Maldon Community Hospital Strategic Outline Case

NHS Mid Essex

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Version 5.0

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VERSION CONTROL

Version	Description	Changes from Previous Version	Release Date
1.0	Initial draft		10 February 2009
2.0	Draft final version of non-financial sections submitted for SHA review	Detailed functional content and options short listing analysis	03 March 2009
2.1	Draft final version of non-financial sections post SHA review	Includes a number of text updates and clarifications, although the main substance of the document remains as before	17 March 2009
3.0	Draft final version	Finance sections, Executive Summary & Conclusion	25 March 2009
4.0	Further final draft	Updated Finance sections and more detail on the condition of the existing estate	08 May 2009
5.0	Final Version for approval	Expansion of financial affordability section to outline how additional costs will be met and minor changes throughout	14 May 2009

Maldon Community Hospital Strategic Outline Case

1. Executive Summary

1.1 Purpose of the Business Case

NHS Mid Essex is committed to providing the residents of Maldon district and its surrounding area with a range of high quality healthcare and prevention services in a local community setting. These services will help to achieve the NHS's aim of treating patients outside an acute secondary care setting and improving local access for local people.

This Strategic Outline Case (SOC) examines the need for a community hospital in Maldon that fulfils the commitment outlined above. The existing St. Peter's Hospital in Maldon fails to meet the needs of the community both in terms of the model of service delivery and in terms of the quality of the facilities.

1.2 Background

The primary purpose of NHS Mid Essex is to improve the health and well-being of people who live in the districts of Maldon and Braintree and the Borough of Chelmsford. To demonstrate its commitment, the PCT has identified a clear project vision, against which the project proposals can be measured:

"*To provide a modern healthcare facility that delivers appropriate, accessible services in an appropriate setting and meets the current and future healthcare needs of the population of the Maldon district and surrounding areas.*"

1.3 National Context

A description of all the main policy drivers impacting on the PCT agenda is set out in the Strategic Service Development Plan (SSDP). Those that have the greatest relevance to the current agenda for investment and reform in primary care services are:

- 'Our Health, Our Care, Our Say'
- 'Our NHS, Our Future'

1.4 Local Context

1.4.1 NHS East of England

In 2007, NHS East of England undertook a consultation on its pledges to deliver their vision for healthcare in the east of England: to provide the best health service in England and to add to the quality and length of life of local people. The "Improving Lives; Saving Lives" consultation resulted in 11 pledges, split into 3 broad headings:

- Delivering a better experience for patients
- Improving people's health
- Reducing unfairness in health

These pledges are embedded in NHS Mid Essex's 2008–2011 Operational Plan and the Maldon Community Hospital will play a significant part in fulfilling them.

1.4.2 NHS Mid Essex

The PCT, together with its partners, is committed to delivering person-centred care, by redesign and relocation where necessary. This commitment is supported by the view that care should be locally accessible and responsive to promote well-being, support self care and increase the choice patients have around their care.

1.4.3 World Class Commissioning (WCC)

The vision for NHS Mid Essex is to become a truly world-class commissioner of health services in terms of processes, governance, people and systems. NHS Mid Essex aims to increase competition in the market to supply and procure services that are efficiently delivered and of high quality; while at the same time ensuring that resources are appropriately targeted to best help the needs of the local population.

1.4.4 Transforming Community Services

On 13 January 2009, the Department of Health published the Transforming Community Services (TCS) guidance, which requires the restructuring of primary and community services. The document outlines the process and timescales for achieving the separation of the PCT provider functions from its commissioning functions, and gives consideration to the future organisational form for community provider organisations.

1.5 St. Peter's Hospital Estates Profile

The site is currently in the ownership of Mid Essex Hospitals NHS Trust. The PCT plan to purchase the site from the Trust in 2010/11 subject to receiving adequate Capital Resource Limit approval.

A detailed survey of the site was undertaken in 1999, which concluded that the estate was in a less than satisfactory condition from which to provide health care services. This conclusion is even more applicable now, as the estate has continued to deteriorate since that time.

A more recent site survey from January 2008 came to a similar conclusion, categorising the vast majority of areas surveyed as Condition C or D, with the ventilation, electrical, heating and water systems frequently being categorised as condition D.

In terms of functional suitability, the 1999 survey concluded that the site buildings also score very poorly in this respect.

In summary, the site buildings are in a very poor state; they do not meet modern fire safety, DDA or health and safety requirements and they need to be modernised to improve functional suitability. Furthermore, the current working conditions are having a

detrimental effect on staff morale, which in turn affects the recruitment and retention of high quality staff.

1.6 Proposed Service Delivery Model

NHS Mid Essex's Integrated Model for Community Services lays out the strategic aim for future service provision. Commissioned services should focus on effective health promotion, prevention and self-care approaches, with an emphasis on shared decision making with the patient. Services must be flexible and responsive to a patient's changing needs.

1.7 Proposed Solution

1.7.1 Service Provision

In order to achieve the project vision in accordance with the service delivery model, the proposed solution would provide the following services:

- GP Services
- Outpatient Services
- Tissue Viability Service
- Therapies
- Rapid Assessment Unity (RAU)
- X-ray
- Ultrasound
- Phlebotomy
- Inpatients, including a stroke rehabilitation unit
- Maternity Unit (Midwife-led)
- Minor Surgery
- Adult Mental Health
- Community café
- Dispensary

1.7.2 Outpatient Services

A full range of Outpatient services will be delivered for a range of clinical specialties, and the service will build upon the services already provided at St. Peter's in order to provide locally accessible facilities for Maldon and the surrounding areas. An initial assessment of recent outpatient activity has been carried out, based on the following assumptions:

Outpatient Capacity Planning Assumptions	
Growth (to 2015)	3.79%
Minutes per Patient appointment	20
Hours per session	3.5

Sessions per week	16
Working Weeks per Year	48

The analysis found that the OPD would need to accommodate 8 consultation rooms in order to serve the requirements of all patients currently at St Peter's, plus all Maldon District resident patients at Broomfield and St John's Hospitals (**Appendix 1**). A summary of how this compares with the current service provision is provided in the table below:

Current Service Provision	Service Provision in New Facility
Outpatients	
A suite of 7 rooms operating two sessions per day, Monday to Friday.	8 consultation rooms operating a total of 16 sessions per week. This capacity will be sufficient to serve the all patients currently at St Peter's, plus all Maldon District resident patients at Broomfield Hospital and St John's Hospital.

1.7.3 Inpatient Services

The inpatient community beds will meet a range of patient needs as part of an integrated model of care, which promotes independent living in the community. An initial capacity analysis (**Appendix 2**) indicates a requirement for no fewer than 22 beds, which would translate in real terms as a 24-bed ward. This level of capacity would provide for the current activity at St. Peter's as well as re-provide activity currently undertaken at Broomfield for Maldon residents. A summary of how this compares with the current service provision is provided in the table below:

Current Service Provision	Service Provision in New Facility
Inpatient beds	
26 inpatient beds catering for a mixture of palliative and intermediate care patients, as well as to avoid admission to acute care. There are 6 designated stroke rehabilitation beds and 5 beds that are kept closed and used only in the event of extreme bed pressures.	24-bed ward to provide for the current activity at St. Peter's as well as re-provide activity currently undertaken at Broomfield for Maldon residents. These numbers have also been balanced by the percentage of patients currently at St Peter's who have been deemed suitable to be discharged home with supporting community care. The 24 beds will be made up of 16 single rooms and 2 x 4-bed bays.

1.8 Long List of Options

At SOC stage, the long list presented below, reflecting the full range of potential options, has been developed by the Project Team. Each option was assessed against the Project Vision and any that did not achieve the vision were rejected.

Long List Option	Shortlist?	Rationale
Do Nothing	No	It would not be possible to do nothing as the current estate would very quickly fall into a state of disrepair, resulting in a breakdown of service provision.
Do Minimum (statutory compliance and backlog maintenance)	Yes	This would include works to achieve statutory compliance, address ongoing backlog maintenance and provide some enhanced service space. This is in effect the current strategy and so is included for the purposes of providing a baseline comparator.
Refurbish existing St. Peter's site (full refurbishment to accommodate new functional content)	No	The level of refurbishment required to achieve the levels of service envisaged within the PCT's plans is such that this option would be very expensive in terms of capital expenditure. Furthermore, the result would only be a temporary solution. The overall benefit that might be achieved would therefore be proportionately considerably lower than any of the new build options and would not achieve the longer term project objective.
Refurbish other site	No	No alternative site can be identified.
New build on St. Peter's site	Yes	Achieves project objectives.
New build on new site	Yes	Achieves project objectives.

