

**The Shrewsbury and Telford Hospital NHS Trust**

**Trust Board - 25<sup>th</sup> August 2011**

**The Future Configuration of Hospital Services Outline Business Case**

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<b>Strategic Domain</b>	C. Quality and Safety A. Financial Strength
<b>Organisational Objective</b>	C3. Provide the right care, right place, right professional C4. Deliver services that offer safe, evidence, based practice A1. Development and implement sustainable clinical strategies
<b>Executive Summary</b>	<p>The investment set out for approval in the attached Outline Business Case (OBC) builds on the outcome of the public consultation and supports the implementation of the reconfiguration of some hospital services between the Princess Royal Hospital in Telford (PRH) and the Royal Shrewsbury Hospital (RSH). It addresses some significant challenges to the future safety and sustainability of acute surgery and our local women's and children's services.</p> <p>The OBC has been prepared in accordance with the agreed standards and format for business cases in line with Department of Health and Treasury guidance. It follows the format of the Five Case Model which explores the scheme from five perspectives: the strategic case; the economic case; the commercial case; the financial case and the management case.</p> <p>A preferred capital option for both RSH and PRH has been identified, requiring a necessary capital loan of £34.96m repayable over 27 years. The financial strategy that provides assurances on affordability of this investment compared to the "do nothing" option is set out within the OBC and includes triangulation of the revenue consequences of the loan with the wider CIP and capacity plans of the Trust. The benefits management strategy is also defined.</p> <p>The overview paper also updates the Board on recent activities within the wider Programme of work that is ongoing relating to Public and Stakeholder engagement and the progress with ongoing assurance activities that will continue into the next phase should the OBC be approved (attachment 2).</p> <p>A more detailed programme and resource plan for the next 6 months for all work streams within the FCHS Programme will be presented to the Trust Board at the September meeting for approval. Current arrangements are under review and there will a requirement to appoint a full time Project Director and support team to progress the work to FBC stage.</p> <p>The Trust will require support from both NHS Telford and Wrekin and Shropshire County PCT Boards prior to being received for approval at the SHA Board on September 27<sup>th</sup>.</p>

<p><b>Recommendations</b></p>	<p>The Trust Board is asked to:</p> <ul style="list-style-type: none"> <li>• <b>APPROVE</b> the Outline Business Case for the Future Configuration of Hospital Services for commending to the SHA Board; specifically the preferred capital options for both RSH (R6) and PRH (P4), the requirement for a Department of Health capital loan of £34.96m repayable over a period of 27years and ProCure 21+ as the preferred procurement strategy.</li> <li>• <b>AGREE</b> to progress the FCHS work programme to Full Business Case stage subject to receiving the necessary support from the Boards of NHS Telford and Wrekin and Shropshire County PCT and the approval from NHS West Midlands (NHSWM) and <b>NOTE</b> the timescale for submission of the Outline Business Case to the Boards of the Primary Care Trusts and NHSWM Strategic Health Authority.</li> <li>• <b>NOTE</b> the high level milestones for the next phase of the FCHS Programme notably the workforce implementation and change management plan, (section 11.2.8) the procurement strategy and implementation timescales (section 15.5) and the programme management arrangements (section 17.0) within thee OBC.</li> <li>• <b>NOTE</b> that a more detailed programme and resource plan for the next 6 months for all work streams within the FCHS Programme will be presented to the Trust Board at the September meeting for approval.</li> <li>• <b>NOTE</b> the continued progress on the wider Future Configuration of Hospital Services Programme and in particular the Public and Stakeholder Involvement events and the ongoing assurance activities.</li> </ul>
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## The Future Configuration of Hospital Services Programme

### Contribution to Inspection, Registration, Assurance, Performance and Delivery

<b>Risks and Assurance</b>	The Future Configuration of Hospital Services Programme will support the local NHS to address risks to the clinical quality of services.
<b>Contribution to Key Performance Indicators</b>	Not applicable
<b>Compliance with Clinical and other Governance Requirements</b>	The Future Configuration of Hospital Services Programme will support the local NHS to address risks to compliance with a range of clinical safety standards.
<b>Engagement and Decision-Making Process</b>	<p>The Boards of the Trust and the PCTs met on 24 March 2011 and approved the proposals as the basis for a more detailed implementation plan and Outline Business Case. Their decisions were endorsed by the Joint Health Overview and Scrutiny Committee for Shropshire and Telford &amp; Wrekin, which also met on 24 March 2011.</p> <p>Ongoing public and stakeholder engagement will be integral to Phase 2 of the Future Configuration of Hospital Services Programme, and will continue to support the NHS to address legislative requirements on engagement and consultation set out in Section 242 and Section 244 of the NHS Act 2006 and related policy and guidance.</p> <p>Following approval by the Trust Board, the Outline Business Case will be submitted to the PCT Boards and the Strategic Health Authority Board for approval in August/September 2011.</p>

