

UPDATE ON: EMERGENCY AND URGENT CARE CAMPUS

Report of: Stockport NHS Foundation Trust

1. INTRODUCTION AND PURPOSE OF REPORT

1.1 The purpose of this report is:

- to provide the Committee with an overview of the latest Emergency & Urgent Care Campus (EUCC) proposal by Stockport NHS Foundation Trust (SFT);
- highlight key points from the Full Business Case (FBC) submitted to NHSEI and DHSC; and,
- seek further endorsement from the Committee.

1.2 The EUCC project Senior Responsible Officer is Mr John Graham, Director of Finance and Deputy Chief Executive for SFT.

1.3 This report has been produced by James C Thomson, EUCC Programme Manager, SFT.

1.4 SFT submitted an application for Sustainability & Transformation Plan (STP) funding in May 2018 in recognition of a need to increase capacity and improve efficiency of Urgent and Emergency Care services for Stockport. The application recognised serious risks around the existing estate as well as congestion and delays within the Emergency Department (ED) causing significant patient experience, quality and operational efficiency concerns.

1.5 In August 2019 the STP bid was formally approved by the DHSC who allocated £30.6m of Public Dividend Capital (PDC) funding to SFT to deliver the project, subject to business case approval.

1.6 An earlier proposal for an Emergency Care and Pathology Campus (ECPC) made in 2020 encountered several challenges which required a complete review. The scope and priorities of the ECPC proposal were revised following feedback and extensive input from clinicians. The project needed to work within the budget which had been allocated by the government. This change in scope and priorities was endorsed by the regional NHS Improvement & NHS England (NHSEI) team. The revised proposal for an Emergency & Urgent Care Campus now falls within the allocated capital envelope, and makes the best use of the funding made available.

1.7 The Emergency & Urgent Care Campus (EUCC) proposal recognises and addresses the current assessment capacity deficit resulting from the growth in the requirement for urgent and emergency care on behalf of the population of Stockport. It will deliver the physical space and co-location of services, needed to meet the objective of right patient, right time, delivering the key principles and design objectives for a new system of urgent and emergency care. The campus will include new assessment, treatment and consultation areas for several key emergency and urgent care services including the children's emergency department, mental health, and medical same day emergency care. The development will see the size of the clinical area increase by over 300m², enabling more patients to receive safe care and treatment sooner.

1.8 The Outline Business Case (OBC) for the EUCC, with support of the Accountable Officers of Stockport Clinical Commissioning Group (SCCG) and Greater Manchester Health & Social Care Partnership (GMHSCP), was submitted to Department of Health and Social Care (DHSC), NHSEI, and approved by their Joint Investment Sub-Committee (JISC) on 14th March 2022.

1.9 The subsequent FBC has been structured in accordance with HM Treasury (HMT), DHSC and NHSEI guidance and is aligned to the Five Case Business Model.

1.10 The FBC seeks approval for the investment of £30.6m capital funding to reconfigure and extend the existing Emergency & Urgent Care footprint at Stepping Hill Hospital.

- 1.11 The FBC is consistent with the key messages of the approved OBC. The most significant elements of FBC to note are:
- The preferred option is unchanged;
 - The preferred option is supported by clinical teams
 - The Economic Case demonstrates that the benefit-cost ratio is maintained;
 - The risks identified in the OBC remain largely unchanged within the FBC; and
 - The total estimated cost of delivering the preferred option is within the Trusts award of £30.6m PDC funding, based on current day prices inclusive of VAT, contingency and Optimism Bias.
- 1.12 The EUCC project continues to progress at pace in line with the agreed milestones in the table below. A fundamental condition of approval will be completion of the build by 31st March 2024 as per UK Government manifesto commitment; there is no flexibility in the schedule:

Milestone	Date
F&P review FBC	21/04/22
Trust Board review FBC	05/05/22
Refreshed FBC → NHSEI (without GMP)	06/05/22
First queries to Trust from cash & capital/DHSC/regional team	20/05/22
Queries: Trust responses to queries	27/05/22
Ongoing review and closing down of queries	27/05/22 – 14/06/22
GMP issued to Trust	21/06/22
GMP approved by Trust	06/07/22
Refreshed FBC → NHSEI (with GMP & Planning addendums)	06/07/22
JISC review FBC	18/07/22
Build phases	Sept22 - Apr24
Commissioning & Opening	Apr24

- 1.13 The FBC has received Executive support at SFT throughout. SFT's Trust Board has formally approved the FBC. Letters of Support were received from SCCG and GMHSCP for the OBC and are in the process of being produced for the FBC.
- 1.14 The planning application has been validated.
- 1.15 The phasing is complex owing to the need to safeguard delivery of clinical services over the course of the construction period.

