & wellbeing needs and builds upon the Health Boards' Clinical Service Plan to transform complex care, emotional wellbeing & mental health.



Figure 1. Dan Y Deri New Build Drawing

This case facilitates the delivery of a modern new-build to enable safe access to specialist inpatient facilities as part of a range of care and support services for people with learning disabilities. The CBU will be registered as a clinical building and will be staffed by a multi-disciplinary team with dedicated support consisting of Nursing, Psychiatry, Psychology, Speech and Language, Occupational Therapy and Behaviour Specialists, thus supporting and promoting collaborative working. When operational, the centre will realise benefits for a range of stakeholders including, but not limited to, service users and their families, carers, partner organisations, and the multitude of professional and voluntary groups involved in the provision of care.



Overall, investment in the redesign and new build of the current Dan Y Deri Complex Care Unit will benefit residing patients and strengthen the organisations ability to meet the evolving healthcare needs of the community, improving patient outcomes and achieve long-term service sustainability.

Background

The transition towards community-based care for individuals with learning disabilities began in the early 1980s. In Wales, outdated institutional care facilities were closed and gradually replaced with smaller clinical buildings designed to provide flexible care options, reducing the reliance on institutionalised care. This transition was intended to enhance community-based support, care and integration for individuals with learning disabilities.

As a result, Dan Y Deri, a freehold property, was purpose built in 2004 in Swansea. The property currently offers a 5-bedroom bungalow for people living with learning disabilities and challenging behaviour needs. The inpatient service model at Dan Y Deri needs to be reviewed to address the current estates provision which is outdated.

The building is no longer fit for purpose, and its environment makes it challenging to meet the needs of people living with a learning disability and needs related to offending behaviour, mental illness and, particularly those diagnosed with Autistic Spectrum Disorder (ASD).

The condition of the estate diminishes independent living and learning opportunities for patients, as all of the essential amenities are communal, which potentially reduces the opportunity for patients to step-down into lower levels of security and community-based care.



Figure 2. Birds eye View of Dan Y Deri site

There is increasing demand for meeting the needs of patients with a learning disability who present with extremely complex behaviours that challenge and/or offending behaviours and require specialist provision to meet their needs. To effectively meet patient needs, a modern and fully operational estate is essential.

Health Inspectorate Wales (HIW) have repeatedly criticised the physical environments of the inpatient facilities provided by SBUHB. The isolated nature of the units represents a service risk in terms of maintaining workforce for safe, quality services. As a provider of Specialist Learning Disability Services, SBUHB lacks the facility to care for patients with the most complex needs. Consequently, these patients are placed in independent hospitals and the private care sector, often far away from their family and social support networks, leading to high financial costs for the Health Board and suboptimal patient/family experience. The outsourced services are mostly



commissioned solely by Health, and in some cases, jointly between Health and Social Care.

Proposed Capital Scheme

The proposed development of a new Challenging Behaviour Unit is part of a strategic shift aimed at preventing long-term hospital stays for patients. It supports a rehabilitation model centred on the core principles of Positive Behaviour Support. The initiative focuses on mitigating the need for step-up care into private independent hospitals, while also providing flexibility for transitions into step-down units and community-based care when appropriate.

Based on current patterns of placement and predicted transition cases over the next 3 years, the facility will provide accommodation for individuals by adopting a 'flat-led' model which support independent living with the least restrictive environment. This model would provide individuals with their own robust bedroom, bathroom and living space. Each individual will have access to shared communal spaces and have adequate access to secured, outdoor areas.

This Challenging Behaviour Unit (CBU) would provide short to medium term accommodation for adults with identified complex needs associated with behavioural challenges. The setting will allow individuals to be discharged from independent hospitals, by providing a step-down facility from such settings providing high levels of secure care. The unit will be flexible and also used as a 'step-up' facility in some cases, that will reduce the number of individuals being admitted to independent hospitals.

The CBU will help individuals maintain or improve their independence and reduce the need for out of area placements as the existing facilities are not sufficient to meet the needs of this population cohort. Below are images of the existing facility, taken in 2023, which highlight the poor condition and functionality of the building. Since then, the condition of the facility has deteriorated, and it has been closed indefinitely due to safety concerns and being deemed unfit for purpose.

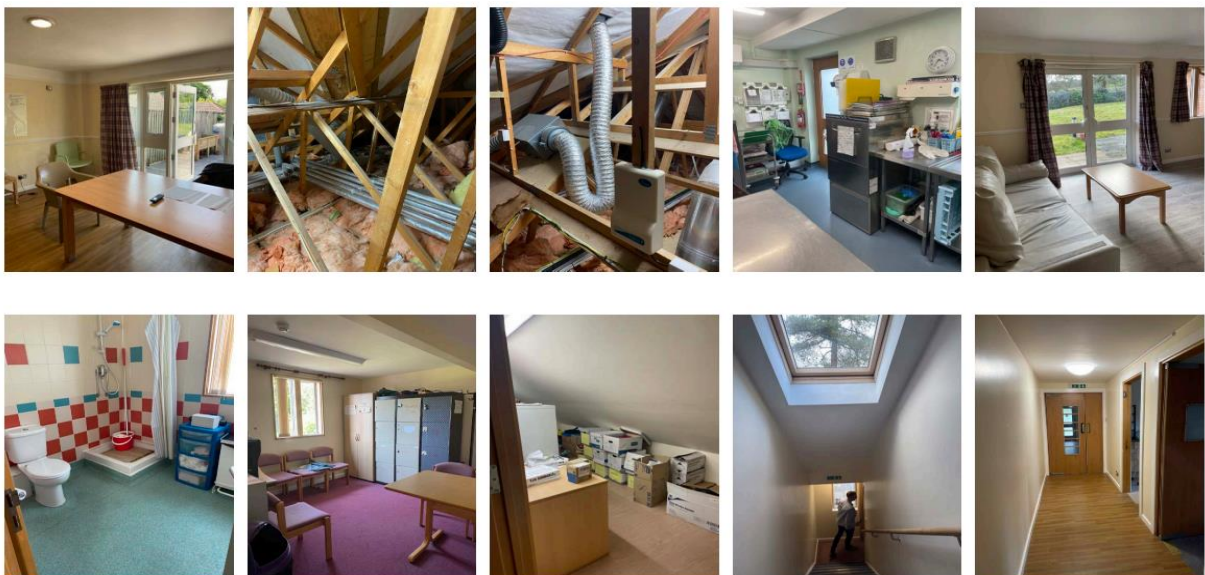




Figure 3. Photographs of the Existing Dan Y Deri Building

Swansea Bay University Health Board (SBUHB) Context

Swansea Bay University Health Board (SBUHB) plans, secures, and delivers healthcare services for the people of Neath Port Talbot and Swansea, and works to improve their health and wellbeing. We serve a population of 390,000, have a budget of around £1.1 billion and employ 12,500 staff.

The Health Board has three major hospitals providing a range of services: Morriston and Singleton hospitals in Swansea and Neath Port Talbot Hospital in Baglan, Port Talbot. We also have a community hospital at Gorseinon and Primary Care Resource Centres providing clinical services outside of the main hospitals. We provide Adult Mental Health assessment and treatment in-patient services, Older Persons assessment and Adult Rehabilitation and Step-Down services. Low Secure and Medium Secure mental health units are sited at Glanrhyd Hospital, Bridgend, and we commission Psychiatric Intensive Care (PICU) services from the Princess of Wales Hospital, Bridgend.

The Health Board operates multiple hospitals that specialise in care for patients with learning disabilities and complex behaviours; however, it lacks a dedicated and suitable facility specifically for individuals with the most complex behaviours. Swansea Bay University Health Board provides specialist adult learning disability services across the geographical area covered by Swansea Bay, Cwm Taf Morgannwg and Cardiff and Vale University Health Boards, a combined population of around 1.2 million people. As such we plan and provide services commissioned by Cardiff and Vale and Cwm Taf Morgannwg UHBs for their populations and work in partnership with seven local authorities.



The specialist learning disability services comprise of community and inpatient services. The Inpatient services are made up of learning disability Acute assessment beds, specialist repatriation beds and medium term complex care beds.

Dan Y Deri is one of seven Complex Care Units distributed across the three Health Boards.

Specialist Learning Disability Services and Challenging Behaviour Units

Modern Specialist Learning Disability services in the NHS have the key aim of reducing the health inequalities faced by people with learning disabilities. This is achieved by:

- Working with mainstream healthcare services to support service-users to make reasonable adjustments in order to improve access to services for all people with a learning disability.
- Carrying out assessments and preparing care and positive behaviour plans for the commissioning and monitoring packages of care, funded either jointly or solely by the NHS to meet a patients' needs.
- Ensuring that service users who require out of area placements are actively supported and monitored and are repatriated closer to home as soon as possible
- Providing short-term acute inpatient care for people with a learning disability with co morbid severe mental illness and challenging behaviour due to vulnerability and learning disability specific needs.
- Providing medium term hospital care as part of the patient pathway to community support, for people with the most complex challenging behaviour, health issues and forensic needs.

The Complex Care Units comprise of seven hospitals located across SBUHB, Cwm Taf Morgannwg University Health Board and Cardiff and Vale University Health Board, a combined population of around 1.2 million people, with a total number of 43 beds across the sites. The units are nurse led, with dedicated support from Psychiatry and Psychology professionals from the Specialist Behaviour Team. All individuals who are referred to a Complex Care Unit are assessed by NHS professionals who determined the hospital-based care to address patient's needs.

These units were originally set up with the intention of accommodating service users with continuing health care needs as part of the resettlement programme from large institution style hospitals. Since their set up there have been limited discharges to community based placements and there has been a perception that the Complex Care Units were established as homes for life, rather than a step-down transitional care arrangement. There has not been a clear, step-down pathway for patients who could be safely discharged into appropriate community placements, in line with Hospital Discharge Standards and the National Care and Support Capacity tool. This service



model is currently being reviewed through the modernisation of learning disability services.



SBUHB receives a ring-fenced, direct allocation from the Welsh Government for the delivery of Adult Specialist Learning Disability Services across Cwm Taf Morgannwg and Cardiff & Vale, in addition to its own patient population. To improve accountability and influence over service development and delivery, the three Health Boards established a Joint Adult learning Disability Commissioning and Performance Group. The Chief Executives of the three Health Boards met specifically regarding the future of learning Disability service commissioning and delivery in 2023, and agreed that the current arrangements continue, subject to review.

Emerging Estates Priorities

The review of the Health Boards' Recovery and Sustainability Plan demonstrates that significant investment in key capital schemes is required to ensure that the priorities for the Recovery and Clinical Service Plans (CSP) can be delivered through the Estates Strategy. This will reduce the risk of delivering appropriate patient care from an increasingly old estate and the future sustainability of our services.

The Capital programme requirements for Swansea have been reviewed for prioritisation for a number of reasons including:

- Significant backlog maintenance reduction
- To address any major risks in the estate, and support reduction in the overall Health Board risk register
- Meet national and local quality and safety priorities.
- Support the long-term sustainability of the Health Board from a revenue perspective.
- Build capacity for recovery.
- Support NHS Net Zero targets for decarbonisation.