### Strategic Impact Assessment

<b>Quality and Safety</b>	The Future Configuration of Hospital Services Programme will support the local NHS to address risks to the clinical quality of services.
<b>Financial Strength</b>	The proposals are not driven by financial considerations and will not lead to financial savings. Instead they aim to deliver safe, sustainable services within available resources. The financial implications of the option for reconfiguration in terms of capital and revenue are being further developed within the Outline Business Case.
<b>Learning and Growth</b>	There are no immediate workforce implications from this paper. The workforce implications of the option for reconfiguration are being developed within the Outline Business Case.
<b>Patients, GPs and Commissioners</b>	The proposals that are being developed further during this phase of the Future Configuration of Hospital Services Programme will change the way that some patients access local hospital services, and the way in which GPs refer some patients to our services. A comprehensive programme to communicate changes with patients and GPs will be needed.
<b>Equality and Diversity</b>	There are no immediate equality and diversity implications from this paper. The potential equality and diversity implications, including issues raised within the PCTs' Equality Impact Assessment during the consultation and assurance phase of the programme, are being considered as part of the Phase Two delivery programme.
<b>Legislation and Policy</b>	The Future Configuration of Hospital Services Programme will support the local NHS to fulfil legislative requirements for patient and public engagement and policy requirements as set out in government guidance on service configuration.
<b>Communication and Marketing</b>	A communication and engagement plan for Phase Two of the Future Configuration of Hospital Services Programme has been approved by the FCHS Steering Group.

# The Shrewsbury and Telford Hospital NHS Trust

## The Future Configuration of Hospital Services

### Outline Business Case

The primary purpose of this paper is to introduce the Outline Business Case (OBC) that has been developed for the Future Configuration of Hospital Services (FCHS) for approval. It also provides an update on key activities within the wider FCHS Programme and references any ongoing assurance work that will be progressed over the coming months prior to the Full Business Case (FBC) being completed. Key activities since the last update to the Board include:

- The development of the final version of the OBC. The full OBC is attached for approval (Volume 1: Main Body). An Executive Summary Document (Volume 2), Supporting Appendices (Volume 3) and an Estates Annex (Volume 4) are also available on request.
- The continued public and stakeholder engagement (see Section 2).
- Continuing the ongoing assurance element of the programme. Phase 2 of the FCHS Programme has included delivery of the recommendations and areas for further assurance from the Local Assurance panel, National Clinical Advisory Team, Office for Government Commerce and Joint Health Overview and Scrutiny Committee. The OBC and progress against an assurance grid will have been shared with the Joint Health Overview and Scrutiny Committee on 23 August 2011. (See section 3 of this briefing paper and attachment 2).

## 1. Format of the Outline Business Case

The investment set out in the attached Outline Business Case (OBC) builds on the outcome of the public consultation and supports the implementation of the reconfiguration of some hospital services between the Princess Royal Hospital in Telford (PRH) and the Royal Shrewsbury Hospital (RSH). It addresses some significant challenges to the future safety and sustainability of acute surgery and our local women's and children's services.

This business case is the culmination of 4 months work and the Board have received regular monthly updates throughout its development.

There are eighteen sections to this document. It follows the agreed standards and format for NHS business cases in line with Department of Health and Treasury guidance and follows the Five Case Model which explores the scheme from five perspectives: the strategic case; the economic case; the commercial case; the financial case and the management case. In summary:

**Section 1** – provides the foreword to the business case and the commendation from the Trusts Chairman and Chief Executive

**Section 2** – introduces the business case, the journey taken in its development and the commitment and engagement of stakeholders and partners

**Section 3** – offers a background to the Trust, its vision and the range of services it provides. It also details the Trust’s performance, financial position and current estate

**Section 4** – describes the clinical discussions and their outcome in responding to the challenges detailed in sections 2 and 3 and the concerns raised by patients and the public during the consultation phase

**Section 5** – highlights the scrutiny and assurance process that the proposed service changes have been developed within. The ongoing process is also described

**Section 6** – relates the detail and outcome of the public consultation where the proposed changes were discussed and debated. The ongoing communication and engagement plans are also described

**Section 7** – provides the strategic case: it draws together the national and local context and strategies; the needs and demography of the population served by the Trust; the case of change; and the objectives and benefits this programme of change must deliver

