

Report to:	Trust Board, 30 May 2013
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Enclosure 10

Title	Business Case: Creating Inpatient Capacity at PRH
Sponsoring Executive Director	Debbie Kadum, Chief Operating Officer
Author(s)	Kate Shaw, FCHS Programme Manager Chris Needham, Director of Estates Ian Donnelly, Assistant Chief Operating Officer, Unscheduled Care
Purpose	This Business Case aims to address the challenge of additional unplanned activity into the Trust through the creation of inpatient capacity at PRH
Previously considered by	Executive Directors, 10 April 2013 FCHS Trust Project Board, 11 April 2013

Executive Summary

The Trust has not achieved the national four hour emergency access target at the Princess Royal Hospital (PRH) or the Royal Shrewsbury Hospital (RSH) since 2011. This is due to a number of challenges, including current bed capacity at both hospitals.

As a result of ever increasing unplanned demand on the Trust's hospital services, the escalation ward (Ward 12) was converted into a substantive ward in April 2013. This means that a long term solution needs to be found for Ward 12, as it is due to be refurbished in January 2014 to form part of the new Women and Children's Unit.

This Business Case describes a series of works and moves that will enable the creation of inpatient capacity at PRH by the conversion of non-clinical accommodation back into clinical accommodation within the main hospital building.

Related SATH Objectives	SATH Sub-Objectives
QS: Quality and Safety FS: Financial Strength	QS: Provide the right care, right place, right professional QS: Deliver services that offer safe, evidence, based practice FS: Development and implement sustainable clinical strategies

Risk and Assurance Issues (including resilience risks)	The creation of inpatient capacity will support the organisation's management of risks and issues associated with additional unplanned activity.
Equality and Diversity Issues	The potential equality and diversity implications will be considered in the design and lay-out of the new inpatient facility.
Legal and Regulatory Issues	Ongoing stakeholder engagement in the solutions to increasing and additional activity will be maintained

Action required by the Trust Board	
<p>The Trust Board is asked to:</p> <ul style="list-style-type: none"> • APPROVE the Business Case for the creation of inpatient capacity at the Princess Royal Hospital in order to address the challenge of additional unscheduled care activity through the conversion of the Management Suite and associated alternative office accommodation 	

Business Case: -

Replacing Inpatient Capacity at Princess Royal Hospital

Care Group/Centre: Unscheduled Care

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Date: 23/05/2013

1. Introduction

- 1.1 Ward 12 at the Princess Royal Hospital was re-opened in late 2012 to help meet the increasing demand of emergency admissions and was subsequently approved by the Board to remain as core bed capacity. The ward, however, is due to be refurbished in January 2014 as part of the development of the new Women and Children's Unit and at that point the Trust will lose 28 acute beds. This loss of capacity would create a very high risk to the Trust's ability to cope with the current levels of emergency demand.
- 1.2 The purpose of this Business Case is to gain Trust Board approval for the:
 - Creation of replacement inpatient capacity at the Princess Royal Hospital (PRH) by the conversion of non-clinical accommodation back into clinical accommodation within the main hospital building in order to address the challenge of additional unscheduled care activity (to be in place by January 2014)
 - Enabling works and moves associated with the development of this new inpatient facility

2. The Case For Change

Background

- 2.1 Until recent weeks, the Trust has consistently failed to achieve the national 4 hour emergency access target at the Princess Royal Hospital (PRH) or the Royal Shrewsbury Hospital (RSH) with a consequent impact on the experience of many patients during their assessment and admission and requiring significant numbers of operations to be cancelled.
- 2.2 One of the factors contributing to this failure is a current deficiency in bed capacity to meet peaks in demand, and whilst the wider health and social care economy plan to reduce admissions, speed up discharges and improve lengths of stay will be implemented over coming months, these are unlikely to compensate for the potential loss of 28 beds.

Trust Bed Modelling

- 2.3 Bed modelling has demonstrated that at current lengths of stay (which are slightly better than national average) the Trust has a bed deficit of approximately 50 beds were it to operate with an average bed occupancy of 90% (although nationally 85% is recognised as the desirable level). Lower levels of bed occupancy enable peaks and seasonal increases in demand to be more readily met and avoid the cancellation of elective patients. Currently, average occupancy at PRH is approximately 97% and this includes utilisation of the beds in Ward 12.

