

Council of Governors: Summary Sheet

Title of Paper: Acute Care Reconfiguration – Phase II

Presented By: Phillip Easthope, Executive Director of Finance

Action Required:

For Information	<input type="checkbox"/>	For Ratification	<input type="checkbox"/>	For a decision	<input type="checkbox"/>
For Feedback	<input type="checkbox"/>	Vote required	<input checked="" type="checkbox"/>	For Receipt	<input type="checkbox"/>

To which duty does this refer:

Holding non-executive directors individually and collectively to account for the performance of the Board	
Appointment, removal and deciding the terms of office of the Chair and non-executive directors	
Determining the remuneration of the Chair and non-executive directors	
Appointing or removing the Trust's auditor	
Approving or not the appointment of the Trust's chief executive	
Receiving the annual report and accounts and Auditor's report	
Representing the interests of members and the public	
Approving or not increases to non-NHS income of more than 5% of total income	
Approving or not significant transactions including acquisitions, mergers, separations and dissolutions	x
Jointly approving changes to the Trust's constitution with the Board	
Expressing a view on the Trust's operational (forward) plans	
Consideration on the use of income from the provision of goods and services from sources other than the NHS in England	
Monitoring the activities of the Trust to ensure that they are being conducted in a manner consistent with its terms of authorisation and the constitution	
Monitoring the Trust's performance against its targets and strategic aims	

How does this item support the functioning of the Council of Governors?

Governors will be executing their statutory requirement under the 2012 Health & Social Care Act to approve any significant transaction in line with paragraph 46 of the Trust's Constitution

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Date: 19 April 2018

SUMMARY REPORT

Report to: Council of Governors

Date: 26 April 2018

Subject: Acute Care Reconfiguration – Phase II

From: Phillip Easthope, Executive Director of Finance

Prepared by: Alison Shore and Geoff Rawlings

1. Purpose

Mental Health Services in Sheffield have undertaken significant and successful transformation over the last four years. Local services are strategically well positioned to be a national leader in delivering effective high quality care in the community for people experiencing a mental health crisis, supported by high quality inpatient care for people who need it most.

The Trust needs to continue its journey and this paper provides an overview of the Trust's outline business case, which provides a number of costed options for future delivery of services, and which is the final stage of a range of transformation programmes that will deliver responsive, high quality, safe and effective crisis care services for people in Sheffield. This will result in:

- the establishment of new facilities to support a comprehensive Crisis Hub service model;
- the consolidation on one site for all acute inpatient care services and key community crisis services within the Crisis Hub;
- a modern inpatient environment that will transform the experience of people receiving care and staff providing care in respect of quality, safety, dignity and the overall experience.

The need to improve and upgrade accommodation at the Longley Centre was identified in 2010 and the first phase of the works to construct the new Psychiatric Intensive Care Unit was completed in January 2016.

2. Summary

2.1 Strategic Case

In line with the NHS 5 Year Forward View, the Trust has been working since 2010 to improve its inpatient performance in terms of care for its patients and the efficiency at which it operates. In the past the Trust regularly exceeded its occupancy on a larger inpatient bed base. This meant in the last decade local residents were often admitted out of the city when the inpatient beds, then

totaling more than 95, were occupied. The new model of care pathways has seen inpatient beds reduced from 74 to 49 acute beds (closing a 24 bed ward) and from 44 to 18 older adult beds (between 2013/14 and 2017/18). This has occurred by the use of intensive alternatives to admission which has improved care pathways and reduced dependence on inpatient beds. These alternatives to admission include intensive home treatment (hospital at home), crisis house and step-down provision. This is in line with the Sustainability and Transformation Plan (STP) of “Healthy Lives, Living Well and Prevention” alongside that of the Sheffield Plan Priority of “Primary Care for Now and the Future”, again with an emphasis on supporting neighborhood teams.

All of which it is accepted by the Trust, but requires a fundamentally different approach that will lead to integrating inpatient facilities together, maximizing staffing resources, reducing non-essential overheads like estate maintenance and logistics expenditure and providing facilities of modern standards to promote safe patient care .

2.2 Strategic Need

Providing services together improves the safety and dignity of transfers between services. This also ensures staff can be flexibly deployed and that services can support each other effectively when incidents occur. Providing all these services at the Longley Centre allows for all services to be co-located together and with timely access to and from Sheffield Teaching Hospital services on site at the Northern General Hospital. This allows us to support changes in service user’s physical health care needs via on-site transfer.