**Section 8** – supplies a description of what the future services will look like and how these ‘service briefs’ will resolve the challenges described in sections 2 to 7

**Section 9** – pulls together the capacity required to provide the reconfigured services, the wider Trust capacity and the impact of demographic change and efficiencies on the future number of beds within the organisation

**Section 10** – takes the models of care described in the service briefs (section 8) and the capacity needed to deliver this care and explains the facilities and space required

**Section 11** – converts the models of care into a robust workforce plan, within the environment described in section 10

**Section 12** – describes the various estate options that will enable the delivery of the reconfigured services within the context and with the workforce explored in earlier sections. It also explains the methodology used to judge and compare these estate options

**Section 13** – considers the economic case, the options described in section 12, from two perspectives: the non-financial benefits; and financial impact. It details the scoring mechanism used to test these options and supplies the basis of sensitivity analysis that has been applied to the scoring process. It finally draws together the two appraisal strands and identifies the preferred option

**Section 14** – states the preferred options for delivery at PRH and RSH and reconciles the scaling of these developments with the known demographic change (sections 7 and 9)

**Section 15** – outlines the commercial case: the proposed ‘commercial arrangement’ for using Procure 21+ process to identify a partner for the design and construction of the preferred options identified in section 14, advocated by the Department of Health

**Section 16** – sets out the financial case. It shows the forecast financial implications of the preferred option (sections 13 and 14) and proposed deal (section 15). This section also reconciles this development with the Trust’s Cost Improvement Programme

**Section 17** – describes the management case, the wider programme management structure required to deliver the Future Configuration of Hospital Services programme and the Trusts capability in delivering the proposed service and capital solutions

**Section 18** – concludes the outline business case and recommends the progression to the development of a full business case.

A preferred capital option for both RSH and PRH has been identified, requiring a necessary capital loan of £34.96m repayable over 27 years. The financial strategy that provides assurances on affordability of this investment compared to the “do nothing” option is set out within the OBC and includes triangulation of the revenue consequences of the loan with the wider CIP and capacity plans of the Trust. The benefits management strategy is also defined.

The OBC also identifies the high level milestones for the next phase of the FCHS Programme; notably the workforce implementation and change management plan (section 11.2.8), the procurement strategy and implementation timescales (section 15.5) and the programme management arrangements (section 17.0). A more detailed programme and resource plan for the next 6 months for all work streams within the FCHS Programme will be presented to the Trust Board at the September meeting for approval. There will be a requirement to appoint a full time Project Director and support team to progress the work to FBC stage

## 2. Public and Stakeholder Involvement

2.1 Communications and engagement has continued according to the plan agreed by the FCHS Steering Group. Specific activities since the last update to the Board have included:

- **Programme bulletin:** two issues have been produced of Looking To The Future, the regular bulletin to keep people informed about the changes to local hospital services and detail the ways in which they can get involved as the programme develops. This is sent out to all Trust members and stakeholders and is available across our hospital sites and on the website. There is a plan to extend the circulation of the next issue in October to include GP practices,
- **Visiting established groups and networks:** A meeting with the Parents and Carers Council (PACC) of Shropshire was held on 7 July 2011. This umbrella organisation provides support to and has access to over 600 families within Shropshire, many of whom are regular users of children’s services within the Trust. The PACC are keen to work in partnership with the Trust to facilitate robust and ongoing engagement and involvement and are going to be part of a focus group in September which will explore issues and concerns around children’s services. The team have also arranged to go out to talk to new mothers at Midwifery-Led Units and mother and baby groups across the area.

Arrangements have been made to have an information stall at the Shropshire Patients Group Networking Event on 20<sup>th</sup> September, which will provide an excellent opportunity to engage with various patient groups across Shropshire.

- **Stakeholder engagement:** A series of meetings have been arranged with our different stakeholders to keep them informed and provide them with the opportunity to ask questions about the project. This includes meetings with individual members

of the community, local MPs, Community Health Councils, local journalists and GPs. In the next couple of months we will also be revisiting the Local Joint Committees and town councils.

- **Revisiting communities:** These meetings are now scheduled for September/October 2011. In addition, two public/patient briefings were held on:
  - 15 August, 6-7pm at SECC, RSH and
  - 17 August, 6-7pm in the Lecture Theatre, Education, PRH
- **Patient and community focus groups:** The response to the Trusts invitation for people to be part of the programmes focus groups has been very positive and these groups are currently being set up.

We held our first Paediatric Oncology & Haematology Focus Group on 16 August which invited parents and families to explore issues and concerns around transport and access. This was a very positive meeting and as a result, a second issue of the 'Cancer and Haematology Update' is being produced so we can share everything that was discussed with other parents and families, as well as reassurances and how we will address people's concerns. There are plans to hold three other focus groups which will look at clinical services, build/ physical environment and legacy of the Rainbow Unit.