Based on the principles stated within the Health Board, investment in the Dan Y Deri new build for Challenging Behaviour Unit will support quality priorities, sustainable services, and support recovery. Improving quality of care would provide a more acceptable and appropriate patient environment.



Business Strategies

This section summarises the key local, regional, and national drivers of change and delivery benefits:

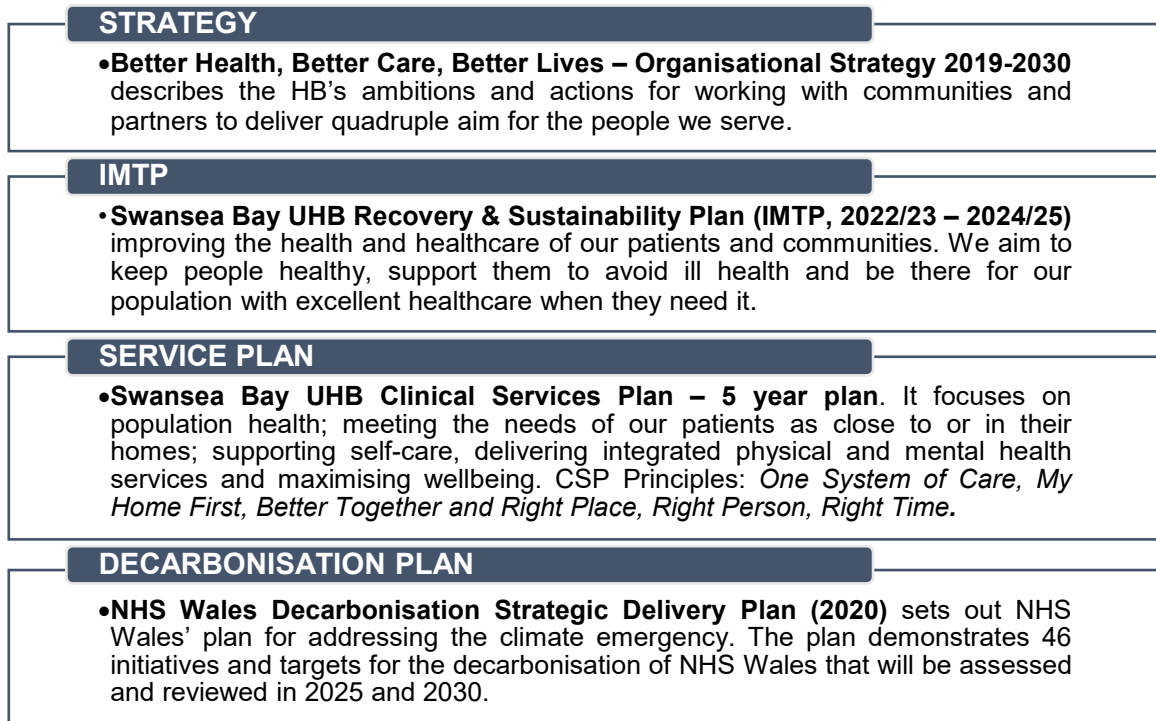
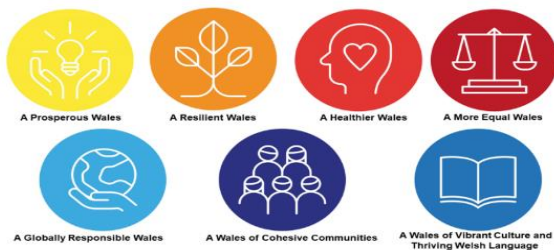


Figure 4. Key Strategies

National Strategies

The Well-being of Future Generations Act (2015) sets the expectation for integrated planning beyond traditional health boundaries in order to jointly improve the social, economic, environmental, and cultural wellbeing of Wales through the application of sustainable development.



The Health Board supports each of the WBFGA (2015) goals through its capital investments, which allows the organisation to embed the five ways of

working into strategic projects. The following integrated strategies demonstrate relative legislation associated with the Dan Y Deri Investment which supports sustainable development, healthcare, and social care for the future.

Policy / Strategy	Supporting Comments
A Healthier Wales: Our Plan for Health and Social Care	Sets out a long term future vision of a 'whole system approach to health and social care', which focussed on health and wellbeing, and on preventing illness.



The Social Services and Wellbeing (Wales) Act 2014	Places duties on statutory bodies to improve services, work together with the public to promote wellbeing, give people a greater voice in and control over their care, and meet need at or as close to home as possible.
Learning Disability Health Improvement Programme (2018)	Is a Welsh Government transformation programme hosted by Improvement Cymru. The programme had identified five priority areas to address inequalities and improve the lives of people with a learning disability in Wales.
The Primary Care Model for Wales	Which seeks to transform the health and well-being system by providing patients with access to a wide range of services closer to home, in support of a Healthier Wales (2018) .
Learning Disability Delivery and Implementation Plan (2022)	Which works with the Learning Disability Ministerial Advisory Group (LDMAG) and partners to develop and publish an overarching, cross government strategic action plan.
Learning Disability Strategic Action Plan (LDSAP) (2022)	Sets out an action plan to strengthen community support for people with a learning disability, and autistic people, and reduce reliance on mental health and inpatient care.
Taking Wales Forward	Programme for Government which sets out how Welsh Government will deliver, improve and reform public services through joined-up programmes, including: a focus on primary care; ensuring that patients receive prompt, cost effective and high quality care as close to home as possible; the forging of closer links between health and social services; the moving of care services from hospitals and into strengthened community provision; and actions to attract and train more GPs, nurses and other health professionals.
Prudent Healthcare	The principles, are namely, to achieve health and well-being with the public, patients, and professionals as equal partners through co-production; to care for those with the greatest health need first, making the most effective use of all skills and resources; to do not only what is needed, no more, no less; and do no harm to reduce inappropriate variation using evidence based principles consistently and transparently.
Prosperity for All and the Economic Action Plan	Sets out how Welsh Government will deliver a strong, resilient, and diverse economy that delivers for the people of Wales - enabling individuals to realise their ambitions, businesses to prosper and communities to thrive.

Figure 5. Key Policies

The proposed new-build for Dan-y-Deri will be designed to prioritise physical, mental, and emotional well-being of residents with learning disabilities. This investment will contribute to the objectives and strategies identified, which aim to reduce health inequalities in Wales.

Investment in the unit will increase capacity for delivering enabled living accommodation for individuals who present with complex needs as close to home as



possible. Creating a modern, fit for purpose space will ensure that people receive the right services, at the right time, allowing specialist health teams to focus resource on the most complex/most in need of specialist service input.

Overall, the investment will support pathway development and clear service models for health facilitation. The investment will drive service change, which may result in improved workforce sustainability through increased training and development opportunities for employees in healthcare support, medical and occupational health based roles to support community learning disability teams.

The Case for Change

Spending Objectives

In outlining the case for investment this section highlights the importance of developing the Dan y Deri new build within the SBUHB portfolio.



Figure 6. Dan Y Deri New Build

learning disabilities live longer and it is important that they are supported to lead fulfilled and healthy lives.

There is a changing demand to the Learning Disability Services in Wales as a result of the growth in the number of people who are eligible to receive support.

The increased demand is partly due to the rise in survival of premature babies that are now reaching adulthood and have significant needs due to their learning disabilities. As a result of improved health and social care services people with

learning disabilities live longer and it is important that they are supported to lead fulfilled and healthy lives. In order to support individuals with complex needs, there is a key focus to provide enhanced Learning Disability Services in suitable, efficient and ergonomically designed building developments that are close to home. The investment will reduce the out of area commissioning and independent hospital provision which will reduce the growth of commissioned complex care expenditure. People with a Learning Disability may require support to maximise the same opportunities and rights as the rest of the population. The business justification case will enhance the ability to offer rehabilitation for individuals with complex needs, creating opportunities to develop patients skill sand build on their strengths. This will help to ensure that the support required in future community placements, once ready for discharge, is as least restrictive as possible.

Swansea Bay University Health Board is committed to implementing a strategic shift in the development of Mental Health and Learning Disability Services. This includes evolving the current service model to influence the design and utilisation of existing MH and LD buildings within the SBUHB region, as it is recognised that the present facilities do not support this.



The proposed redesign involves the development of a “Flat-based” model for hospital care which will:

- Support the business needs of SBUHB and Wider NHS Wales organisations, through modernising its estate and enhancing the current accommodation for people with complex needs.
- Provide medium-term care for people with complex needs, to enable individuals to return from independent hospitals and residential settings and provide a step-down service from higher levels of secure care.
- Prepare individuals with the most complex needs and behaviours that challenge for discharge to community placements, maximising their independence and supporting their rights.
- Meet the demand of a growing and ageing population, with services provided as close to home as possible.
- Deliver a fully compliant accommodation and appropriate environment for the delivery of high quality health care in the community.

These are key strategic aims which will result in significant improvements to patient experience and the transformation of health and wellbeing for adults with learning disabilities.

These following key spending objectives support business needs, and align with NHS Infrastructure Investment Guidance objectives and criteria and Welsh Governments' Learning Disability Strategic Action Plan (2022-2026)

- **To improve the quality of the learning disabilities services** by providing closer to home, fit for purpose medium-term accommodation for people with identified complex needs.
- **To support the new service model** by delivering patient care in line with Prudent Healthcare principles, including strengthened joint-working arrangements, co-productive working, via referral routes across cluster networks into the centres of care to tackle health inequalities in the locality and wider region accommodation.
- **To improve wider health care efficiencies** by reducing health inequalities for patients with learning disabilities and creating clear pathways for efficient, patient centred services.
- **To improve effectiveness** by ‘closing the gap’ in current care provision in South Wales and delivering better patient outcomes.
- **To improve economy** by reducing the number of out of area referrals and significantly reduce backlog maintenance.

See **Appendix E** for further information.

Existing Arrangements

The existing building is no longer fit for its intended functionality and restricts the care that professionals can provide to their patients. In some areas of the unit, staff are not able to safely restrain patients, when required, as there is not enough space. The corridors are too narrow, and the ceilings are too low for the patient group. Damage to the building is frequent and extensive.



Patients with highly complex needs can require professional support at a staff-patient ratio of 3:1 during periods of heightened stress or agitation and when their behaviour becomes challenging or harmful to themselves and others. In these situations, staff need to provide intensive hands-on-care to safely manage and de-escalate the situation. This level of support is essential and cannot be carried out safely at Dan Y Deri due to constraints of the building and lack of seclusion area.

The existing building has a total of 5 patient bedrooms located on the ground floor. Each patient has their own bedroom. This is the only private space that patients can access within the property, there are no quiet areas, and the unit does not have a seclusion suite should such intervention be required. The property does not provide en-suite facilities therefore patients are required to share a bathroom. This can be problematic as some patients cannot cope in shared settings and require their own low-stimulus environment.

Further detail can be found in the figure below which identified poor flow and lack of appropriate facilities.

