Full Business Case –
Executive Summary

Haematology & Oncology Development

June 2015
# Document Control

<table>
<thead>
<tr>
<th>Version</th>
<th>Date Issued</th>
<th>Brief Summary of Change</th>
<th>Owner's Name</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>4 June 15</td>
<td>Exec summary prepared for Trust internal approval</td>
<td>HD</td>
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<td>2</td>
<td>5 June 15</td>
<td>Changes from Review by EA</td>
<td>HD</td>
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1 Executive Summary

1.1 Introduction & Background

In February 2014 the Secretary of State approved the Trust Special Administrator’s (TSA’s) recommendations for the future of Mid Staffordshire Foundation Trust (MSFT). This recommended that University Hospital North Staffordshire NHS Trust (UHNS) assumed responsibility for the staff, assets and services delivered at County Hospital, and Royal Wolverhampton Trust (RWT) assumed these responsibilities for Cannock. The entity of MSFT was to be dissolved.

In July 2014 the Board approved the Acquisition Full Business Case for County Hospital and submitted it to the Trust Development Agency (TDA) for their consideration. The Acquisition Business Case proposed that UHNS acquired services and facilities from MSFT. The acquisition was to be undertaken on the basis that the TSAs’ clinical model set out in the TSAs report dated December 2013 would be implemented.

Following the approval of the Acquisition Business Case, and a subsequent Addendum by the Trust Development Agency the University Hospital of North Staffordshire NHS Trust acquired the responsibility for the delivery of a number of clinical services at Mid Staffordshire Foundation Trust for a period of 29 months from 1 November 2014. The two Trusts combined to form the University Hospitals of North Midlands NHS Trust (UHNM).

The TSAs’ model, specifically the recommended transaction that UHNS acquired services and facilities from MSFT, presented a range of opportunities to support UHNM maximising clinical benefits of the centralisation of acute Haematology/Oncology beds.

This Full Business Case for Haematology & Oncology Development at RSUH sets out the need for £1,873,020 capital to enable the delivery of:

- Centralised acute Haematology/Oncology beds in the form of additional Inpatient Haematology/Oncology beds and Emergency Admission Beds (EABs) within an existing Haematology Ward, realising associated clinical and operational benefits.
- Provide Clinical Research Office space adjacent to the Cancer Centre

The urgent requirement to complete capital works that enable UHNM to implement plans defined by the TSA has led to the decision by UHNM to proceed straight to FBC bypassing the Outline Business Case (OBC) stage. UHNM understand the risk of doing this and in an attempt to mitigate this risk have ensured that the FBC addresses the option appraisal work.

In addition it is recognised that within the target timescale of completion by October 2015, the usual approval processes will be fast tracked to ensure that the commencement and implementation of the Project is not delayed.
1.2 Commissioner and Stakeholder Support

The standard process for the development of a large capital investment of this nature would be for the Trust to produce a programme setting out options that would be consulted on widely with a range of stakeholders. In this instance the principles underlying the need for significant investment were tested by the TSAs’ process. The TSAs’ model of care was widely consulted upon with Commissioners, Staff, Patients and Regulators. Commissioners confirmed their support for the TSAs’ model of care. Details of this process are set out in the Acquisition FBC, Section 2.

1.3 Capital Programme

The acquisition of services and facilities from MSFT required changes to be made to the estate at both the former Stafford Hospital site and the former City General Hospital site, to enable the UHNS to meet regulatory and commissioner requirements and to deliver the benefit and synergies identified in the Acquisition FBC.

The Capital Business Case (July 2014) formed an appendix to the Acquisition FBC and identified the capital funding required to support the implementation of the preferred option in the Acquisition FBC. The Business Case identified a number of investment projects at each site to ensure that:

- Each of the sites can deliver the optimal solution.
- The overarching capital investment programme, as a whole, achieves the desired outcomes set out in the Acquisition FBC.

The £80m total capital allocation will be applied for via a number of separate business cases, enabling individual elements to be finalised whilst ensuring that the capital programme can be completed within the agreed 29 month timescale. It is important to recognise that each of these business cases is a subset of the total funding solution.

