Transforming hospital facilities in west Hertfordshire

Responses to frequently asked questions

This information sheet provides answers to some frequently asked questions about the redevelopment of hospitals in west Hertfordshire. The information provided here will be updated as this project evolves.

Why has funding for the redevelopment plans been restricted since the original Strategic Outline Case was submitted?

NHS regulators confirmed their recognition of the need for change as part of our original Strategic Outline Case (SOC) in 2016. However, they highlighted limitations in, and competition for, capital funds. In feedback on the SOC, NHSI has stated that affordability for the hospital trust is of paramount consideration, and as such the trust's annual turnover should be used as a maximum threshold for proposed investment value for estate redevelopment plans.

In October 2018, the Government announced that it will no longer use Private Finance 2 (PF2), the current model of Private Finance Initiative (PFI). https://www.gov.uk/government/publications/private-finance-initiative-pfi-and-private-finance-2-pf2-budget-2018-brief

The funding for this investment case is therefore expected to come from public sector sources.

How have the options for redevelopment been evaluated?

Figure 1 below summarises the overall options appraisal approach. For more details on this, please go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under 'Options evaluation panels'.

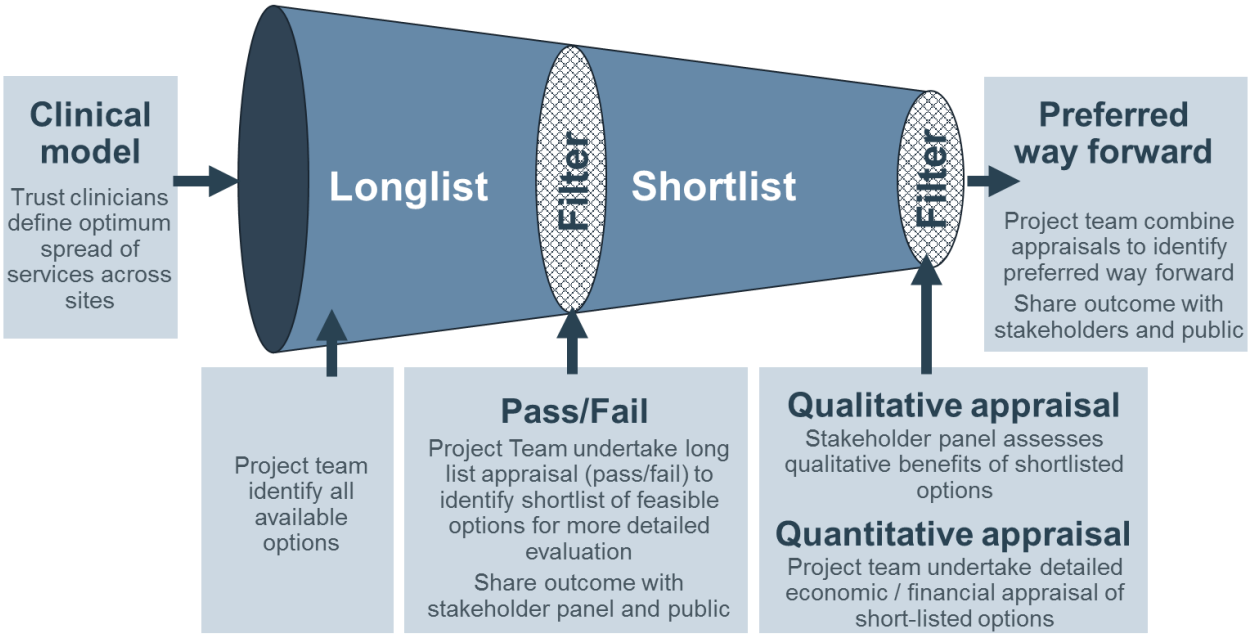
An options framework has been used to identify a long list of potential options using the same options evaluation criteria that were previously used in the original Strategic Outline Case (SOC). These were developed using stakeholder feedback during the Your Care, Your Future programme.

To ensure only feasible options have been shortlisted and progressed for evaluation, and in light of a clear affordability constraint highlighted by NHS regulators, a minimum threshold has been defined for each evaluation criterion. Any option that failed to meet the minimum threshold across all criteria has not been progressed to the shortlist for further evaluation.

