

Future of hospital services in west Hertfordshire

An update following the
options appraisal process

15th May 2019

Our plan for today

- We will present **a summary** of the outcomes from both the quantitative and qualitative appraisal of the shortlist
- We will update you on feedback from regulators
- There will be an opportunity for questions and answers

The focus of today is to review and discuss the initial outcomes of the economic appraisal.

Your feedback will help to inform the discussions that the boards of the trust and the CCG will have on the 'preferred way forward'.

Agenda

1. Introduction and purpose
2. Strategic case
3. Shortlist of options
4. Outcome of quantitative appraisal
5. Outcome of qualitative appraisal
6. Equalities analysis
7. Discussion and questions
8. Next steps

Executive summary

The trust and the CCG are continuing to work together towards securing significant investment in the hospital's estate. Discussions with regulators continue and it is clear that our case for change is acknowledged and understood.

There has been no change to the message about the severe limitations to capital and the use of the trust's turnover as funding threshold.

This has resulted in the single-site emergency and planned care hospital not being shortlisted. The funding threshold also means there is an element of compromise in each option.

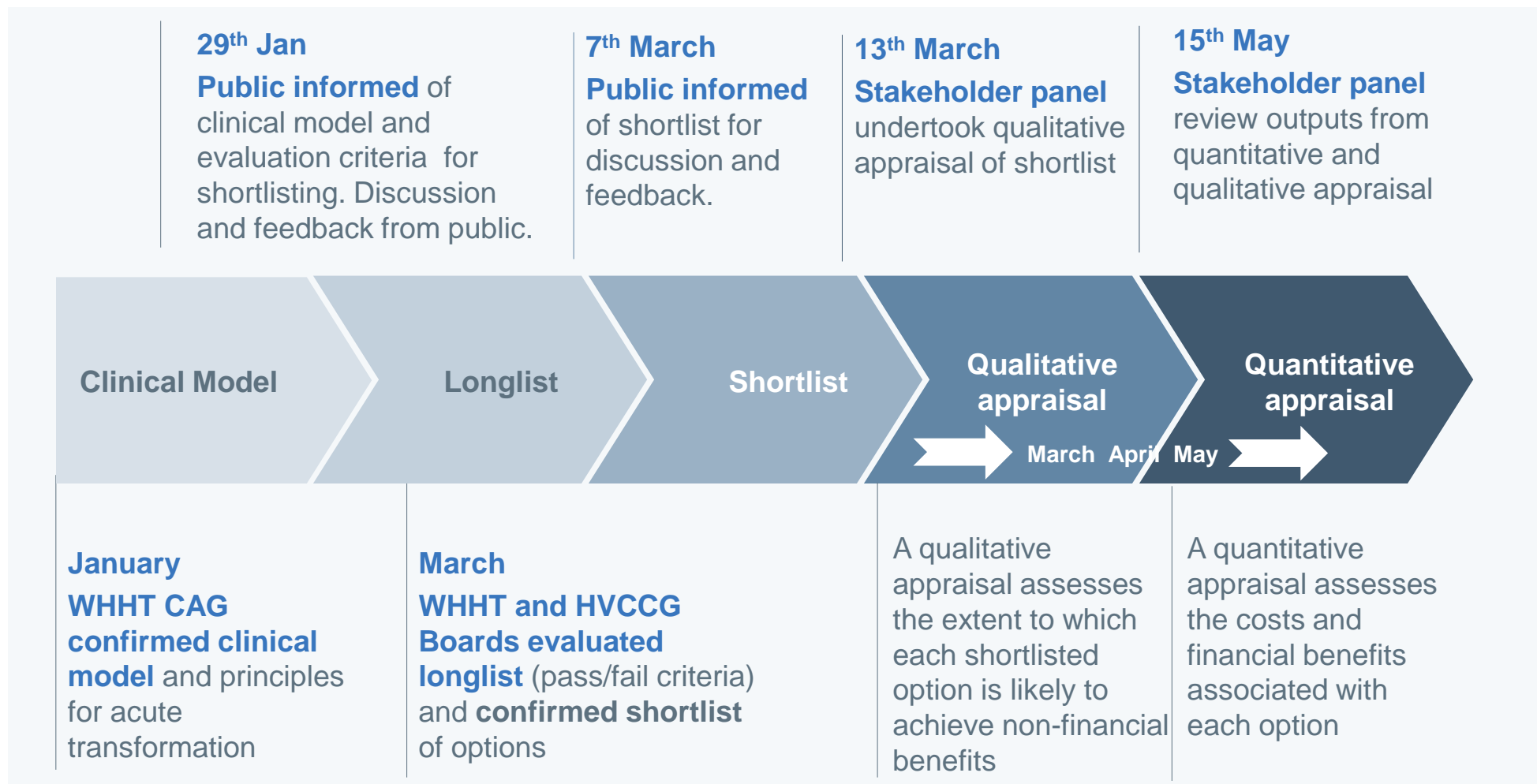
Initial outputs of the **quantitative appraisal** (as undertaken by our project team) and the **qualitative appraisal** (which you took part in) indicate that:

- **Option 3** is the most economically beneficial in relation to associated costs, financial benefits, dis-benefits and costed risks (quantitative appraisal)
- **Option 1** scored the highest with our stakeholder panel, closely followed by Option 4 and Option 3 (qualitative appraisal)

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Introduction and purpose

The story so far



Governance and approvals

- WHHT's board is responsible for determining the preferred way forward and case for investment in July, for approval from the STP and HVCCG prior to submission to NHSE/I in Summer 2019
- This will be based on a review of the case for change, strategic objectives, the economic appraisal (quantitative) and feedback from stakeholders (qualitative) and the public throughout the process
- The outcomes of the appraisal process inform the preferred way forward
- WHHT's board will remain the approver for trust decisions in relation to the acute redevelopment, and the HVCCG board will be the approver for any service-related changes
- Commissioner support is an essential pre-requisite for the business case to progress
- The information considered by both boards also includes recommendations and feedback from the trust's management committee, the clinical advisory group, the finance and investment committee, the acute redevelopment executive and the acute redevelopment programme board
- The draft of the SOC will be put forward for approval by the trust and CCG at board meetings held in public in July.

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Strategic Case

Case for change

The age and standard of our hospital estate, and how services are currently provided, is a challenge to providing the best quality care at hospitals in west Hertfordshire. Our **case for change** has three main aspects:



The way our hospital services are delivered is fragmented, specialist staff are spread too thinly and services are at risk of becoming clinically unsustainable



Many of west Herts hospitals' buildings are old and not designed for modern healthcare, and have a backlog of repairs



The trust has a financial overspend which is growing every year and is not sustainable in the long term, with estate limitations hindering further service efficiencies

Objectives



1. Improving clinical sustainability

We need to change the way acute hospital services are delivered to meet the standards we expect, by **enhancing separation of emergency and planned care services and consolidating services across locations where possible**



2. Providing healthcare from fit for purpose buildings

We need to invest to ensure care is delivered from **buildings that are fit for purpose** in a way that supports our wider aims for the **future of healthcare** and meets expected **future demand**



3. Achieving long-term financial stability

We need to develop services in a way that is **affordable to commissioners, to funders and to the trust** on both a capital and revenue basis, as quickly as possible

Overarching Benefits Framework

- **B1: Improved safety and better clinical outcomes for patients**
- **B2: Improved patient and carer experience**
- **B3: A more attractive workplace for employees**
- **B4: Flexibility to enable future changes in service models**
- **B5: Reduced operational costs for WHHT**
- **B6: Improved operational performance**