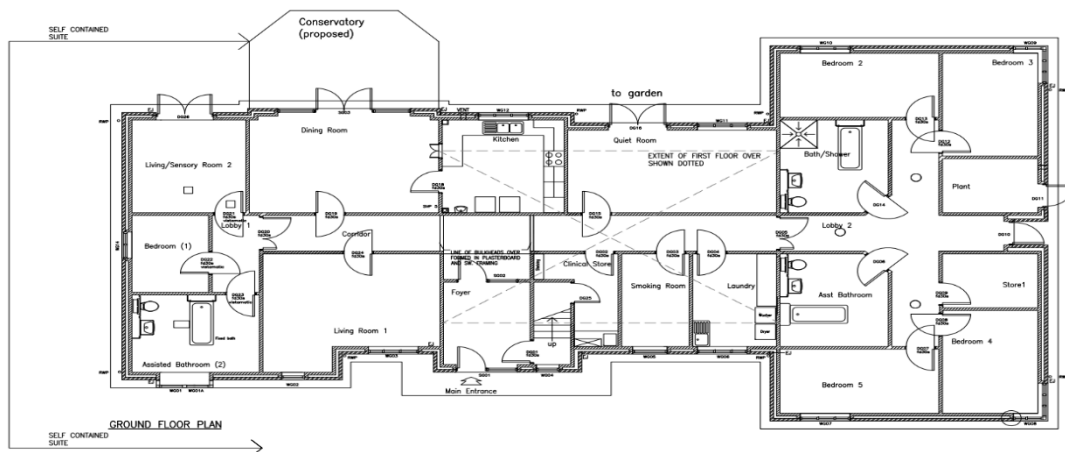


Figure 7. Dan Y Deri Floor Plan

The physical environment fails to meet the patients' needs due to its poor condition and suboptimal layout. The inadequate accommodation leads to services being outsourced to the private sector and paid for by NHS Wales, or at times in collaboration with Social Care. This approach increases financial revenue implications for the Health Board and reduces the quality of life and community integration opportunities for some patients.

Independent Review Findings

Following a request from Welsh Government in 2023, the Quality Assurance Improvement Service (QAIS) carried out a review of all learning disability inpatient environments across Wales.

The review was considered necessary by the Learning Disability National Implementation Advisory Group to support the aspirations of the LDSAP 2022-2026 and Welsh Government's focus on improving Learning Disability Services. The joint



ambition is to reduce the number of people with a Learning Disability in hospital settings, as well as reducing the lengths of stay when people need hospital care.

Informal feedback concluded that the QAIS reviewing team were shocked by the quality and condition of the facilities. Their concerns highlighted issues with the layout and design, as well as the décor and damage that require repair. In some cases, the reviewers questioned whether individuals with learning disabilities were receiving a valuable service as a consequence of the environment.

The Health Board has acknowledged that its inpatient facilities are not modern and do not offer appropriate independent living opportunities for those with learning disabilities. Dan Y Deri is operated by a team of highly skilled, specialised healthcare professionals, who are unable to fully utilise their expertise and address patient needs due to the limitations of the building.

Recognising this, the SBUHB Clinical Services Plan for 2019-24 includes a clinical service ambition for the long term rationalisation of NHS learning disability estates. The ambition is to reduce the number of small, isolated inpatient units by bringing units together according to population needs.

Previously, the Dan Y Deri Building accommodated 5 patients and 20 members of clinical and healthcare support staff. However, due to the current condition of the building, patients have been transferred to other inpatient facilities within our service to ensure they are in a safe environment.

Patients who remain unready for discharge will remain in their current settings, enabling those that have been repatriated into privately commissioned care to transition into the new unit and receive care closer to home.

Several patients are receiving care at independent hospitals. Whilst these individuals are receiving appropriate care, they are further away from family and support networks and are unable to be placed into “step down” or community placement that can facilitate their needs. It is essential that the Dan Y Deri building is demolished and modernised into a new Challenging Behaviour Unit to provide equitable access to care for the patient group and support wider population health needs.

Business Needs

Demand and Capacity

The development of Dan Y Deri aligns with the Health Boards’ proposed vision for transforming the entire Learning Disability Service as part of its interim activity and service model. In future, this will support the achievement of LDS services’ long term plan. The interim plan will leverage existing opportunities driven by the rising pressure and demand for specialist placements. The transformation of Dan Y Deri will enable the accommodation of patients who currently cannot be returned to any inpatient units due

What does the data say?

In Wales, 14% of people with a Learning Disability will demonstrate behaviour challenges which can affect access to universal services and increases likelihood of social exclusion.

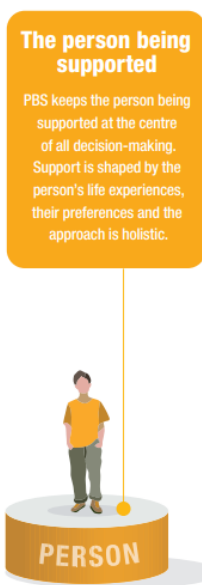


to the complexity of their needs or compatibility issues. The ultimate goal is to make community-based support the standard for all individuals with learning disabilities, with the flexibility to temporarily increase support when required. This approach allows for addressing the short-term needs before returning to the long-term plan focused on maximising patient independence.

Functionality

The redesign of this site to provide accommodation from a 5 bedroom unit, into a building which hosts modern and self-contained flats will ensure that the building is robust, fit for purpose and sustainable in the long term. Each unit will consist of a bedroom, ensuite W/C and shower facility, lounge area and courtyard, promoting the development of independent living skills for patients.

Model of Care



The proposed model of care is designed to deliver a change from long stay provision to a rehabilitation model where there is a focus on the key components of *Positive Behaviour Support*.

The challenging behaviours of young people served are understood in the context of the Positive Behaviour Support (PBS) framework. In line with evidence which suggests that children with a learning disability are ten times more likely to experience abuse and adverse life events (Spencer et al, 2005), the service will focus on understanding behaviour in the context of attachment and trauma, implementing a Trauma informed care approach (Keesler, 2014).

For this model to be sustainable and meet the future needs of our population a comprehensive review of staffing levels and facilities is required, to ensure that appropriate space and multi-disciplinary teams are employed to provide high quality care.

There is a proposed vision for modernisation of the whole Learning Disability Service, however, there is need for an interim plan utilising existing opportunities due to the increasing demand for specialist placements. Dan Y Deri is currently stationed to address the function of specialist rehabilitation care.

Compliance and Decarbonisation

A new building will be fully compliant with current statutory safety and building legislation and will promote innovative and sustainable design solutions, in support of NHS Wales Net Zero and Carbon Reduction targets. Due to the current condition of the building, staff have identified the below risks which have been recorded against the Health Boards' risk register.

- **Risk No 1353:**
Risk Level: Significant



Modernisation of Learning Disability Complex Care Units (formerly known as Specialist Resident Services (SRS)).

This risk has been present on the Health Boards' risk register since 2017 and has several risks associated to it, with regards to insufficient capacity to carry out therapy interventions which compromise patient safety and outcomes, and buildings that do not meet the current building specification for modern Learning Disability Services.

Improved Patient Outcomes

The current arrangement does not champion patient confidence as the facilities do not allow for independent activities. Investing in the Dan Y Deri new build would promote inclusivity, and where practicable, provide some patients with improved pathways from low-secure settings and the opportunity to thrive in a more sociable environment, or a home of their own.

The current Dan Y Deri unit has been closed indefinitely due to the inadequate footprint and environment of the existing building, which is not suitable for patients requiring healthcare services at this location, posing threat to the sustainability of the service. As a health and safety measure the health board has now boarded up the building.

To reduce the health inequalities, reasonable adjustments have to be made to all services for people with a learning disability, but capital investment is essential for specialised learning disability services to provide sustainable healthcare for its patient group.

Potential Scope and Service Requirements

This section described the potential scope for the project in relation to the operational capabilities, service changes and spend objectives.

The usual process to comply with Welsh Government Guidelines is to assess the scope against the continuum of need ranging from:

- A Minimum – essential or core requirements/outcomes
- An Intermediate – essential and desirable requirements/outcomes
- A Maximum – essential, desirable and optional requirements/outcomes

A comprehensive review has been conducted, involving multiple stakeholders, to explore options for modernising Dan Y Deri and expanding the facility to enhance patient pathways into community care. Several options have been evaluated to minimize the need for the repatriation of individuals with learning disabilities in the medium to long term.

The only viable option to achieve the project spending objectives is to develop a new build challenging behaviour unit at the Dan Y Deri Site at Clasemont Road, Morriston.

This includes redesigning the existing 5-bedroom building and redeveloping a new facility with a flat-led model, comprising of independent flats, each with a bedroom,



ensuite, lounge/living area and an individual courtyard area. Each of these spaces have been identified as crucial to promote patient independence. The unit will be designed to provide an environment that can meet the needs of patients with highly challenging behaviours and care requirements.

The scheme will ensure the ongoing delivery of clinical care within a purpose-built inpatient unit, improving the quality of care, bolstering workforce sustainability, and providing more ergonomic and efficient services closer to home for patients.

Core *Coverage and services required represent the 'essential' changes without which the programme will not be judged a success*

Compliance

The redesigned Dan Y Deri challenging behaviour unit (CBU) must meet compliance standards and be appropriately sized to ensure effective care. The layout should include at least five patient bedrooms with ensuite facilities, private living quarters, a seclusion room, communal patient areas and adequate staff accommodation.

Although there is no specific WBHN design guidance for a Learning Disability and Challenging Behaviour Unit, it has been agreed to apply the WBHN 03-01 Adult Acute Mental Health Units design standards, which external designers and clinical teams have confirmed as suitable.

Functionality

The facility should provide sufficient space to support daily living activities, promote patient independence, and offer a structured environment with highly skilled staff trained in de-escalation and crisis intervention. The existing building's poor condition, noted throughout the business case, highlights the need for a safe environment with ergonomic, comfortable, and adapted personal and clinical spaces.

Given the tendency for damage in patient areas, the design should prioritise the use of durable materials. Existing staff and end-users have reported that the frequent maintenance and replacement of unsuitable, unsustainable materials is both costly and disruptive.

Service Model

The core services necessary for the unit to operate effectively include 24-hour clinical care, specialist nursing support, and multidisciplinary team involvement. These services should incorporate individualised care plans to ensure safety and the least restrictive healthcare practice. Input from psychology, psychiatry, occupational therapy, speech and language therapy and social services is vital to providing a holistic approach, continuity of care, and promoting Positive Behaviour Outcomes.

Ensuring space for multidisciplinary input is essential to support person centred care and activity programs that stimulate patients in a suitable environment.

These requirements are fundamental to meeting business needs.



Desirable *Coverage and services required represent the 'additional' changes which the project can potentially justify on a cost/benefit and thus value for money basis*

The 'core' requirements represent the minimum standards for the CBU to be considered appropriate. An additional change to the footprint should include one larger flat to accommodate bariatric patients to provide equity of access.

Service Model / Functionality

Approximately 1 in 4 adults in Wales are obese, and people with learning disabilities are more likely to have problems with their weight due to their condition increasing their risk of obesity. Inclusion of a bariatric flat promotes health equality by ensuring that patients have access to appropriate facilities to ensure practical care.

Patients would also benefit from a personal courtyard to enjoy outdoor space alone or with family members and staff. In addition, appropriately landscaped outdoor communal areas should be available for patients to partake in social interaction, therapeutic and physical activity where practicable, to promote healthy lifestyle choices. The outdoor spaces should incorporate low maintenance and low cost playground furniture such as trampolines and basketball hoops.