The shortlist appraisal is focused on establishing which option provides best overall public value – this is the balance of benefits against costs. It focuses on a qualitative appraisal of non-financial benefits by a specially convened stakeholder panel and a quantitative appraisal of financial benefits and costs by the trust and expert advisors.

The outcomes of both the qualitative and quantitative appraisal will be reviewed by the trust and CCG Boards, to help determine a preferred way forward for the future of hospitals in west Herts.

Figure 1: Options appraisal approach



What is the role of the options evaluation stakeholder panel?

A stakeholder panel was formed to consider the shortlist of options and score each of the shortlisted options in terms of its ability to achieve the desired (non-financial) benefits. The panel included clinicians and managers from the NHS and partner organisations and patient and public representatives (including Hertfordshire Healthwatch) from across west Herts to represent a range of stakeholder views. The panel has had an advisory role – ensuring that differing perspectives are brought into the consideration of options. Decisions to confirm the shortlist of options and the preferred way forward will be made by the trust and CCG Boards.

During February and March the panel was presented with detailed information about the options and given the opportunity to discuss to understand common themes. Members were then asked for individual scores, based upon the detail provided and their own experiences.

The scoring of shortlisted options, along with the outputs of the financial appraisal of options was presented to the stakeholder panel in May for further discussion and comment. Comments from the panel and outputs of the scoring and financial appraisal will be reviewed by the trust and CCG boards and this will help to inform decision making on the preferred way forward.

Is it possible to sell land across the various hospital sites to support redevelopment plans?

All options for redevelopment involve some land sale. Current estimates value the sites to be St Albans (£15-£18million), Hemel Hempstead (£10-£15million) and Watford (£20-£25million). These are based on land registry values. We are in the process of reviewing

these values with our advisors. For any option involving development of a green field site, any land receipt would have to be offset against the cost of purchasing the new site, together with the cost of providing services and infrastructure to the site.

In all options, any financial contribution from land receipts will be relatively low in comparison to the overall funding required. There is more detailed information on our websites about land sales and sites across west Hertfordshire. Go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under 'Site Options Review'.

Why is the option of a new emergency hospital, with or without planned care not on the shortlist?

We have reconsidered all options as part of the work to refresh the strategic outline case. Costings for all options, including a new emergency hospital, with or without planned care have been developed by professional consultants with expertise in this field. Capital costs have been estimated based on the prescribed Department of Health methodology and HM Treasury guidelines. They include significant contingency to reflect the inherent uncertainty at this stage of planning as well as professional fees and inflation.

Current costings for a new emergency and planned care hospital on a new site are around £700m. Costings for a new emergency hospital at a new site, without planned care, are around £550m. Please refer to the published SOC for detailed costings. Building a new emergency care site, under any site configuration, on a greenfield site is significantly more expensive than redeveloping the WGH site because the hospital must be entirely new build, whereas a hospital on the WGH site could include some redevelopment of existing buildings. Both of these options far exceed the hospital trust's annual turnover that our regulators have advised should be used as a maximum threshold for the proposed investment value for our estate redevelopment plans. We have looked at the costs of other hospitals, but they are not comparable as they are all very different in terms of type or location of each hospital and when it was built or is planned to be built. Building costs increase significantly each year and vary depending on location.

The trust and CCG boards agreed that the shortlist should not include options whose indicative costs were well beyond the funding threshold advised by the trust's regulators.

Whilst we recognise that there is some support in some communities for a new emergency hospital, with or without planned care, our revised funding bid must be focused on exploring options that meet the affordability threshold.

One of the criteria used for shortlisting was accessibility and the importance of services being located to serve the west Hertfordshire population, yet Watford General Hospital is not local to the many people living in the north of the area. How do you justify this?

Travel analysis has shown that all current WHHT hospital sites provide reasonable access for the residents of Herts Valleys.

For more information on travel please go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under 'Travel Analysis and Catchment Area information'.