1.9 Recommended Short List

A stakeholder workshop was held to recommend a short list of options, which would then be further appraised for their financial and non-financial benefits at OBC stage in order to determine a preferred option for development.

The option for a New Build on the St Peter's site has been further developed into three sub options with varying site layouts. The resulting short list of options has therefore been agreed as follows:

- Do minimum
- St Peter's Site Option 1
- St Peter's Site Option 2
- St Peter's Site Option 3
- New build on new site

1.10 Economic Case (Value for Money)

An initial economic assessment has been carried out for each of the shortlisted options. This will be further developed at the OBC stage to determine which offers the best Value for Money (VFM).

The net present cost for each of the shortlisted options is set out in the table below:

Option	30 year NPC (£000)
Do Minimum	9,563
St Peter's, site option 1	30,313
St Peter's, site option 2	34,570
St Peter's, site option 3	35,952
New Build on a new site	33,471

1.11 Available Procurement options

As there is no LIFT vehicle in Mid Essex, the following procurement options could be used to deliver the scheme:

- PFI
- ProCure 21 (P21)
- Traditional Tender
- Design and Build
- Express LIFT
- Third Party Development.

The preferred procurement strategy will be identified at OBC stage.

1.12 Financial Case (Affordability)

As part of the OBC, a full analysis will be carried out in respect of the preferred option to test its affordability. At this early stage it is appropriate to look at the likely revenue implications of the range of options in the short list to highlight the likely affordability of the final scheme. This highlights an additional fixed cost of £1.6m against the current fixed site cost of £600k. The PCT will be working with PBC Commissioners in the production of the OBC to identify clinical service redesign initiatives that will release efficiencies to fund this additional cost

The table below highlights the likely range of affordability in 2014/15:

Option	Net Expenditure 2014/15 (£000)	Difference to Do Minimum (£000)
Do Minimum	908	-
St Peter's, site option 1	2,414	1,506
St Peter's, site option 2	2,619	1,711
St Peter's, site option 3	2,223	1,315
New Build on a new site	2,475	1,567

This implies that, in terms of capital related expenditure, all of the options represent an increase compared to the Do Minimum. Of the new build options, *St. Peter's site option 3* is the most affordable.

In addition to the increased annual revenue costs, there will be a one-off impairment charge to the PCT's Income and Expenditure Account in the year that the old buildings are demolished for all options other than Do Minimum. The impairment charge will range from £3.6m to £6.4m for the 'develop on existing site' options. It is also likely that the majority of the existing buildings will need to be impaired (total value £6.5m) if the whole site is sold under the Greenfield site option.

1.13 Project Programme

The timetable for delivery will be influenced by the prioritisation of this scheme in the context of the PCT's overall programme for capital investment and available funds. An indicative timetable is provided below:

Milestone	Completion Date
SOC approval by SHA	June 2009
OBC approval by SHA	March 2010
Procurement & FBC Production including approvals	September 2011
Start on site	October 2011
Project completion	September 2013

1.14 Patient and Public Involvement

This SOC is built on the key principle of keeping the NHS Local, and the commitment of NHS Mid Essex to engage patients, the public and their representatives in key decisions on their local health services.

NHS Mid Essex will be undertaking a major public engagement process on the service changes proposed in this document, once approval has been confirmed. This process will include appraising the different development options within this SOC and considering the merits of the new model of care. The feedback from this engagement will play a crucial part in determining the preferred option at OBC stage and in developing that option into reality at FBC.

1.15 Risk Management

NHS Mid Essex will develop a detailed risk assessment matrix at OBC stage and identify the risks to be recorded within the Risk Register. As risks are identified, strategies for the mitigation of risks will also be considered so that any preventative measures or monitoring processes can be put in place with the intention of avoiding the occurrence of risk events.

1.16 Conclusion

This SOC has set out the key dynamics which support the argument that the health community in Mid Essex requires a re-alignment of community and hospital services, which would lead to significant benefits for patients in terms of access to appropriate and high quality of healthcare services. The case for change is based on the need to develop more modern care pathways, which could be sustained with the current configuration of facilities. A community hospital in Maldon has been identified as being a major contributor to this necessary reconfiguration.

The preliminary assessment of the options suggests that there are a number of viable options to be taken forward to OBC stage for detailed appraisal involving key stakeholders and members of the public.

1.17 Recommendations

The NHS Mid Essex Board is asked to approve this SOC to develop a community hospital in Maldon that satisfies the demands of a modern healthcare system for the current and future residents of Maldon and the surrounding areas.

Following Board approval, the SOC will be submitted to the East of England Strategic Health Authority for approval to proceed to Outline Business Case and on through the procurement route to Full Business Case.

2. Strategic Case

2.1 Purpose of the Business Case

NHS Mid Essex is committed to providing the residents of Maldon district and its surrounding area with a range of high quality healthcare and prevention services in a local community setting. These services will help to achieve the NHS's aim of treating patients outside an acute secondary care setting and improving local access for local people.

This Strategic Outline Case (SOC) examines the need for a community hospital in Maldon that fulfils the commitment outlined above. The existing St. Peter's Hospital in Maldon fails to meet the needs of the community both in terms of the model of service delivery and in terms of the quality of the facilities. This SOC takes into account the current situation and makes recommendations for future service and facility development by reference to current and projected activity levels, an appraisal of development options, the accommodation required to provide that demand, and the capital and revenue costs of the options. The SOC also sets out the context behind the PCT's proposals for change in the provision of services for Maldon district and its surrounding area.

2.2 Background

The primary purpose of NHS Mid Essex is to improve the health and well-being of people who live in the districts of Maldon and Braintree and the Borough of Chelmsford. To do this the PCT works in partnership with local providers, patient representatives and other stakeholders to ensure that the people of Mid Essex enjoy the best healthcare services provided in a local setting wherever possible.

To meet local and national objectives, the PCT consulted widely on the health needs of the local population and identified the need for a wider range of local services to:

- Prevent admission to hospital
- Provide integrated healthcare services
- Improve local access to healthcare services.

The Area Served by NHS Mid Essex

The PCT has recognised the need to deliver these objectives and this SOC represents the first stage in that process. To demonstrate its commitment, the PCT has identified a clear and achievable project vision, against which the project proposals can be measured:

"*To provide a modern healthcare facility that delivers appropriate, accessible services in an appropriate setting and meets the current and future healthcare needs of the population of the Maldon district and surrounding areas.*"

2.3 National Context

A description of all the main policy drivers impacting on the PCT agenda is set out in the Strategic Service Development Plan (SSDP), and further detail is available from the Department of Health's web-site http://www.dh.gov.uk. Those that have the greatest relevance to the current agenda for investment and reform in primary care services are summarised below.

2.3.1 'Our Health, Our Care, Our Say'

The White Paper 'Our Health, Our Care, Our Say' was published in January 2006; it set out proposals for improving health and social care through achieving the following key goals:

- Better prevention and early intervention for improved health, independence and well-being
- Increased self care and condition management among service users
- More choice and a stronger voice for individuals and communities
- Tackling inequalities and improving access to services
- More services being provided in the community
- An improved range of services for urgent care.

The underlying philosophy behind the proposals in this White Paper is that providing more health and social care in the community improves health and well-being and delivers greater value for money.

The White Paper expects local NHS organisations to show how they will move as many services as possible from the hospital (acute) setting into the community where they can be provided close to where people live. Because of changes in clinical skills and technology it has become clear that many services can increasingly be delivered at a local level. Any services which do not require the high levels of intervention that the acute hospital provides should be delivered in the community, although it is important to note that services that are best provided in a hospital environment will continue to be provided there, as well as in specialist centres of excellence when necessary.

The White Paper also states that local organisations need to ensure better integration of services, particularly across health and social care. This includes coordination and integration of voluntary sector and private sector agencies (e.g. nursing and residential homes), as well as social services and health services.

The White Paper, along with other documents such as ***Choosing Health*** and ***Our Health, Our Care, Our Community*** (2006), is being used as the basis for the service model proposed by NHS Mid Essex in this SOC and reinforces its vision and principles for development.