Participating in leisure activities can greatly enhance mental well-being. For people with disabilities, hobbies, sports, and creative activities can increase self-esteem and reduce stress. These benefits should not be restricted to outdoor environments. Therefore, the design should include an indoor soft play area and gym to ensure patients have access to a range of activities.

Optional *Coverage and services required represent the 'possible' changes which the programme can potentially justify on a marginal low cost and affordability basis.*

Functionality

Landscaped green spaces that can serve as key therapeutic and relaxation tool for patients with learning disabilities.

It is important to consider the maintenance of the outdoor spaces therefore space should be designed to offer low-maintenance, edible plants to offer residents the opportunity to engage in gardening or nature-based activities as part of their routines.

The space should include a combination of easy access and maintainable areas for reflection, but must be designed to ensure patient safety, security and allow clear observation for staff.

Main Benefits this section describes the main benefits associated with the scope described above

The main potential benefits are expressed in relation to appraisal criteria derived from spending objectives as follows:

- **CRB** – cash releasing benefits (e.g. avoided costs)
- **Non CRB** – non cash releasing benefits (e.g. staff time saved)
- **QB** – quantifiable benefits (e.g. achievement of targets)



Business Justification Case

- **Non QB** – non-quantifiable or qualitative benefits (e.g. improvement in staff morale)

Benefit Category	Benefit Owner	Key Benefit	Type of Benefit
Health Gain	Health Board	Provide closer home, modern and medium-term, fit for purpose accommodation for people with identified complex needs and reducing health inequalities.	QB
		The new building will maximise patient safety and meet the complexities and challenging risk behaviours of the population through safe, ergonomic design of the facility.	QB
Equity	Health Board	Provide an appropriate setting for patients with learning disabilities to be assessed and supported to facilitate independent living in the future.	NCRB
		Purpose-built facility will help to streamline operations, for staff to provide high-quality care. This will be achieved by designing spaces centres around patient need	QB
		Provide spaces that are designed to ensure patient safety and dignity. Allowing individuals who are able, to choose the level of their interaction with other patients.	QB
Affordability	Health Board	Re-opening of a new CBU building at Dan Y Deri site will promote effective use of the Health Boards' footprint.	QB
Clinical Skills & Sustainability	Health Board	Employment opportunities / enhanced staff resource. Patients currently in independent hospital provisions, who need to be repatriated back into this service, have complex learning disabilities and significant behaviour challenges. Some of these patients require high levels of staff resource support. (e.g., 3 staff to 1 patient / 4 staff to 1 patient)	QB
		Promotion and training opportunities for staff to develop their career in a learning disability setting, leading to sustainable NHS recruitment.	QB / NCRB



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		Drive targeted recruitment of local employment for healthcare staff, through a permanent clinical work location for Healthcare Professionals, Support and Ancillary Staff.	
Value for Money	Health Board	Significantly reduce backlog maintenance by ensuring current building specifications are achieved.	QB / CRB
		By reducing the dependency on independent hospitals and placements (Non-NHS Services) Investment in the Dan Y Deri new build will improve economies by: Supporting a reduction in the number of out of area referrals which can equate to a total approx. cost of £1.4M per annum, and £234k per patient based on current average costs of privately commissioned hospital care.	CRB / NQB
		Prevention of “step-up” private commission care through appropriate assessments by the MDT.	QB

Figure. 8 Main Benefits

The main strategic and operational risks are identified below. Further detail relating to the costed risk register are available in **Appendix A. Estates Annexe A7.**

Main Risks			
Risk	Impact	Probability	Mitigation
If Capital funding is not supported, there is a risk of increased/ongoing revenue Implications associated with out-of-area/private hospital placements.	4	4	SBUHB Finance Business Partner to report regularly to Project Board
Risk of the HB's preferred option being declined in lieu of 'BAU' which is a significant capital cost (£1.35M) for sub-optimal benefits. BAU will deliver a clean and habitable environment but will not provide fit-for-purpose services or functionality for its patients.	4	5	Engage with WGRB to maintain regular communication regarding finance and procurement arrangements.
Twenty year old buildings do not meet the current building specification for modern	3	5	The DYD CCU has now been closed and boarded. The patients previously



Business Justification Case

learning disability services. Current backlog of maintenance work for the upkeep of fabric and furnishings damaged as part of normal Learning Disability Service provision.			accommodated at DYD have been moved to other NHS CCU's until such time the new build is complete, or, the patients are able to "step down". This risk is logged on the Health Boards 'Risk Register' as a Moderate Risk (1353).
Capital funding approval is delayed from the West Glamorgan Regional Partnership Board.	3	3	Engage with West Glamorgan Regional Partnership Board (WGRP) to maintain regular communication regarding finance and procurement arrangements.
Capital costs exceeding the anticipated budget.	3	3	Appoint an external cost advisor to monitor the project costs through feasibility and design.
Planning approvals for the main build (if required) and/or car parking and external works are delayed and/or planning conditions could be onerous.	3	4	SBUHB Project Managers and External Consultants should engage regularly with Local Planners. Maintain regular communication with the design team and other key stakeholders involved in planning applications.
Affordability of the revenue model (over/under estimated staffing levels).	3	3	SBUHB Finance Business Partner to report regularly to Project Board.

Figure 9. Main Risks

Provide details of any constraints that have been placed on the investment proposal and any dependencies outside the scope of the investment which successful delivery is dependent.

The constraints and dependencies are identified below:

Constraint	Mitigation
The solution must be fit for purpose, make best use of the available space at the Dan Y Deri site.	Appoint an expert design team to inform feasibility and detailed design development, and sign-off plans with management / clinical leads.
The solution must be delivered on a timely basis	Engage with WGRP to ensure a timely support for funding and work with a reputable constructor work up a design solution & construction timetable, that fits as closely as possible, with the clients' expectation.
The solution must be delivered within project budget.	Work with an expert design team / reputable constructor to design a fully compliant product, which meets the clients brief as cost effectively as possible.



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The solution should provide value for money and be affordable in capital and revenue terms.	Ensure the business case includes robust revenue and capital affordability proposals, which represent good use of public monies, is endorsed by the Health Board, and in due course secured WGRP and WGov approval.
The solution should support clinical needs and improve the patient experience.	The solution must meet the clinical brief and align with the Learning Disability Services strategic direction and best practice.

Figure 10. Constraints

Dependencies	Mitigation
The solution must be supported by a fully trained and resourced workforce.	Develop a workforce plan to support the enhanced accommodation, seclusion suite and new cohort of patients.
Continued support of the agreed model of care.	Project supports Health Boards' Clinical Services Plan and is endorsed by the Health Board.
The solution must be fully supported by external partners to secure capital investment.	Develop working relationships with key stakeholders ensuring project alignment and support throughout the project life cycle.

Figure 11. Dependencies

The Economic Case

This section identifies the proposal that delivers best public value to society, including wider social and environmental effects.

The following Critical Success Factors (CSFs) have been identified:

Critical Success Factor (CSFs)	Description
CSF 1 – Strategic Fit & Business Needs	The solution must fit with the National, Regional and Local Strategies for Learning Disability Services.
CSF 2 Compliance	The solution must comply with best practice.
CSF 3 – Benefits Optimisation	The solution should optimise benefits, make effective use of scarce resource, and provide value for money.
CSF 4 – Potential Achievability	The solution must be deliverable on a timely basis to enable patients to be repatriated back to Wales.
CSF 5 - Acceptability	The solution must be acceptable to patients and clinicians.
CSF 6 – Potential Affordability	The organisations ability to fund the required level of expenditure; the capital and revenue consequences associated with the proposed investment.



Figure 12. Critical Success Factors

Framework Option Appraisal

Long List Options

In accordance with WGov’s Infrastructure Investment Board’s & HMTs Treasury Green Book guidance Project Board members completed a hi-level SWOT-style analysis of the long list options. An option scored ‘x’ if it failed to deliver on an SO or CSF, ‘~’ if it partially delivered, and ‘√’ if it fully delivered as follows:

Key	X Not Achieved	~Partially achieved	Fully achieved
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Options ‘scored’ multiples of ‘IT’ if an option optimally delivered on an updated Spend Objective or CSF. The pros and cons for each long list option were recorded to provide an audit trail and the options were ranked in order of achievement, indicating the ‘preferred’ solution and ‘do less’ or ‘do more ambitious’ solutions as appropriate.

Four options were identified and taken forward for detailed financial analysis. In accordance with HM Treasury’s Green Book and WGov business case guidance the five categories of framework options in terms of choice are as follows:

- **Potential Service Scope Options** – what is the potential coverage of the service to be delivered (the ‘what’).
- **Potential Service / Technical Solution Options** – potential options for delivering the preferred service scope option (the ‘how’).
- **Potential Service Delivery Options** – who will deliver the preferred scope & preferred service / technical solution options (the ‘who’).
- **Potential Service Implementation Options** – potential timescales options for delivering the preferred scope, preferred service / technical solution, and preferred delivery options (the ‘when’).
- **Potential Finance Options** – potential funding and affordability options for delivering the preferred scope, preferred service / technical solution, preferred delivery preferred implementation options.

The framework options were agreed by the Project Board’s members as follows:

Figure 13 – Service Scope Options

Business as Usual (BAU) / Do Minimum	Intermediate / Do Maximum
Maintain the status quo of the existing service model at Dan Y Deri.	Develop a new service model for increased patient capacity and enhanced care.
Discount	Preferred



The service solutions identified potential options for delivering the preferred service scope option. They were agreed as follows:

Figure 14 – Service / Technical Solutions Options

Do Minimum	Intermediate 1	Intermediate 2	Intermediate 3	Do Maximum
Refurbish the existing footprint and address the back-log maintenance existing 5-bed building solution in situ <i>(includes shared accommodation)</i>	Develop a part new build extension / refurbishment to provide a 5-bed ensuite solution	Develop a part-new build extension / refurbishment to provide a 6-bed ensuite solution	Develop a new build 5-bedroom flat-based solution	Develop a new build 6-bedroom flat-based solution
Discounted	Possible (Do Far, Far Less)	Possible (Do Far Less)	Preferred	Do Maximum

The service delivery solutions identified potential options for delivering the preferred service solution option. They were agreed as follows:

Figure 15 – Service Delivery Options

Do Minimum	Intermediate / Do Maximum
Non-NHS delivery	NHS delivery
Discounted	Discounted

The implementation solutions identified potential options for delivering the preferred service delivery option. They were agreed as follows:

Figure 16 – Implementation Solutions Options

Do Minimum	Intermediate / Do Maximum
Phased	Not Phased
Discounted	Preferred



The funding solutions identified potential options for delivering the preferred implementation solution option. They were agreed as follows:

Figure 17 – Funding Solutions Options

Do Minimum	Intermediate1	Do Maximum
Capital funding	Leased	Private / Public Partnership Funding
Preferred	Preferred – do more ambitious	Discounted

Short List Options

Following detailed non-financial evaluation, the available options were agreed as follows:

