

TRUST BOARD

Title:	Redevelopment of Princess of Wales Hospital, Ely
Action:	FOR DECISION
Meeting:	20th January 2021

Purpose:

The purpose of this paper is to present a Strategic Outline Case (SOC) for the redevelopment of the Princess of Wales Community Hospital in Ely to the CCS Board for approval.

Recommendation:

The SOC demonstrates that there are at least four realistic and achievable options by which the POW project objectives can be delivered and the strategic development of services in Ely taken forward. This will represent a major contribution to the STP's strategic response to the case for change.

The SOC has received formal written support from C&P CCG and Cambridge University Hospitals NHS Foundation Trust.

It is recommended that the Board approve the Strategic Outline Case (SOC) and support the continuation of the preparation of an Outline Business Case (OBC).

	Name	Title
Author:	Richard Dickson	Project Director PoW Hospital Ely
Executive sponsor:	Rachel Hawkins	Director of Governance / Deputy Chief Executive

Trust Objectives

Objective	How the report supports achievement of the Trust objectives:
Provide outstanding care	To provide modern health and care environments that support the delivery of joined-up services.
Collaborate with others	To deliver more treatments and care in Ely thereby helping the Cambridgeshire & Peterborough acute hospital sector to free-up space in hospitals to in turn allow acute-based services to expand.
Be an excellent employer	To replace the existing ageing and no longer functionally suitable estate at the POW Hospital with fit for purpose buildings meeting all modern standards.
Be a sustainable organisation	Incorporating digitally enabled primary & outpatient care into the fabric of a new health & care hub.

1. Executive Summary

- 1.1 The strategic outline case (SOC) for redeveloping the Princess of Wales (POW) Hospital in Ely tests the feasibility of different options to expand the number of services provided from the site whilst also ensuring that all services operate from fit for purpose modern accommodation.

The project described in the SOC responds to the following needs:

- The need to provide modern health and care environments that support the delivery of joined-up services as described in national and local strategy.
- The need for more physical capacity in Ely to meet anticipated rising demand from the growing and ageing local population.
- The opportunity to deliver more treatments and care in Ely thereby helping the C&P acute hospital sector to free-up space in hospitals such as Addenbrooke & Hinchingsbrooke to in turn allow acute-based services to expand.
- The need to replace the existing ageing and no longer functionally suitable estate at the POW Hospital with fit for purpose buildings meeting all modern standards.

2. Background

- 2.1 The business case takes as its starting point the SOC developed in 2017 and the related wave four funding bid, and proposes a preferred way forward comprising:

- A new health and care hub.
- A linked day surgery and therapy unit within retained estate currently forming part of the POW Hospital.
- The expansion of the day service including the establishment of a 23-hour ward.
- A multi-storey car park.
- A land swap between Cambridgeshire Community Services (CCS) NHS Trust (the POW site owners) and Palace Green Homes to secure land for the health and care hub in exchange for part of the existing POW site which would then be redeveloped for housing.
- The sale of part of the existing POW site for additional housing.
- The further sale of part of the site for the development of a nursing home.

- 2.2 The PoW Hospital is located in the north of the city of Ely in the district of East Cambridgeshire. Whilst there is no defined catchment area as such for the hospital, people attending the POW will come broadly from the East Cambridgeshire district which has a population of just under 90,000. East Cambridgeshire has the lowest population density in Cambridgeshire and the rurality and associated poor public transport, does create challenges in delivery of and access to, public services.

- 2.3 The local population has a similar age profile as the county and England as a whole. Cambridgeshire and Peterborough is an area of high population growth as evidenced in historic trends and forecasts of new house building and, whilst East Cambridgeshire has experienced low growth relative to the rest of the county in recent years, it is predicted to have the second highest level of proportional growth (+25.4%) of any Cambridgeshire district between 2016-2036 with older age groups growing at the fastest pace. This growth in the older population is expected to lead to a significant increase in demand for health and care due to the correlation between ageing, the likelihood of having one or more long-term conditions and/ or meeting the classification of "frail". Need for health and care services is also determined by socio-economic factors. Deprivation is low in East Cambridgeshire, with none of the local electoral wards being within the most deprived fifth (20%) of areas nationally.

