

Acting Director-General Health & Social Care and
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Derek Feeley



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Mr John Burns
Chief Executive
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Mid North
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Our ref: F4018785
1) October 2011

Dear John

**NHS DUMFRIES AND GALLOWAY – DUMFRIES AND GALLOWAY ROYAL INFIRMARY
REDEVELOPMENT PROJECT – REVISED POSITION PAPER**

The above Revised Position Paper was considered by the Capital Investment Group at its meeting on 4 October. It is recognised that this was provided as an update paper setting out a direction of travel. We therefore note and support the proposal to develop a new build hospital facility possibly on a green field site and that the possibility of additional office accommodation will be explored within the option appraisal.

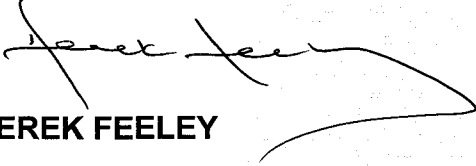
Approval to further develop the project is predicated on the assumption that the project will be delivered via a Non Profit Distributing (NPD) procurement model in accordance with the terms of the letter I issued to NHS Scotland Chief Executives on 22 March 2011 which set out the conditions associated with Scottish Government support for revenue financed projects.

I would therefore ask you to proceed with the production of an Outline Business Case for the project which will require to be approved by NHS Dumfries and Galloway and the Scottish Government prior to the commencement of procurement. That Outline Business Case will need to demonstrate that the Board is in full compliance with the conditions set out in my letter of 22 March 2011 and provide a sound basis for procurement.

Clearly the proposal constitutes a major service change and we will wish to be assured that the Board has undertaken appropriate consultation and engagement prior to agreeing a preferred option and submission of the Outline Business Case. I would be grateful if you could liaise with colleagues in my Performance Management Division regarding processes to be followed.

As always, CIG members will be happy to engage with your team during the development of the Outline Business Case and to discuss any concerns which may arise. Mike Baxter will continue to provide support to the project through attendance at the Project Board in an observer role. In the meantime, if you have any queries regarding the above please contact Mike Baxter on 0131 244 2079 or e-mail Mike.Baxter@scotland.gsi.gov.uk

Yours sincerely



DEREK FEELEY