Figure 18 – Short List Options

Option	Option 1 BAU	Option 2 Do Minimum	Option 3 Intermediate/Do Less (Preferred)	Option 4 Do Maximum
Service Scope	Maintain the status quo of the existing service model at Dan Y Deri.	Develop a new service model for increased patient capacity and enhanced care.	Develop a new service model for increased patient capacity and enhanced care.	Develop a new service model for increased patient capacity and enhanced care.
Service / Technical Solution	Essential statutory maintenance only	Develop a part-new build extension / refurbishment to provide a 6-bed ensuite solution	Develop a new build 5-bedroom flat-based solution	Develop a new build 6-bedroom flat-based solution
Service Delivery		NHS Delivery	NHS Delivery	NHS Delivery
Implementation Solution		Phased	Not Phased	Not Phased
Funding Solution		Capital	Capital	Capital



Main Options

Option 1: Business as usual (the baseline from which the improvement will be measured)	
Description.	<p>Maintain the status quo of the existing service model at Dan y Deri with a full refurbishment of the existing building to address backlog maintenance issues.</p> <p>The current unit consists of two-storey building, with 5 ground-floor patient bedrooms and shared bathroom facilities.</p> <p>Currently, Dan y Deri has a first floor which is used as multi-use staff accommodation. The building has communal areas for patients to spend their free time including an outdoor courtyard area; however, the facility does not offer a facility for patients to enjoy quiet time or de-escalate during times of heightened challenging behaviour. The building does not provide necessary seclusion rooms and has insufficient space for multidisciplinary tribunal hearings to take place on site.</p> <p>Dan Y Deri is currently out-of-use as it has been deemed unsafe and not fit for purpose, patients have been relocated until such time that the unit is deemed an appropriate environment for patient care.</p>
Total Costs	<p>Capital: £1,357,794 (excluding VAT) Revenue: £2,040,173 (excluding VAT)</p>
Advantages	<p>Maintaining the current building avoids the immediate financial burden associated with re-designing and rebuilding a new fit for purpose facility. However, this does not align with the Critical Success Factors or Spending Objectives for Dan Y Deri.</p>
Disadvantages	<p>The disadvantages associated with 'Option 1' are listed below with reference to the Spending Objectives (SO's) and Critical Success Factors (CSFs) that cannot be achieved.</p> <ul style="list-style-type: none"> - The Unit is currently out-of-use because it has been deemed inappropriate which is a critical disadvantage. (Fails to meet CSF 1/2/3/4/5/6 and SO1/2/3/4/5) - Lack of a designated seclusion room which is an essential facility within a Mental Health or Learning Disability environment. Without appropriate settings for de-escalation there is risk to patient safety and experience and additional pressures placed on staff to manage patient care safely and effectively. (Fails to meet CSF 1/2/3/5 and SO1/2/3/4/5) - The building is not fit for purpose and lacks dedicated spaces for patients that are at risk to themselves, or others. (Fails to meet CSF 1/2/3/4 and SO1/2/3/4/5)



	<ul style="list-style-type: none"> - The building does not provide facilities to promote patient independence – lack of ADL kitchen, ensuite facilities. (Fails to meet CSF 1/2/3/4/5 and SO1/2/3/4/5) - Shared bathroom and living facilities can be problematic for some patients with Learning Disabilities, not all patients can cope with crowded environments. (Fails to meet CSF 1/2/3/4/5 and SO1/2/3/4) - The unit provides staff accommodation on the first floor which is considered multi-use. This area is not specifically designed for staff and does not offer the best working conditions, leading to issues with staff morale and well-being. In addition, the space is used for tribunal hearings, which is inappropriate and non-compliant under the Mental Health Act 1983 Code of Practice for Wales (revised 2016). (Fails to meet CSF 1/2/3/4/5 and SO1/2/3/4) - The facility is too rigid to adapt as part of a refurbishment in order to meet the changing needs of the patient. For example, the corridors are too narrow and hinder staff ability to safely manage best practice restraint, which at times takes 3 members of staff to 1 patient. (Fails to meet CSF 1/2/3/4/5 and SO1/2/3/4/5) - The current unit is not sustainable and poses operational and financial risk as the facility requires regular backlog maintenance work and repair, which can contribute to moving patients between sites and result in the Health Board being reliant on independent, commissioned care to relocate patients. (Fails to meet CSF 1/2/3/4/5/6 and SO1/2/3/4/5)
<p>Conclusion</p>	<p>In summary, 'Business as Usual' fails to deliver all of the Spending Objectives and Critical Success Factors.</p> <p>Patients have been removed from the current unit and cannot return until the building is fully fit for purpose, therefore this option is discounted retained as <i>Public Baseline Comparator</i>.</p> <p>Investment is necessary to reduce privately commissioned hospital placements and ensure patients are cared for in a closer to home hospital environment.</p>



Option 2: Do Minimum : Refurbishment / New-Build of Existing Model	
Description	<p>The Refurbishment and partial new build of the existing model of the Dan Y Deri Building, would increase the existing footprint of the building by adding a left and right “wing” extension to create patient flats. Each flat would include an ensuite patient bedroom, living area and private outdoor area. This refurbishment and partial extension would be managed through a “phased” works approach, to ensure that patients are not affected by the construction.</p> <p>The full refurbishment includes disposal and replacement of the existing flooring, walls and ceilings to make the CBU fully compliant with WHBN/WHTM’s, whilst maintaining the first floor that is used for staff accommodation. The Option 2 development would include a seclusion room, which is essential, and one flat that is suitable for bariatric patients.</p>
Total Costs	<p>Capital: £9,676,450 (excluding VAT) Revenue: £2,480,191 (excluding VAT)</p>
Advantages	<p>The advantages associated with ‘Option 2’ are listed below with reference to relevant Spending Objectives (SO’s) and Critical Success Factors (CSFs):</p> <ul style="list-style-type: none"> - Provides fit for purpose, medium-term accommodation for people with identified complex needs. (CSF1 and SO1) - This option provides access to modern infrastructure in accordance with best practice. (CSF 1/2/3/5 and SO 1/2/3/4) - Provides essential patient spaces including a seclusion room, ensuite facilities, private/quiet areas, spaces for therapies and MDT intervention. (CSF 1/2/3/5 and SO 1/2/3/4) - Improved accommodation will support multi-agency working. (CSF 1/2/3/5 and SO 1/2/3/4) - Increased capacity for an additional patient (CSF 2/3/4/5 and SO 1/4/5) - Reconfigured space to provide accommodation for bariatric patients, improving equitable care. (CSF 2/3/5 and SO 3/4/5) - Reduced number of out-of-area referrals. (CSF6 / SO5)
Disadvantages	<p>The disadvantages associated with ‘Option 2’ are listed below with reference to the Spending Objectives (SO’s) and Critical Success Factors (CSFs) that cannot be achieved.</p> <ul style="list-style-type: none"> - Phased approached to the refurbishment could cause significant disruption to operations. (Fails to meet CSF 1/2/3/4 SO 1/2/4)



	<ul style="list-style-type: none"> - Potential delays to completion due to phased construction - delays to any aspect could postpone the availability of the new facilities. (Fails to meet CSF 1/2/3/4 SO 1/2/3/4/5) - Significant expenditure on a part-refurbishment and part-new build could lead to complex maintenance costs. (Fails to meet CSF 2/3/5 and SO 5) - Adding two 'wings' to the existing unit posed challenge during the design, resulting in spatial constraints and less efficient use of space. (Fails to meet CSF 1/2/3/4 SO 1/2/4) - An additional patient would require additional staff resource which would impact on revenue affordability within the Learning Disability Service. (Fails to meet CSF 1/2/3/4 SO 1/2/4) - Option 2 was developed and designed up to RIBA Stage 3 by the external design team , the capital costs associated with the design were deemed unaffordable due to limited funding. (Fails to meet CSF 1/2/3/4 SO 1/2/4)
<p>Conclusion.</p>	<p>The Project Board and Design Team anticipated a refurbished Dan Y Deri would satisfy value for money, compliance and service delivery. This option was fully designed to RIBA Stage 3. Upon design completion and estimate work costs, this scheme was deemed unaffordable due to limited funding resources and unacceptable due to spatial limitations on site.</p> <p>This option was shortlisted as 'Do Minimum', it delivers some of the Spend Objectives and some of the Critical Success Factors. Provides limited assurance and efficiency for the capital and revenue costs involved.</p>



Option 3 – Intermediate : New Build 5 Bedroom Flat-Based Solution (Preferred)	
Description	<p>New build 5-bedroom flat-based solution.</p> <p>The flat-based solution will include a bedroom, ensuite, living area and personal outdoor space for 5 patients, with one larger bedroom to facilitate a bariatric patient. The new build will be fully compliant with WHTM/WHTBMs, which will support a sustainable and future-proofed clinical building that will enable safe patient care.</p> <p>This option would require the demolition of the existing shell and construction a new, traditional build model. This option would not be phased, and the anticipated programme length is approximately 60 weeks, providing a relatively quick turnaround for patients to be repatriated into closer to home care.</p>
Total Costs	<p>Capital: £8,534,722 (excluding VAT) Revenue: £2,037,147 (excluding VAT)</p>
Advantages	<p>The advantages associated with 'Option 4 ' are listed below with reference to relevant Spending Objectives (SO's) and Critical Success Factors (CSFs):</p> <ul style="list-style-type: none"> - Provides fit for purpose, medium-term accommodation for people with identified complex needs. (CSF1/2/3/4/5 and SO1/2/3/4/5) - This option provides access to modern infrastructure in accordance with best practice with WHTM/WHBM's. (CSF1/2/3/4/5 and SO1/2/3/4/5) - Provides essential patient spaces including a seclusion room, ensuite facilities, private/quiet areas, spaces for therapies and MDT intervention. (CSF1/2/3/4/5 and SO1/2/3/4/5) - Provides compliant spaces for MDT intervention. (CSF 1/2/3/5 and SO 1/2/3/4) - Provides areas to promote patient independence, such as an ADL kitchen. (CSF 1/3/5 and SO 1/2/3/4) - Reconfigured space to provide accommodation for bariatric patients, improving equitable care. (CSF1/2/3/4/5 and SO1/2/3/4/5) - Improved accommodation will support multi-agency working. (CSF 1/2/3/5 and SO 1/2/3/4) - Reduced number of out-of-area referrals. (CSF6 / SO5)
Disadvantages	<p>The disadvantages associated with 'Option 3' are listed below with reference to the Spending Objectives (SO's) and Critical Success Factors (CSFs) that cannot be achieved.</p>



	- The solution does not increase patient capacity but achieves current baseline capacity.
Conclusion.	<p>This option was shortlisted as 'Intermediate – Do Less' in terms of functionality, as it does not increase patient capacity, but is the Health Boards preferred option. It delivers all of the Spend Objectives and Critical Success Factors.</p> <p>This option supports modern, closer-to-home care for patients with a robust design to support service sustainability.</p>

