

Part 1 Board Meeting, 31st May 2012

Hemel Hempstead Hospital - Local General Hospital update

This paper is intended to update the Trust Board with the progress on the Hemel Hempstead Hospital redevelopment. This is a joint paper that has been previously considered by the Board of NHS Hertfordshire PCT.

Authors: Louise Gaffney, Director of Strategy & Infrastructure (Interim)
John Webster, Director of Performance and Operations (NHS Hertfordshire)

Presented by: Louise Gaffney, Director of Strategy & Infrastructure (Interim)

1 Purpose of the Paper

This paper updates the Board on the progress made with the development of a joint business case with NHS Hertfordshire for the provision of a Local General Hospital (LGH) on the Hemel Hempstead Hospital site.

2 Executive Summary

Significant progress has been made in confirming and appraising the site options for the development of the hospital however, finalisation of the business case is dependent on the completion of the WHHT Strategic Estates Rationalisation Programme (SERP). The conclusion of this work will clarify the strategic configuration of services across the Trust's 3 sites and will inform the precise requirements for the LGH and any other services to be located on the Hemel site.

While it is disappointing that the Board cannot take a decision on the business case at this meeting, it is important that time is taken to confirm a configuration of services that provides a sustainable solution for WHHT whilst also meeting the needs of commissioners and the residents of West Hertfordshire. Section 7 proposes a timetable for the completion of the SERP work and the relevant business cases which will allow a decision to be made on a preferred option for the LGH.

3 Strategic Context

The following points describe the key drivers for change:

1. Strategic drivers:
 - a. Delivering Quality Health for Hertfordshire (DQHH) including the clinical case for change
 - b. The White Paper 'Our health, our care, our say' (January 2006) and the Health and Social Care Bill 2011
2. WHHT's Strategic Estate Rationalisation Programme to deliver healthcare service and estate transformation.
3. The quality of existing accommodation:
 - a. Condition and ability to achieve statutory requirements
 - b. Fitness for purpose, especially in the longer-term
 - c. Backlog maintenance liabilities.
4. The financial position within Hertfordshire's local health care economy

3.1 Delivering Quality Healthcare for Hertfordshire (DQHH)

In December 2007 the Boards of West Hertfordshire PCT, East and North Hertfordshire PCT, East and North Hertfordshire NHS Trust and West Hertfordshire Hospitals NHS Trust approved the Delivering Quality Health Care for Hertfordshire (DQHH) Business Case. This addressed national policy drivers and developed a strategy for Hertfordshire to ensure that the local health services improvements would result in a sustainable configuration to best respond to the needs of the population and the national policy requirements.

DQHH is a whole systems approach to future service delivery which underwent an extensive consultation and engagement process with the public. The local community and the Hertfordshire County Council Overview and Scrutiny Committee accepted the benefits of the DQHH strategy in January 2008 and the need for improvements to develop a truly fit for purpose and sustainable health service for the county.

A key DQHH objective is to move appropriate aspects of healthcare provision closer to home, away from acute hospitals to care in people's homes or in more local facilities, with Local General Hospitals (LGH) supported by a centralised acute care hospital. These new facilities will provide a major focus of care, integrating some acute hospital care with primary and community health and social care. The model of care underpinning this vision must ensure that the majority of patient care is retained in a local environment closer to home and provides the health economy with the best use of its valuable resources

3.2 WHHT Strategic Estates Rationalisation Strategy

Alongside the overarching strategy for the county and whole health economy, West Hertfordshire Hospitals NHS Trust is developing a Strategic Estates Rationalisation Programme. While this programme of healthcare service and estate transformation is still being finalised, the delivery of the Local General Hospital for Hemel Hempstead aims to support the following key principles:

- Identification and generation of a formal integrated clinical vision and strategy and the estate required to support it, which is endorsed by clinical leaders, divisional managers and the Trust's Board.
- Allows for maximised release of land to help fund the Trust's new Clinical Vision and Strategy.
- Concentrates services within the current hospital sites, allowing the disposal of surplus land.
- Completes the reorganisation of WHHT's clinical capacity and capabilities such that an ever improving quality of care is offered to the people of west Hertfordshire.

