

Shaping a Healthier Future: Strategic Outline Case Part 1

North West London Joint Health Overview and Scrutiny Committee

20 February 2017

Overview

The strategic outline case (SOC part 1) is a business case for **£513m** of capital to enable us to change the way we care for people by improving the quality and capacity of **primary, community** and **acute estates** in North West London.

We want to keep people well and support them in or near their own homes, while providing the best possible care when they do need to go into hospital.

- In NW London, our Sustainability and Transformation Plan (STP) builds on the clinically-led portfolio of programmes called *Shaping a Healthier Future* (SaHF)
- SaHF has undergone full public consultation, with outcomes approved by a Joint Committee of PCTs in 2013 and agreed by the Secretary of State for Health
- The business case supports both NW London's STP and SaHF vision
- SOC part 1 does not revisit the JCPCT decisions to designate hospital sites as major, local, elective or specialist hospitals.

Understanding SOC part 1 and SOC part 2

- The detailed capital business case is split into two parts **SOC part 1** and **SOC part 2**.
- SOC part 1 has an Executive Summary and five elements:



What is SOC part 1?

- a technical document to secure capital investment to deliver the next phase of SaHF
- makes the case to invest in primary care estate, out of hospital hubs, acute hospitals in outer NW London and the local hospital at Ealing, with an updated list of services at Ealing on which there will be further engagement

What is SOC part 2?

- a technical document to secure capital investment in the subsequent phase of SaHF delivery
- will make the case for investment in acute hospitals in the inner NW London
- will be developed in 2017

Further planned engagement

- We will be engaging at local level from early 2017 with staff, patients and communities around the services to best meet local needs, particularly for Ealing local hospital and the out of hospital hubs
- This will enable us to test the services we have currently identified within our preferred option and to co-produce the detailed clinical models with staff and the public
- If this engagement enables us to find ways to deliver services that are better than our preferred option, or deliver the same benefits for less money or faster, then we will do so
- We will update our equalities impact assessments as we develop the detailed clinical models and confirm the final services on each site

Governance processes for SOC part 1

SOC part 1 has been discussed and considered at CCG, trust and SaHF governance committees:

- all eight CCG finance committees recommended to their Governing Bodies that the SOC be approved
- all four trust Boards in NW London support SOC part 1
- SaHF Clinical Board and SaHF Implementation Board have recommended to the Governing Bodies that SOC part 1 is approved
- all eight CCG Governing Bodies approved SOC Part 1
- In parallel to this, NHS England and NHS Improvement have been undertaking their own assurance of SOC part 1

The process for SOC part 1 taking place now is

- NHS England review/approval
- Department of Health review/approval
- HM Treasury review/approval
- develop Outline Business Cases for each site
- develop Full Business Cases for each site



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Strategic case

Strategic Case – key messages

- As previously stated, the SOC does not revisit decisions previously made by the JCPCT or the Secretary of State
- It sets out the capital required to enable us to deliver services that better meet the changing needs of our population and reflect advances in clinical management, where diagnosis and treatment can increasingly take place outside of hospitals
- Improved GP practices will give the capacity to help patients be seen and treated quicker
- The development of out of hospital hubs will reduce unnecessary hospital appointments and use of hospital services, and bring care closer to home for people with multiple long term conditions requiring highly coordinated services
- We will achieve better outcomes for patients through consolidating expert care for particular acute conditions onto fewer sites
- This investment will help address significant and continuing clinical, financial and estates challenges

Strategic Case

– why do we need capital and how will we spend it?

This SOC is all about delivering SaHF: we want to secure capital investment for the next phase, to enable us to deliver care differently for patients, to improve buildings and facilities for patients and staff and to make the most of new technology

£69m	GP practices	<ul style="list-style-type: none">• make it easier for patients to physically get in and out of practices• better waiting rooms and more consulting rooms• across all eight boroughs
£141m	Out of hospital hubs	<ul style="list-style-type: none">• modernise eleven existing community hubs• build seven new ones• increase capacity and enable people who have multiple health and care needs to have those dealt with in one place
£304m	Acute hospitals	<ul style="list-style-type: none">• support Ealing's change to become an excellent local hospital• expand A&E and provide more beds at West Middlesex Hospital• expand A&E and maternity unit at Hillingdon Hospital• provide more primary and community care services at Central Middlesex Hospital• provide more post-op recovery and critical care beds at Northwick Park Hospital and improve some existing buildings

Strategic Case – what are out of hospital hubs?