In addition to the £80m provided by the TDA the Trust is contributing over £19m of operational capital towards the works required to configure both hospital sites.

1.4 Case of Need

The case for major capital investment to implement the findings of the TSA as set out in the Acquisition FBC is predicated on two key assessments:

- The facilities at County Hospital (formerly Stafford Hospital) are not functionally suitable and are not of the standard required by UHN, the Care Quality Commission (CQC) & other regulatory bodies for the delivery of clinical services.
- There is insufficient capacity on the Royal Stoke University Hospital (RSUH) site to accommodate the transfer of services from County Hospital that are required to deliver the TSAs’ clinical model.
These issues not only affect the long-term viability of the TSAs’ model, they also impact on the resilience within the health economy to the potential serious clinical service delivery risks at County Hospital identified by the Local Transition Board (LTB) and Sustaining Services Board (SSB).

The current fragility of services at County Hospital has intensified the urgency for the acquisition to be completed and for the transition to the steady state model to begin as soon as possible. Any delay in implementing the new model of care may be detrimental to patients and the viability of services they access at County Hospital and may have a negative impact on services and patient experience at neighbouring NHS organisations.

As a result of this UHNM has been asked by the NHS TDA to compress the capital timescale to achieve steady state to 2 years 6 months, and to revisit the original options for the County Hospital campus with a view to carrying out urgent contingency schemes to enable a response to address patient safety issues at the earliest possible opportunity.

In order to meet these new demands, development work will be undertaken on the County Hospital site and the RSUH, the key elements of which are as set out in Table 4 in Section 2.4. Works referred to in this FBC will take place at the RSUH site.

This FBC for Haematology & Oncology Development at RSUH not only allows UHNM to maximise clinical and operational benefits associated with providing centralised acute Haematology/Oncology beds within an existing Haematology Ward, but also facilitates the bed requirements associated with the transfer of Haematology/Oncology from County. The scheme also delivers suitable Haematology/Oncology facilities that meet standards required by UHNM, the Care Quality Commission (CQC) or other regulatory bodies for the delivery of clinical services.

Furthermore, the demand for Haematology/Oncology services is envisaged to increase over the coming years. There is a continuing trend to move the most critically ill patients to regional centres such as UHNM.

### 1.5 Economic Case

The preferred option for the delivery of the project objectives is **Option 2 - Remodelling of existing Haematology Ward 201 and provision of Clinical Research Offices on the 1st Floor of adjacent MRI Unit.**

This option has been selected on the basis that it will:

- Enable the delivery of centralised acute Haematology/Oncology beds
- Co-locate new Inpatient Haematology/Oncology beds and EAB rooms within the existing Haematology Ward and EAB facilities
- Allow for the ease of transfer between units horizontally
- Create future Inpatient Haematology/Oncology capacity flexibility
- Create a centralised Clinical Research Office in close proximity to the Cancer Centre, in support of the Haematology/Oncology dedicated Clinical Research Facility
- Ensure associated clinical and operational benefits are realised for both Ward 201 and the Clinical Research Facility
• Be delivered within the necessary timescales
• Deliver the most advantageous clinical outcome
• Achieve the identified investment objectives

1.6 Summary of FBC Scheme

This FBC is for Haematology & Oncology Development. A summary of the key elements of work to be undertaken as part of this scheme are set out below.

Table 1 Capital scheme summary

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Summary of works</th>
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<tbody>
<tr>
<td>Haematology &amp; Oncology Development</td>
<td>• Delivery of centralised acute Haematology/Oncology beds</td>
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<td></td>
<td>− Remodelling of existing space to create an increased capacity EAB facility, which supports the Haematology/Oncology Inpatient beds, within Haematology Ward 201.</td>
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<tr>
<td></td>
<td>− Remodelling of available space to create additional Haematology/Oncology Inpatient Beds within Haematology Ward 201</td>
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<tr>
<td></td>
<td>• Creation of support areas for Haematology/Oncology Inpatients within and in close proximity to Haematology Ward 201</td>
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<tr>
<td></td>
<td>• Provide Clinical Research Office space that is displaced to create a centralised Clinical Research Facility on the 1st Floor of the adjacent MRI Unit, in close proximity to the Cancer Centre</td>
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1.7 Capital Cost Summary

The confirmed capital cost of the proposed scheme is £1,872,968 as detailed in the Table 2. Tender Prices and GMP prices have been obtained which give certainty to the cost of the scheme.
1.8 Changes to capital cost

The capital cost set out in the CBC for the Haematology & Oncology Development project was £2.4m. This was an initial estimated cost. Following detailed work required to develop an FBC, the capital cost has been confirmed as £1,872,968. This provides a saving of £527,032 against the original budgeted capital cost.