HVCCG residents also access neighbouring hospitals including Luton and Dunstable, Stoke Mandeville and Barnet Hospitals.

One of the shortlisted options includes a planned care centre – what services would this centre provide?

A planned care centre on a new site would provide the range of services provided at Hemel Hempstead Hospital and St Albans City Hospital and some planned care activity from Watford General Hospital. The services included would be planned surgery and medicine, diagnostics, urgent treatment services and a range of outpatient care for long term conditions, cancer, children and older people. However, in line with Your Care, Your Future the way some of these services are provided may change as we continue to develop and redesign services to make better use of technology and provide care closer to where people live.

This particular option - of a new planned care centre on a new site - would lead to the closure of Hemel Hempstead and St Albans hospitals and would not proceed without further public involvement (whether by being consulted or provided with information or in other ways). A new site would have to be identified.

Have any suitable sites been identified for a possible planned care centre?

The trust commissioned a review to identify potential sites for a planned care centre within west Hertfordshire. All five local authorities are at different stages in the development of their Local Plan and no specific sites for future hospital development are identified within their current plans.

The review did confirm that there are a number of sites that meet the agreed criteria and could potentially be suitable. There is further information about these sites on our websites. Go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under 'Site Option Review'.

Other NHS trusts e.g. Princess Alexandra NHS Trust (PAHT) seem to be planning for new hospitals that cost much less, so why can't west Hertfordshire explore the option for a new hospital with different costings/funding models?

Each trust has its own specific set of circumstances, challenges and opportunities that will influence the hospitals they plan and the available funding models. We have developed plans and costings that are specific to addressing the future needs of our communities and that align with the future direction of the health economy in west Hertfordshire. What is a good solution for one trust won't necessarily work for us and vice versa. Nevertheless, we are still working with trusts in a similar position to share and compare plans and approaches to funding.

Examples for comparison often include:

• **Princess Alexandra Hospital NHS Trust (PAHT**) - the key difference between the WHHT and the PAHT redevelopment options is the different nature of the existing hospital sites. The overall size of the WHHT site and its location next to the Watford Riverwell redevelopment area provides a lot of flexibility to achieve a good solution that combines a significant element of new build with refurbishment of some existing buildings, without compromising or significantly impacting on the operational activities of the three hospitals.

The PAHT site has much more limited flexibility to redevelop on the site with a much longer and more difficult programme of work. As such the case for a new hospital on a new site is stronger in West Essex

• **Midland Metropolitan Hospital** - the new hospital was intended to treat 170,000 A&E patients a year from this summer but will not open until 2022, three years later than planned due to the collapse of Carillion. It will also cost nearly twice its original budget - at least £605million, despite originally being priced at £350 million. Consequently, we don't believe this is a good comparison to make, but what it does demonstrate is that costing estimates can vary significantly from actual costs.

WHHT have sought assurance from regulators that all NHS organisations will be treated equitably through the business case review and approvals process, including application of the 1:1 capital to turnover 'affordability' threshold.

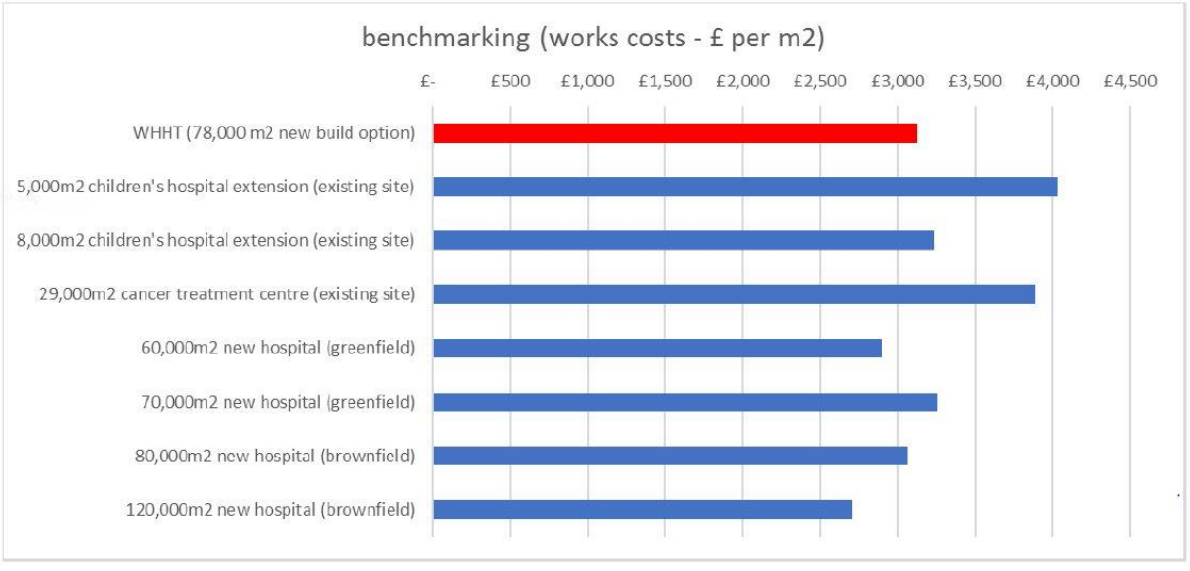
What analysis was undertaken regarding costings for the options evaluation?

