

**Trust Board Meeting
 01 June 2017**

Title of the paper	Watford Theatre Reconfiguration Outline Business Case
Agenda item	14/49
Lead Executive	Jeremy Livingstone, Divisional Director, Surgery, Anaesthetics and Cancer
Author	Helen Pickering, Currie and Brown
Executive summary (including resource implications)	<p>The Watford Theatre Reconfiguration Outline Business Case (OBC) establishes the requirement for a capital investment in Watford Main Theatres to deliver compliance, additional capacity to meet surgical demand over the next 7-10 years and a hybrid enabled theatre.</p> <p>It seeks approval to progress with Option E as the preferred option for the OBC which will be progressed to Full Business Case (FBC) stage with an estimated capital cost of £14.3m.</p> <p>Since the 'near final' OBC was presented to the Finance and Investment Committee in April, the project milestones have been amended to reflect the requirement to secure ITFF funding prior to commencement of the detailed work needed for FBC development. This will add an estimated 6 months to the programme and will have a consequence on the timing of the annual cashflows. However this is not deemed material and has no major consequence on the overall affordability calculations in the financial case.</p> <p>Additional narrative has also been added to the OBC to describe more fully the preferred option and expected benefits (Benefits Realisation Plan – Appendix 7F)</p> <p>Prior to the submission of the OBC to NHSI the following actions need to be completed:</p> <ul style="list-style-type: none"> • Clinical sign off of the 1:200 design drawings • Clinical sign off of the HBN derogations • Head of Engineering sign off of the HTM derogations • Infection control sign off • Fire officer sign off • Commissioner letters of support for OBC • HOSC/HWB letters of support (if required by NHSI).
Where the report has been previously discussed, i.e. Committee/Group	<p>Watford Theatre Reconfiguration Programme Board Trust Executive Committee (April 17) Finance and Investment Committee (April 17) Finance and Investment Committee (May 17)</p>
Actions required:	
The Trust Board is asked to approve the Watford Theatre Reconfiguration OBC prior to it being	

submitted for approval by NHS Improvement (NHSI) in July.

The recommendations made in the OBC are as follows:-

1. Option E is the preferred option for progressing to Full Business Case (FBC) stage. This has an estimated capital cost of £14.3m.
2. This OBC be submitted to NHSI for their review and approval, and that an ITFF application is made for the funding required to progress to FBC.
2. In principle approval is given by the Board to proceed to FBC stage, once NHS I approval has been confirmed and necessary funding secured. The estimated development cost of the FBC is £768,635 (which is included within the £14.3m). This enables the completion of detailed design, the FBC and the agreement of a Guaranteed Maximum Price (GMP) for the works with Kier, the PSCP P22 partner.

The Trust Board is asked to note the overall affordability difference between the chosen option (option E) and the Do minimum option (option B).

<p>Link to Board Assurance Framework (BAF)</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> PR2 Failure to recruit to full establishments, retain and engage workforce <input checked="" type="checkbox"/> PR3 Current estate and infrastructure compromises the ability to deliver safe, responsive and efficient patient care <input checked="" type="checkbox"/> PR5b Inability to delivery and maintain performance standards for Planned Care(including RTT, diagnostics and cancer) <input checked="" type="checkbox"/> PR7b Failure to secure sufficient capital, delaying needed improvements in the patient environment, securing a healthy and safe infrastructure <input checked="" type="checkbox"/> PR9 Failure to deliver a long term strategy for the delivery of high quality, sustainable care
<p>Trust objectives</p>	<p><i>[Double click on the box to mark as appropriate]</i></p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To deliver the best quality care for our patients <input checked="" type="checkbox"/> To be a great place to work and learn <input type="checkbox"/> To improve our finances <input type="checkbox"/> To develop a strategy for the future
<p>Benefits to patients/staff from this project/initiatives</p> <p>This investment will deliver the theatre capacity needed to meet emergency and elective surgical demand over the next 7-10 years until longer term plans for the reconfiguration of Watford Hospital come to fruition. The expected benefits this will deliver are:-</p> <ul style="list-style-type: none"> • Improved theatre utilisation • Improvements to surgical ALOS • Provides capacity to support delivery of RTT target • A reduction in cancelled operations • A better patient experience • Improvement in staff morale, staff retention and ability to recruit theatre staff • The potential to deliver a full hybrid theatre to future proof the existing theatre complex 	
<p>Risks attached to this project/initiatives and how these will be managed</p> <ul style="list-style-type: none"> • Further delay to programme if funding cannot be identified by September 2017 to progress the detailed design work. • Unexpected and unavoidable disruption to a working department during construction creating capacity problems and causing disruption to the service and / or extensions to timeframes. 	

This could result in theatre lists being cancelled or rescheduled.

- OBC underestimates costs to deliver 6 theatre suite due to lack of detailed engineering, structural or condition surveys being completed on the area which may increase construction costs
- Insufficient inpatient surgical beds to support the additional activity generated by the 6th theatre – dependent on reduction in non-elective medical bed base.

The programme has a risk register, which details further risks, each with risk owners identified and mitigating actions recorded.