2.3 Consultation and Engagement

The Trust has consulted widely over the long term planning of its services and facilities. The documents “our operational Plan 2017-19” and “our Estate Strategy 2017-22” both made clear the need for our services to integrate onto higher quality, better planned, more cost effective estate meeting public expectations. A number of patient participation events have occurred over the past two years. Most recently an event was held with users in September 2017. The event gained the views of 20 stakeholders (a full list of stakeholder events is available). The Trust has held 33 stakeholder engagement events throughout this process and will continue to do this on-going. In addition to all the formal sessions, there have been numerous informal sessions within teams and other operational settings in order to inform the design.

The design has also been shaped by best practice visits including a visit to Birmingham Psychiatric Decisions Unit upon which the design for our unit has been based. The team, including our service user lead, also visited Kingfisher Court in Hertfordshire. This unit has Adult Acute Wards, Older Adult Ward, Place of Safety and Electro Convulsive Therapy. We also carried out a review of the service and space utilisation at a number of sites including the on-ward and off-ward therapies.

2.4 Options Appraisal

A range of options have been developed in order to deliver the future service based on strategic need, improved safety and improved dignity and experience. The continued use of the Michael Carlisle Centre, or a new build solution on existing sites, were discounted as viable options. Consideration was given to the

following options:

- (a) Do minimum work on Longley Centre, locating required services but not delivering on required environmental or safety standards.
- (b) Refurbishment to meet compliance standards relating to environment and safety, but with no improvements to the external aesthetic.
- (c) Refurbishment to meet compliance standards plus new external cladding to improve external aesthetic.
- (d) Full refurbishment to significantly improve the environment internally and externally, with improved safety and effective operational flow, but with phased approach over longer term to improve cash flow.
- (e) Full refurbishment to significantly improve the environment internally and externally with improved safety and effective operational flow.
- (f) Full refurbishment as above, but with additional extension builds and floor space to maximize on ward therapy space.

2.4 Financial Viability

Based on the Trust's historic performance delivering its financial objectives we are able to forecast a sustainable good cash surplus, along with annual efficiencies and with the support of £14m long term loan, all options have been assessed and deemed financially affordable.

In order to assess effectively which option within the business case delivers the best value for money, it is required to consider both financial and non-financial scores. This assessment has been done and we conclude that option E will deliver the most qualitative benefits and renders the best return of investment and is the most cost effective option available.

Option F has been discounted on practical grounds. The next option is C, but it scores below option E on quality grounds by 87 points and cost £158k more than option E per qualitative point achieved, in summary less quality at a higher cost.

For all the reasons above, the Trust is recommending progressing with option E as it delivers the best value for money investment among the 6 options available.

2.5 Significant Transaction

The preferred option detailed above falls within the definition of a significant transaction set down by the regulator. The Health and Social Care Act 2012 conferred on Councils of Governors the statutory duty to approve any significant transaction.

Governors are responsible for satisfying themselves that the board has been thorough and comprehensive in reaching its decision and that NEDs have demonstrated robust scrutiny of the proposals and tested them out as being in the

best interests of the trust and those it serves. Governors should ask NEDs to be able – individually and collectively – to explain their assurance of the decision.

3. Next Steps

3.1 Council of Governors

The Council of Governors is asked to approve in principle the Acute Care Reconfiguration. Approval of the business case will be sought by the Trust Board at its meeting of 11 July 2018 following with formal approval of the Council of Governors being sought at the next meeting on 26 July 2018.

In order to ensure that the Council is equipped to take a decision at its next meeting, the Board asks it to consider any information needs it may have and these will be addressed prior to 26 July 2018.

3.2 NHS Improvement (NHSi) and due diligence

There is a regulatory framework for significant transactions which ensures that transactions work well for patients. This is a robust process including a risk-based assurance process. NHSi will consider how the Trust's plan may affect the ongoing risk profile of the trust. It will look in detail at up to four domains depending on the nature and risks of the proposed transaction:

- strategy
- transaction execution
- quality
- finance

The Trust Board will have to certify to NHSi that all relevant actions have been completed and assurances are in place. In addition, both the outline business case and full business case, once complete, will be scrutinised by the Trust's Business Planning Group, Executive Director's Group, Finance and Investment Committee and Trust Board.

Any significant transaction or change must have the agreement of the Trust's commissioners. Initial discussions have taken place with NHS Sheffield Clinical Commissioning Group (NHSSCCG) at the Contract Management Board and NHSSCCG has supported the bid in going forward as part of the national Accountable Care System Capital Funding Requirements. However, final approval of the commissioners will be sought after approval by the Trust Board.

4. Required Actions

The Council of Governors is asked to approve in principle the Acute Care Reconfiguration.

5. Monitoring Arrangements

As a major transaction, the Acute Care Reconfiguration development will be overseen by the Finance and Investment Committee and the Board of Directors.

6. Contact Details

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