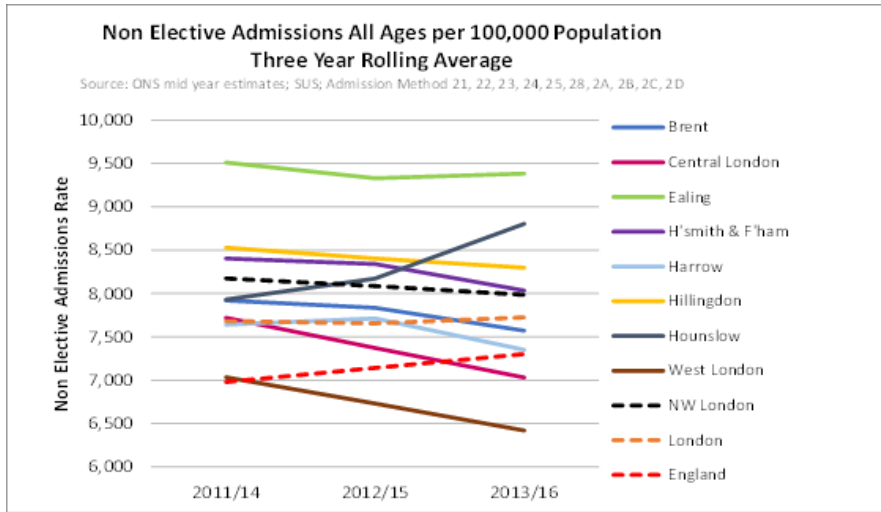
What hubs do

- Co-locate the multi-disciplinary teams that will co-ordinate services to support people live independently in their own homes, including mental health and social care, with appropriate support for unpaid carers
- Accommodate some general practices, and promote delivery of primary at scale
- Provide seven-day extended access to primary care
- Support workforce development and training
- Work in association with other local services:
 - neighbouring general practices
 - other primary care providers, such as pharmacies and opticians
 - residential and nursing homes

The benefits of hubs for patients and staff

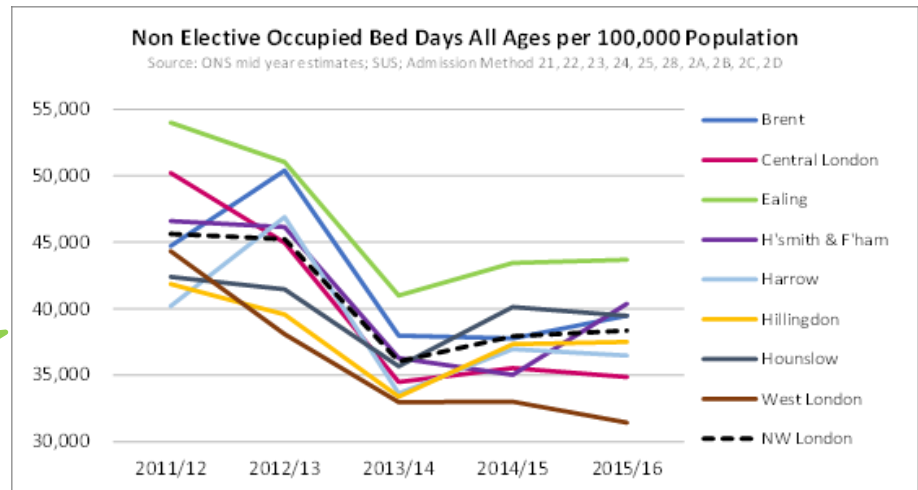
- ↓ reduce unwarranted variation in care for people with long term conditions
- ↓ reduce A&E attendance and non-elective admissions
- ↓ reduce length of stay for people ready to transfer back to the community from hospital
- ↑ support independent living
- ↑ improve patient experience
- ↑ better working environment for staff