It was agreed that NHS Hertfordshire and West Hertfordshire Hospitals NHS Trust would work together to seek a solution for the Hemel Hempstead Local General Hospital that maximises the value for the whole health economy. NHS Hertfordshire and WHHT are committed to delivering a LGH at Hemel Hempstead Hospital, securing a future for the site through a redevelopment that meets the obligations of DQHH.

4 Progressing the Business Case

A joint Hemel Hempstead LGH Strategy Group was established in November 2011 that included members of the PCT, DacCom & HVCCG, SHA, WHHT and their SERP advisors. The group was tasked with producing the business case for the new LGH and the following paragraphs set out the process and progress made to date.



4.1 Project Objectives and Critical Success Factors

The group agreed that the overarching project objective is to deliver a Local General Hospital in Hemel Hempstead in accordance with the DQHH strategic direction, whilst also supporting the requirements of WHHT’s Strategic Estate Rationalisation Programme (SERP).

Sub-objectives based upon the strategic objectives of DQHH and SERP were agreed by the project team and from these project objectives, the team agreed a range of critical success factors. These are set out below:

Project Objectives	Critical Success Factors
Ensure GP support to scheme and that appropriate local engagement is undertaken. Improve access & facilities for the disabled & comply with other health & safety and statutory obligations. Ensure 85% of Hemel Hempstead’s population can access urgent care facilities < 20 minutes and 97% < 30 minutes. Maintain local access to integrated healthcare services.	Acceptability Key Stakeholders
Demonstrate commitment to provision of integrated healthcare services in Hemel Hempstead. Minimise disruption during a period of significant change by enabling a smooth transition between models of care.	Deliverability: Timing Service interruption Planning
Enhance the therapeutic environment for patients and thereby deliver improved health outcomes and greater access.	Efficiency Use of resources Optimise Trust Estate
Provide a flexible, sustainable facility that enables the enhancement of local integrated healthcare services.	Flexibility Responsive to future changes
Improve the physical environment for patients thereby enhancing health care provision. Facilitate achievement of service and estate performance targets.	Reconfiguration Delivers DQHH & SERP
Sustainable financial balance across the local health economy	Viability

Project Objectives	Critical Success Factors
and Hertfordshire. Ensure scheme is affordable to commissioners and providers of services.	Funding Sustainability

4.2 Activity and Demand Analysis

The PCT and HVCCG reconfirmed their commissioning intentions to include outpatient, diagnostics, therapies, out-of-hours and urgent care, pre-op assessments, endoscopy, urology bowel screening, and sexual health services at the new Hemel LGH.

The project group reviewed the assumptions previously made and agreed activity and demand projections for the proposed LGH based on 2011/12 activity levels projected forward to 2023/24.

An outline Schedule of Accommodation (SOA) has been prepared based on the proposed services, activity and guidance in the DoH Health Building Notes both in terms of content and room sizes. The proposed space requirement is circa 6,000m², although it is recognised that the outcome of the SERP work may result in a change to this assumption.

4.3 Identification and Appraisal of Long-list of Options

The project team identified a range of potential options for the Hemel Hempstead LGH and these were qualitatively appraised by reference to the critical success factors, to produce a short-list of viable options:

A	New Build in the Town Centre of Hemel Hempstead	
B1	New build on the Tudor Wing/Cheere House Site	Shortlisted
B2	New Build on Windsor car park site at HHH	Shortlisted
C1	Do minimum - Minimal refurbishment of Verulam Wing to accommodate new LGH)	Shortlisted
C2	Refurbishment / redesign of Level 2 of Verulam Wing to create a LGH	Shortlisted
C3	Comprehensive Refurbishment / redesign of the Verulam Wing to create a LGH	
D	Comprehensive refurbishment /redesign of Tudor Wing at HHH	Shortlisted
E	Refurbish Windsor Wing and Part New Build	
F	Integrate all services into existing facilities in the community and Watford General	
G	Do nothing	

4.4 The Shortlisted Options

Option B1 - New build on Tudor Wing / Cheere House

A new purpose built facility with associated car parking will be built on the south west corner of the existing Hemel Hospital site in the current location of the existing Tudor Wing, Halsey House, and Cheere House (and adjacent land).