Implications for Women & Children's Building

- 2.4 As highlighted above, the need to permanently establish inpatient capacity at PRH impacts on the current phasing and construction of the new Women and Children's Unit at PRH. It is also fundamental that the additional ward is established at PRH to allow for the handover of Ward 12, thus allowing the Trust to manage within current capacity. Wards 12 and 14 were identified within the Full Business Case for the Future Configuration of Hospital Services (FCHS) Programme for refurbishment to form the new Gynaecology Unit (including inpatient beds, assessment and treatment, early pregnancy assessment, and colposcopy and

gynaecology procedures) as an integral part of the new facility. To enable this an alternative location for the Ward 12 therefore needs to be found.

3. Options Appraisal

3.1 There are two options for the relocation of Ward 12 to enable a long term solution for additional inpatient beds at PRH and the refurbishment of this ward to form part of the new Women and Children's Unit (as identified and agreed within the FCHS Full Business Case). These are:

- Modular demountable ward
- Refurbishment of existing non-clinical space

Modular Demountable Ward

3.2 Modular demountable solutions for clinical services have been, and continue to be, used within the Trust for outpatient services. Inpatient solutions are used in other organisations but on a much smaller scale to that required for Ward 12 (28 beds).

3.3 Units comprising eight or ten beds can be used as a 'bolt-on' to an existing inpatient facility to increase capacity without the need for additional services such as clean and dirty utilities, kitchens, bathrooms etc. A 28 bed inpatient modular building would require a floor area of in excess of 500 m² at existing ward space standards. The guidance is that this space should be closer to 1000m² for the same number of beds due to the requirement for 50% single rooms. Either way the facility needs to be connected to the main hospital circulation and supporting services, have significant infrastructure and mechanical and electrical services put in place, and will require design development and planning permission in the same way that any conventional construction solution would.

3.4 This solution would therefore require at least 13 weeks for planning permission even when proceeding at risk (i.e. assuming planning would be granted), 12 -16 weeks lead time for offsite manufacture. On site construction whilst quicker than conventional methods would take approximately 20-24 weeks.

Refurbishment of Existing Non-Clinical Space

3.5 As described in the FCHS Outline and Full Business Cases, PRH was built using a nucleus template. One nucleus template is currently used as a Management Suite with offices and a common room occupying this space.

3.6 The Management Suite, located in the heart of the hospital, is in effect clinical accommodation that is being used for non-clinical functions. However, it must be noted that the majority of staff within the Management Suite are clinicians (Consultants, Specialist Nurses) or are staff that provide a direct clinical support function (Medical Secretaries, Medical Records etc).

3.7 Refurbishing the existing Management Suite at PRH to create a 28 inpatient bed facility is therefore the most sensible and efficient option available as the adjacencies and infrastructure are in place to support the provision of clinical services in this area.

Options for the Vacation of the Management Suite

3.8 There are three options that will enable the vacation of the Management Suite so that it can be refurbished to create an inpatient bed facility. Consideration has been given to the following criteria in the identification of the preferred option:

- **Benefit realisation** – the patient benefits to be achieved through the creation of the new inpatient facility are detailed in Section 6 Benefits Expected. Achievement of the improvements identified by the Care Quality Commission (CQC); delivery of the Emergency Access Target; and a reduced bed occupancy and length of stay are paramount in the Trust's delivery of high quality, safe and effective care
- **Long term impact** – the Trust is committed to minimising the impact of works and moves associated with service change on patients, visitors and staff. When impact is unavoidable, the best outcome or the 'right thing to do' in the longer term must be considered even if this adds additional complexity in the short term
- **Time frame** – the Trust has a formal contract agreement with Balfour Beatty under the ProCure21 plus framework for the construction of the new Women and Children's Unit at PRH. This means that the solution for re-providing the inpatient bed capacity currently on Ward 12, the vacation of this ward and its subsequent refurbishment must be completed by summer 2014 to avoid significant additional costs associated with an extended work programme and on-site construction for Balfour Beatty. There is also an absolute need to maintain current bed numbers and replace them in such a manner so as to ensure there are no reductions at any time, particularly in the winter period. Therefore the works have to be completed to meet the both meet the FCHS timeframes and minimise any disruption to inpatient activity.
- **Capital cost** – the total capital costs associated with the creation of permanent additional inpatient capacity at PRH, and the enabling works and moves to make this happen, must be kept to a minimum whilst also recognising the long term impact described above
- **Deliverability** – the works, moves and changes must be deliverable within the time frame above and enable the continuity of care and business within a working hospital environment. The preferred option must also be of the greatest benefit to patients and an acceptable solution for staff