Strategic Case – examples of progress



In NWL, the non-elective admission rate has fallen over the last five years; in London as a whole there has been a slight increase, and nationally there is a clear upward trend

All our CCGs have seen a considerable reduction in non-elective bed days over the last five years



Economic and financial cases

Economic Case

– investment will save lives and money

- Compares additional costs and benefits of SOC part 1 against a scenario without investment to test whether the proposed capital investment provides value for money
- Uses the 'Equivalent Annual Cost' (EAC) to support a combined economic assessment across the various capital investment schemes within the SOC
- Based on standard methodology and guidance, 334 lives could be saved per year through this capital investment; results in **£94m** (in EAC terms) in health benefits using the Quality Adjusted Life Year approach used by the NHS to calculate health benefits
- Changes in capital and revenue costs of hub and hospital schemes equates to **£43m** EAC per annum benefit, demonstrating value for money
- Capital investment calculated to provide wider economic benefits of **£44m** (in EAC terms).
- Brings further benefits, including better quality environment and quality of care for patients
- Total benefit of **£181m** from this investment; this is a positive return of **five times the capital invested** based on EAC, excluding wider economic benefits and health benefits, and **sixteen times the capital invested** based on EAC including wider economic benefits and health benefits
- Represents value for money under a range of scenarios by conducting sensitivity analyses

Financial Case – approach reviewed in detail

- Analysed capital investment requirement by year and assumed funding source (on the basis of loan funding and on the traditional timetable)
- Showed required funding by Comprehensive Spending Review (CSR) period and source, and explored alternative affordable funding option and accelerated timetable
- Engaged CCG Finance & Performance Committees to review financial modelling, including assumptions underpinning the ‘do nothing’ scenario and QIPP assumptions that drive the modelling
- Within CCG projections, affordability of the hub capital investment to the CCGs is demonstrated
- More detailed implementation plans to be produced during the next phase of business case development

Financial Case – clear benefit vs comparator

- Under the ‘comparator’ all trusts will be in financial deficit, with a combined deficit of **£114m** at 24/25, which would improve to **£18.4m deficit** under the SaHF scenario before reconfiguration (with hub investment)
- After reconfiguration, trust financial projections demonstrate that trusts have an **I&E surplus position of £27.6m** at 24/25, with reconfiguration contributing c.£50m benefit
- However if capital investment were funded by loans, two of the trusts would have a below target Financial Sustainability Risk Rating (FSRR) and be unable to meet loan repayments
- Currently trusts are running in-year deficits, requiring estimated cash support of £1.1bn over next 10 years (and continue thereafter) which would reduce to £0.5bn under the SaHF scenario before acute reconfiguration (where additional CIPs are delivered, partly due to hub investment to enable QIPP delivery)
- Under the SOC part 1 option (‘SaHF scenario after reconfiguration’), cash deficit support in the 10-year period would reduce further to £0.4bn and is eliminated post reconfiguration

Financial Case – affordability is demonstrated

- Transitional cost projections are set out, together with confirmation of affordability to NWL
- Financial rate of return measures overall value of the investment to the NHS over the period of investment, which is calculated at **£828m**, with a payback period of **eight years for hubs** and **nine years for acute reconfiguration**
- Loan funding scenario is unaffordable, so recommend use of Public Dividend Capital and accelerated timeline.
- We have demonstrated that the case is affordable under a range of scenarios by conducting sensitivity analysis

Financial Case – investment over next 10 yrs

	2016/17	2017/18	2018/19	2019/20	2020/21	Total CSR 1	Total CSR 2	Total 10 year
Primary care estate								
Total primary care estate for refurbishment of GP premises		13	56			69		69
Acute services								
Total acute services net capital	0	1	4	18	149	172	131	303
Out of hospital								
Total out of hospital net capital	6	16	38	68	8	136	5	141
Total SOC part 1 net capital	6	30	98	86	157	377	136	513



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Commercial and management cases