Assessed in
qualitative
appraisal

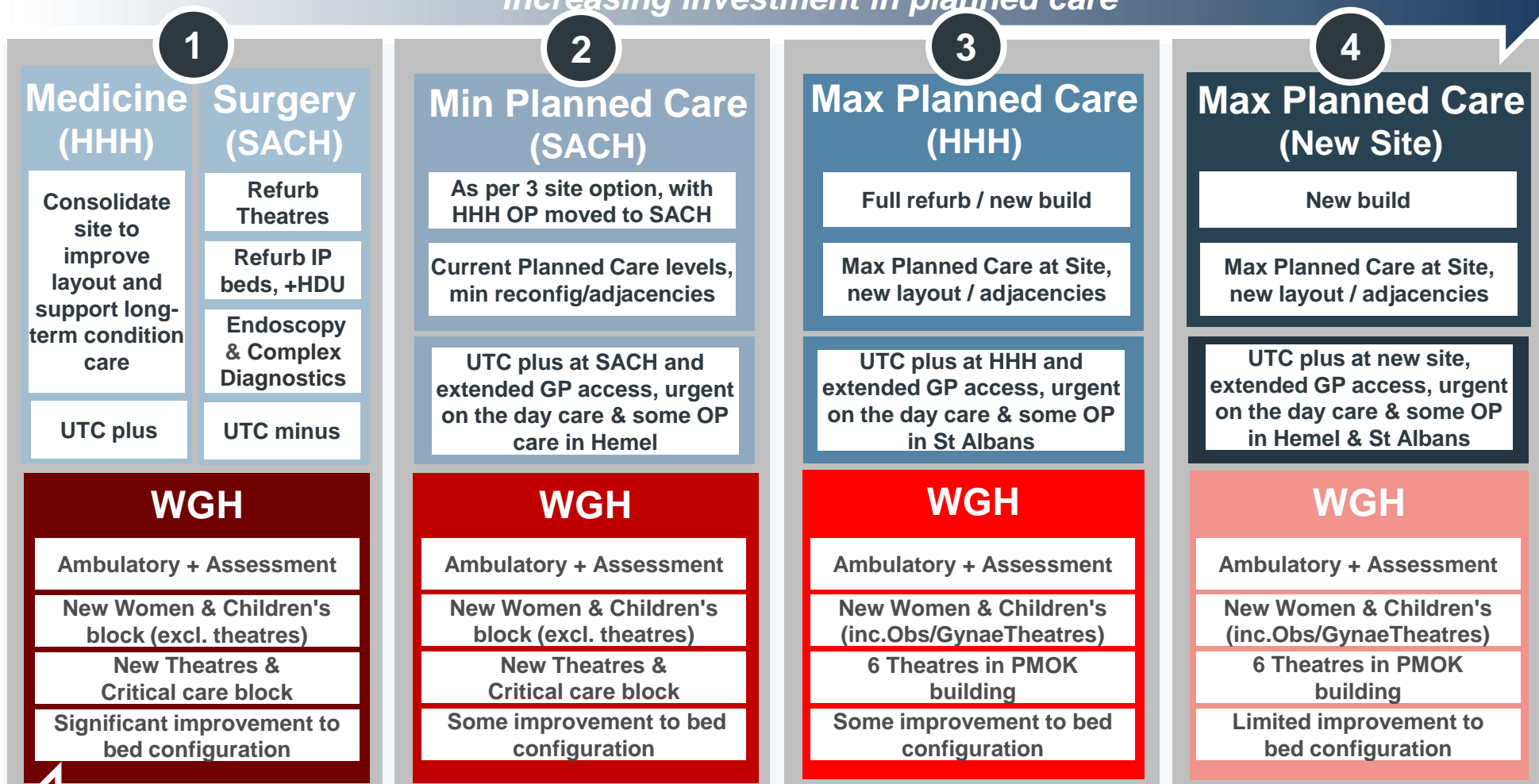
Assessed in
quantitative
appraisal

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Shortlist of options

Key features of the shortlisted options

Increasing investment in planned care



Increasing investment at WGH for emergency and specialist care

The impact of different options on beds, theatres and critical care

New or reconfigured beds	All Beds*	Medical/Surgical**
Option 1	70%	55%
Option 2	55%	35%
Option 3	60%	40%
Option 4	40%	15%

*All beds including assessment beds, delivery suites, daycase (= 950)

**Inpatient and daycase in PMOK, AAU, Planned Care. Excludes assessment beds and all WACS beds (=640)

- Options 1 and 2:
 - Theatres and critical care moved to a new build block, co-located with new women and children's services block. Space in PMoK repurposed for expanded/modernised bed base
- Options 3 and 4:
 - Existing theatres and critical care in PMoK to be refurbished for continued use