3.9 The options for the replacement of the bed capacity on Ward 12 are summarised in the table below. Option 3 is the preferred option for the vacation of the Management Suite at PRH at an estimated cost of £3.5m.

	Option	Benefits Realisation	Long Term Impact	Time Frame	Capital Cost	Deliverability
1	Provide temporary modular offices on site for all staff within the Management Suite and refurbish to ward standards	Patient benefits are achieved: Emergency Access Target; Occupancy and Length of Stay; CQC Improvements	A permanent office solution to be developed resulting in double costs and service moves	4- 6 months	Capital costs approximately £4m Potential for revenue solution at approximately £500k per annum	Deliverable within the timeframes needed but provides a substandard solution which would need replacement at some point in the future (5-10 years) Would not be able to accommodate doctors or medical secretaries within the core of the hospital
2	Build a new office block on site at PRH for all staff within the Management Suite and refurbish to ward standards	Patient benefits are achieved: Emergency Access Target; Occupancy and Length of Stay; CQC Improvements	Achieves the objective of additional bed capacity and could provide improved facilities for admin and management functions	Construction of office block: 9 months Refurbish management suite to ward: 6 months Potential completion in 15 months	Estimated at £7m	Does not meet with the need to vacate Ward 12 by end Jan 2014
3	Refurbish the Management Suite to ward standards Refurbish under utilised accommodation at PRH to create additional office capacity AND relocate some staff off-site within a site-wide series of moves	Patient benefits are achieved: Emergency Access Target; Occupancy and Length of Stay; CQC Improvements	Uses an existing template to provide clinical services instead of support functions Permits a move to a central administrative hub in the support area of the hospital – so is wholly consistent with the intended Nucleus design philosophy of zoning	Potential to start works on the refurbishment of the Management Suite in July 2013 and to complete by end of January 2014	Estimated at £3.5m	Involves a series of complex moves but the solution is deliverable within the established timeframes

4. Benefits Expected

4.1 The following Key Performance areas/metrics will be measured and sustainable improvement will be achieved through the establishment of the new Short Stay Ward:

- Contribution to achievement of 95% Emergency Access Target and the provision of associated care
- Supporting a further reduction in bed occupancy at PRH.
- Improved Friends and Family Feedback
- Quality improvements' across 'Ward 12'; recent inspections by the Care Quality Commission has identified areas for improvement
- Reduction in medical outliers across Surgery and Trauma and Orthopaedics
- Avoiding cancelled operations and supporting delivery of the Referral to Treatment target

5. Workforce implications

5.1 The workforce impact of this Business Case has two elements:

- A requirement for staff moves and relocation
- A review of the Ward nursing establishment once the new ward layout is agreed (an increase of single beds within the 28 bed facility to that currently provided may have an impact on visibility and observation of patients)

Staff Moves and Relocations: Office Accommodation and the Series of Moves required for Option 3

5.2 The series of moves to be undertaken to vacate the Management Suite is based on the Trust's Office Utilisation Policy and will include:

- Appropriate staff in the Houses at PRH, who do not need to remain on-site, will move to vacant space Shrewsbury Business Park
- Staff currently based in offices throughout PRH will move to refurbished Houses at PRH
- Other staff within the Management Suite will move to alternative office accommodation.

In addition to the provision of office accommodation, the design of the Management Suite will incorporate the Junior Doctors Common Room, or this will be re-provided elsewhere within the main hospital building.