2.3.2 'Our NHS, Our Future'

The Government has commissioned an 'NHS Next Stage Review', entitled 'Our NHS, Our Future', led by Lord Darzi, Under Secretary of State for Health. The interim report outlined a vision of an NHS that is fair, personalised, effective and safe; the second stage of the review focuses on how the vision should best be achieved across eight 'areas of care', i.e. maternity & newborn care, children's health, planned care, mental health, staying healthy, long-term conditions, acute care and end-of-life care. The immediate steps that are recommended in the interim report include measures that will influence the direction of travel for services and estates in Mid Essex.

As part of the local response to 'Our NHS, Our Future – Equitable Access to Primary Care' PCTs are required to procure and commission a new health centre during 2008/09 that includes access to a GP from 8am to 8pm.

2.4 Local Context

2.4.1 NHS East of England

In 2007, NHS East of England undertook a consultation on its pledges to deliver their vision for healthcare in the east of England: to provide the best health service in England and to add to the quality and length of life of local people. The "Improving Lives; Saving Lives" consultation resulted in 11 pledges, split into 3 broad headings:

Delivering a better experience for patients:

- To deliver year on year improvements in patient experience
- To extend access guarantees to more services
- To ensure that GP practices improve access and become more responsive to the needs of all patients
- To ensure that NHS primary dental services are available locally to all who need them

Improving people's health:

- To ensure fewer people suffer from, or die prematurely from, heart disease, stroke and cancer
- To make the health service the safest in England
- To improve the lives of those with long term conditions

Reducing unfairness in health:

- Working with partners, to reduce the difference in life expectancy between the poorest 20% of the communities and the average in each PCT
- To ensure healthcare is as available to marginalised groups and looked after children as it is to the rest of us
- To cut the number of smokers by 140,000
- To halt the rise in obesity in children, and then seek to reduce it

These pledges are embedded in NHS Mid Essex's 2008–2011 Operational Plan and the Maldon Community Hospital will play a significant part in fulfilling them.

In 2008/09 NHS Mid Essex is performing well against most of the pledges, although the number of people stopping smoking still needs further improvement.

Exceptional performance, however, can be seen in areas such as:

- Cancer waits;
- Ensuring a low occurrence of hospital acquired infections, and
- Meeting the 18 week Consultant Led access target.

In 2009/10 NHS Mid Essex will strive to improve the access target and extend guarantees to all services including non-consultant led Community Services. The of Maldon Community Hospital development supports the delivery of the pledges and in particular the access to services, the improved environment and fit for purpose premises will provide better access and experience for all.

2.4.2 NHS Mid Essex

The PCT, together with its partners, is committed to delivering person-centred care, by redesign and relocation where necessary. This commitment is supported by the view that care should be locally accessible and responsive to promote well-being, support self care and increase the choice patients have around their care.

The way in which the PCT will use its resources over the next 10 years has been developed and was included in the consultation document 'Safeguarding and Improving Health and Well-being'[1]. Through the consultation exercise, these objectives evolved into 10 service commitments, which underpin more precise commissioning intentions. These are summarised as follows:

1: Deliver more services locally that meet the needs of local people
2: Improve access to health and well-being services for all

[1] Details of the consultation exercise and the PCT response can be found on the web-site www.midessex.nhs.uk

3: Support people in living healthy lifestyles
4: Improve the health of the poorest in our communities and marginalised groups
5: Improve support to unpaid carers
6: Improve the mental health and well-being of people in our communities
7: Everyone has a positive experience of health and well-being services
8: Improve and maintain patient safety
9: Improve the lives of people with long term conditions
10: Ensure that people are well informed about local services.

2.4.3 World Class Commissioning (WCC)

The vision for NHS Mid Essex is to become a truly world-class commissioner of health services in terms of processes, governance, people and systems. NHS Mid Essex aims to increase competition in the market to supply and procure services that are efficiently delivered and of high quality; while at the same time ensuring that resources are appropriately targeted to best help the needs of the local population.

The overall mission at Mid Essex is to get the best for local people. This means developing beneficial competition and this is what the “system management” agenda aims to deliver.

In order to achieve the benefits of competition, patients should have a choice of provider and NHS Mid Essex should ensure it obtains value for money and quality services. NHS Mid Essex will take forward developments as long as they satisfy these requirements.

NHS Mid Essex has set out its WCC strategy, and this commercial plan sets out how it will develop and deliver beneficial competition to deliver that strategy’s priorities. The current provider position is generally monopolistic, so there needs to be development of markets, as well as competition in those markets. The aim is to have competition in each of the main service areas (primary, community, acute, mental health), so that patients can choose and NHS Mid Essex can reap the benefits of competition for its patient population.

NHS Mid Essex will prioritise to develop these markets in a sensible fashion, i.e. prioritising actions according to a number of criteria:

- Start in areas where it is not satisfied with current provision
  - take account of the provider landscape
  - work synergistically with others to create markets
  - take work forward in a way that is manageable given the overall agenda.
- It will use tighter specifications and more robust contract management to ensure it gets more from current providers and from new contracts.

NHS Mid Essex will ensure there are the necessary structures in place to encourage well functioning competition: it will be transparent, fair and will ensure all are abiding by the Principles and Rules for Cooperation and Competition and that there is a Dispute Resolution Procedure to deal with transgressions.

NHS Mid Essex will also actively support choice by patients by

- Enhancing communications with them and with GPs
- Supporting them through the provision of meaningful information
- Implementing other mechanisms such as navigation services as required.

Towards fulfilling our vision for WCC, NHS Mid Essex is currently in the process of procuring all of the clinical services that will be provided from the new Braintree Community Hospital, due to open early in 2010. It is expected that this model for service provision would also be followed for the new Maldon Community Hospital.

2.4.4 Transforming Community Services

The NHS Operating Framework 2008/9 requires PCTs to “create an internal separation of their operational provider services”. On 13 January 2009, the Department of Health published the Transforming Community Services (TCS) guidance, which accelerates the pace of this organisational change and requires the restructuring of primary and community services and realising the vision, as set out in the NHS Next Stage Review (Section 2.3.2) and the development of World Class Commissioning (Section 2.4.3). The document outlines the process and timescales for achieving the separation of the PCT provider functions from its commissioning functions, and gives consideration to the future organisational form for community provider organisations.

TCS signals profound changes in the organisational structures for delivering community services. Decisions about these changes will be driven by the guiding principles outlined in TCS, which are:

- Benefits for patients and carers through support for quality and time to care
- Understanding the needs of the local population
- Strengthening staff skills and leadership
- Providing a framework to support local decision-making
- Continuity and preservation of assets
- Options for new organisational forms

The TCS programme also includes a number of initiatives which have been designed to help staff provide high quality evidence-based care, and achieve positive outcomes for the community they serve.

2.5 Population Profile

Maldon District is a rural area with a population of approximately 62,500 people in coastal Essex. In a recent survey, 'Quality of Life in the 21st century' the Maldon District was ranked in the top 15% of Local Authority areas for their quality of life. However, the very characteristics that make the District so attractive (its isolation, the attractive small towns and villages and the lack of large scale industry) can lead to health inequalities and the marginalisation of some groups.

There has been above average population growth over the last 20 years, which is expected to continue over the next 20. One in 5 people are children and 1 in 5 is over the age of 65. Furthermore, it is estimated that by 2016, 53% of the population will be over 65. The numbers of people over 80 are likely to increase still further as incomers bring their elderly parents into the district to be near them in line with a trend that has already been observed.

The demands of the older population for care facilities, services and carers will be made more expensive and more difficult to deliver by the isolated nature of some of the rural communities in some parts of Maldon. The network of country lanes combined with limited public transport can make it difficult for those without their own transport to access services, including health facilities.

In addition to the growth in the numbers of older people, Maldon District will experience a large change in the dependency ratio. There will be almost a 50% drop in the ratio of working age people to older people. This equates to just over 2 people aged 15-64 years for every person aged 65+ by 2029 compared to around 4 in 2004. This will mean that fewer of the younger age group will be in a position to act as carers, and that more carers will themselves be older.

Other health related data show that estimated smoking rates are below average although more than 1 in 5 adults still smoke. Deaths from smoking are also below average although smoking still accounts for 1 in 6 of all deaths. There are low rates of benefit claimants for severe mental illness and low hospital admission rates for alcohol related conditions. Rates of diabetes are recorded as low.

2.6 St. Peter's Hospital Profile

2.6.1 Overview

St. Peter's Hospital is situated to the south west of Maldon town centre. Access to the site is via a narrow entranceway on Spital Road with car parking extremely limited. To the front of the site is an old chapel that is now used as a recreation hall. To the immediate left is 'Cherry Trees House', a mental health day hospital owned by the Mental Health Partnership Trust. To the immediate right is a private elderly mentally ill nursing home with access rights through the St Peter's site.