– how we procure capital

- Current provider arrangements will be utilised to identify the procurement implications of the capital proposals, supported by a central programme function to realise the benefits of economies of scale
- The procurement implications of the proposals have been identified and worked through:
 - Commercial arrangements have been identified for each of the 27 hubs
 - The hospital reconfiguration element involves five projects across three trusts. While assumptions have been drawn up for each of those projects, those assumptions will be developed in Outline Business Cases
- Where staff are affected by changes, we will seek to retain them in the NHS in NW London

Management Case

– we can deliver the next phase of SaHF

- Strong and effective Programme Management Office (PMO) with a Programme Executive in place
- Built strong relationships with stakeholders and engaged widely on our proposals with patients and the broader community
- Already made significant progress, with a proven track record of successful and safe transformation
- Built on our existing arrangements and are updating our governance to ensure it is fit for purpose to deliver the Sustainability and Transformation Plan (STP) and the next phase of SaHF. We have set out the lessons learnt and key changes
- For the next phase of business case development, we have prepared clear project plans, established programme assurance and identified key risks

NW London Sustainability & Transformation Plan (STP) Update

North West London
Joint Health
Overview and
Scrutiny Committee



V0.1

20 February 2016

1. The purpose of the NW London Sustainability & Transformation Plan
2. The STP and Shaping a healthier future
3. The aims and priorities of our STP
4. STP progress update – planning for implementation
5. STP system leadership
6. STP governance structure
7. Timeline – phased implementation
8. Funding flow principles

- NHS England's Five Year Forward View (FYFV) sets out a vision for the future of the NHS
- Local areas have developed a **Sustainability and Transformation Plan (STP)** to help local organisations plan how to deliver a better health and care service that will address the FYFV 'Triple Aims' of:
 - 1. improving people's health and well being**
 - 2. improving the quality of care that people receive**
 - 3. addressing the financial gap**
- This is a new approach across health and social care to ensure that health and care services are planned over the next five years and **focus on the needs of people living in the STP area, rather than individual organisations**
- This provides us in NW London with a unique opportunity to:
 - **radically transform the way we provide health and social care** for our population
 - maximise opportunities to **keep the healthy majority healthy**
 - **help people to look after themselves** and **provide excellent quality care in the right place when it is needed**
- The STP process also provides the drivers to **close the £1.4bn funding shortfall** and **develop a balanced, sustainable financial system** which our plan addresses

2. The STP and Shaping a healthier future

The Shaping a Healthier Future (SaHF) programme, which we consulted fully on, is an important part of our overall STP.

The focus of the STP for the first two years:

- To develop the new proactive model of care across NW London
- To address the immediate demand and financial challenges.

But to note:

Ealing A&E

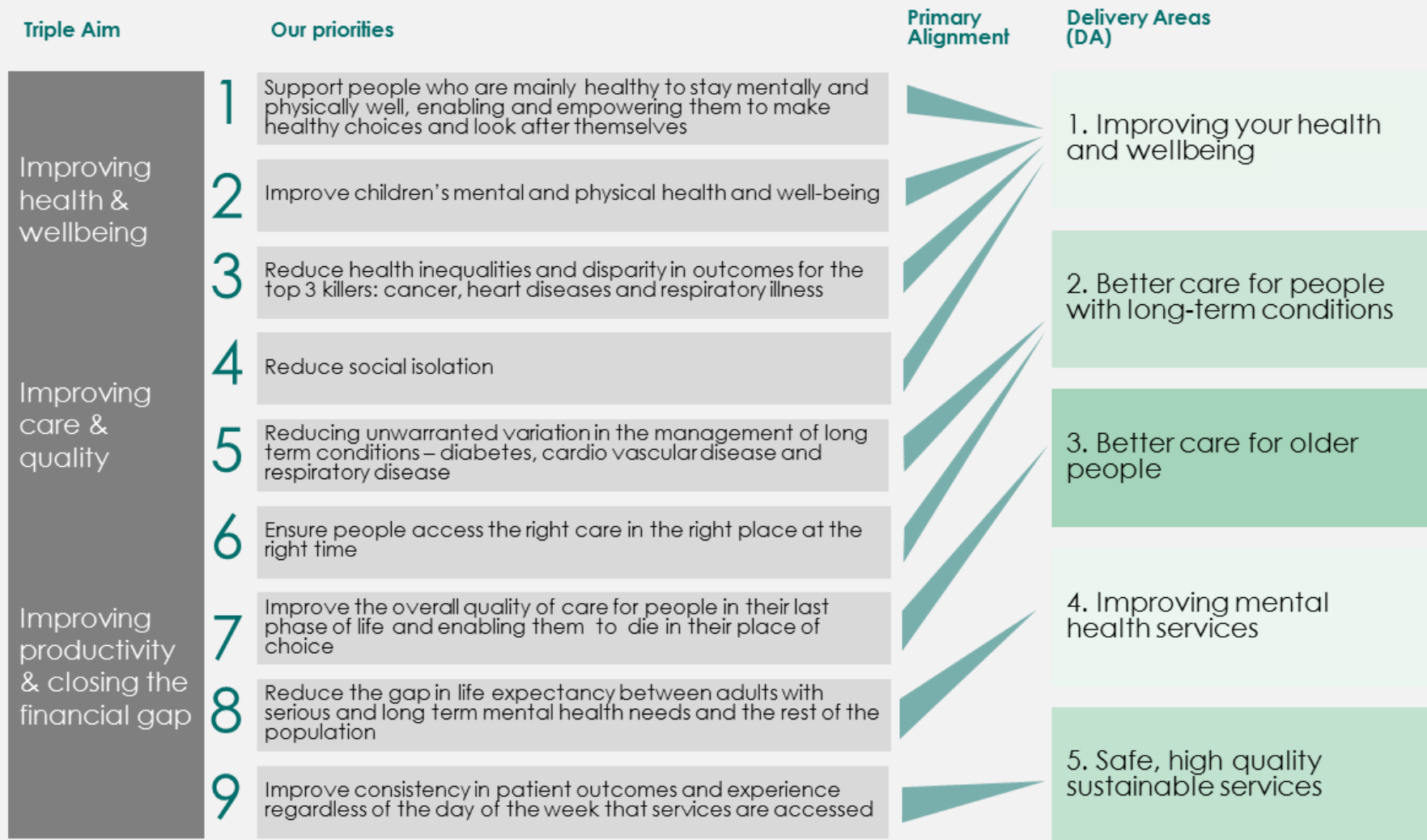
- No substantive changes will be made until there is sufficient alternative capacity out of hospital or in acute hospitals.

Charing Cross

- We plan to deliver ambulatory care, primary care to scale and an extensive range of diagnostic services.
- No planned changes to the A&E services currently being provided during this STP period

3. The aims and priorities of our STP

- We have developed **a set of nine priorities** that will enable us to achieve our vision and **fundamentally transform our system**
- We will focus on **five delivery areas** in order to deliver against these priorities at scale and pace



Following the October submission of the NW London STP, work has focussed on the following:

GOVERNANCE

- **Establishing Delivery Area boards, Enabler groups and project groups that are fully representative** and have the skills and expertise required to successfully deliver the STP outcomes
- **Supporting statutory bodies to discuss and agree the STP** at statutory body meetings
- **Strengthening of STP governance arrangements**, to be overseen by the Joint Health and Care Transformation Group, and formalised by statutory bodies

PRIORITISATION

- **Developing plans across delivery areas**, setting out the drivers for change, proposals for funding, investment required and expected savings and benefits for each project to enable focus on delivering the areas with maximum impact, whilst further developing other projects
- **Establishing a prioritisation or phasing of projects** that has support from across all STP partners **to enable focus on delivering the projects with maximum impact** whilst further development of other projects
- **NHSE Transformation Funding** – bids were submitted on 18-Jan-17 for the initial top priorities for 2017/18 and 2018/19 identified by NHSE; these covered cancer, mental health and diabetes

In developing our STP we have established a **joint governance structure** to:

- **strengthen working between health and local government;** and which
- ensures there is **strong political leadership** over the STP, with **joint accountability** for the successful delivery of the plan