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Outputs from quantitative appraisal

Costs and financial benefits of the shortlisted options

Capital investment / £m	Do Min	Option 1	Option 2	Option 3	Option 4
Emergency Care	94.1	325.5	312.6	255.7	203.3
Planned Care	25.0	55.5	61.1	123.7	190.1
Total	119.1	381.0	373.7	379.4	393.4

Work is still underway on the detailed capital costs and annual benefits. The next version of the capital costs is expected to show figures approx £30m lower across all options – on or close to threshold.

Annual cost savings / £m p.a.	Do Min	Option 1	Option 2	Option 3	Option 4
Estates running costs	(0.6)	3.5	5.0	7.0	8.2
Operational savings (additional CIP)	2.0	18.3	17.7	17.5	15.8
Total	1.4	21.8	22.7	24.5	24.0
% of annual costs	0.5%	7.3%	7.6%	8.2%	8.0%

Outputs from economic appraisal

The economic appraisal is sensitive to both the capital costs and the expected benefits which are both currently under review

Equivalent annual value (EAV) / £m	Do Min	Option 1	Option 2	Option 3	Option 4
Capital investment	-4.6	-12.7	-12.5	-12.7	-12.9
Cost savings	2.7	13.9	14.5	15.7	15.4
Total	-1.9	1.2	2.1	2.9	2.5

- **Option 3 provides biggest net economic benefit**, with EAV of £2.9m
- **This is closely followed by Options 4 and 2** (EAVs of £2.5m and £2.1m respectively) and **Option 1 still has an expected net economic return**, with an EAV of £1.2m
- **The ‘Do Minimum’ option results in a net cost**, with an EAV of -£1.9m

The results are close for options 1, 2, 3 and 4

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Outputs from qualitative appraisal

Summary of qualitative appraisal scoring

- **Option 1 scored the highest, with an average score 1.5.** This equates to a slight to moderate beneficial impact in comparison with today.
- **This was closely followed by options 4 and 3** (scoring 1.3 and 1.2 respectively), again equating to a slight to moderate beneficial impact.
- **Option 2 and the ‘Do Minimum’ option both scored negatively** (-0.6 and -1.0 respectively), equating to a slight adverse impact in comparison with today.
- **The scores varied between stakeholder group:**
 - Clinicians (trust and CCG) and other trust staff scored option 1 as having the greatest beneficial impact
 - Non-clinical stakeholders from outside the trust (CCG staff, other organisations and the public) scored option 4 as having the greatest beneficial impact

The results are close for options 1, 3 and 4

KEY

■ Highest beneficial impact score

■ Highest adverse impact score

Summary of scores according to impact on desired benefits

	1 Max EC (WGH), Min PC (SACH & HHH)	2 Mid EC (WGH), Mid PC (SACH)	3 Min EC (WGH), Max PC (HHH)	4 Min EC (WGH), Max PC (new PC hospital)	Do Minimum: no consolidation of services
Safety & outcomes	1.5	-0.1	1.6	1.2	-1.3
Patient experience	1.4	-0.9	1.0	1.2	-1.1
Workforce satisfaction	1.5	0.2	1.2	1.3	-1.2
Future flexibility	1.7	-1.7	1.0	1.6	-0.5
Combined	1.5	-0.6	1.2	1.3	-1.0

KEY

■ Highest beneficial impact score

■ Highest adverse impact score

Summary of scores according to stakeholder group

	1 Max EC (WGH), Min PC (SACH & HHH)	2 Mid EC (WGH), Mid PC (SACH)	3 Min EC (WGH), Max PC (HHH)	4 Min EC (WGH), Max PC (new PC hospital)	Do Minimum: no consolidation of services
Clinical	1.7	-0.2	1.3	0.9	-1.2
Trust other	1.9	0.0	1.3	1.1	-0.9
CCG other	0.9	-0.7	1.4	1.6	-1.6
Other	1.2	-0.9	1.3	1.8	-0.9
Patient	1.7	-1.3	0.9	1.7	-0.6
Combined	1.5	-0.6	1.2	1.3	-1.0