Option 4 – Do Maximum : New Build 6 Bedroom Flat-Based Solution

Description	<p>New build 6-bedroom flat-based solution.</p> <p>The flat-based solution will include a bedroom, ensuite, living area and personal outdoor space for 6 patients, with one larger bedroom to facilitate a bariatric patient. The new build will be fully compliant with WHTM/WHTBMs, which will support a sustainable and future-proofed clinical building that will enable safe patient care.</p> <p>This option would require the demolition of the existing shell and construction a new, traditional build model. This option would not form a phased construction programme.</p>
Total Costs	<p>Capital: £9,345,821 (excluding VAT) Revenue: £2,480,191 (excluding VAT)</p>
Advantages	<p>The advantages associated with 'Option 4' are listed below with reference to relevant Spending Objectives (SO's) and Critical Success Factors (CSFs):</p> <ul style="list-style-type: none"> - Provides fit for purpose, medium-term accommodation for people with identified complex needs. (CSF1/2/3/4/5 and SO1/2/3/4/5) - This option provides access to modern infrastructure in accordance with best practice with WHTM/WHBM's. (CSF1/2/3/4/5 and SO1/2/3/4/5) - Provides essential patient spaces including a seclusion room, ensuite facilities, private/quiet areas, spaces for therapies and MDT intervention. (CSF1/2/3/4/5 and SO1/2/3/4/5) - Provides compliant spaces for MDT intervention. (CSF 1/2/3/5 and SO 1/2/3/4) - Provides areas to promote patient independence, such as an ADL kitchen. (CSF 1/3/5 and SO 1/2/3/4) - Reconfigured space to provide accommodation for bariatric patients, improving equitable care. (CSF1/2/3/4/5 and SO1/2/3/4/5) - Improved accommodation will support multi-agency working. (CSF 1/2/3/5 and SO 1/2/3/4)



	<ul style="list-style-type: none"> - Increased capacity for an additional patient (SO1/5) - Increased overall patient capacity. (SO1/5) - Reduced number of out-of-area referrals. (SO5)
Disadvantages	<p>The disadvantages associated with 'Option 4' are listed below with reference to the Spending Objectives (SO's) and Critical Success Factors (CSFs) that cannot be achieved.</p> <ul style="list-style-type: none"> - This option is unaffordable from a Capital and Revenue perspective. (Fails to meet CSF6) - Including an additional bedroom to expand patient capacity would result in an increased staff resource. (Fails to meet CSF4/6 and SO2/4) - This option is not viable on the current Dan Y Deri site due to the environmental constraints and boundaries of the area. (Fails to meet CSF2/3/4/6 and SO5)
Conclusion	<p>This option was shortlisted as 'Do Maximum' in terms of functionality, as it increases patient capacity. It delivers most of the Spend Objectives and Critical Success Factors.</p> <p>This option supports modern, closer-to-home care for patients with a robust design to support service sustainability.</p> <p>However, within the current site footprint and with the current staff structure 'Do Maximum' is not a viable option.</p>

Economic Appraisal

The following economic appraisal evaluates the costs, benefits and risks of the shortlisted options and identifies the option that offers the best value for money in accordance with the HM Treasury Green Book and Welsh Government Business Case Guidance.

Overview:

An economic appraisal has been undertaken with the following assumptions:

- Across all options over a 65-year period and a Comprehensive Investment Appraisal, CIA, model has been completed to calculate the relative benefits cost ratio for the *short-listed* options.
- Discount rate has been applied of 3.5% for 40 years followed by 3.0% for the remainder of the period and Quality Adjusted Life Years, QALYS, at 1.5%.
- There has been no requirement for sensitivity testing due to the nature of the shortlisted options and specifically options 2,3 and 4 all being similar refurbishment/new build options.
- Planning contingency has been applied to risk and as contingency is included in the capital costs there is no optimum bias included in the economical appraisal.



Capital Costs:

The project’s Cost Advisor, AECOM, has prepared capital costs in respect of each of the options, accounting for inflation. A planning contingency was estimated at 4.99% and has been applied to works, non-works, and fees. The below summary of the capital costs for each of the options are as follows. For the purpose of the economic appraisal these costs exclude VAT. The costs for the preferred option (Option 3 – New Build) are based on *final tendered* pricing.

Option	1 - Business as Usual £000	2 - Refurbish and New Build 6 Bed £000	3 - New Build £000	4 - New Build - 6 Bed £000
Works Costs	902	7,041	6,175	6,762
Fees	184	1,752	1,553	1,715
Non-Works Costs	59	196	196	196
Equipment Costs	155	238	214	238
Contingency	57	448	395	433
Total	1,357	9,676	8,534	9,345

Figure 19 - Capital Requirements excluding VAT

See **Appendix A. Estates Annexe A2** for the capital cost forms.

The key planning assumptions are as follows.

- Works costs are included at price index 4Q.2026
- There is a location factor of 0.97
- VAT is excluded from the economic case
- No opportunity costs have been identified.
- Life cycle costs are not included as these are not available.
- Planning contingencies of 4.99% has been allowed for the relevant costs of the options.
- ‘Option 1’ represents the business-as-usual scenario and serves as the baseline comparator for evaluating improvements for the other options.



Revenue Costs

The baseline and indicative recurring revenue cost for each of the shortlisted options are as follows.

	Option 1 - Business as Usual £	Option 2 - Refurbish and New Build - 6 Bed £	Option 3 - New Build - 5 Bed £	Option 4 - New Build - 6 Bed £
Clinical Services	1,917	2,274	1,827	2,274,075
Non-Clinical Costs	83	147	163	147
Building Running Costs	39	58	45	58
Other Revenue Costs	0	0	0	0
Total	2,040	2,480	2,037	2,480

Figure 20 - Revenue Costs excluding VAT

The majority of the revenue cost is clinical services and the majority of this is staffing. The staffing costs are based on the proposed rosters for each of the options.

Options 2 and 4 are more expensive as additional staffing is required for the sixth bed for these options.

The building running costs are based on the gross internal area of the proposed new builds and relevant unit costs. Options 2 and 4 being more expensive as they have a larger footprint.

Wider Economic and Social Benefits

An assessment has been undertaken of the benefits register to identify which of the benefits can be quantified for inclusion in the economic appraisal. There are a number of key benefits that can be quantified but all provide the same financial benefit and as such only one is included for value in the CIA.

- A1 [Health Gain] - Provide closer home, modern and medium-term, fit for purpose accommodation for people with identified complex needs and reducing health inequalities. This will enable the repatriation of patients currently place in the independent sector.
- C1 [Affordability] - Re-opening of a new Complex Care Unit Solution at Dan Y Deri site will promote effective use of the Health Boards' footprint. And again, enable the repatriation of patients from the independent sector.
- E2 [Value for Money] - By reducing the dependency on independent hospitals and placements (Non-NHS Services)
- E3 [Value for Money] – Prevention of “step-up” independent sector commissioned care through appropriate assessments by the MDT.

A1 only is therefore included for value in the CIA

See **Appendix C** for the full Benefits Register.



Outputs of the Economic Appraisal

The relevant assumptions have been applied to the CIA model and the outputs are as follows.

	Option 1 - Business as Usual £000	Option 2 - Refurbish and New Build - 6 Bed £000	Option 3 - New Build - 5 Bed £000	Option 4 - New Build - 6 Bed £000
Incremental Costs - Total	-56,190	-62,577	-53,176	-62,270
Incremental Benefits - Total	0	32,762	27,354	32,762
Net Present Social Value (NPSV)	-56,190	-29,815	-25,822	-29,508
Benefits-cost ratio		0.52	0.51	0.53

Figure 21 - CIA Model Outputs

The table shows that option 3 is the economically preferred option. There is little difference in the benefits-cost ratio for options 2, 3 and 4. But the incremental costs for option 3 are significantly less than those for options 2 and 4.

Option Appraisal Conclusion

Based on the above analysis the preferred option is option 3 – New Build 5-bedded Unit

Recommended Option

The recommended option is the investment of a 5-bed flat-based challenging behaviour unit (CBU), which will provide accommodation for 5 patients with improved facilities and capacity for bariatric patients.

Although a 6-bed flat-based solution is the *preferred* option, to allow additional patient capacity, a 5-bed CBU presents optimal benefits, value for money, appropriate staffing levels and has been deemed **clinically acceptable**. See **Appendix A Estates Annexe A5** for drawings.

Design Concept:

The Dan Y Deri new build will be designed to the latest WHBN/WHTN specification with patients at the heart of the design to ensure improved patient experience and independence. Modern design will reduce infection control risks by providing compliant ventilation and environmental conditions, with all facilities designed as agreed by the Clinical Team.



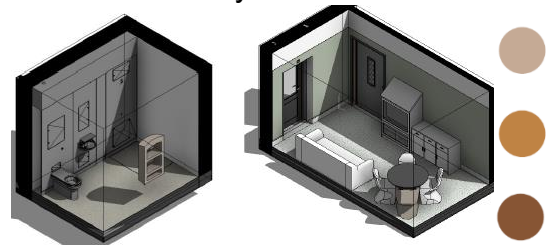
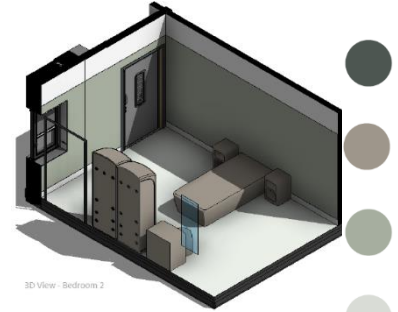
The design has been curated to ensure patient safety by utilising appropriate doors, finishes and furniture to reduce risk to patients and staff.

The CBU will include the following:

Five residential flats

- Communal patient areas including a 1:1 room, ADL kitchen, bathroom, gym/soft play area, lounge, quiet room and sensory room.
- Staff accommodation
- Reception and supporting offices

Each flat will contain a sleeping space, living area, showered ensuite and an external private courtyard. The ensuites have been located on the external walls and back-to-back arrangement with the next flat where practicable, to reduce patient disruption. The living space within the flat will have the ability to be restricted by access control for patient safety if required. One of the flats will be designed to support the residency of a bariatric patient.



Robustness and patient safety are key and cannot be compromised and the design team have worked closely with the HB Learning Disability team to consider the requirements of materials within the building. Anti-ligature requirements will be located in flat no.1 which is the closest to the staff base.

Design and Method of Construction:

The design will be in accordance with WHBN 03-01 Adult Acute Mental Health with any derogations reviewed by the end users. The Health Board has been advised by NHS Wales Shared Services Partnership – Specialist Estates Service (NWSSP-SES) that there are no requirements for the scheme to achieve BREAAAM as the building does not exceed 1000m².

However, the design must closely align with the Net Zero Building Standard and incorporate elements from the NHS Wales Decarbonisation Strategic Plan where practicable.

The proposed method of construction is traditional new build, and the design team has suggested that some elements of Modern Methods of Construction (MMC) are relevant to this project.



Town Centres First

The current Dan Y Deri unit is based 5 miles from Swansea City Centre, WGRP investment will support a new traditional build at the same site location. The building is a short distance from the city centre and has accessible transport routes for stakeholders, including patient families, staff and multi-disciplinary teams.

Successful town and city centres are vital to the environmental, economic, social and cultural wellbeing of Wales. They create a sense of belonging and identity, where people **meet, live and work**.