Option B2 - New build on Windsor car park site

A new purpose built facility with associated car parking will be built on the north west corner of the existing Hemel Hospital site in the location of the existing Windsor Wing, and adjacent land.

Option C1 - Do Minimum – Minimal refurbishment of Verulam Wing

A do minimum option would consolidate the majority of services into Verulam Wing and commit some capital to minor improvement and upgrade. This option does not deliver the project objectives and does not provide the required level of benefits. It is an unacceptable option under DQHH.

Option C2 - Refurbishment / Redesign of Level 2 of Verulam Wing

Refurbishment / redesign of the existing facility designed as a LGH largely on the middle floor (level 2) of Verulam wing facilitated by the creation of a new main entrance at level 2 and the creation of a nearby multi-storey car park (MSCP)

Option D - Refurbishment of the Tudor Wing

This five-storey facility would be comprehensive refurbishment / redesign to accommodate the LGH.

The proposed location for the 5 shortlisted options is shown in the aerial photograph in Fig 1 over the page. For further information see Appendix 1.

4.5 Non Financial Appraisal of the Shortlisted Options

The project team agreed benefit criteria to be used for the objective selection of the option that will best meet the agreed project objectives. The benefit criteria were agreed and weighted by stakeholders to reflect the relative importance of each benefit criterion when scoring the short-listed options.

A non-financial benefits workshop was held in April 2012 involving a range of stakeholders including members of the project team, primary and secondary care clinicians, and patient representatives. Professional advisors and observers from the SHA attended to provide guidance, clarification and support to participants, and to ensure good governance of the process.

During the non-financial benefits workshop the key features of each of the short-listed options were described and stakeholders discussed and scored each option against the weighted benefits criterion to indicate how well each option meets each benefits criterion. This resulted in a ranking of the options in non-financial terms.

The stakeholder scores for each option were aggregated, averaged and weighted against the benefits criteria to rank the options. The option deemed the best in qualitative, non-financial terms was Option B1, New Build, Cheere House/ Tudor site, marginally ahead of Option B2, New build on the Windsor Car Park site.

Figure 1 : The site locators are shown, all on the Hillfield road Hemel Hospital site are shown in the following aerial photograph.



4.6 Essential Requirements for the LGH

The following points summarise the essential requirements of a Local General Hospital and as such the team responsible for the design of the LGH will ensure that these are included in the proposed solution. As a consequence, any selected options must:

- Provide an adequate number of parking spaces connected with the LGH
- Achieve the relevant BREEAM (Healthcare) rating (Refurbishments = Very Good, New Build = Excellent)
- Comply with all relevant statutory regulations
- Comply with DDA regulations
- Comply with best practice patient safety guidance
- Provide a safe working environment

4.7 Economic Appraisal

The joint WHHT/NHS Hertfordshire project team identified the financial information required to undertake an economic appraisal of each of the options via a discounted cash flow model using HMT investment appraisal guidelines. The option with the lowest net present cost will determine the best option in financial terms. This work is currently being finalised.

4.8 Cost Benefit Analysis

The results of the non-financial and economic and appraisals can then be combined in a cost benefit analysis to select the preferred option. A sensitivity analysis will be performed on the outcome to determine how sensitive the outcome is to small changes in cost or quality assumptions.

Work is being finalised on the economic appraisal and subsequent cost benefit analysis but this work cannot be robustly completed until the service model has been identified as part of the SERP review.

5 SERP – The Re-Shaping Strategy

As outlined in Section 6, the Trust has recently embarked on the consolidation of its clinical strategy. This will address the key capacity pressures as an immediate issue with a view to then aligning the configuration of the estate, maximising efficiencies and freeing up space to gain the most benefit for the development of service changes for the NHS. Since the interim reconfiguration of the Hemel site in 2009/10, the Trust has been and continues to be committed to run an active hospital site with major improvements in the patient experience – as evidenced by much improved Patient Experience results (highlighted by the Picker Institute in the local surveys run in 2010 and the national survey results of 2011).