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Equalities analysis

Summary of equalities analysis of shortlisted options

Summary of impact

- 1 Maximising investment at WGH will lead to a positive impact for women and children, older people and people with disabilities, particularly due to optimising the layout of beds. However this may be offset by limiting investment in planned care services which will impact older people and those with a disability to a greater extent.
 - 2 Significant investment at WGH will lead to a positive impact for women and children, older people and people with disabilities, albeit this will be limited by reduced improvement to layout of beds/wards at WGH. Women and children, older people and people with disabilities from Hemel will be disproportionately impacted by a shift in where planned care services are delivered.
 - 3 Limiting investment at WGH will likely lead to a negative impact for older people and people with disabilities, as there will be limited improvement to the layout of beds and Theatres/Critical Care. Maximising investment in planned care will positively impact older people and people with disabilities, but people in those groups from St Albans will be disproportionately impacted by a shift in where planned care services are delivered.
 - 4 Minimising investment at WGH will likely lead to a negative impact for older people and people with disabilities, as there will be no improvement to the layout of beds and no Theatres and Critical Care unit. Maximising investment in planned care will positively impact older people and people with disabilities, but people in those groups from St Albans and Hemel will be disproportionately impacted by a shift in where planned care services are delivered.
- D Minimising investment in services across WHHT will likely lead to a disproportionately negative impact
 M on all protected characteristic groups

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Discussion

Summary

- The outputs from the shortlist appraisal are not conclusive:
 - The **quantitative economic appraisal shows that option 3 has the highest EAV** of the shortlisted options, but the results are very close
 - The **qualitative benefits appraisal shows that option 1 scored the highest overall**, but again the scores are very close, with different stakeholder groups having different views
- The Board must exercise its judgement when it determines the emerging preferred way forward in July, recognising that the shortlisted options have been constrained by the affordability

Questions

What are the **relative 'trade offs'** of the different options?

What are the **key points that you would like the boards to consider** in decision making on the preferred way forward?

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Next steps

Next steps



Appendix 1: Summary of Equalities Analysis

Option 1: Summary of equalities impact (1)

Protected characteristic	Disproportionate impact?	Summary of impact
Age: newborns	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, increase neonatal capacity and improve overall quality of care, hence likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to newborns so unlikely to be disproportionate impact</p>
Age: children	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, and improve overall quality of care for children’s services means children are likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to children’s so unlikely to be disproportionate impact</p>
Age: young people	✓	<p>No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.</p>
Age: older people	✓	<p>Emergency and specialist care: As older people are more susceptible to trauma and injury e.g. through falls and accidents., they are more likely to be impacted by improvements made at WGH, particularly the planned improvement to bed layout</p> <p>Planned care: Older people are more likely to have long term conditions and therefore are more likely to be impacted by limited investment in these services.</p>
Religion and belief	X	<p>No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.</p>
Sexual orientation	X	<p>No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis..</p>

Option 1: Summary of equalities impact (2)

Protected characteristic	Disproportionate impact?	Option 1: Consolidation across 3 sites - planned care at both SACH and HHH and emergency and specialist care at WGH
Disability	✓	<p>Emergency and specialist care: improvements to the WGH estate will specifically benefit those with reduced mobility i.e. those with a disability. They will also benefit from parallel work to improve the hospital car park (addressing current issue where much of the parking at WGH is on a steep hill) as well as the new access road to the hospital.</p> <p>Planned care: As disabled people are higher users of acute services specific to their disability/ies e.g. acute rehabilitation, learning disability liaison, orthotics, pain clinics, rheumatology, stroke services and therapies, they are more likely to be disproportionately affected by limited investment in planned care services</p>
Gender	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Gender reassignment	X	No evidence to indicate any disproportionate impact likely, and so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.
Marriage and civil partnership	X	Unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Pregnancy and maternity	✓	<p>Emergency and specialist care: Pregnant women require access to maternity, obstetrics and neonatal services and therefore will be positively impacted by significant investment at WGH to build a new Women and Children's Department</p> <p>Planned care: No major change to maternity services in planned care so unlikely to be a disproportionate impact</p>
Ethnicity	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Religion and belief	X	No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.
Sexual orientation	X	No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.