The unit is accessible and close to other Learning Disability units (Llwyneryr Assessment Unit) and acute hospitals, which, in the context of Learning Disabilities provides local step-up and step-down care facilities. In addition, the location of the building supports key, personal development opportunities for patients to utilise local amenities with care providers or family members where appropriate.

Investment in the business case for Dan Y Deri will ensure that patients from Swansea and Neath Port Talbot, are able more likely to receive care as close to home as possible, retaining sense of identity.

Integration / Co-location of Services

Investment in the CBU contributes to the integration of health, social care, housing and third sector services through enhanced service provision and multi-disciplinary team engagement.

Patients who require care at Dan Y Deri could experience a step-up from community placements, from other SBUHB Learning Disability units, or a step-down from privately commissioned hospital care, with the ultimate goal of being integrated into a community setting. The service will aim to develop skills and strengths of individuals by gathering in depth knowledge of needs and understanding behaviours in order to plan appropriate community placements that meet environmental, emotional and social needs. Better, more flexible facilities will enable the right support needs to be identified sooner and will increase the likelihood of ensuring placements are the least restrictive and at the same time sustainable. This avoids distress to individuals and the use of scarce resources to manage crisis situations.

The Learning Disabilities Service seek to develop options and opportunities for ensuring collaboration within the specialist care portfolio, including obtaining views from people with lived experience to maximise the future development and implementation of (and changes to) policies and service functionality.

The Commercial Case

This section should demonstrate that the preferred option will result in a viable procurement and a well-structured deal between the public sector and its service providers.

Define the procurement process and how it complies with procurement rules and financial regulations.

The Business Case is seeking to secure public funding from the West Glamorgan Regional Partnership Board for the development of a traditional build CBU in Swansea.

Main Works Contractor:

The original *estimate* main works value of £7.9m exceeded SBUHB's Local Contractors Framework (*which is currently limited to works up to a value of £2m*), the Health Board has explored several other public sector frameworks to conduct a fully compliant mini competition in accordance with the Public Contract Regulations (2015). At the time of design development, the NWSSP Build for Wales Framework (£7m+) had not been awarded, therefore, the previous £0-4M framework was not a viable route for the Health Board to pursue in order to achieve value for money.

The Health Board identified the South West Wales Regional Contractors Framework (SWWRCF) which promotes Small and Medium Enterprise (SME) contractors in Wales, promoting the sustainability ethos of the Well-Being and Future Generations (Wales) Act 2015. Under the auspices of the SWWRCF the Health Board must engage in an 'Expression of Interest' exercise with eligible contractors under 'Lot 4 East' of the agreement. Following the response of interested parties, contractors will be invited to formally tender for the Dan Y Deri CBU Build and will be scored on a pre-determined, *60% Commercial and 40% Quality criterion*.

Following approval of WGRPB funding, the highest scoring bidder from 'Lot 4 East' of the SWWRCF will be appointed as the main contractor for the CBU build.

Design Team Consultants:

The estimated main works value has exceeded SBUHB's Local Consultants Framework (which is currently limited to works up to a value of £2m). The Health explored suitable public sector frameworks that allowed 'Direct Award' to ensure continuity with the HBs local arrangements.

The design team were appointed via the NHS Shared Business Services (SBS) Framework for Healthcare Planning, Construction and Ancillary Services. This procurement route is fully compliant in accordance with the Public Contract Regulations (2015).



The following key appointments will be made to ensure delivery of this project:

- Main Contractor: **To be advised**
- Architect and Principal Designer : Stride Treglown Limited
- Cost Advisor : AECOM
- Project Manager : Gleeds Cost Management Ltd
- Structural and Civil Engineering: WSP UK Limited
- Mechanical, Electrical and Public Engineering Services: WSP UK Limited

Specialist Equipment:

The furniture and general equipment for the CBU will be procured with the support of NWSSP Capital Equipping team.

For each of the outputs identified, specify how these will be paid and any risk associated with the payment mechanism.

A collaborative working model will be adopted. All charging mechanisms will be covered within the tendered documentation for the Main Contractor.

The Health Boards’ appointed cost advisor confirms that the scheme is fully tendered, and the tendered cost is reflective of the current market conditions in Wales. The design is reflective of RIBA work stage 4 and NEC 4 (Option A) contract will apply. The capital cost estimate from RIBA Stage 4 was prepared by the appointed cost advisors, AECOM.

Contractors will invoice SBUHB in accordance with the agreed payment mechanism

The main works contract will cover approx. 66 weeks, subject to final agreement with the appointed contractor.

For each of the outputs identified describe how the procurement will be contracted and whether a standard or bespoke contract will be required, along with any key contractual arrangements.

Each consultant will be appointed via the NHS SBS Framework for Healthcare Planning, Consultancy and Ancillary Services. The Health Board intends to enter into agreement with the main contractor via the NEC 4 Option A model form contract.

Indicative Timetable

Milestone Activity	Date
SBUHB and WGRPGB Governance Sign-Off Business Case	July 2025
Welsh Government Approval	November 2025
Agree and Enter Contract	February 2026
Mobilisation	February 2026
Main Works	March 2026
Handover (subject to contractor’s programme)	May 2027
Technical Commissioning	June 2027
New Build Operational	TBC
Technical Project Evaluation (approx.3 months post new-build handover)	TBC
Benefits Realisation (12 months post operational)	TBC -July 2028



Figure 22. Indicative Timetable

The Financial Case

The purpose of this case is to evaluate the financial implications of the proposed investment (as set out in the economic case) and the deal between the public sector and its service providers (as set out in the commercial case).

This section will demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers.

Capital

The fully tendered capital cost of the Dan Y Deri Challenging Behaviour Unit (CBU) project are as follows: The costs are summarised below, and the detailed cost forms are included in **Appendix A Estates Annexe A2 Cost Forms**.

Cost Centre	Net £	VAT at 20% £	Gross £
Works Cost	6,175	1,235	7,410
Fees	1,553	310	1,864
Non-works Cost	196	39	235
Equipment Costs	214	42	257
Contingency	395	79	474
Forecast Project Out-turn Cost (Pre-VAT Recovery)	8,534	1,706	10,241
Less Recoverable VAT	0	-310	-310
Forecast Project Out-turn Cost	8,534	1,396	9,930

Figure 23 – Fully Tendered Capital Costs including Non-Recoverable VAT

The following table sets out the total funding profile of the preferred option. This includes expenditure previously funded in respect of the design stage.

Year	0	1	2	3	Total
Financial year	Prior Years	2025-26	2026-27	2027-28	
	£	£	£	£	£
Works Cost	0	213	5,405	556	6,175
Fees	614	163	677	99	1,553
Non-works Costs	0	146	30	20	196
Equipment Costs	0			214	214
Contingencies	0	60	135	200	395
VAT	122	116	1,249	218	1,706
Sub-total	736	699	7,497	1,307	10,241
Recoverable VAT	-122	-32	-135	-20	-310
Total	614	666	7,362	1,288	9,930

Figure 24 – Fully Tendered Capital funding profile



Business Justification Case

The following table demonstrates the indicative capital funding cashflow for the project – inclusive of non-recoverable VAT:

	Prior Years £	2025-26 £	2026-27 £	2027-28 £	Total £
Capital Costs	£614	£666	£7,362	£1,293	£9,930
Capital Funding		£666	£7,362	£1,293	£9,930

Please see Appendix A – Cost Form for Option 3 (the preferred option).

Capital Cost Assumptions

The key assumptions underlying the development of the capital costs are as follows.

- Capital costs include works, non-works, equipment costs and risk contingency, which is assessed at 4.99%
- The indices at this stage are based on BCIS PUBSEC Firm Price Index for Quarter 4 2026.
- The Business Case Reporting Index will be the standard one for Wales being 0.97.
- VAT is at 20% except for the professional fees where VAT is recoverable.

Revenue

The revenue analysis of the preferred options is set out in the table below. It is noted that the recurrent revenue costs of the preferred option are less than the baseline costs.

	Pay		Non-Pay	Total
	wte	£	£	£
Clinical Costs	43.33	1,826	1,540	1,827
Non-Clinical Costs	3.95	117	45	163
Building Running Costs			45	45
Total	47.28	1,944	93	2,037,147

Figure 25 - Revenue Costs

Description	Recurrent Annual Costs	
	Option 1 Business as Usual £	Option 3 Preferred Option £
Pay		
Clinical	1,911	1,826
Non-clinical		117
Non-Pay		
Clinical	5,975	1,540
Non-clinical	83	45
Building running costs	39	45
Total Recurring Cost	2,040	2,037



Revenue Cost Assumptions

The key revenue assumptions are as follows.

- Costed at 2024-25 price levels.
- Staffing costed at substantive rates at the level of the 2024-25 'Agenda for Change' (AFC) pay award with no allowance for premium rates.
- Staffing costs include the cost of enhancement for unsocial hours.
- The rostered nursing establishment includes the standard 26.9% headroom.
- Building running costs have been assessed using the relevant unit costs from the annual estates Trust Data Report.
- Occupancy at 100% with no costs for stepping up staffing for acuity, activity to be managed within the agreed staffing establishments.

NET Position

The project requests capital funding, subject to final tendered pricing, of circa **£9.9m** to be allocated by Welsh Government from the Regional Housing with Care Fund, HCF, capital fund. Costs to the value of £614,089 have already been funded leaving a net capital funding requirement of circa **£9.316m**.

What revenue funding is required to support the capital investment?

The finance case is revenue finance neutral and no additional revenue funding is required. The recurrent revenue costs of the preferred option are within the current baseline revenue costs and the proposed services will be delivered from existing revenue resources. In addition, the preferred option will allow for the repatriation of patients placed in the independent sector and benefits realisation against commissioned care budgets.

Impact on the Balance Sheet and Impairment

The capital funded option for the 5-bedded new build will require additional non-cash funding for recurring depreciation (DEL) and non-recurring impairment (AME).

Figure 26 – Impact on the Balance Sheet and Impairment £000s

000s	Prior Years	2025-26	2026-27	2027-28
Depreciation (DEL)	142	189	189	189
Impairment Initial Valuation (AME)	4,832			

The Health Board will engage the services of the District Valuer to provide a valuation of the scheme following completion, the final value attributed to the buildings will be on the Balance Sheet of the Health Board.

At this stage the estimated AME Impairment on the initial valuation of £4.832m will need to be taken through the Health Board's SOCNE in 2027/2028. The Health Board



would require funding from WGRP/WGov, and this will be included in the AME impairment funding submission to WGov in 2027/28.

The Health Board will require additional recurring depreciation of £0.189m from 2028/29 with £0.142m depreciation funding required in 2027/28.

A process of external audit for the project has already begun and will continue throughout the redevelopment and construction process.

Please detail and confirm stakeholder and/or customer support for both capital and revenue investment

Stakeholder engagement has been a key component in the development of this business case to ensure alignment with strategic priorities and financial sustainability. The proposed investment has been subject to thorough scrutiny and consultation with key stakeholders at multiple levels.

The Project Board will conduct an initial review and approval of this business case to assess its viability and ensure that all capital and revenue implications have been appropriately considered. Following this, the case will progress through several scrutiny and approval management boards at executive level for formal internal endorsement, prior to submission to the West Glamorgan Regional Partnership Board.