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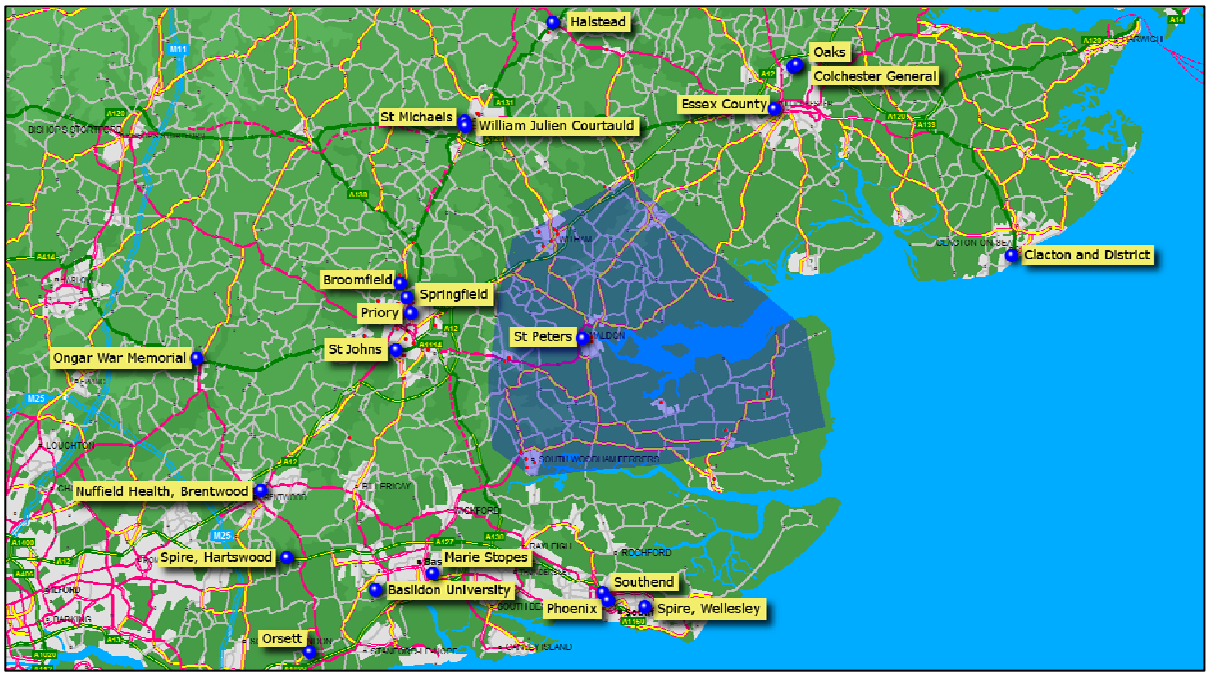
The main hospital building is a former Union Workhouse erected in 1873, a long symmetrical block of three storeys. At the rear of the site is a range of structures that have been incrementally developed in the late 1800s and 1900s. These include three villa-type buildings built in the late 1960s and other single storey buildings originating from the 1940s.

The map below shows the local Community and Acute hospitals and compares the straight-line distance between each (GP surgeries are shown as small red dots). The shaded area covers the area that is nearer to St Peter's than any other hospital.

The estimated maximum distance a patient would have to travel to St. Peter's is approximately 12 miles as the crow flies, or up to 18 miles by main road. The longer distances, however, only apply to residents who live out on the coast. The built up areas, which have the vast majority of the population, all have shorter travel distances.

This map shows a mathematical function of distance it doesn't take into account factors such as road distance. It does, however, provide a reasonable estimation of the St. Peter's catchment area.



2.6.2 Estate Condition & Functional Suitability

A detailed survey of the site was undertaken in 1999, which concluded that the estate was in a less than satisfactory condition from which to provide health care services. This

conclusion is even more applicable now, as the estate has continued to deteriorate since that time.

NHS Estates categorise building conditions as:

Category	Condition
A	Good/Excellent
B	Functional – of good standard
C	Moderate
C/D	Poor – required major capital expenditure within 10 years
D	Very poor – beyond functional life

The total area of the hospital buildings is 8,208m^2 and the survey concluded that the overall condition of this is poor to very poor:

Condition	Area (m^2)	Percentage %
C: Moderate – Requiring major capital investment within the next 10 years	517	6
C/D: Poor – Requiring major capital investment	4,395	70
D: Very Poor – Beyond functional life	3,345	24
Patient occupied not in Statutory Health & Safety compliance	4,104	50

A more recent site survey was commissioned in January 2008. Although a percentage breakdown of the areas per condition category was not carried out as part of that report, the overall conclusion was largely the same. The report categorises the vast majority of areas surveyed as C or D, with the ventilation, electrical, heating and water systems frequently being categorised as condition D.

In terms of functional suitability, the 1999 survey concluded that the site buildings also score very poorly in this respect:

Condition	Area (m^2)	Percentage %
C: The building is below an acceptable standard of functional suitability	4773	57.8
D: The building is very unsuitable in terms of functional suitability	3484	42.2

In summary, the site buildings are in a very poor state; they do not meet modern fire safety, DDA or health and safety requirements and they need to be modernised to improve functional suitability. Furthermore, the current working conditions are having a detrimental effect on staff morale, which in turn affects the recruitment and retention of high quality staff.

2.7 St. Peter's Site Analysis

2.7.1 Planning Context

In planning terms, the existing St Peter's site is 'previously developed' and is located within the urban area of Maldon. It is regarded as a *brown field* site.

The general principle of new development occurring on this site is therefore considered appropriate having regard to the policies and proposals within the development plan, in this case the saved policies within the Maldon District Replacement Local Plan Adopted November 2005. Policy S1 of the Plan directs new developments to sites within identified development boundaries and with the site clearly falling within the Maldon boundary, the principle of development in this location is supported.

Under Section 38 (6) of the Planning and Compulsory Purchase Act 2004, decisions on applications for development should be taken in accordance with the development plan unless material considerations dictate otherwise. The saved policies within the Adopted Local Plan are thus very important in this context. It should be noted that the new local development framework system introduced by the 2004 Act will mean that the Adopted Local Plan will be eventually superseded. However planning policy officers at Maldon District Council do not anticipate the adoption of a Core Strategy document until late 2010 with development control policies and site specifics issues being addressed after this date. The planning context is therefore currently provided by the Local Plan policies which are unlikely to change significantly in any subsequent review.

The Local Plan does not designate the St Peter's Hospital site for any particular use, although part of the site does fall within the designated Conservation Area – the boundary cuts the site into two parts, with the older buildings around the former workhouse and chapel at the Spital Road frontage falling within the Conservation Area. There are no other Local Plan designations for the site.

With the larger proportion of the site falling within the Conservation Area, there are a number of relevant conservation policies within the Local Plan that will affect development proposals including Policy BE13 relating to new development within such a designation. This policy does not prevent demolition nor does it prevent new development, but sets out criteria against which development proposals will be tested.

Other policies which are relevant to any new development on the site are those relating to design and the impact upon the built environment; again these are criteria based policies against which applications will be assessed. Such development plan policies are supported by guidance in the form of Government Circulars and Planning Policy Guidance Notes (PPGs) and Planning Policy Statements (PPSs).

It has been within this general planning context that the development options detailed in Section 2.12 have been considered.

Initial dialogue with planning officers has confirmed such a context and highlighted the conservation aspects of the site. The main workhouse building at St Peter's is located within the Conservation Area and was the subject of consideration for listing by English Heritage in 2003. Reporting to the Department for Culture, Media and Sport, English Heritage advised that St Peter's should not be listed since it is not of sufficient architectural or historic interested. The District Council acknowledge that St Peter's Hospital is a major landmark in the area and within their 'Maldon Conservation Area Review and Management Plan' suggest that the building warrants listing. To date the building remains unlisted.

Informal discussions with planning officers at the Council have been positive in the context of an acceptance that 21st Century healthcare facilities are needed and that those should be focused upon the existing site in the first instance – *green field* options are sequentially inferior and would be tied up to a lengthy review timetable for the Development Plan.

With the general agreement of principle that the facilities should come forward on the St Peter's site, the informal views held by the conservation officer are that development proposals should seek to retain the workhouse building including the canteen area to the rear. Such views are not necessarily endorsed by the planning officer who takes a more balanced view on the relative importance of providing modern healthcare facilities.