Qualified experts have developed costings in line with HM Treasury's Green Book guidelines, NHS building and space standards and to conform to industry standards. Costings are also subject to an adjustment for optimism bias (this takes account of project appraisers' tendency to be over optimistic in planning estimates) regional price variations, contingency, inflation, fees and VAT.

We are continually refining our assumptions on costings, as the details of the options are worked through with input from our professional advisors. The final outputs of the costings are included in the Appendices of the recently published SOC.

We are also taking account of methodologies used in similar development programmes. Figure 2 below benchmarks the costs of various similar schemes for illustrative purposes on how costs differ.

Figure 2: benchmarking of cost of WHHT building works versus other schemes



Notes:

- The above are costs per m2 of Gross Internal Floor Area including central plant and circulation
- *Where possible from the data available, the benchmark schemes exclude site specific abnormals such as external works, drainage, external services, demolitions, service diversions and infrastructure* improvements.
- The above costs/m2 are set at cost base data of PUBSEC 250 for consistency and comparison

Further information about costings for all options, including those not on the shortlist, is included in the refreshed SOC. There is more detailed information on our websites about Treasury guidance on costs. Go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under 'HM Treasury Guidance'.

Why were cost estimates for a new A&E Hospital from the original 2017 SOC at over £1 billion?

For the 2017 SOC and the 2019 SOC options and costs were built up independently by different firms of cost advisors. For the 2019 SOC the project team checked back against the capital costs for the first SOC to ensure the costs being produced were broadly in line once corrected for inflation. Costs are broadly in line between both SOCs – baring point below:

The one material difference is that in 2019 a significantly lower assumption has been made around the abnormal on-costs for Greenfield site – due to a potentially new site being identified between St Albans and Hemel. In the 2017 SOC the new site at Kings Langley would have potentially required significant investment for energy centre, motorway junction upgrades, running utilities and this potential cost was built into the capital costs (an additional £100m). In the 2019 SOC due to a possible site being identified which would be part of a bigger development, these costs were assumed to be spread across multiple occupiers of the development and were therefore assumed to be significantly lower.

All other costs are broadly comparable – noting that some cost categories are represented slightly differently between SOCs.

The often quoted £1bn number from 2017 SOC was the inflated cost Option 1,3,5 (greenfield variants), these options were ~£800m costs in today's prices (2017), which if reduced by the £100m additional abnormals brings them to around £700m, in line to the 2019 SOC.

Note that in the 2019 SOC Long List options are only quoted in today's prices – as that was the basis for the affordability assessment.

Have population numbers across Hertfordshire been taken into account, including planned housing growth? And what about future demand?

Detailed analysis and research on population sizes and forecasts has been undertaken. The trust uses national planning guidance to inform projections for future demand including ONS population figures and NHS England for health demand assumptions. This will continue to be monitored against housing growth data to identify differences. Sensitivity analysis has been performed to establish the potential impact of the assumptions being incorrect and all assumptions will be reviewed at both Outline Business Case stage and Full Business Case

stage to take account of the most up to date population forecasts. The future hospital will be designed to offer flexibility, such that additional capacity can be added to meet higher than forecast population growth if required.