JOINT NW LONDON HEALTH AND CARE TRANSFORMATION GROUP (JHCTG)

- **Oversees development and delivery of STP** in NW London
- **A multiagency forum** to develop plans to meet health and care needs of NW London residents
- Representation from across **NHS and Local Government** (commissioners, providers, councillors and officers)

DELIVERY AREA (DA) PROGRAMME BOARDS

- Each DA is **overseen by a DA Board**, chaired by two SROs
- **DAs 1 to 4** are co-chaired by **senior representatives from NHS and Local Government**
- **DA5** is co-chaired by **senior NHS provider and commissioner representatives** (as focus is on ensuring safe, high quality, and sustainable acute services)

ENABLER GROUPS

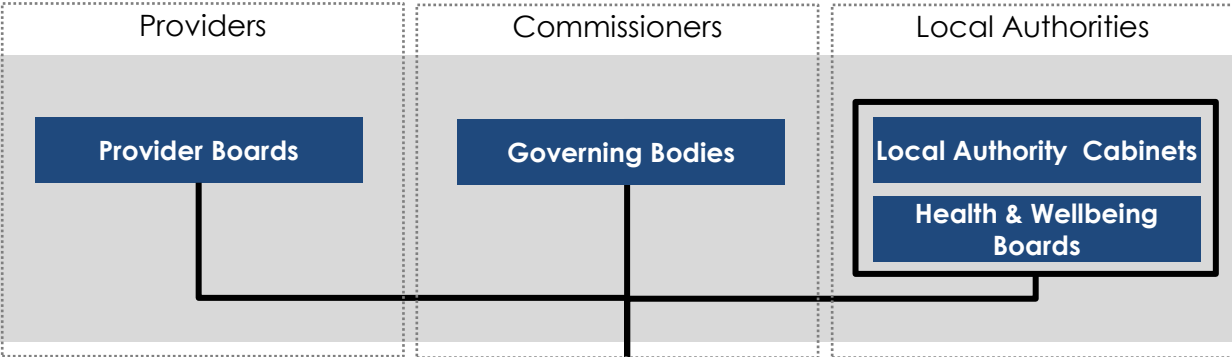
- Workforce
- Digital
- Estates

- The five DAs are **supported by three enablers: workforce, digital and estates**
- These are joined by a number of **other specialist bodies including the NWL Clinical and Care Board** in advising the JHCTG

Decision Making

1 Statutory Bodies

- Accountable for all STP related activities in line with statutory obligations
- Make decisions on behalf of providers, commissioners and local authorities
- Provide assurance function for all STP related activities in NWL



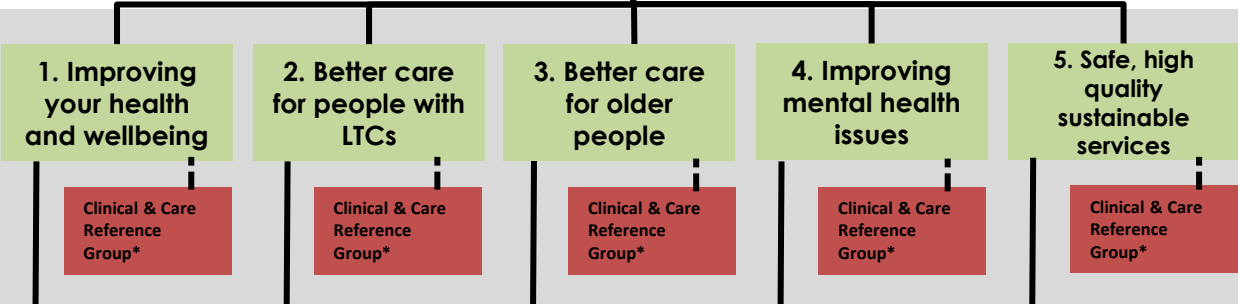
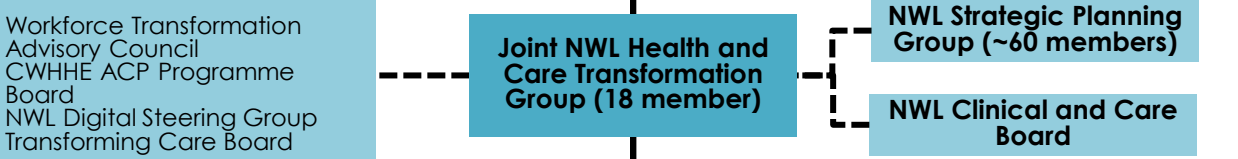
Advisory