2.7.2 Movement and Access

The extent of input required from a transport and access point of view depends largely on which of the options in Section 2.12 below is selected as the preferred option for development and the characteristics of the new development in terms of its capacity for generating traffic movements.

In its current use, the hospital will generate a finite quantity of trips and these trips can be taken account of in any future assessment of trip generation of the proposed redevelopment. This will, or at least may, reduce the extent of any measures that are required to sustain the travel demands arising from the site.

Notwithstanding the above, the determining authorities will, almost certainly, expect to see a comprehensive assessment of predicted movements associated with the site, founded on a solid evidence base. In common with most new development proposals, this assessment will have its emphasis on sustainable travel and the reduction in car dependency, wherever possible.

In general terms there are two aspects to any transport assessment. First, there are practical considerations relating to the safe and efficient operation of the site and the management of internal movements and parking demands. This is critical in this case as it will be an imperative that emergency vehicles and other traffic do not conflict with each

other. Second, there will be a need for a formal transport assessment (in all probability) to satisfy the determining authorities that travel demands are being managed properly and that the residual impact on the external transport network is acceptable, or that measures are promoted that cater for any increase that causes the current network undue stress.

Some of these issues are inter-related. For example on-site parking needs to be of sufficient capacity to provide for normal demands but not so extensive that car use is encouraged in favour of other more sustainable means of access.

A full assessment would, therefore, need to address:

- Normal operation demands by purpose (i.e. the likely level of generated traffic)
- The need for and utilisation of on-site parking
- An accessibility review of options for non-car access by foot, cycle and public transport
- An assessment of demands for staff and non-staff uses
- The development of framework travel plans for staff access
- A review of likely level of off-site travel demands and identification of any mitigation measures to cater for over-capacity.

2.8 Current Services

Maldon district residents are currently afforded the following health service provision:

2.8.1 Inpatient beds & Rehabilitation

There are currently 26 inpatient beds at St. Peter's hospital that cater for a mixture of palliative and intermediate care patients, as well as to avoid admission to acute care. In addition there are 6 designated stroke rehabilitation beds and 5 beds that are kept closed and used only in the event of extreme bed pressures.

At present access to the beds is through a wide range of professional groups including GPs, Secondary Care, Primary Care Assessment units and Community Matrons. Care in the hospital is predominately nurse and therapy led but with the overview of a small team of Hospital Practitioners who both visit daily and provide an on call service.

The length of stay on average at present is between 12 and 14 days with stroke patients staying for considerably longer (average 6 weeks).

2.8.2 Outpatients

The current outpatient department at St. Peter's Hospital is a small but busy unit, with a suite of 7 rooms operating two sessions per day, Monday to Friday. The clinics are predominately Consultant led and cross a number of specialities.

The principle of 'one stop' clinics has been adopted wherever possible although restrictions on space currently make this difficult to schedule in all areas. Following a review of the Secondary care provision it is likely that although there may be some changes of need between the specialities there is an increasing rather than declining need for this type of outpatient facility.

2.8.3 Therapies

There is a large therapy department at St. Peter's Hospital, which reflects the nature of both the inpatient wards and the rural location. The following therapy services are currently provided from the St. Peter's site:

- Outpatient Physiotherapy and Occupational therapy
- Inpatient Physiotherapy and Occupational therapy
- Community Physiotherapy and Occupational therapy
- An integrated Orthopaedic service
- Speech and Language Therapy service both inpatients and outpatients
- Podiatry
- Dietetics (as part of secondary care provision)
- Mental health therapist.

The services are all 8.00am – 5.00pm Monday to Friday with no out of hours provision.

2.8.4 Diagnostics

At present the diagnostic services available at St. Peter's Hospital are x-ray, ultrasound and phlebotomy.

The x-ray service is provided by secondary care as part of an integrated service and offers a Monday to Friday 9.00 - 4.30 service for plain x-ray. In addition on three days a week it provides an ultrasound service with one session for general ultrasound and two sessions for antenatal.

A 'walk in' phlebotomy is provided at St. Peter's Hospital every weekday between 9.00am and 3.45pm.

2.8.5 Assessment & Rehabilitation Unit (ARU)

The ARU is a rapid access assessment service for the elderly that is one part of the unscheduled care strategy. The unit is predominately nurse led but with daily Care of the Elderly Consultant input. Access to the unit is through a range of professionals including, GPs Community Matrons and Therapists.

Patients undergo a medical, nursing and therapy assessment with the intention of them being supported within the community and thereby avoiding a secondary care admission. In addition there is a therapy led falls service that operates from the unit and the provision of day treatments such as infusions and transfusions for patients with chronic blood disorders and neurological conditions.

Alongside the assessment service the unit provides, on three days per week, a large anticoagulation service that accommodates up to 40 patients per day.

2.8.6 GP Out of Hours Service

The GP 'Out of Hours' service (Prime Care) operates a satellite service from the ARU facility in the evenings and at weekends. The service is by appointment only.

2.8.7 Minor Surgery

There is provision for a range of general minor surgical procedures at St. Peter's. The service is a GP with Special Interest (GPwSi) service and operates 1 session per week.

2.8.8 Maternity

St. Peter's Maternity Unit is one part of the secondary care led maternity service. The unit is a 24-hour midwife led service that provides for low risk mothers.

It has two labour rooms and 6 postnatal beds. In addition the service offers a day assessment service for pregnant women who require closer monitoring and assessment of complications.

Alongside the assessment service there are daily midwife run antenatal clinics with a consultant led clinic weekly. Parent craft classes are also provided twice weekly.

2.8.9 Adult Mental Health

Adult Mental Health services can be categorised as three types as currently provided. The Community Mental Health Team (CMHT) is a community based service managed by approximately 18 staff plus some sessional practitioners. The CMHT also undertake sessions on site at St. Peter's, utilising small and large non-clinical group rooms.

Alongside CMHT at St. Peter's, there are a number of outpatient Mental Health consultant-led clinics operating from within the adult services department.

The third category of service is the Day Service, which is run from Cherry Trees House, at the front of the St. Peter's site. This service includes individual as well as group therapy

sessions such as psychotherapy and occupational therapy. There is also a dedicated arts and crafts room as part of the therapy resources.

2.9 Proposed Service Delivery Model

NHS Mid Essex's Integrated Model for Community Services lays out the strategic aim for future service provision, and is summarised as follows:

- To embed into the local health and social care community an effective, systematic approach to chronic disease management and to those patients who are identified as being vulnerable or most at risk from inappropriate hospital admission.
- To reduce the reliance on acute secondary care services, and increase the provision of care in a primary, community or home environment.
- To ensure that patients with either routine, complex and/or chronic conditions have high-quality care personalised to meet their individual requirements.
- To build and support a system that enables self-care approaches particularly in disadvantaged groups and areas, and to make healthier choices about diet, physical activity and lifestyle such as links to the Expert Patient Programme, stop smoking and healthy living teams.

Commissioned services should focus on effective health promotion, prevention and self-care approaches, with an emphasis on shared decision making with the patient. Services must be flexible and responsive to a patient's changing needs.

The implication for provider services will be to further develop the workforce to meet the needs of individuals at the level of care they require and that movement between levels is facilitated seamlessly for the individual. Service re-design should promote integrated service solutions that reduce the number of fragmented episodes of care that people encounter.

The model for the provision of community services should therefore be based on a whole systems approach founded on the following core services:

- Integrated Community Teams based on the Virtual Ward model serving groups of practices working cohesively to manage patients in a community setting.

- Primary care assessment and treatment (Rapid Assessment Unit) and access to community based diagnostics – delivering community based assessment to support the local management of the population.

- Intermediate care in-patient beds - new models of intermediate care that facilitate efficient and effective care for:
  - Patients being admitted directly from the community setting
  - Patients being discharged from acute hospitals

2.10 Proposed Solution

In order to achieve the project vision in accordance with the service delivery model, the proposed solution would provide the following services:

- Planned Care
  - GP Services
  - Outpatient Services
  - Tissue Viability Service
  - Therapies
- Rapid Assessment Unity (RAU)
- Diagnostics
  - X-ray
  - Ultrasound
  - Phlebotomy
- Wards
  - Inpatients, including a stroke rehabilitation unit
  - Maternity Unit (Midwife-led)
- Minor Surgery
- Adult Mental Health
- Community café
- Dispensary

2.10.1 Planned Care

The facility will house an existing local GP surgery, serving a list size of approximately 10,000 patients and providing a range of GMS plus enhanced services.