2. THE STRATEGIC CASE OF THE FBC

- 2.1 The Strategic Case provides an overview of Stockport NHS Foundation Trust (the Trust) and describes plans to deliver against key internal and external strategic priorities that include the Trust's vision and values, and other national, regional and local priorities. It describes how current service capacity and configuration falls short of meeting demand, performance and quality measures whilst detailing the need for investment to realise local ambitions as well as the aspirations of the NHS Long Term Plan (LTP).
- 2.2 The Stockport health and social care economy has been significantly challenged in managing the demand and flow of Urgent and Emergency Care in recent years. The Stockport Emergency Department (ED) was originally designed for 50,000 attendances per annum yet in 2019/20 had greater than 100,000 attendances from walk in, ambulances and patients referred from a community setting. This has been further exacerbated as we recover from COVID-19 with unprecedented demand since easing of restrictions. This has resulted in long waits for patients to be seen or admitted, and performance below the 4-hour national standard. This has compromised quality of care through near continuous congestion of ED, especially during winter months, and extended waits for patients before they reach the right specialty bed or team to effectively manage their needs.
- 2.3 Activity through ED has been modelled over the last ten years and demonstrates a relatively consistent increase year on year

- 2.4 The Stockport urgent and emergency care system currently offers little or no other option than ED for patients referred from community to be seen quickly by an appropriate specialty in an acute setting. Approximately 40 patients a day arrive in the ED having been referred by a primary care or community setting. Some patients do not require ED but consequently suffer from long waits due to overcrowding and congestion, and the likelihood of admission increases when normal service hours end for critical discharge pathways.
- 2.5 In January 2020, the Trust set out a revised strategy aimed at meeting the challenges and to anticipate future healthcare needs. This was reviewed in light of the COVID-19 pandemic and describes the aspirational vision of the organisation.
- 2.6 The Strategic Case of the FBC describes the objectives for the planned investment in the reorganisation of the Emergency and Urgent Care Campus (E&UCC) at Stepping Hill Hospital in Stockport
- 2.7 Modelling based on the Summary Emergency Department Index Tool (SEDIT) metrics, which is hosted through the Model Hospital, suggests a gap of 7 trolleys now, whilst further analysis puts this closer to 12 trolleys in order to maintain the 4-hour standard at peak attendance times. Over a 10-year period a more resilient estimate suggests 28 additional assessment spaces would be needed in 10 years.
- 2.8 The workforce strategy will continue to develop beyond the FBC; future growth in workforce will continue to be linked to year-on-year growth in population demand.

3. THE ECONOMIC CASE OF THE FBC

- 3.1 The purpose of the Economic Case is to identify and evaluate options that have been considered in response to fulfilling the Investment Objectives and meeting the Critical Success Factors (CSFs). It demonstrates which of the considered options is preferred, by undertaking a qualitative and quantitative economic appraisal. It identifies and considers the options which could address the scope and completes an economic appraisal of those options.
- 3.2 This process has provided a short list of viable options to be taken forward for quantitative appraisal. This quantitative analysis has been prepared on a Discounted Cash Flows (DCF) basis using the Capital Investment Appraisal (CIA) model, which is the recommended economic appraisal methodology for investment business cases in accordance with Department of Health & Social Care (DHSC) and HMT Green Book Guidance.
- 3.3 Based on the combined qualitative and quantitative evaluation, Option 3 (Reconfiguration and extension of the existing UEC footprint on the Stepping Hill site) remains the preferred option from both the qualitative and quantitative appraisal results from OBC stage. This has been subject to further sensitivity and switching analysis in the Economic Case.

4. THE COMMERCIAL CASE OF THE FBC

- 4.1 The purpose of the Commercial Case is to set out how SFT ("the Trust") is procuring the design and build works, enabling and temporary works, equipment, IM&T, and professional services; confirm the commercial and contractual arrangements; set out an appropriate transfer of risk; confirm the negotiated deal with the Trust's ProCure22 PSCP; and confirms that the proposed solution is commercially feasible and deliverable.
- 4.2 This section describes how the Trust is "Preparing for the Potential Deal", as set out in the HM Treasury "Green Book"; in order to demonstrate that the Trust will secure long-term public value during the operational phase of the project. This Commercial Case is based on the Trust implementing its current Preferred Option.
- 4.3 The Guaranteed Maximum Price (GMP) or 'target price' in the NEC3 Contract is the agreed maximum outturn cost between the Trust and IHP for all Tilbury Douglas's costs, including Stage 4 construction works and all design work, based on the defined scope of work at the time the GMP is agreed. Tilbury Douglas are due to issue their GMP submission on 21 June 2022, which is anticipated to be for a sum of approximately £23.75m. Full details of this will be provided to NHSEI as an addendum to the FBC (to follow). The Trust's Project Managers (Rider Hunt) and Cost Advisors (O'Neill and Partners) will review the Tilbury Douglas GMP submission and confirm they are

satisfied the P22 process has been followed and sufficient market testing has been carried out. The GMP will remain valid until the Stage 4 contract is executed, subject to any risks coming to fruition.