Over the next few weeks we are also planning a focus group to look at issues around surgery and another to discuss children's services. We have had excellent responses to both these groups.

**Staff discussions:** Two briefings have taken place to update staff on the programme and preferred option at PRH and RSH. These were held on:

- 8 August, 11.30am-1.30pm, MR1, Treatment Centre, RSH and
- 10 August, 12.00-1.30pm in the Lecture Theatre, PRH

Further staff briefings every two to three months over the next year have been scheduled. Meetings with individual staff groups have been arranged to make sure that they are up to date with the latest news and they feel involved, as well as finding out how best to communicate with them over the coming months.

- **Website:** The configuration website is due to be amalgamated into the Trust's website [www.sath.nhs.uk](http://www.sath.nhs.uk) where it will have dedicated pages focussing on the projects. By having one website address will be easier for marketing purposes and make the information more accessible to more people. This will continue to be updated throughout the project and include the latest news and updates on all services areas and how people can get involved, FAQs, blogs from clinicians and senior managers and dates of upcoming events.

- 2.2 The Director of Strategy attended the SHA Board meeting on 26th July to provide an update on the FCHS and address any questions prior to them receiving the OBC for approval in September. In addition to the OBC, the SHA Board requested an update on the hyper acute stroke service that is now configured on both sites.
- 2.3 Meetings with both local GP Clinical Commissioning Groups have taken place to share the key messages within the OBC prior to submission to the Trust Board in August 2011.
- 2.4 The OBC will be shared with the Joint Health Overview and Scrutiny Committee on 23 August 2011. A written update has been forwarded to the committee with regard to the agreed work programme and additional ongoing assurances requested.

### 3. Ongoing Assurance

The Trust proposed a process in March 2011 for the on-going assurance within the FCHS Programme. This included delivery of the recommendations and areas for further assurance from the Local Assurance panel (LAP), National Clinical Advisory Team (NCAT), Office for Government Commerce (OGC) and Joint Health Overview and Scrutiny Committee (HOSC). These have all been combined into the Programmes Assurance Grid. The Trust has continued to monitor progress against each issue through the Steering Group and for example have reported back to the Joint HOSC progress made on the specific assurances requested within the grid. Attachment 2 provides the most recent progress report against the Assurance Grid.

### 4. Next Steps for Support and Approvals

The Trust does require that the OBC has the formal support from the Boards of NHS Telford and Wrekin and Shropshire County PCT prior to it being received by the Board of the Strategic Health Authority.

Over the past 4 months the Trust has continued to engage with commissioners on the development of the OBC through their Joint Executive Meeting of NHS Telford and Wrekin and Shropshire County PCT. The Trust has also worked closely with officers of the Strategic Health Authority (SHA) including their finance team, capital and estates advisers on the requirements of the OBC.

The table below identifies the key meetings for the necessary support and approvals over the next month:

6 <sup>th</sup> September	Submission of the final OBC to SHA Capital Resource Group for approval
13 September	Submission of OBC for support: to NHS Telford and Wrekin Trust Board and Shropshire County PCT Trust Board
27 September	Submission of the final OBC to SHA Trust Board for approval

## 5. Recommendations

5.1 The Trust Board is asked to:

- **APPROVE** the Outline Business Case for the Future Configuration of Hospital Services to be commended to the SHA Board for their approval in September. Specifically the preferred capital options identified for both RSH (R6) and PRH (P4), the requirement for a DH capital loan of £34.96m repayable over 27 years and Procure 21+ as the preferred procurement strategy.
- **AGREE** to progress the FCHS work programme to Full Business Case stage subject to receiving the necessary support from the Boards of NHS Telford and Wrekin and Shropshire County PCT and the approval from NHS West Midlands (NHSWM) and **NOTE** the timescale for submission of the Outline Business Case to the Boards of the Primary Care Trusts and NHSWM Strategic Health Authority
- **NOTE** the high level milestones for the next phase of the FCHS Programme notably the workforce implementation and change management plan, (section 11.2.8) the procurement strategy and implementation timescales (section 15.5) and the programme management arrangements (section 17.0) within the OBC.
- **NOTE** that a more detailed programme plan for the next 6 months for all work streams within the FCHS Programme will be presented to the Trust Board at the September meeting for approval
- **NOTE** the continued progress on the wider Future Configuration of Hospital Services Programme and in particular the Public and Stakeholder Involvement events and the ongoing assurance activities.