A full range of Outpatient services will be delivered for a range of clinical specialties, as well as therapy and rehabilitation services. The service will build upon the services already provided at St. Peter's in order to provide locally accessible facilities for Maldon and the surrounding areas. The service development will mean that local residents will no longer have to travel to Broomfield Hospital for their outpatient consultation or therapy.

Although a more detailed capacity analysis will be undertaken at OBC stage, an initial assessment of recent outpatient activity has been carried out, based on the following assumptions:

Outpatient Capacity Planning Assumptions	
Growth (to 2015)	3.79%
Minutes per Patient appointment	20
Hours per session	3.5
Sessions per week	16
Working Weeks per Year	48

Demand was modelled based on 12 months of data to March 2008, and was then projected forward to 2015 based on ONS National Census data. Based on modelling a range of potential scenarios, the analysis found that the OPD would need to accommodate 8 consultation rooms in order to serve the requirements of all patients currently at St Peter's, plus all Maldon District resident patients at Broomfield and St. John's Hospitals (**Appendix 1**).

2.10.2 Urgent Care – Avoiding Acute Hospital Admission

The Rapid Assessment Unit (RAU) will allow quick assessments for ward patients and also allows staff to be utilized more efficiently. This integrated model of urgent care will include assessment, diagnosis, treatment (where appropriate) and rehabilitation. The purpose of the integrated model is to:

- Help people to stay living healthily in their own homes
- Respond quickly and provide assessment, care and support if someone becomes ill
- Provide effective rehabilitation to help people return to live independently in their communities.

2.10.3 Diagnostics

This will include x-ray and ultrasound diagnostic facilities as well as the provision of external space for mobile facilities to be brought on site (such as mobile MRI) as required in future. In addition a phlebotomy service will also be provided.

2.10.4 Wards

Inpatient community beds are a core component of the integrated care model. The beds will meet a range of patient needs as part of an integrated model of care, which promotes independent living in the community. An initial capacity analysis (**Appendix 2**) indicates a requirement for no fewer than 22 beds, which would translate in real terms as a 24-bed

ward: clinical research demonstrates that the optimum inpatient nursing ratio is 8 beds to every nurse team, with no fewer than 2 nurses per team.

This level of capacity would provide for the current activity at St. Peter's as well as re-provide activity currently undertaken at Broomfield for Maldon residents.

These numbers have been balanced by two further factors:

- Incorporating a RAU into the facility, thus reducing the number of direct admissions, and
- Taking into account the percentage of patients currently at St Peter's who have been deemed suitable to be discharged home with supporting community care.

It should be noted that this analysis, therefore, is predicated on NHS Mid Essex having the appropriate procedures in place (i.e. accurately identifying clinically inappropriate acute hospital admissions) and achieving its objectives around community care (i.e. putting community nursing teams into operation) by 2013.

Of the 24 beds proposed, 16 will be in single rooms (67%) and patients will be receiving a range of services including: care as an alternative to hospital admission, rehabilitation post-discharge and end-of-life care.

The midwife-led Maternity Unit will re-provide the existing service provision within a more modern and fit for purpose environment. This will not only enhance the patient experience, but will also serve to attract and retain high quality clinical staff.

2.10.5 Minor surgery

A facility for minor procedures will be included, such as minor plastics, in-growing toenail removal and vasectomies. The new facility will allow the PCT to expand the current service provision and repatriate services both from Broomfield Hospital and from primary care GP surgeries, which may find it difficult to conform to infection control requirements.

2.10.6 Adult Mental Health

This service will re-provide the existing consultant-led clinics, CMHT and Day Service provision within a more modern and fit for purpose environment.

2.10.7 Community Café

The proposed facility will be staffed and equipped to prepare and cook food on-site both as an amenity for visitors and staff and to provide food for inpatients. This service will be provided through a "Community Café" and will provide healthy food alongside information about healthy living advice and services and other community information.

2.11 Comparison of Service Provision

The table below summarises the detailed information provided in the preceding sections by comparing the current level of service provision against what is being proposed for the new facility.

Current Service Provision	Service Provision in New Facility
Inpatient beds	
26 inpatient beds catering for a mixture of palliative and intermediate care patients, as well as to avoid admission to acute care. There are 6 designated stroke rehabilitation beds and 5 beds that are kept closed and used only in the event of extreme bed pressures.	24-bed ward to provide for the current activity at St. Peter's as well as re-provide activity currently undertaken at Broomfield for Maldon residents. These numbers have also been balanced by the percentage of patients currently at St Peter's who have been deemed suitable to be discharged home with supporting community care. The 24 beds will be made up of 16 single rooms and 2 x 4-bed bays.
Outpatients	
A suite of 7 rooms operating two sessions per day, Monday to Friday.	8 consultation rooms operating a total of 16 sessions per week. This capacity will be sufficient to serve all patients currently at St Peter's, plus all Maldon District resident patients at Broomfield Hospital and St John's Hospital.
Therapies	
The following therapy services are currently provided from the St. Peter's site: ▪ Outpatient Physiotherapy and Occupational therapy ▪ Inpatient Physiotherapy and Occupational therapy ▪ Community Physiotherapy and Occupational therapy ▪ An integrated Orthopaedic service ▪ Speech and Language Therapy ▪ Podiatry ▪ Dietetics ▪ Mental health therapist. The services are all 8.00am – 5.00pm Monday to Friday with no out of hours provision.	The new facility will re-provide the existing Therapies provision for both inpatients and outpatients. This will include a Tissue Viability service providing leg ulcer, lymphoedema and varicose vein clinics. The services will operate from a suite of Treatment rooms, Treatment cubicles, Group rooms and a dedicated ADL room.
Diagnostics	

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Current Service Provision	Service Provision in New Facility
The diagnostic services available are x-ray, ultrasound and a walk-in phlebotomy service.	This will include x-ray and ultrasound diagnostic facilities as well as the provision of external space for mobile facilities to be brought on site (such as mobile MRI) as required in future. A 4-place phlebotomy service will also be provided.
Assessment & Rehabilitation Unit (ARU)	**Rapid Assessment Unit (RAU)**
The ARU is part of the unscheduled care strategy. The unit is predominately nurse led with patients undergoing a medical, nursing and therapy assessment with the intention of them being supported within the community and thereby avoiding a secondary care admission. There is also a therapy-led falls service and day treatments such as infusions and blood transfusions. The unit also provides a large anticoagulation service 3 days per week.	The RAU will allow quick assessments for ward patients and will include assessment, diagnosis, treatment (where appropriate) and rehabilitation. The unit will: ▪ Help people to stay living healthily in their own homes ▪ Respond quickly and provide assessment, care and support if someone becomes ill ▪ Provide effective rehabilitation to help people return to live independently in their communities. The service will operate from 4 dedicated Treatment rooms.
GP Services	
A GP 'Out of Hours' service (Prime Care) operates a satellite service from the ARU facility in the evenings and at weekends. The service is by appointment only.	The new facility will house an existing local GP surgery, serving a list size of approximately 10,000 patients and providing a range of GMS plus enhanced services.
Minor Surgery	
The minor surgery provision is a GP with Special Interest (GpwSi) led service operating 1 day per week.	The new facility will allow for an expanded service provision, repatriating services both from Broomfield Hospital and from local GP surgeries.
Maternity	
The unit is a 24-hour midwife led service that provides for low risk mothers. It has two labour rooms and 6 postnatal beds. In addition the service offers a day assessment service, daily midwife-run antenatal clinics and a consultant led clinic weekly. Parent craft classes are also provided twice weekly.	The midwife-led Maternity Unit will re-provide the existing service provision within a more modern and fit for purpose environment. The accommodation will comprise of 6 birthing rooms (1 with a birthing pool), a day assessment facility, access to consultation rooms and to group therapy rooms.
Adult Mental Health	
The Adult Mental Health service has 3 components. The Community Mental Health Team (CMHT) is a community based service whose staff also undertake sessions on site at St. Peter's, utilising small and large non-clinical group rooms. Outpatient Mental Health consultant-led clinics operating from within the adult services department. The Day Service, which includes individual as well as group therapy sessions such as psychotherapy and occupational therapy.	This service will re-provide the existing CMHT, consultant-led clinics and Day Service provision within a more modern and fit for purpose environment. Further work is to be undertaken with Specialist Commissioners for the CAMHS as it is felt that reprovison would be more appropriate off-site.