- 2.4 There are significant plans for new housing across the county and three of the county's 23 development sites are in East Cambridgeshire (and a fourth is nearby in Chatteris). The district council's 2020 Five Year Land Supply Report sets out a requirement for 3,610 (+9.5%) new homes over the five years to 31st March 2024. Land supply has been identified sufficient to deliver 4,772 homes in the first five years (and a further 5,182 homes in the 15 years from 2024 to 2038). A large proportion of the available supply is linked to major developments most of which are in the north of Ely or Littleport. The Ely developments are relatively close to the hospital and are of sufficient size to warrant additional primary care capacity. The local council recognises the importance of expanding healthcare facilities in response to population growth and supports the redevelopment of the POW site. The council has also confirmed that community infrastructure levy (CIL) monies are likely to be available as a contribution to the costs of any new healthcare premises.
- 2.5 The following organisations provide most of the commissioned health & care services for local people:
- Cambridgeshire Community Services NHS Trust (CCS)
 - Cambridgeshire and Peterborough NHS Foundation Trust (CPFT)
 - Cambridge University Hospitals NHS Foundation Trust (CUH)
 - North West Anglia NHS Foundation Trust (NWAFT)
 - Cambridgeshire County Council
 - Cathedral Medical Practice and Herts Urgent Care (GP out of hours services)
- 2.6 The POW Hospital is a key venue for the delivery of community health services and services currently provided from the site include a rehabilitation ward, day surgery, minor injuries, a GP practice and primary care out of hours, outpatients, physiotherapy, neuropsychology and community teams. Nevertheless, the overwhelming majority of people requiring secondary healthcare travel out of the immediate area to receive treatment, whether planned activities such as surgery, outpatients and planned diagnostics, or urgent and emergency activities such as A&E attendance and non-elective hospital admission. The largest flows are to Addenbrooke's in Cambridge.
- 2.7 The buildings that make up the existing PoW hospital were originally designed to provide ward-based acute care to inpatients and as such do not lend themselves easily to the outpatient or day service activity that is the basis of a large proportion of today's modern community-based care pathways. These pathways require spaces that can be flexed to meet the needs of individual patients (e.g. providing extended opening hours) or to accommodate different styles of delivery such as group-based therapy. The layout of the hospital is extremely inefficient and incompatible with modern service delivery models and accommodation standards.
- 2.8 Accommodation is highly segmented with excessive circulation space. The current configuration of long-narrow ex-ward buildings with multiple small spaces often leading on from each other, restricts professionals from offering these new ways of working to their patients (or rather restricts the extent that they are able to do so). There is one relatively modern building dating from 1989, which accommodates three day theatres (only two are currently used) and some therapy space. Site-wide backlog maintenance costs are estimated at £1.6m with a further £4.5m forecast for the next five years.

3. Proposal Status

- 3.1 The redevelopment of POW was confirmed as being a Priority Project by the STP Estates Group in 2020, who added the suggestion that a community led scheme should be

submitted when the next round of capital funding becomes available. POW is the highest ranked community based project on the STP's list of priority capital projects.

- 3.2 CCS has led the preparation of a refreshed Strategic Outline Case for the redevelopment of POW, working closely with partners from CUH, CPFT, C&P CCG and Cambridgeshire County Council. Initially attempting to update the 2017 SOC and ultimately writing a new Strategic Outline Case, that now has the support of the CCG.
- 3.3 A series of stakeholder workshops began in August 2020 with the latest being held in December 2020. The design team initially hosted discussions with individual service leads, and then held a series of sessions with wider groups in order to establish the spacial requirements, adjacencies and clinical needs from groups focussing on the following services;
- Primary and Urgent care
 - Outpatients
 - Therapies
 - Diagnostics and Imaging
 - Day Surgery
 - Rehabilitation Service
- 3.4 Each Group has been able to agree and confirm its requirements which were then used as the brief to develop the design of the replacement hospital buildings.
- 3.5 The SOC establishes a shortlist of options for consideration. Assessment of the benefits of these options has begun, with CCS and CUH having completed an assessment of the options and CPFT expected to complete their assessment in the coming weeks.
- 3.6 CCS as the lead organisation responsible for preparing the Business Case wishes to acknowledge the commitment from its partners in the C&P System and the support they have provided in the preparation of the business case. Despite the enormous pressures resulting from the pandemic, our partners have continued to fully engage and respond to our requests, allowing us to continue to robustly prepare the business case, their ongoing contribution has been, and continues to be vital for the success of this project.

4. Capital Funding

- 4.1 This project does not yet have a capital allocation. Notwithstanding that, NHSEI are sighted on the preparation of the Outline Business Case, and have given informal guidance and feedback to assist in its preparation. Once a suitable capital funding route is established, NHSEI regional and national estates and finance colleagues will be asked to consider the proposals formally. If the OBC is approved early in 2021 the projected cash flow forecast would be:

Capital Drawdown:

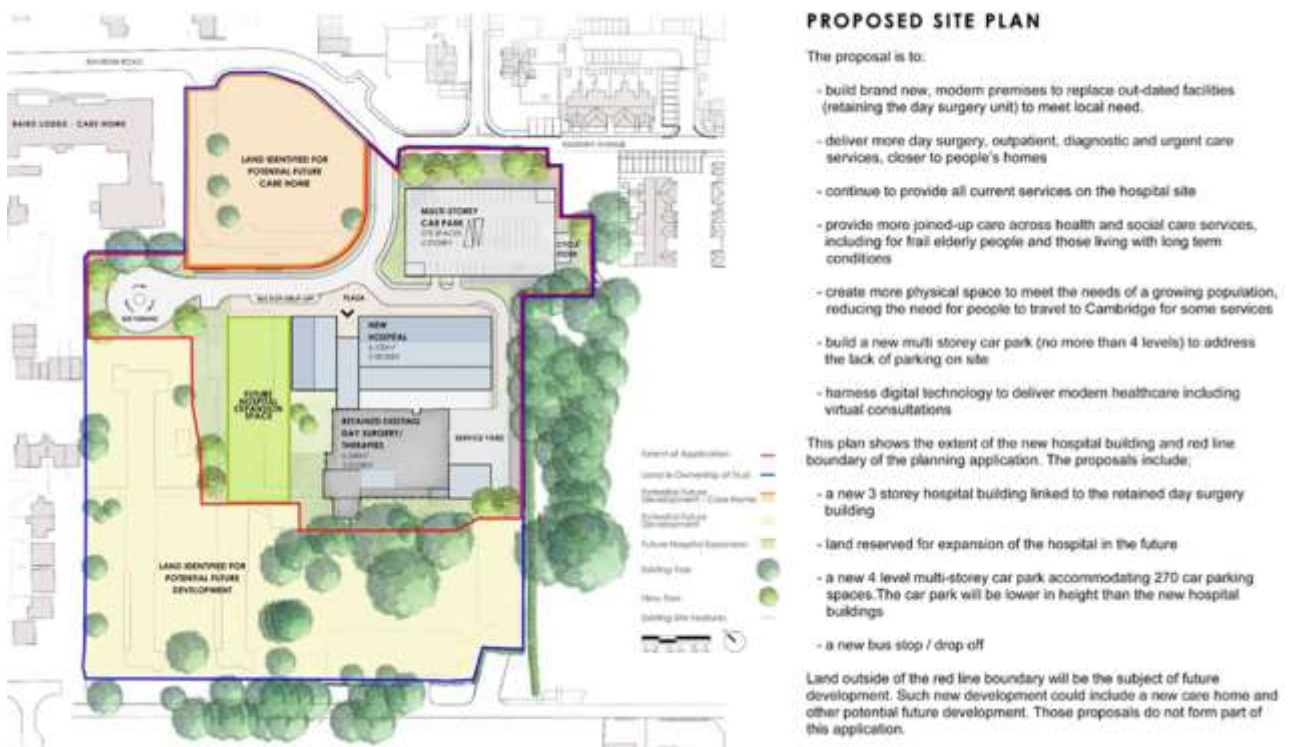
2021/22	£6 million	
2022/23	£27 million	
2023/24	£16 million	Total £49 million

Key Milestones:

OBC completion	Q1 2021
FBC completion	Q3 2021
Start on Site	Q4 2021
Completion	Q4 2023

5. Current Focus

- 5.1 An appraisal of benefits arising from the short list of options is in the process of being completed in order to establish the preferred option to be taken forward to OBC.
- 5.2 Cost and Revenue modelling is being undertaken in order to establish the economic case for development, affordability and revenue impact on the C&P System. With the assistance of PA Consulting assessment of cash and non cash releasing benefits are being established and the Comprehensive Investment Appraisal (CIA) model is being completed to quantify the benefits of the preferred options.
- 5.3 An outline planning application is being prepared to be submitted in January in order to secure additional land required to develop the new hospital whilst continuing to deliver services from the existing hospital.
- 5.4 Capital can be released from land that would become surplus as part of the redevelopment. Releasing surplus land would also assist Cambridgeshire County Council meet its objectives to provide housing for older people. A structure is being explored with CCC to meet both of these objectives.
- 5.5 An outline planning application will be submitted to establish the following principles:



6. Timescales

Business Case process:

- STP Estates Group Endorsement
- CCG Endorsement
- Programme Board Endorsement
- STP Board Endorsement
- **CCS Board Approval**

December 2020
 December 2020
 January 2021
 January 2021
January 2021

- NHSEI Informal Assessment February 2021
- Continuation of preparation of OBC December 2020 – February 2021
- Outline Planning Application submission: January 2021
- Outline Planning Approval: May 2021
- Detail Design: April - September 2021
- Detailed Planning Application / Reserved Matters April – September 2021
- Full Business Case Completion: September 2021

7. Conclusion and Recommendation

- 7.1 The SOC demonstrates that there are at least four realistic and achievable options by which the POW project objectives can be delivered and the strategic development of services in Ely taken forward. This will represent a major contribution to the STP's strategic response to the case for change set out in this document.
- 7.2 The Board are asked for approval to the SOC allowing the Project Team to move forward to OBC at which stage, the shortlisted options will be worked-up in more detail and carry a full cost-benefit-risk appraisal carried out to determine the preferred option to deliver the POW redevelopment project.