Full Business Case –
Laminar Flow Theatre
Executive Summary

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>
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</thead>
<tbody>
<tr>
<td>1</td>
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<td>HD</td>
</tr>
</tbody>
</table>
# Contents

1 Executive Summary 4
   1.1 Introduction & Background 4
   1.2 Commissioner and Stakeholder Support 4
   1.3 Capital Programme 5
   1.4 Case of Need – Laminar flow theatre 5
   1.5 Economic case 6
   1.6 Summary of Scheme 6
   1.7 Capital Cost summary 6
   1.8 Financial Case 7
   1.9 Management Case 7
   1.10 Timescales 7
1 Executive Summary

1.1 Introduction & Background

In February 2014 the Secretary of State approved the 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 the former 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 Authority (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 TSA’s clinical model set out in the TSA’s 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).

This Full Business Case (FBC) for Theatre 6 Laminar Flow Hood and associated work sets out the need for £1.34m capital, in line with the Acquisition Business Case, with revenue costs for service delivery to be determined as part of the Trust’s annual business plan. This is to support the implementation of the model of care approved by the Secretary of State in February 2014 and is one of a series of cases that will be submitted by UHNM against the agreed £80m capital allocation in the Acquisition Case.

The urgent requirement to complete capital works that enable UHNM to implement the orthopaedic disaggregation 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 July 2015, the usual approval processes will be fast tracked to ensure that the commencement and implementation of the Project 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 develop 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 County Hospital site and the Royal Stoke University Hospital (RSUH) site, to enable UHNM 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 internally operational capital from County Hospital and IHSS depreciation towards the works required to configure both hospital sites.

1.4 Case of Need – Laminar flow theatre

This FBC for Laminar flow theatre is driven by a number of weaknesses in the existing theatres area at County Hospital.

- A lack of orthopaedic theatre capacity and requirement for an additional laminar flow theatre with ultra clean hood
- Where possible room sizes to move closer to HBN requirements, particularly orthopaedic theatre
- The existing accommodation is inadequate and the arrangement of the area results in poor patient flow
- Insufficient preparation space to support orthopaedic activity
- Ageing M&E services including air handling units and medical gas outlets (identified as not compliant)

The clinical requirement and priority is to create a larger sized theatre out of an existing theatre, which will be upgraded to include an Ultra Clean Hood. The key objectives are to create a modern and better sized theatre achieving:

- Compliance with best practice guidance, including Health Building Notes
- Capacity to meet growing demand for orthopaedic procedures requiring laminar flow requirements
- Improved environment to deliver service resulting in greater clinical efficiency and effectiveness for clinical and nursing staff
- Improved operating theatre environment with improved space standards
- Facilities that support the operating suite including prep lay-up room and store
- Equitable theatre provision at both County Hospital and RSUH for orthopaedic surgery
1.5 Economic case

The preferred option identified for the delivery of the project objectives is the addition of a laminar flow hood to an extended theatre 6, and reconfigured supporting accommodation (incl. preparation room)

This option has been selected on the basis that:

- Current laminar flow theatre provision is insufficient to implement the TSA model (2 theatres required)
- Theatre 6 confirmed as the most appropriate theatre for conversion, following feasibility study by P21+ contractor
- Additional laminar flow theatre will increase the capacity for the trusts orthopaedic work
- The capital project can be delivered within the necessary service transition timescales agreed between UHNRM and RWT

1.6 Summary of Scheme

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>Theatres</td>
<td>• Conversion of theatre 6 to support orthopaedic activity to include ultra clean hood</td>
</tr>
<tr>
<td></td>
<td>• Theatre 6 extended and refurbished</td>
</tr>
<tr>
<td></td>
<td>• Alterations to the supporting rooms, scrub and prep</td>
</tr>
<tr>
<td></td>
<td>• Provision of new mechanical and electrical services for theatre 6</td>
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<td></td>
<td>• Associated equipment and IT provision</td>
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1.7 Capital Cost summary

The capital cost of the proposed works is £1.34m. GMP prices have been obtained on the project which gives certainty to the cost of the scheme.

The Capital Programme identified a total of £3m to address both the laminar flow theatre and theatre refurbishment works with an initial estimated split of £1m for this scheme and £2m for the theatre refurbishment works.

It has been agreed by the Capital Programme Board that the capital costs for these schemes can flex within the overall £3m budget and if laminar flow requires additional capital, which is approved; it will reduce the capital available for the refurbishment works.

The GMP/works costs and associated capital costs are set out in the table below.
1.8 Financial Case

This FBC sets out the need for £1.34m capital expenditure funding requirement in the form of exceptional PDC as set out in the ABC, with revenue costs for service delivery to be determined as part of the Trust’s annual business plan.

The 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.

1.9 Management Case

Delivery of the overall capital programme will be governed by the Trust’s Capital Programme Board to ensure the effective management of the programme. The Programme Board will provide the essential oversight of programme delivery, costs, benefits, risks and dependencies. The Programme Board will report to the Capital Investment Group.

1.10 Timescales

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

Table 3 Key Timescales

<table>
<thead>
<tr>
<th>Element</th>
<th>Start date</th>
<th>Target Completion Date</th>
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<tbody>
<tr>
<td>FBC Development &amp; Trust Approvals</td>
<td>January 2015</td>
<td>March 2015</td>
</tr>
<tr>
<td>TDA approval period</td>
<td>March 2015</td>
<td>May 2015</td>
</tr>
<tr>
<td>Construction Period</td>
<td>March 2015</td>
<td>June 2015</td>
</tr>
<tr>
<td>Commissioning</td>
<td>June 2015</td>
<td>June 2015</td>
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<tr>
<td>Operational</td>
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<td>1 July 2015</td>
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1.11 UHNM 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 conversion of an existing theatre to support orthopaedic activity 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 £1m as identified in the Capital Appendix of the ABC. The final cost of the project is £1.345m, with the additional funding being taken from the remaining theatre refurbishment budget (£2m). This reduces the sum available for the refurbishment of the remainder of the theatre suite to £1.6m.

- 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 in context with the IHSS ABC.

- To deliver the functional benefits envisaged including quality and safety – this FBC for the creation of a specific orthopaedic theatre aims to deliver the following functional objectives and benefits:
  - Capacity to meet growing demand for orthopaedic procedures requiring laminar flow requirements.
  - Improved environment to deliver service resulting in greater clinical efficiency and effectiveness for clinical and nursing staff.
  - Improved operating theatre environment with improved space standards.
  - Facilities that support the operating suite including prep - lay-up room; and store.
  - Equitable theatre provision at both County Hospital and RSUH for orthopaedic surgery.
  - Compliance with best practice guidance, including health building note.

- To be in keeping with the Trust’s 2025 Vision – this FBC works towards the delivery of additional theatre capacity in Stafford, as identified in the 2025 Vision as a key objective for 2014/15.

1.12 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.

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