The figure below summarises current population projection, based on Office National Statistics mid-2016 basis.

	2018 population estimate	2038 population estimate	% increase over 20 years	Population increase over 20 years
Dacorum	154,900	174,700	13%	19,800
St Albans	148,800	163,200	10%	14,400
Watford & Three Rivers	192,800	217,900	13%	25,100
Hertsmere	104,800	115,600	10%	10,800
Herts Valley	**601,300**	**671,400**	**12%**	**70,100**

There is more detailed information on our websites about population and demand. Go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under 'Travel Analysis and Catchment Area information'.

Details about future demand for hospital services has been developed and incorporates changes to the overall model of care as per the *Your Care, Your Future* programme. Please see 'Demand and capacity information and analysis'.

Will the redevelopment lead to more beds?

The redevelopment plans do include an increase of 70 beds on current numbers which includes a combination of inpatient and short stay assessment beds. This is in line with the NHS's long term plan move towards 'same day emergency care'.

In addition to the beds available in West Herts, residents also access care at Luton and Dunstable, Stoke Mandeville, Barnet Hospital and specialist care in London – which adds to the number of beds that patients have access to.

Comparing bed numbers between different hospitals is not straightforward. We have made our calculations based on forecasts of activity and population growth. All the demand and capacity assumptions will be reviewed at outline business case stage before the future size of our hospitals is finalised. We will also ensure that our building design gives us flexibility for the future if more beds are needed in the longer term.

We're also making sure that we make best use of our beds. Advances in clinical care and new treatment models mean that hospital admissions and length of stay are reducing – increasingly people have surgery without needing to stay in hospital and those who do stay are discharged to recover at home much sooner than they used to be.

Additionally, there are a wide range of community based services including rehabilitation beds and home based 'virtual ward' places that support people at home as an alternative to hospital admission or following an episode of care.

How can Watford General Hospital remain operational during redevelopment?

The Watford site has sufficient space for the construction of new buildings with minimal disruption to existing services. The Watford Riverwell development provides new routes for essential services infrastructure, including a new access road. In time, there will be a new multi-storey car park and main entrance to the hospital. Construction and demolition would be sequential and planned very carefully to minimise disruption and for services to remain operational. The first step would be developing new buildings for services to move into – this also frees up space within existing buildings for redevelopment.

Restricted availability of capital funding has limited the ability to undertake major projects at WHHT in recent years. Yet, the Trust has managed the implementation of new CT and MRI and completely refurbished and expanded Endoscopy and Cardiology units at WGH. Last winter, the Trust created additional major cubicle space in the Emergency Department, create an emergency paediatric assessment unit, reconfigured the surgical admissions area and created a new ambulatory assessment area - all with minimal disruption to patient care.

The Watford site is in a poor condition - how will this affect redevelopment plans?

We understand the challenges presented by some of the infrastructure and the fabric of the buildings on the Watford General Hospital site – that is a major driver for seeking investment to improve our hospitals buildings overall.

Detailed surveys undertaken as part of the overall business case process will inform which buildings can be retained and how they can be repurposed, as well as confirming which buildings can no longer be used and will be demolished.

Alongside this work, there will be plans to create new buildings – all options include at least 30 per cent of new build at the Watford site. The emerging preferred way forward provides over 50% of the future estate at WGH in new buildings

The Watford site is large enough for a modern hospital, providing a wide range of healthcare including emergency and specialist services.

The work would include updating the supporting infrastructure, bringing it up to modern standards and making it as efficient as possible.

If accident and emergency services remain at Watford, what about travel times and access?

Access to Watford hospital has improved with the new road access and changing the ambulance route. For details of public travel times to Watford hospital, please go to https://www.westhertshospitals.nhs.uk/about/strategicoutlinecase.asp or https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/developing-hospital-services and see under ‘Travel Analysis and Catchment Area information’.