Option 2: Summary of equalities impact (1)

Protected characteristic	Disproportionate impact?	Summary of impact
Age: newborns	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, increase neonatal capacity and improve overall quality of care, hence likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to newborns so unlikely to be disproportionate impact</p>
Age: children	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, and improve overall quality of care for children’s services means children are likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to children’s so unlikely to be disproportionate impact</p>
Age: young people	✓	<p>No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.</p>
Age: older people	✓	<p>Emergency and specialist care: As older people are more susceptible to trauma and injury, they are more likely to be disproportionately impacted by limited investment at WGH – particularly reduction in improvement to the layout of beds (c.30%)</p> <p>Planned care: Older people are more likely to have long term conditions and therefore are more likely to be disproportionately impacted by limited investment in these services. Older people from Hemel will be disproportionately impacted by closure of local planned medical services at HHH</p>
Religion and belief	X	<p>No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.</p>
Sexual orientation	X	<p>No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis..</p>

Option 2: Summary of equalities impact (2)

Protected characteristic	Disproportionate impact?	Option 1: Consolidation across 3 sites - planned care at both SACH and HHH and emergency and specialist care at WGH
Disability	✓	<p>Emergency and specialist care: improvements to the WGH estate will specifically benefit those with reduced mobility i.e. those with a disability. They will also benefit from parallel work to improve the hospital car park (addressing current issue where much of the parking at WGH is on a steep hill) as well as the new access road to the hospital.</p> <p>Planned care: As disabled people are higher users of acute services specific to their disability/ies e.g. acute rehabilitation, learning disability liaison, orthotics, pain clinics, rheumatology, stroke services and therapies, they are more likely to be disproportionately affected by limited investment in planned care services. Disabled patients in Hemel will be disproportionately impacted by closure of local planned medical services at HHH</p>
Gender	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Gender reassignment	X	No evidence to indicate any disproportionate impact likely, and so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.
Marriage and civil partnership	X	Unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Pregnancy and maternity	✓	<p>Emergency and specialist care: Pregnant women require access to maternity, obstetrics and neonatal services and therefore will be positively impacted by significant investment at WGH to build a new Women and Children's Department</p> <p>Planned care: Pregnant women undergoing outpatient care at HHH will be impacted by this change as will have to seek this care either via primary care or at SACH or WGH</p>
Ethnicity	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Religion and belief	X	No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.
Sexual orientation	X	No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.

Option 3: Summary of equalities impact (1)

Protected characteristic	Disproportionate impact?	Summary of impact
Age: newborns	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, increase neonatal capacity and improve overall quality of care, hence likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to newborns so unlikely to be disproportionate impact</p>
Age: children	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, and improve overall quality of care for children’s services means children are likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to children’s so unlikely to be disproportionate impact</p>
Age: young people	✓	<p>No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.</p>
Age: older people	✓	<p>Emergency and specialist care: As older people are more susceptible to trauma and injury, they are more likely to be disproportionately impacted by minimal investment at WGH – particularly reduction in improvement to the layout of beds (only 30%) and no new Theatre and critical care building.</p> <p>Planned care: Older people are more likely to have long term conditions and therefore are more likely to be positively impacted by increased investment in this area. Older people from St Albans will be disproportionately impacted by closure of local planned medical services at SACH</p>
Religion and belief	X	<p>No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.</p>
Sexual orientation	X	<p>No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis..</p>

Option 3: Summary of equalities impact (2)