2.12 Long List of Options

This section sets out some of the advantages and disadvantages of the available options, with a formal option appraisal to follow at OBC stage. The criteria to be applied in the option appraisal will be agreed by the Project Team in conjunction with the stakeholders.

At SOC stage, the long list, reflecting the full range of potential options, has been developed by the Project Team. The long list is presented in the table below. Each option was assessed against the Project Vision (Section 2.2 above) and any that did not achieve the vision were rejected. This exercise was undertaken in a workshop held on 12 February 2009 involving both the Project Team and the Maldon Health Services Steering Group.

Long List Option	Shortlist?	Rationale
Do Nothing	No	It would not be possible to do nothing as the current estate would very quickly fall into a state of disrepair, resulting in a breakdown of service provision.
Do Minimum (statutory compliance and backlog maintenance)	Yes	This would include works to achieve statutory compliance, address ongoing backlog maintenance and provide some enhanced service space. This is in effect the current strategy and so is included for the purposes of providing a baseline comparator.
Refurbish existing St. Peter's site (full refurbishment to accommodate new functional content)	No	The level of refurbishment required to achieve the levels of service envisaged within the PCT's plans is such that this option would be very expensive in terms of capital expenditure. Furthermore, the result would only be a temporary solution. The overall benefit that might be achieved would therefore be proportionately considerably lower than any of the new build options and would not achieve the longer term project objective.
Refurbish other site	No	No alternative site can be identified.
New build on St. Peter's site	Yes	Achieves project objectives.
New build on new site	Yes	Achieves project objectives.

2.13 Recommended Short List

The outcome of the workshop was to recommend a short list of options, which would then be further appraised for their financial and non-financial benefits at OBC stage in order to determine a preferred option for development.

The option for a New Build on the St Peter's site has been further developed into three sub options with varying site layouts. The resulting short list of options has therefore been agreed as follows:

2.13.1 Do Minimum

This option would include works to achieve statutory compliance, address ongoing backlog maintenance and provide some enhanced service space. This is in effect the current strategy and so is included for the purposes of providing a baseline comparator.

2.13.2 St Peter's Site Option 1

This option would make use of the existing building at the front of the site (the old work house) with an extensive new build attached to the rear (see **Appendix 3**). As with all of the new build options on this site, it is proposed that there would be some re-modelling of the site entrance, although the chapel would be retained.

2.13.3 St Peter's Site Option 2

In this option, the old work house part of the hospital would remain. Everything to the rear would be demolished and a new detached build would be constructed to the rear of the site (see **Appendix 4**). The ownership and use of the retained building would have to be agreed.

2.13.4 St Peter's Site Option 3

With this option, the whole of the current building stock (excluding the chapel) is demolished and replaced with a wholly new build on the south side of the site (see **Appendix 5**).

2.13.5 New build on a new site

Although no new site has been identified per se, for the purposes of the workshop, a site near to the supermarket at the roundabout junction of the A414 and B1018 to the south west of Maldon was assumed to be the most likely. As this would be a green field site, assuming planning permission would be granted, this option would be able to be designed to fulfil the project objective.

2.14 Design Development

A draft Schedule of Accommodation (SoA) has been developed (**Appendix 6**), which details how the proposed facility would be sized on a room by room basis. The SoA has been used to determine the size of the facility for planning purposes and as a basis for evaluating the costs, as per Section 3 below.

As part of the SOC process, all of the site options for the existing St. Peter's site have given due consideration to the possible decanting arrangements and phasing processes required. Although this will inevitably be further elaborated at OBC, it is important for these considerations to be developed from an early stage in the thought process. To articulate this early thinking, an existing Site Plan, a preliminary Development Control Plan and a description of the phasing process have been appended to this document as **Appendices 7**, **8** and **9** respectively.

3. Economic Case (Value for Money)

3.1 Introduction

An initial economic assessment has been carried out for each of the shortlisted options. This will be further developed at the OBC stage to determine which offers the best Value for Money (VFM).

The purpose of completing an economic evaluation at this stage is to assess the whole life costs of the range of options taking into account the future value of money by using an appropriate discount factor. This will give an indication of the likely project costs in relation to the 'do nothing' or 'do minimum' option. It should not be viewed as a full financial options appraisal at this time as only the significant costs identified at this early stage have been considered.

In order to complete this assessment, the project costs have been analysed using a discounted cash-flow model over both a 30 year period.

In any one year the discount factor to be applied is given by the following formula:

$$DF_n = 1/(1+r)^n$$

where:

- DF_n is the Discount Factor for year n
- r is the appropriate discount rate
- n is the year

The discount rate used (r) is 3.5% for the first 30 years.

The discounted cost of the option in each year is then summed to give a net present cost (NPC) for each option.

Both the methodology of this assessment and the discount factor are as set out in the HM Treasury Green Book.

3.2 Capital Costs

Five options have been shortlisted and NHS Mid Essex's appointed Quantity Surveyors have produced OB Cost Forms for each. These are included at **Appendix 10**.

3.3 Land Sales

Two of the shortlisted options involve a change in use of land. *St. Peter's site option 2* frees up the old workhouse for a potential alternative use (e.g. sale for redevelopment as

affordable housing) and the *new build on a new site* option requires NHS Mid Essex to purchase a new site and enables it to dispose of the whole of the current St Peter's site. In order to accurately reflect the financial implications of these options, a full evaluation of the associated costs will need to be carried out before the completion of the OBC.

For the purposes of this early assessment, it has been assumed that, for the *new build on a new site* option, the cost of purchasing land will be approximately equivalent to the capital receipt for the sale of St Peter's.

3.4 Lifecycle

NHS Mid Essex's appointed Quantity Surveyors have produced estimated lifecycle costs for each of the shortlisted options. These are included at **Appendix 11**.

3.5 Net Present Cost

The full net present cost calculations are included at **Appendix 12**. The resulting net present cost for each of the shortlisted options is set out in the table below:

Option	30 year NPC (£000)
Do Minimum	9,563
St Peter's, site option 1	30,313
St Peter's, site option 2	34,570
St Peter's, site option 3	35,952
New Build on a new site	33,471

4. Commercial Case

4.1 Introduction

The procurement strategy should identify the best way of delivering the objectives of a project and value for money taking into account any risks and constraints. NHS Mid Essex has carried out a preliminary assessment of the procurement options available in order to support the delivery of this scheme in the wider context of a number of other schemes identified within the SSDP. A full evaluation will take place at OBC stage once the preferred option has been identified, and a summary of the key points of such an evaluation relevant to Maldon is summarised below.

4.2 Factors influencing the choice of procurement strategy

A number of factors will influence the range of procurement strategy options that NHS Mid Essex may need to consider:

- Project leadership and resources: having the right level of resource with the appropriate skills to manage the project on a day to day basis ensures that the project is not delayed. Problems are dealt with in a timely manner as they arise.
- Defined project objectives: It is imperative that the key project objectives are clearly defined and agreed by the stakeholders to the project. The objectives should be regularly reviewed and the progress of the project measured against the delivery of the objectives.
- Funding arrangements: The availability of funding will dictate timescales and so the source of funds must be decided upon early in the process.
- Level of risk transfer: Key risks that NHS Mid Essex may wish to look to transfer would fall in to the categories of Design, Construction, Programme and Performance.
- Speed of delivery: NHS Mid Essex's aspirations over timescale will be critical to the procurement strategy, and the quicker the procurement process, the lower the risk of price increases or programme slippage.
- Complexity: NHS Mid Essex needs to consider how complex the scheme is as this will affect the costs and risks associated with the construction or procurement.

4.3 Available Procurement options

As there is no LIFT vehicle in Mid Essex, this has been discounted from the procurement options available. The following procurement options could still, however, be used to deliver the scheme:

- PFI
- ProCure 21 (P21)
- Traditional Tender
- Design and Build
- Express LIFT

- Third Party Development.

The preferred procurement strategy will need to take into account the PCT's requirements for schemes on an individual basis, as well as the major investment programme as a whole, and the most appropriate strategy will be identified at OBC stage.

5. Financial Case

As part of the OBC, a full analysis will be carried out in respect of the preferred option to test its affordability. At this early stage it is appropriate to look at the likely revenue implications of the range of options in the short list to highlight the likely affordability of the final scheme.