5. THE FINANCIAL CASE OF THE FBC

- 5.1 The purpose of the Financial Case is to set out the forecast financial implications of the preferred way forward (as set out in the Economic Case) and the proposed solution and its procurement route (as set out in the Commercial Case). It describes the impact on the main financial statements of the Trust – the Statement of Comprehensive Income (SoCI) and Statement of Financial Position (SoFP) and the Statement of Cash Flows (SoCF) – and forms a conclusion on the overall affordability and accounting treatment of the options.
- 5.2 SFTs Long-Term Financial Model (LTFM) illustrates that the investment as set out by the Preferred Option is deliverable and improves the Trust financial trajectory post build

6. THE MANAGEMENT CASE OF THE FBC

- 6.1 The Management Case sets out the governance arrangements established to successfully deliver the new E&UCC facility. In delivering this the Trust has ensured that the scheme is embedded within existing governance, risk management, service transformation, project management structures and policies within the Trust; thus ensuring the accessibility to all key stakeholders.
- 6.2 This section sets out SFTs approach to ensure that a robust project management approach has been implemented in order to ensure that the project is well managed and delivers as described.
- 6.3 The key risks currently include:
- Failure to secure the funding from NHSE/I to undertake the works;
 - Affordability - inflation and impact of the Russian-Ukrainian War;
 - Maintaining operational performance during reconfiguration works;
 - Approval delay of the FBC exceeding the expected timeframes; and
 - Changes in demand for emergency & urgent care.

7. CONCLUSIONS AND RECOMMENDATIONS

- 7.1 Committee members are asked to endorse the FBC for EUCC
- 7.2 Committee members are asked to support submission of the FBC to JISC

BACKGROUND PAPERS

Full Business Case: Emergency & Urgent Care Campus – enclosed.

As expected in an FBC of this nature, there are numerous appendices; these have been listed below and are readily available upon request from the Project Team:

Appendix 1.1: DHSC Funding Approval Letter
Appendix 1.2: Trust Board – Approval of Final Business Case
Appendix 1.4: Stockport Clinical Commissioning Group – Letter of Support
Appendix 1.5: Greater Manchester Health & Social Care Partnership – Letter of Support
Appendix 1.6: NHSE&I Business Case Core Checklist
Appendix 1.7: NHSE&I Fundamental Criteria Checklist
Appendix 3.1: Stockport NHS Foundation Trust – Trust

Appendix 5.6: Solicitor Approval – Hampson's Construction Legal Letter Stage 3
Appendix 5.7: Trust's Head of Procurement Letter
Appendix 5.8: Estates Annexe
Appendix 5.9: Development Control Plan
Appendix 5.10: Estates Strategy
Appendix 5.11: Phasing Plan
Appendix 6.1: SoCI – Option 1 BAU
Appendix 6.2: SoCI, SoFP, SoCF – Option 3 Preferred Option

Strategy 2020-2025	Appendix 6.3: Summary of Incremental Movement BAU v Preferred Option
Appendix 3.2: Stockport NHS Foundation Trust – People Strategy 2021 – 2023	Appendix 6.4: SoCI – Option 3 Preferred Option Incremental
Appendix 3.3: Future Clinical Pathways	Appendix 6.5: SoFP and SoCF – Option 3 Preferred Option Incremental
Appendix 3.4: Capacity Modelling of the Emergency Department	Appendix 6.6: SoCI, SoFP and SoCF – Option 3 Preferred Option Sensitivity Adjusted
Appendix 3.5: Letter from John Graham to NHSE/I re. Healthier Together	Appendix 6.7: Financial Case Benefits and Risk Tables
Appendix 4.1: Detail of Options Appraisal	Appendix 7.1: Stockport NHS Foundation Trust Constitution 2019
Appendix 4.2: Option Description Templates	Appendix 7.2: Project Board – Terms of Reference
Appendix 4.3: CIA Model	Appendix 7.3: Project Initiation Document
Appendix 4.4: Capital Cost Forms	Appendix 7.4: Milestone Tracker
Appendix 4.5: Capital Cost Summary	Appendix 7.5: Project Delivery Tool
Appendix 4.6: Life Cycle Profiles	Appendix 7.6: Risk Register
Appendix 4.7: Revenue Cost Summary	Appendix 7.7: Equality Impact Assessment
Appendix 4.8: Quantified Risks	Appendix 7.8: Risk Potential Assessment
Appendix 4.9: Quantified Benefits	Appendix 7.9: Communications Plan
Appendix 4.10: Sensitivity Summary	Appendix 7.10: Overview of Engagement Activities
Appendix 5.1: Procurement Options Process	Appendix 7.11: Information Governance and Security Incident Reporting and Management SOP
Appendix 5.2: Rider Hunt P22 PSCT Selection Report	Appendix 7.12: Movement in WTE and Skill Mix
Appendix 5.3: Certificate of Incorporation on Change of Name	Appendix 7.13: Benefits Management Plan
Appendix 5.4: Equipment Schedule	
Appendix 5.5: Stockport NHS Foundation Trust – Digital Strategy 2021-2026	

Anyone wishing to inspect the above papers or requiring further information should contact James C Thomson, Programme Manager on telephone number 07811 113 847 or alternatively email james.thomson@stockport.nhs.uk