2 Delivery Area Programme Boards

- Co-ordinate all delivery area activities
- Make recommendations and escalate risks/issues to the JHCTG
- Chaired by accountable SROs

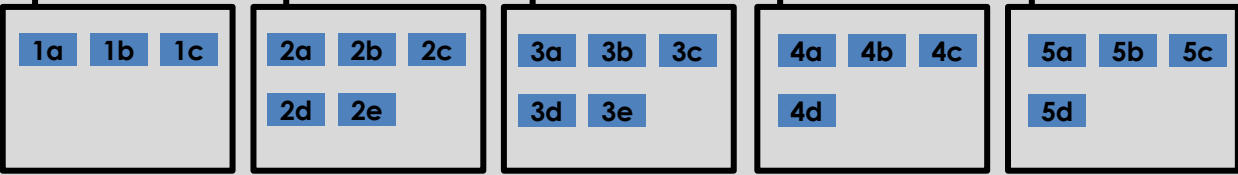
Enabler and Advisory Groups:

i) Patient and Public Groups	iv) Workforce Transformation Advisory Council
ii) Strategic Finance and Estates Board	v) CWHHE ACP Programme Board
iii) Communications and Engagement Group	vi) NWL Digital Steering Group
	vii) Transforming Care Board



3 Design & Delivery Groups

- Provides a forum for project-level design and delivery activities to be managed
- Membership includes all appropriate providers, commissioners and local authority officers with clinical and/ or operational expertise
- Digital, workforce and estates enablers are represented where appropriate



From March 2017, there will be **phased implementation** of the delivery area projects to allow for **further review, refinement and prioritisation of plans where required**, whilst **enabling implementation of advanced, high-priority plans to continue** without delay. The timeline is subject to change once clarification on the availability of further funding is provided by NHS England.

No	Milestone	Date
1	Finance review of first wave business cases	w/e 03 Mar
2	Delivery Area review and sign-off of first wave business cases	
3	Strategic Finance & Estates Group review of first wave business cases	w/e 10 Mar
4	Clinical Board review of first wave business cases	
5	STP Leadership review of first wave business cases	
6	Joint Health & Care Transformation Group review and recommend prioritisation of first wave business cases	Thu 16 Mar
7	Finance review of second wave business cases	w/e 07 Apr
8	Delivery Area review and sign-off of second wave business cases	
9	STP Leadership review of second wave business cases	
10	Strategic Finance & Estates Group review of second wave business cases	w/e 14 Apr
11	Clinical Board review of second wave business cases	
12	Joint Health & Care Transformation Group review and recommend prioritisation of second wave business cases	Thu 20 Apr

DRAFT TIMELINE

Both Health and Local Government shall adopt the following set of principles through which transformation funding and system-wide monies will be allocated.

1. Support all organisations having the best chance of providing quality services that meet the needs of the local population

2. All residents and patients across the 8 boroughs will benefit from the health and social care transformation plans of the NW London STP

3. The aim of the STP is to spend the single public pound once to best effect in meeting the needs of patients and residents

4. All partners commit to working in an open and transparent way to understand system wide opportunity, impact, costs and benefits

5. New funds available to resource investment in delivery area plans to enable transformation to take place, and quality and financial benefits to be delivered

6. Emerging understanding of the wider drivers of pressures on Adult Social Care and Health to support the transformation priorities

7. If any organisation undertakes a service change, a system wide Impact Assessment should be undertaken in advance, and the consequence identified for all organisations and on the overall STP

8. A commitment from Health is that we will work together, through the STP, to find a way to transform services and support resolution