1.9 Financial Case

This FBC supports capital expenditure funding requirement in the form of exceptional PDC for a total sum for Haematology & Oncology Development of £1,872,968

Capital implications of the proposed investment have been considered and reflected in the Trust’s Long Term Financial Model (LTFM). The LTFM demonstrates the affordability of the proposed development.

1.10 Management Case

Delivery of the overall capital programme will be governed by the IHSS Capital Programme Board (CPB) to ensure the effective management of the programme. The IHSS Programme Board will provide the essential oversight of programme delivery, costs, benefits, risks and dependencies. The IHSS Capital Programme Board will report to the UHN Capital Investment Group.
1.11 Timescales

The key milestone dates relating to this FBC are set out below.

Table 3 Key milestones

<table>
<thead>
<tr>
<th>Element</th>
<th>Start Date</th>
<th>Target Completion Date</th>
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<tr>
<td>FBC Development &amp; Trust Approval</td>
<td>January 2015</td>
<td>April 2015</td>
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<td>TDA Approval Period</td>
<td>May 2015</td>
<td>June 2015</td>
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<tr>
<td>Haematology/Oncology Construction Period</td>
<td>April 2015</td>
<td>July 2015</td>
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<tr>
<td>Haematology/Oncology Ward Commissioning</td>
<td>August 2015</td>
<td>August 2015</td>
</tr>
<tr>
<td>Haematology/ Ward Operational</td>
<td>-</td>
<td>10\textsuperscript{th} August 2015</td>
</tr>
<tr>
<td>Clinical Research Offices Construction Period</td>
<td>April 2015</td>
<td>September 2015</td>
</tr>
<tr>
<td>Clinical Research Offices Commissioning</td>
<td>October 2015</td>
<td>October 2015</td>
</tr>
<tr>
<td>Clinical Research Offices Operational</td>
<td>-</td>
<td>October 2015</td>
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1.12 UHNMT Trust approval

All capital business cases needed to deliver the proposals in the Acquisition Business Case and the subsequent Addendum require formal approval from the appropriate delegated body of the Trust. To be able to be considered for approval this business case needs to demonstrate that it meet 5 tests as follows:

- To be part of the Acquisition Business Case – the centralisation of acute haematology/oncology beds was identified in the Capital Appendix of the ABC as a priority scheme
- To be covered by the capital allocation – the capital cost of the scheme was originally set at £2.4m as identified in the Capital Appendix of the ABC. The final cost of the project is substantially below this at £1.873m, resulting in a saving of £527k.
- To be included within the revenue allocation identified within the IHSS ABC, or to have the revenue implications approved from other sources. Revenue costs and sources are summarised in a separate attachment.
To deliver the functional benefits envisaged including quality and safety – this FBC for the centralisation of oncology/haematology acute beds aims to deliver the following functional objectives and benefits:

- increased patient privacy and dignity through the introduction of individual rooms
- increased control of infection
- increased Haematology/Oncology service capacity
- operational and service efficiencies associated with the centralisation of a specialist staff base within the Haematology Ward
- means to provide flexible centralised bed space within the Haematology Ward that has the ability to respond to future changes in the Haematology/Oncology service

To be in keeping with the Trust’s 2025 Vision – Oncology is identified as one of the 6 ‘defining services’ that the Trust wishes to produce outstanding research, innovation and service levels to patients as a legacy for future generations.

1.13 Recommendation

It is recommended the committee approve this Full Business Case on the grounds it meets the 5 tests as set out in IHSS Capital Expenditure Report¹.

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¹ IHSS Capital Expenditure Report to UHNM Trust Board - June 2014.