Protected characteristic	Disproportionate impact?	Option 1: Consolidation across 3 sites - planned care at both SACH and HHH and emergency and specialist care at WGH
Disability	✓	<p>Emergency and specialist care: improvements to the WGH estate will specifically benefit those with reduced mobility i.e. those with a disability. They will also benefit from parallel work to improve the hospital car parks (addressing current issue where much of the parking at WGH is on a steep hill) as well as the new access road to the hospital.</p> <p>Planned care: As disabled people are higher users of acute services specific to their disability/ies e.g. acute rehabilitation, learning disability liaison, orthotics, pain clinics, rheumatology, stroke services and therapies, they are more likely to be positively impacted by increased investment in planned care services. Disabled patients in St Albans will be disproportionately impacted by closure of local planned medical services at SACH</p>
Gender	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Gender reassignment	X	No evidence to indicate any disproportionate impact likely, and so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.
Marriage and civil partnership	X	Unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Pregnancy and maternity	✓	<p>Emergency and specialist care: Pregnant women require access to maternity, obstetrics and neonatal services and therefore will be positively impacted by significant investment at WGH to build a new Women and Children's Department</p> <p>Planned care: Planned care: Pregnant women undergoing outpatient care at SACH will be impacted by this change as will have to seek this care either via primary care or at HHH or WGH</p>
Ethnicity	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Religion and belief	X	No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.
Sexual orientation	X	No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.

Option 4: Summary of equalities impact (1)

Protected characteristic	Disproportionate impact?	Summary of impact
Age: newborns	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, increase neonatal capacity and improve overall quality of care, hence likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to newborns so unlikely to be disproportionate impact</p>
Age: children	✓	<p>Emergency and specialist care: Focussing investment in a new build Women’s and Children’s Unit at Watford which aims to transform patient experience, and improve overall quality of care for children’s services means children are likely to be disproportionately impacted in a positive way</p> <p>Planned care: No major change anticipated to planned care services related to children’s so unlikely to be disproportionate impact</p>
Age: young people	✓	<p>No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.</p>
Age: older people	✓	<p>Emergency and specialist care: As older people are more susceptible to trauma and injury, they are more likely to be disproportionately impacted by limited improvements made at WGH, particularly no real improvement to the layout of beds and no new Theatre and Critical Care building.</p> <p>Planned care: Older people are more likely to have long term conditions and therefore are more likely to be positively impacted by increased investment in this area. Older people from Hemel and St Albans will be disproportionately impacted by closure of local planned medical services at SACH and HHH</p>
Religion and belief	X	<p>No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.</p>
Sexual orientation	X	<p>No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis..</p>

Option 4: Summary of equalities impact (2)

Protected characteristic	Disproportionate impact?	Option 1: Consolidation across 3 sites - planned care at both SACH and HHH and emergency and specialist care at WGH
Disability	✓	<p>Emergency and specialist care: improvements to the WGH estate will specifically benefit those with reduced mobility i.e. those with a disability. They will also benefit from parallel work to improve the hospital car park (addressing current issue where much of the parking at WGH is on a steep hill) as well as the new access road to the hospital.</p> <p>Planned care: As disabled people are higher users of acute services specific to their disability/ies e.g. acute rehabilitation, learning disability liaison, orthotics, pain clinics, rheumatology, stroke services and therapies, they are more likely to be positively impacted by increased investment in planned care services. Disabled patients in St Albans and Hemel will be disproportionately impacted by closure of local planned medical services at SACH and HHH, although the impact will differ depending on the location of the new planned care centre</p>
Gender	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Gender reassignment	X	No evidence to indicate any disproportionate impact likely, and so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.
Marriage and civil partnership	X	Unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Pregnancy and maternity	✓	<p>Emergency and specialist care: Pregnant women require access to maternity, obstetrics and neonatal services and therefore will be positively impacted by significant investment at WGH to build a new Women and Children's Department</p> <p>Planned care: No major change to maternity services in planned care so unlikely to be a disproportionate impact</p>
Ethnicity	X	No changes anticipated to these services, hence unlikely to be disproportionately impacted and so scoped out of equalities analysis.
Religion and belief	X	No evidence to indicate likely to be disproportionately impacted, so scoped out of equalities analysis.
Sexual orientation	X	No evidence to indicate any disproportionate impact likely, so scoped out of equalities analysis. However, ongoing engagement and engagement to test this conclusion and explore needs further is recommended.