The SERP process is not yet complete, and whilst the joint project team for Hemel LGH made a concerted effort to fast track the Hemel elements, it is clear that the impact of decisions are so interlinked with decisions about the St Albans service configuration, that this solution would be a building focussed solution rather than service focussed.

The efficient running of clinical services will be key to the success of the service provision for patients to the north of west Hertfordshire. Integrated service models and clear patient pathways will be essential to having successful services provided by WHHT, so that patients and GPs in Dacorum and St Albans continue to choose these services in the future. Improvements to the environment, consolidation and delivering clinical adjacencies will improve the model of care for services at Hemel Hempstead and so improve performance through the acute site at Watford.

The Trust will continue to have a presence on the current 3 sites; and the profile of the three sites will change to align the services in such a way as to;

- Proactively transform pathways of care and links to primary / community services
- Work collaboratively to improve the management of admissions (and therefore beds)
- Protect capacity for elective work and avoid patient cancellations
- Maintain local services for the distinct communities
- Achieve improved patient experience
- Maximise clinical input on sites as appropriate
- identify opportunities for future change and expansion (or contraction) in services
- is sustainably affordable

It is implicit within the above that the patient should be at the centre of future planning and decision making and that clinical safety is a given priority in any future changes.

There is a need to review the location of some of the services on each site to look at how they could be provided in a way that enhances care closer to home, improves quality of experience and frees up space on acute sites.

The emerging vision for the services at Hemel confirms key principles of the DQHH strategy and the principles upon which the interim reconfiguration was based. It is the strong recommendation that Hemel services should not be provided in isolation to the service configuration at St Albans as access to care can complement accessibility for patients and patient choice.

6 Timescales to take forward Hemel LGH

It is not envisaged that the incorporation of the wider contextual issues of the Clinical and Re-shaping Strategy will significantly lengthen the timescales for the redevelopment of the Local General Hospital that have been proposed in terms of delivery of an outline business case and moving to implementation and delivery of a solution by 2015/16. The discussion about the service configuration has a significant impact on the schedule of accommodation and therefore the economic analysis and affordability case.

There are some key elements that the joint project team will focus upon, to ensure that the timescale can now incorporate the conclusion of the SERP work while continuing to make progress on the other elements of the scheme prior to the economic and affordability analysis being completed. These elements are integral to any process and will now take place in a slightly different order to ensure key conversations about the service delivery of the stated commissioning intentions are held with key stakeholders.

The following actions and timescales are proposed for the completion of the redevelopment:

Actions	Timeline
Clinical Engagement with findings from Reshaping Strategy consultation (SERP) . Initial findings and subsequent consolidation.	July – Nov 2012
Clinical adjacency discussions for Hemel LGH	July – Nov 2012
Stakeholder meetings and events (Councils, CCGs, GP Locality Groups, Herts Community Trust, ACS, Patient Groups)	Throughout July - Dec 2012
Submission of business case	December 2012
Allowance for consultation process	up to 3 months if required
Planning determination	18 weeks from submission
Develop stage 1 process / outline business case	29 weeks
Full Business Case / design development and financial close	36 weeks
Construction of preferred option – Range is dependent on option chosen.	42 weeks – 78 weeks & 6 weeks mobilisation

7 Conclusion

The work completed to date has confirmed the site options for the LGH on the Hemel site. The issues that remain to be resolved are the cost-benefit and affordability analyses that will result from the completion of WHHT's SERP work.

NHS Hertfordshire and WHHT remain committed to delivering the principles of DQHH, including the provision of a LGH on the Hemel site. The final configuration as it affects Hemel Hempstead Hospital concerns the scale of the development rather than no development at all. This paper proposes a practical timeline for completion of the development which must be informed by service strategy, with commissioner support, rather than being an estates-led solution. It is for that reason that the timeline allows for proper engagement with stakeholders prior to the consideration of any business case.

The NHS Hertfordshire and WHHT Boards will receive regular updates on progress as the key actions identified in the timeline are addressed.