Review of Nursing Establishment

5.3 Ward 12 currently operates with 4 single rooms and 4 single-sex, 6 bed bays. The detailed design and lay-out of the new ward will commence following Trust Board approval with the aim of increasing the amount of single beds, providing en-suite facilities to single room and bays with a much improved environment for patients, visitors and staff. The impact of this improved layout on the current nursing establishment for Ward 12 will be reviewed in due course.

6. Funding of the proposed scheme

6.1 In order for this development to progress it is necessary for the Trust to secure £3.5 million. Two options exist:

- Secure External funding as part of a further reconfiguration of clinical services; or
- Finance through internally generated funds.

Secure External funding

6.2 The Trust is presently undertaking a comprehensive review of Clinical services and it is anticipated that once completed this will require further reshaping of service delivery across the two hospital sites. To make this change happen will require additional capital funding, and has been incorporated within the Trust statement of objectives submitted to the National Trust Development Authority (NTDA). In the event that this application was successful, funding could reasonably be expected to be released in the 2015/16 financial year.

6.3 Given the existence of the review into the delivery of Clinical Services, estate changes previously assumed as part of the previously approved reconfiguration project in respect of Women and Children services, incorporated within plans for the RSH site would need to be re-examined. These developments have a value of £5.3 million. It remains the case however that these improvements, would feature as part of any amended Clinical Service Strategy. The Capital Programme over the years 2013/14 to 2016/17 would then be adjusted as follows.

	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Value of Approved Capital Programme	29,080	13,485	8,450	8,450
Value of PRH Ward development	3,500			
Re-profile of Women and Children service developments	(1,000)	(2,500)		
Additional External funding to support Women and Children service developments contained within revised Clinical Services Strategy			3,500	
Revised Value of Capital Programme	31,580	10,985	11,950	8,450

Internally generated funding

6.4 In the event that the Trust were unsuccessful in a bid for additional capital funding to support a revised Clinical Strategy then the Trust would need to accommodate the £3.5 million utilised in the delivery of this scheme from within the Trust Capital Programme planned for the years 2014/15 - 2015/16. In these circumstances the Capital Programme would be amended over the period 2013/14 to 2016/17 as follows:

	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Value of Approved Capital Programme	29,080	13,485	8,450	8,450
Value of PRH Ward development	3,500			
Re-profile of Women and Children developments	(1,000)	(500)	1,500	
Reduced Internal Capital Programme		(2,000)	(1,500)	
Revised Value of Capital Programme	31,580	10,985	8,450	8,450

7. Risks and Issues

Patient safety and target delivery

- 7.1 To close Ward 12 and not replace this capacity would result in insufficient capacity to deliver appropriate patient flow out of A&E and the Acute Medical Unit compromising the patient experience and potentially patient safety, and compromising the ability of the Trust to meet core healthcare standards.

FCHS Risks and Issues

- 7.2 The risks and issues associated with the non-vacation of Ward 12 by January 2014 are well documented within the FCHS Programme and are discussed each month at the FCHS Project Board. This would cause a delay to the construction programme of Balfour Beatty and will have a cost and delivery impact to the Trust.

8. Timescales

- 8.1 The timescales for delivery are:

What	By When
Commence enabling office moves at PRH	June 2013
Vacate Management Suite at PRH	End July 2013
Commence refurbishment of Management Suite to new Short Stay Ward	Beginning August 2013
Complete building works, Trust commission and operationalise	End January 2014

9. Summary of Recommendation

- 9.1 Following a review of the options by the Executive Directors and the FCHS Project Board it is recommended that Option 3 is progressed.

In summary, Option 3:

- Enables the Trust to address the challenge of increasing activity such that patients receive timely and safe care within an appropriate clinical environment
- Is deliverable within the timeframes required to support the ongoing delivery of the FCHS programme to time and to budget

- 9.2 The Trust Board is asked to **APPROVE** the Business Case for the creation of inpatient capacity at the Princess Royal Hospital in order to address the challenge of additional unscheduled care activity through the conversion of the Management Suite and associated alternative office accommodation.