5.1 Revenue Expenditure

It has been assumed that there will be no change to the levels of expenditure associated with running of the new facilities. However, a new facility does provide the opportunity to introduce reduction in facilities management (FM) costs such as energy bills, cleaning and security through the provision of a more modern building. In the interest of prudence, no assumptions have been made at this early stage for any reduction in FM costs that may accrue through this redevelopment.

A full set of calculations for each of the shortlisted options is given in **Appendix 13**. The table below highlights the likely range of affordability in 2014/15:

Option	Net Expenditure 2014/15 (£000)	Difference to Do Minimum (£000)
Do Minimum	908	-
St Peter's, site option 1	2,414	1,506
St Peter's, site option 2	2,619	1,711
St Peter's, site option 3	2,223	1,315
New Build on a new site	2,475	1,567

A full set of assumptions is included at **Appendix 14**.

This implies that, in terms of capital related expenditure, all of the options represent an increase compared to the Do Minimum. Of the new build options, *St. Peter's site option 3* is the most affordable. This highlights an additional fixed cost of £1.6m against the current fixed site cost of £600k. The PCT will be working with PBC Commissioners in the production of the OBC to identify clinical service redesign initiatives that will release efficiencies to fund this additional cost.

Specific areas to be reviewed include the following:

- Unbundling of national tariff for stroke care
- Repatriation of outpatient activity from acute sector, making full use of the capacity at the new facility through extended access
- Extended use of admission avoidance initiatives

5.2 Impairment

In addition to the increased annual revenue costs, there will be a one-off impairment charge to the PCT's Income and Expenditure Account in the year that the old buildings are demolished for all options other than Do Minimum. The impairment charge will range from £3.6m to £6.4m for the 'develop on existing site' options. It is also likely that the majority of the existing buildings will need to be impaired (total value £6.5m) if the whole site is sold under the Greenfield site option.

5.3 Depreciation and Cost of Capital

Depreciation has been calculated on a straight line, based upon the asset lives assumed within the lifecycle cost analysis. Capital charges have been calculated at 3.5% of average net book value of the assets.

6. Management Case

6.1 Project Management Plan

6.1.1 Structure

A five-tier project management structure will be used to ensure clear accountability for the delivery of each aspect of the project. This structure is summarised below:

- PCT Board
- PCT Executive Board
- Estates, IT and Capital Planning Committee and Strategic Services Development Plan Steering group
- Maldon Health Services Steering Group
- Maldon Community Hospital Project Team

With the exception of the Board, all of these groups meet on a monthly basis and have actively steered the development of this SOC. As can be seen from their memberships, detailed in **Appendices 15** and **16** respectively, both the Maldon Health Services Steering Group and the Maldon Community Hospital Project Team have a balanced representation from both PCT and external stakeholders.

6.1.2 Project Programme

The timetable for delivery will be influenced by the prioritisation of this scheme in the context of the PCT's overall programme for capital investment and available funds. An indicative "worst case scenario" timetable is provided below:

Milestone	Completion Date
SOC approval by SHA	June 2009
OBC approval by SHA	March 2010
Procurement & FBC Production	September 2011
FBC approval by SHA	September 2011
Start on site	October 2011
Project completion	September 2013

6.2 Patient and Public Involvement

This SOC is built on the key principle of keeping the NHS Local, and the commitment of NHS Mid Essex to engage patients, the public and their representatives in key decisions on their local health services. As mentioned in Section 2.4.3 above, NHS Mid Essex has already undertaken a major public consultation process ('Safeguarding and Improving Health and Well-being') order to develop its service commitments.

Significant stakeholder engagement has taken place to date in the development of this SOC, including a public workshop and Practice Based Commissioning events to consider models of care. A number of presentations and discussion events have also taken place with community groups.

The Essex Health Overview Scrutiny Committee will receive a briefing on developments with Maldon Community Hospital. This will take place at their next meeting scheduled to take place on **DATE**.

At OBC stage it will be necessary to take forward further engagement with respect to the specific question of services to the residents of Maldon and the surrounding areas. NHS Mid Essex has a duty to ensure that local people get the highest possible quality of healthcare over the long term. Clinicians and service delivery managers alike no longer believe that this can be achieved through concentrating so many services in the acute sector. It is therefore essential gauge local public opinion when considering the various development options set out in this SOC.

NHS Mid Essex will therefore be undertaking a major public engagement process on the service changes proposed in this document, once approval has been confirmed. This process will include appraising the different development options within this SOC and considering the merits of the new model of care.

The feedback from this engagement will play a crucial part in determining the preferred option at OBC stage and in developing that option into reality at FBC.

6.3 Risk Management Strategy

6.3.1 Risk Management

Risk management is an essential part of the development of any project. The PCT strategy is to manage risk proactively through identification and mitigation of risks associated with each stage of the project. To this end, the PCT and its advisors will develop a detailed risk assessment matrix at OBC stage and identify the risks to be recorded within the Risk Register. As risks are identified, strategies for the mitigation of risks will also be considered so that any preventative measures or monitoring processes can be put in place with the intention of avoiding the occurrence of risk events.

6.3.2 Risk Potential Assessment

NHS Mid Essex has carried out a Gateway Risk Potential Assessment (RPA) for the scheme, which resulted in an overall risk score of 29. The scheme is therefore categorised a Low Risk according to this assessment. A copy of the RPA is attached as **Appendix 17**.

6.4 Benefits Realisation Plan

The justification for project investment is based on a need, and the ability to realise the agreed benefits on project completion. As part of the justification, therefore, it is necessary to identify the benefits and to set out how these can be realised in support of the PCT's over-riding objectives.

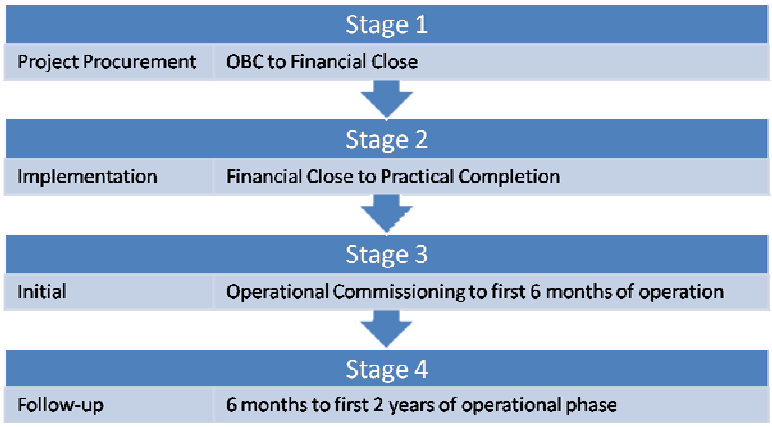
For each benefit, therefore, it is necessary to articulate:

- What the benefit consists of
- The action required to support benefit realisation
- The lead person for the realisation of benefit
- Performance metrics to determine the extent to which benefits are being realised.

A detailed Benefits Realisation Plan articulating the points above will be developed as part of the OBC.

6.5 Post Project Evaluation (PPE) Plan

PPE is essentially a learning tool to ensure that the PCT and other stakeholders apply this knowledge to future projects and that the NHS can test the effectiveness of the policies and procedures used in the procurement. The PCT is committed to ensuring that a robust PPE is undertaken to assess how well the scheme has met its objectives and realised the project benefits. The DH published PPE guidance identifies the following key evaluation stages:



Evaluation reports will be completed within six months of the completion of the data collection for each stage. They will be circulated to all stage participants and, following board approval, to DH for further dissemination.

The Project Team will manage the PPE process, supported by an independent review body.

7. Conclusion & Recommendations

7.1 Conclusion

This SOC has set out the key dynamics which support the argument that the health community in Mid Essex requires a re-alignment of community and hospital services, which would lead to significant benefits for patients in terms of access to appropriate and high quality of healthcare services. The case for change is based on the need to develop more modern care pathways, which could be sustained with the current configuration of facilities. A community hospital in Maldon has been identified as being a major contributor to this necessary reconfiguration.

The preliminary assessment of the options suggests that there are a number of viable and affordable options to be taken forward to OBC stage for detailed appraisal involving key stakeholders and members of the public.

7.2 Recommendations

The NHS Mid Essex Board is asked to approve this SOC to develop a community hospital in Maldon that satisfies the demands of a modern healthcare system for the current and future residents of Maldon and the surrounding areas.

Following Board approval, the SOC will be submitted to the East of England Strategic Health Authority for approval to proceed to Outline Business Case and on through the procurement route to Full Business Case.

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