

REPORT TO: Health Policy and Performance Board

DATE: 24th November 2020

REPORTING OFFICER: Strategic Director, People & L. Gardener,
Warrington & Halton Teaching Hospitals NHS
Foundation Trust

PORTFOLIO: Health & Wellbeing

SUBJECT: Halton Hospital and Wellbeing Campus
Strategic Outline Case

WARD(S) Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to provide an overview of progress to date in terms of the plans for new hospital developments in Warrington and Halton, seek support to continue to progress the plans for Halton hospital site redevelopment, and to ensure the provision of hospital services in a modern fit for purpose estate.

2.0 **RECOMMENDATION**

2.1 **That the Board notes the report.**

3.0 **SUPPORTING INFORMATION**

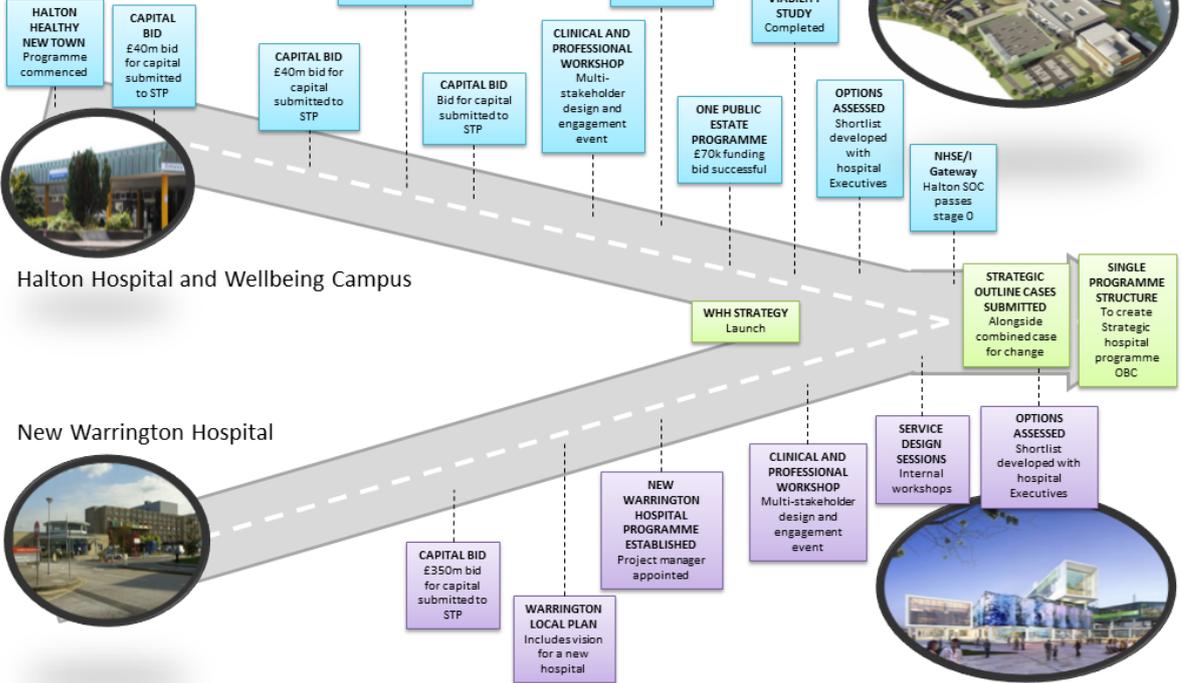
3.1 **New hospitals: Context and progress to date**

3.1.1 Last year Warrington and Halton Teaching Hospitals NHSFT published its Estate and Facilities Strategy 2019-2024, which sets out its key aims to ensure our hospitals are safe, secure and fit for purpose. It reiterates the pressing need for modernisation and reconfiguration on both the Warrington and Halton sites, including the provision of a new hospital for Warrington and the completion of the development of a hospital and wellbeing campus on the Halton site. Plans for new hospital facilities in Warrington and Halton are included in both Councils' Local Plans.