From a financial perspective, all revenue implications have been assessed in detail by the Health Boards' Finance Business Partner and the key Management staff as part of the revenue development process. This ensures that the proposed investment is affordable and suitable within the financial framework.

Ongoing engagement with relevant stakeholders will continue throughout the approval process to maintain alignment with strategic objectives and governance requirements.

The Management Case

This section should demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

In each of the sections below, describe the arrangements in place to successfully deliver the scheme.

Project Management Arrangements

To ensure the successful project delivery, a robust project management reporting structure has been established. The structure is based on Prince2 principles. With key members of the project team trained in Prince2 methodology.

The Health Board's experience of developing and delivering complex projects utilising the Prince 2 approach ensures diligent management and thorough clinical involvement throughout all aspects of the development:



Business Justification Case

- The Senior Responsible Owner (SRO) is Mr Dermot Nolan, Interim Director for Mental Health and Learning Disability Services, SBUHB.
- The Project Director is Gareth Bartley, Divisional Manager, Learning Disabilities, Mental Health and Learning Disability Services, SBUHB., who has authority and responsibility to manage the delivery of the project on behalf of key stakeholders. The Project Director reports via the Project Board to the Project SRO.
- Clinical lead is Penny Letchford, Consultant for Learning Disabilities, Mental Health and Learning Disability Services, SBUHB.

A project management structure is shown in the diagram below for the Dan Y Deri CBU scheme:

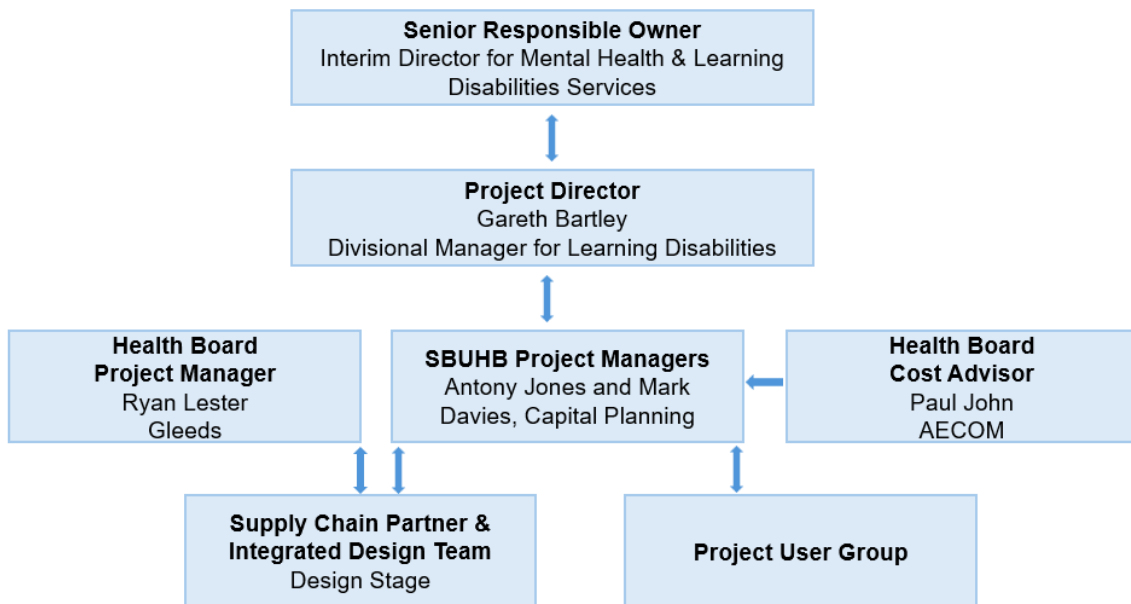


Figure 27 – Project Management Structure

Professional Advisors

Several special advisors will be appointed in accordance with the Treasury Guide, Use of Special Advisors.

The following, external professional advisors have been appointed:

Role	Advisor
Cost Advisor	AECOM
VAT Advisor	Ernst and Young

Figure 28 – Specialist Advisor



Stakeholder Engagement



The Project Board is inclusive of a range of clinical, strategic and construction professionals who have communicated effectively to achieve a modern building in compliance with statutory regulations which has been designed to feel welcoming and homely for its users.

Staff feedback: "There should be somewhere to place family photographs in patient and communal areas to provide 'home comforts'"

The external appointed consultants have held workshops with client groups to provide assurance that the building and its functionality will work for its users which has informed the design of the Dan Y Deri CBU.

Furthermore, the clinical project team have engaged with various members of staff who previously worked at Dan Y Deri, consultants, Occupational therapists and service-users, to gain their insights and opinions of the proposed new build. In addition to practical elements of design, prioritising robustness and patient safety, the clinical team have remained focused on patient well-being and have worked with the architect to ensure a clinical environment that feels like a 'home' for the patients.

Some patients have described private bathrooms and lounge areas as "good ideas", whilst others have requested reading lights can be incorporated into the bedrooms.

Patients have also been engaged as part of the design and development process to ensure that the strategic plans align with their lived experiences, comfort and accessibility requirements where practicable. One particular patient was asked if a patient kitchen was a good idea, the patient confirmed **"yes, I feel proud cooking for myself"**. Engaging with patients to gain their insights ensure inclusivity, empowerment and can

foster a sense of pride and ownership for the new care environment.

Regular dialogue regarding the development of the design and business case has taken place between the Health Board, West Glamorgan Regional Partnership Board and wider key stakeholders.

AEDET (Achieving Excellence Design Evaluation Toolkit)

An AEDET pre-construction assessment was completed by members of the project board and design team at close of RIBA Stage 4 design with an NWSSP-Specialist Estates Services representative leading the workshop. The AEDET took place on the 11th of December 2024.



Please see below for a summary of the results and **Appendix A Estates Annexe A11** for the full report:

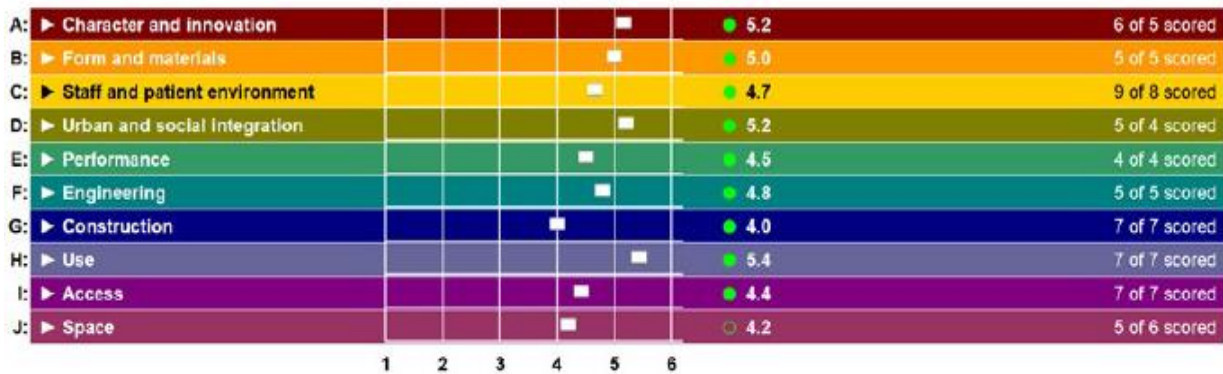


Figure 29 – AEDET Summary

Risk Management

A risk framework has been established which outlines the process for managing risk associated with developing this project, including a structure for identifying and mitigating operational and construction related risks.

The risk register would use qualitative and quantitative measures to calculate the overall level of risk according to likelihood of any risk occurrence multiplied by the potential impact. The Project Board will formally review the risk register at key stages of the project.

A costed project risk register is attached in **Appendix A Estates Annexe A7**.

Project Assurance

Post evaluation and lessons learned will be undertaken as appropriate to this investment and in accordance with best practice and NHS guidance.

An Integrated Impact Assessment (IIH) has been produced for the identification, mitigation and actions of findings throughout the project.

Please see **Appendix G** for details.

A Risk Potential Assessment (RPA) has also been produced for the identification and mitigation of risk associated with this project. This is an indicator of risk and is not an exhaustive risk analysis tool.

Please see **Appendix F** for details.

Decarbonisation

The design solutions have been informed by the requirements of NHS Wales Decarbonisation Strategic Delivery Plan and Net Zero Carbon (NZC) targets. The development of Dan Y Deri has included a sustainable procurement approach in the tender assessment, design construction and life cycle impact, where practicable.



Post Implementation Review and Evaluation

Post evaluations and lessons learned will be undertaken as appropriate to this investment, and in accordance with best practice and NHS guidance.

In accordance with the NHS Wales Infrastructure Investment Guidance (2018), SBUHB has sought input from NWSSP Audit and Assurance Services (Specialist Services Unit - NWSSP:A&A (SSu) to assess the risk profile of the scheme and provide appropriate levels of review. A fully resourced and costed audit plan has been developed and provision included within this BJC.

As agreed with NWSSP:A&A (SSu), the audit coverage will be further risk assessed prior to the progression of the individual audit assignments and considered alongside the wider SBUHB project audit provisions.

Please see **Appendix A Estates Annexe A4**. For further information.

Contingency Arrangements and Plans

The Health Board can identify two major categories of project failure: failure to achieve business case approval to deliver the project; failure of the main contractor to deliver the project to time.

The contingency plan for the project in the event of failure to achieve business case approval is for the Health Board to continue to revise its plans, working with WGov to develop an alternative solution that is acceptable.



APPENDICES

APPENDIX A. ESTATES ANNEXE A1.

Current Estates Summary



APPENDIX A. ESTATES ANNEXE A2.

Cost Forms:

- Appendix A. Estates Annexe A2 : DyD Cost Form Option 1
- Appendix A. Estates Annexe A2: DyD Cost Form Option 2
- Appendix A. Estates Annexe A2: DyD Cost Form Option 3 (Preferred Option)
- Appendix A. Estates Annexe A2: DyD Cost Form Option 4



APPENDIX A. ESTATES ANNEXE A3.

VAT Letter



APPENDIX A. ESTATES ANNEXE A4.

Audit Plan



APPENDIX A. ESTATES ANNEXE A5.

Drawings



APPENDIX A. ESTATES ANNEXE A6.
Indicative Programme



APPENDIX A. ESTATES ANNEXE A7.
Costed Risk Register



**APPENDIX A. ESTATES ANNEXE A8.
Strategic Risk Register/Raid Log**



APPENDIX A. ESTATES ANNEXE 9.
Schedule of Accommodation



APPENDIX A. ESTATES ANNEXE 10.
Planning Permission (to follow)



APPENDIX A. ESTATES ANNEXE 11.

AEDET



APPENDIX B.
Terms of Reference



APPENDIX C.
Benefits Realisation Plan



APPENDIX D.
Benefits Register



APPENDIX E.
Spending Objectives



APPENDIX F.
CIA MODEL



APPENDIX G.
Risk Potential Assessment (RPA)



APPENDIX H.
Integrated Impact Assessment (IIA)



APPENDIX I.

Appraisals Workshops

(Encl. Benefits realisation session, Long list options (pros/cons), Spending Objectives and Critical Success Factors (CSFs))