As travel to all sites has been repeatedly been raised during public discussions, WHHT and HVCCG will work with the County Council, District and Borough Councils and local transport providers to explore whether improvements can be made to public and community transport access to our hospitals.

What is the benefit of separating accident and emergency care from planned care?

West Hertfordshire hospitals already separate a large element of accident and emergency care ('hot') from planned care ('cold') services across our sites. As part of redevelopment plans we want to drive further separation. In line with recommendations in the NHS Long Term Plan, providing planned services from a 'cold' site guards against beds, theatres and staff being prioritised for emergency admissions, reducing the risk of last minute cancellations for planned patients. Meanwhile, managing complex, urgent care on a separate 'hot' site allows improved trauma assessment and better access to specialist care. Please see the NHS long-term plan for more details on this.
https://www.england.nhs.uk/long-term-plan/

Will there be any improvements to performance against targets as a result of the redevelopment?

The redevelopment of west Herts hospitals as described in the SOC cannot but improve performance across all WHHT services, contributing to improvement trajectories for the A&E 4-hour standard, 'referral to treatment' and cancer waiting times and elective cancellations, by providing facilities that are appropriate and sized for the services they provide. The very high occupancy rate of around 97% for medical and surgical inpatient beds leaves no capacity to accommodate additional patients during periods of peak demand, meaning that during the busiest times the existing (but fragmented) assessment areas have to be re-designated as inpatient areas, further impacting patient flow and causing a deterioration against both elective and emergency care performance standards. The proposed new model includes an expansion and improvement to assessment capacity which will enable more timely care to be provided to emergency care patients.

What about car parking at Watford?

All options will need dedicated patient and visitor parking.

At Watford, planning permission for a new multi-storey car park was granted in February of this year. The new facility is part of the Riverwell development and will be built on land adjacent to the hospital. It is scheduled for completion in 2021 and will provide 1290 car parking spaces for hospital users.

What will be done to address access issues to Watford General Hospital as a result of being next to the football stadium?

Watford Football Club and the hospital have a well-established working relationship that ensures they can co-exist in their current locations without adversely affecting each other's activities. In reality, there are only 19 premier league matches (with a small number of additional cup games) a year at the stadium and while ambulance access and hospital car parking during match days have been a challenge in the past, the new Thomas Sawyer Way road has significantly improved access. Ambulances can avoid the congestion on Vicarage Road and use the dedicated 'Ambulance Only' section of this route to gain fast access. The opening of the new car park, planned for 2021, will ensure that hospital users have dedicated parking separate from any match day demands.

First stage architectural sketches have been developed to illustrate how the entrance to WGH could be transformed, addressing the challenges of the slope through the use of appropriate walkways, ramps and lifts between the main hospital entrance and the new car park.

What is meant by moving more hospital services to a community setting?

New community-based services are being developed that reflect our *Your Care, Your Future* ambitions to provide better coordinated care closer to home in places such as GP surgeries, medical centres and clinics preventing people from having to go into hospital unnecessarily. New services are also focusing on prevention and supporting people to look after themselves so that people stay healthy and independent.

For more information on the work being delivered as part of *Your Care, Your Future*, please https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future and https://hertsvalleysccg.nhs.uk/future-plans/your-care-your-future/vision-strategy-and-case-change

To what extent have the public and other stakeholders been involved in this process?

Local stakeholders have been involved in this process, the *Your Care, Your Future* programme and the sustainability and transformation plan for Hertfordshire and west Essex, called A Healthier Future which are all working together to help transform health and social care locally.

We are still in the early stages of exploring options for the redevelopment of hospitals in west Herts and are continually involving our local communities, MPs, trust staff, residents and other key stakeholders throughout this process.

Since starting the refresh of the strategic outline case in autumn 2018 we have held a series of public meetings in October/November 2018, January 2019 and March 2019 to update people about the process and to answer people's questions. We have used the comments and questions to inform our process and to feed into decision making about the shortlist. We will continue to involve the public and seek feedback on the emerging preferred way forward, prior to a decision being made by the trust and CCG Boards.

We have also met with MPs and briefed local by attending various county and borough or district council meetings. Both the trust patient panel and CCG patient and public involvement groups have also been kept informed.