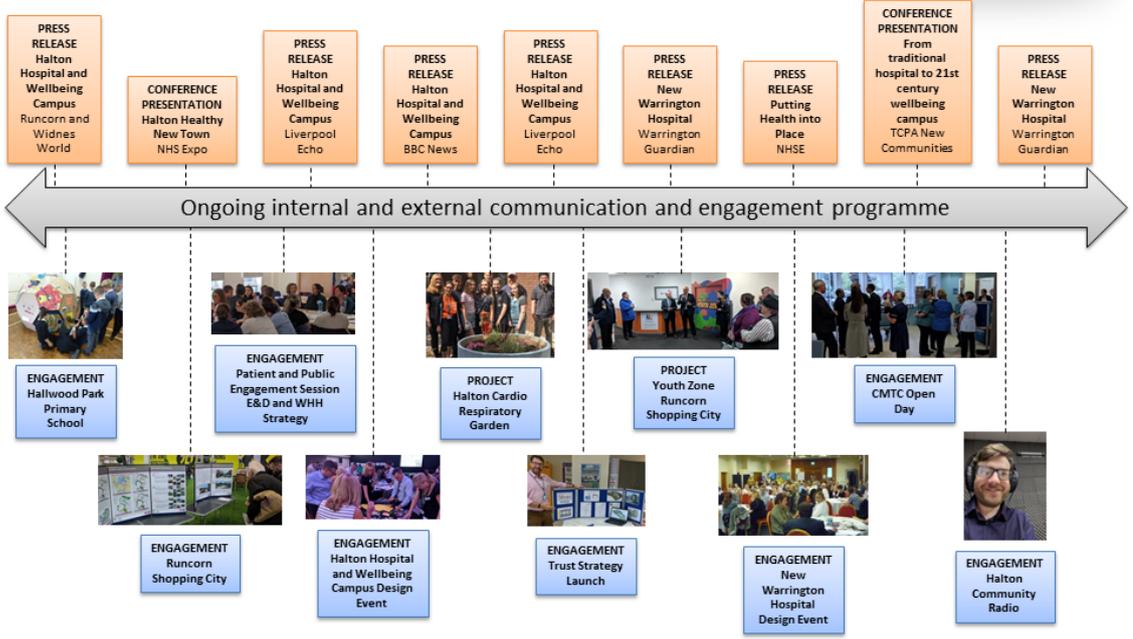
3.1.2 The diagram on page 3 summarises key milestones delivered to date. Strategic Outline Cases ('SOCs') have been developed for both a new Warrington hospital and the redevelopment of the Halton hospital site. Both SOC's have been reviewed by NHSE/I through the informal Gateway review process and encouragingly positive feedback received. The SOC's have been approved by the

Warrington and Halton Teaching Hospitals NHSFT's Board and by the Warrington and Halton CCGs.

- 3.1.3 Both Warrington and Runcorn have been selected to be part of the national Town Deal programme. Our plans for the new hospitals actively align and support the delivery of improved outcomes through the Towns' Investment Plans and also the delivery of the Town Centre Programme in Halton. For example, as part of Halton's Town Centre programme we plan to provide health services from Runcorn Shopping City, making services more accessible to patients, reducing backlogs due to COVID-19, increasing footfall in Shopping City to support economic regeneration and helping to sustain a key community asset, as well as supporting the development of new hospital facilities on the Halton hospital site and releasing land for housing.
- 3.1.4 We have engaged over 130 organisations and groups in our plans to date, including statutory bodies, charitable organisations and public and patient representative groups. A summary of some key engagement activities is included in the diagram below. All partners, patients and the public who have been engaged in this extensive exercise are very supportive of our plans and have been involved in their development.



Q2 2017/18 Q4 2017/18 Q2 2018/19 Q4 2018/19 Q2 2019/20 Q4 2019/20



3.2 **Supporting the next stage of business case development**

3.2.1 In order to further progress the planning for new hospital developments within Warrington and Halton to the next stage, the Halton Borough Council Executive Board is asked to give their support to the programme and support in progressing to the next stage of business case development.

3.2.2 The following section sets out a summary of the Case for Change and the Strategic Outline Case.

3.2.3 The Case for Change for developing our future estate is compelling. The strategic case sets out the case for change for Halton across a number of key areas:

Strategic: The national, regional and local strategic contexts.

- Supporting the aims of the NHS Long Term Plan;
- A focus on prevention and health inequalities;
- An emphasis on digitally-enabled care.

Demographics and Health and Wellbeing: The changing demographics of the Trust's catchment area and health outcomes

- A fast-growing population within Cheshire and Merseyside;
- An increasingly ageing population in Halton (25% of population will be 65+ by 2041, currently 18%);
- Life expectancy for both males and females in Halton is below the national average;
- Health and wellbeing outcomes for Halton are below the national average, including high rates of alcohol specific conditions and high rates of elderly people suffering injuries from falls;
- Halton's population suffers with significantly higher prevalence of cancer than the national average.

Economic: Estate challenges and a compelling case around value for money

- The ageing estate at Halton General Hospital does not provide an ideal patient experience, with many facilities at odds with modern building specifications;
- Challenging layout of the hospital with poor clinical adjacencies;
- Development of the Halton site is key to Healthy New Town developments;
- Recent Value for Money ('VFM') analysis demonstrates a 280% VFM ratio for development of Halton.

3.2.4 In summary, to meet patient expectations, the demands of the growing, ageing and complex population it serves and to ensure

delivery of local and national strategic objectives, significant development of Halton hospital is required.

- 3.2.5 A Strategic Outline Case ('SOC') has been developed in accordance with HM Treasury guidance as set out in the Green Book. It has been developed following the Five Case Model and focuses on the Strategic, Economic, Commercial, Finance and Management Cases. The SOC establishes the case for change, the project investment objectives, and the main risks, constraints and dependencies for the New Halton Hospital and Wellbeing Campus proposal.
- 3.2.6 The Trust is committed to developing the existing site at Halton to provide new hospital estate, fit for purpose for modern healthcare delivery.
- 3.2.7 The SOC defines a long list of options for new hospital facilities in Halton. These options were appraised through a number of different forums with clinical and non-clinical health and care stakeholders, patients and the public.
- 3.2.8 In line with the HM Treasury Green Book the shortlisted options will be taken forward and developed further as part of the Outline Business Case process. In line with the Green Book, 'Business as Usual' is mandatory for inclusion and reveals the change that will occur without intervention. All other options will be measured in terms of costs and benefits against this baseline option.
- 3.2.9 At Strategic Outline Case stage, the preferred options based upon the non-financial evaluation criteria are:
- Option 3 – Extend CMTC to accommodate current and additional services, and dispose of HGH, Brooker Centre and Blocks
 - Option 5 – Extend CMTC to accommodate current services only, and dispose of HGH, Brooker Centre and Blocks.
- 3.2.10 Each of the above options will also impact upon (and be impacted by) any potential development considered as part of the Warrington New Hospital development. For example, Covid response has enabled an acceleration of increased elective surgery provision on the Halton hospital site. As such, these options will be considered in line with options developed through the Strategic Outline Case process for the Warrington site and considered as the Outline Business Case is developed.

3.3 **Health Infrastructure Funding ('HIP')**

3.3.1 In October 2019 the Government announced funding for a further 8 hospitals as part of its Health Infrastructure Plan. The Health Infrastructure Plan sets out a long-term plan of investment in health infrastructure, including capital to;

- build new hospitals
- modernise primary care estate
- invest in new diagnostics and technology
- help eradicate critical safety issues in the NHS estate

3.3.2 *Warrington and Halton Teaching Hospitals fully intends to compete to be considered as one of these eight new available schemes.*

3.3.3 A New Hospitals Strategic oversight group, tasked with leading the programme development of new hospitals for both Halton and Warrington, has been established, chaired by Dr Andrew Davies, including representatives from the Trust, CCGs, Councils, University of Chester and MPs. This group wrote to the Government in September setting out;

- The investment required to develop a modern fit-for-purpose hospital estate
- An opportunity to release land for circa 450 homes across Warrington and Halton
- How the investment will make a significant contribution to health outcomes improvement, increased life expectancy and economic regeneration in Halton and Warrington

3.3.4 In order that we are in the strongest position possible to apply for the next phase of the Health Infrastructure Plan it is essential that development of the cases for new hospital estate continues. The next phase of work for this is to produce Outline Business Cases for the new hospitals programme.

3.3.5 *Support from the Council at this time will be integral to the development of two aligned Outline Business Cases as the next step required under the NHS capital regime guidance.*

4.0 **POLICY IMPLICATIONS**

4.1 None identified

5.0 **FINANCIAL IMPLICATIONS**

5.1 The high level costs of the new hospital and wellbeing campus on the Halton site are estimated to be between £46m and £56.5m.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 The proposed development of the hospital and wellbeing campus at the Halton site supports all of the Councils priorities and in particular a Healthy Halton and Halton's Urban Renewal.

7.0 **RISK ANALYSIS**

7.1 A risk register has been produced to support the delivery of the programme. The highest rated risk currently identified relates to the ability to secure funding for the project.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 An equality impact assessment will be completed for the scheme. In addition equality will be proactively considered at every stage of planning.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 None.