We have made sure that the evaluation panel process is as transparent as possible by sharing the presentation and background material on both the trust and CCG websites.

Both websites also have the presentation slides and a write up of the question and answers from the public meetings together with background information and updates. We will continue to provide online updates as the process progresses.

How has the Trust ensured the needs of all demographics have been taken into account during the decision-making process?

As public bodies, both HVCCG and WHHT have a statutory and legal responsibility to ensure fair and equitable treatment of all people. They are therefore required to work to promote equality (as required by the Equality Act 2010), and to address health inequalities (as required by the Health and Social Care Act 2012). To ensure this responsibility has been addressed with respect to the proposed acute redevelopment, an Equalities Impact Assessment (EQIA) has been undertaken. This analyses the potential impact of the proposed changes from an equalities perspective generally, and for people with protected characteristics specifically, and makes recommendations to address any potential adverse impacts identified.

These recommendations will be taken into account as the detailed design for the preferred option is developed at OBC stage. It is anticipated that further assessment of the equalities impacts of the redevelopment at WGH, HHGH and SACH will be required at each stage of the business case process going forward.

Assuming the funding bid is successful what are the approximate start dates for re-development.

Based on current planning estimates, main construction would commence in early 2023, with the first buildings complete by 2025.

It's important to note that planned maintenance continues, including the life cycle replacement of major equipment and high risk backlog maintenance works.

What is a Wave 4 bid and how it's different to a strategic outline case?

As part of a new NHS funding regime, introduced in 2017, hospital trusts have to submit capital bids for investment through their local sustainability and transformation partnership (STP).

Following the Naylor Review into NHS estates, the government channelled £2.9bn of public sector capital to be made available through the STP route. The £2.9bn is being allocated in 'waves' and each STP is invited to submit bids to NHS England for capital to deliver local projects. The bids are assessed by both NHS England and NHS Improvement, with approval granted by health ministers and Treasury officials.

To make a capital bid through this route we have to submit both a strategic outline case (SOC) for the redevelopment of our hospital estate and an STP capital 'Wave 4'application. The main purpose of the SOC (as defined by HM Treasury Green Book guidance) is to establish the need for investment; to appraise the main options for service delivery; and to provide a recommended – or preferred – way forward for further analysis. The Wave 4 submission is a technical document required by NHSI that makes a specific application for capital funds and that has to be completed at a specific time in order to move forward. We are required to submit both documents in order to secure investment in the future of hospitals in west Herts.

What are the next steps in the process?

WHHT and HVCCG Boards each met separately on 11 July and each approved the strategic outline and the preferred way forward of investing in all three existing hospital sites as outlined in the SOC.

Two remaining steps follow quickly after this decision. Firstly we must secure support for the SOC and preferred way forward from local health and social care leaders in mid-July (Hertfordshire and West Essex Sustainability and Transformation Partnership). Following that we will submit our the SOC, along with a 'wave 4 funding bid', to NHS regulators and central government by the end of July (as described in the response to the previous question). They will then undertake detailed appraisal of our submission.

The government's Comprehensive Spending Review, expected this autumn, will consider how much funding can be made available to support the NHS to improve its estate and IT. Our ambition is for West Hertfordshire Hospitals NHS Trust to receive an allocation from the funding awarded to the NHS.

Do those providing primary care and care in the community (who you say will play a greater part in residents' care) have the capacity to cope with a change in the way services are provided?

The new community based services are being provided in many different ways. Some services are being provided by NHS community trusts (such as Hertfordshire Community Trust and Central London Community Healthcare NHS Trust), some are being provided by GP federations and some are being delivered by specialist private sector providers. When establishing services, the clinical commissioning group talks to GPs and other primary care providers and also undertakes other planning activities to make sure that there is capacity in place. The specialist community health providers who are delivering these services are also training up GPs so that they have additional knowledge and skills to be able to treat patients within the practice - without having to send them to other specialists. So that GPs are able to do this we are getting practices to do more pooling of resources and are also getting health care professionals, such as nurses, more involved to free up GPs' time.

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