



NHS BOARD MEETING

Wednesday 8 December 2010

Subject:	Outline Business Cases for the future delivery of front door services at Ayr and Crosshouse hospitals
Purpose:	To consider the content of the Outline Business Cases
Recommendation:	To approve the Outline Business Cases as a basis for submission to the Scottish Government Health Directorate Capital Investment Group

1. Background

1.1 In June 2007 the Cabinet Secretary required NHS Ayrshire and Arran to retain Accident & Emergency services at both Ayr and Crosshouse hospitals and pledged £30 million of capital funding to support the modernisation of “front door” facilities. The proposals in this paper are to deliver on that requirement. These investments support the range of enhancements to our “Front Door” services which we undertook to deliver in a letter to the Cabinet Secretary on 24 January 2008.

The key recommendations for service developments, as specified in that letter were:

- Increasing the Accident and Emergency Consultant complement to move towards the provision of a 12-hour a day, 7 day a week consultant – delivered service at both Ayr and Crosshouse Hospitals
- Develop a single point of access to unscheduled care at Ayr and Crosshouse hospitals through creating a fully integrated front door service encompassing Accident and Emergency, Minor Injury and Illness, NHS ADOC, Mental health Crisis Response and Emergency Dental services
- Recognising the limitations of the infrastructure and fabric of accommodation in the Accident and Emergency Department at Ayr Hospital, redevelop the unit to provide an appropriate range of Resuscitation Bays, High Care Areas and Cubicles; and

- Develop combined Medical and Surgical Assessment Units at Ayr and Crosshouse hospitals to provide early access to senior clinical opinion, thereby enabling rapid assessment, diagnosis, care planning and discharge of patients

These proposals were approved by the Cabinet Secretary in a letter to the NHS Ayrshire & Arran Board Chairman on 27 February 2008. The Outline Business Cases (OBCs) build on the Initial Agreement already approved by the NHS Board and Scottish Government Health Directorates in June 2009.

- 1.2 Following the selection of Framework Scotland as the contracting process for delivering the requirements of the Building for Better Care programme the Board selected BAM Construction as its Principal Supply Chain Partner (PSCP). In addition a range of Professional Services Contracts (PSCs) appointments were made to support the Board in ensuring that the benefits of the framework are realized including improved partnership working; greater certainty of capital / life cycle costs; shorter project duration; reduction in waste; better understanding of client needs and greater client satisfaction.
- 1.3 Since the appointments were made all parties have been working closely to determine the options best able to meet the requirements of the programme and to present a convincing case for investment through the development of the Outline Business Cases (OBCs).
- 1.4 In making this assessment, partners have engaged in a wide range of activities aimed at ensuring that the proposals deliver the objectives of the programme whilst addressing the dual constraints of affordability and deliverability.
- 1.5 At a relatively early stage in the process the Board considered options for the progression of the business case process. Following consultation with the Scottish Government Health Directorates Capital Investment Group (CIG) it was agreed that two Outline Business Cases, one for Ayr and another for Crosshouse, would be developed. This was perceived to be the best means of ensuring flexibility in the approvals process and in securing the required level of central capital support.
- 1.6 Summarised below is a list of the key activities which have been undertaken by the Board and its partners. These have been specifically focused on ensuring that the proposals deliver established best clinical practice, the highest possible quality of care and the best possible overall value for money. In undertaking these activities the Board has sought to effectively engage with as wide a range of stakeholders as possible to test ideas and review proposals. Whilst this list is not exhaustive it does cover the activities which have the greatest bearing on the investment proposals presented.
 - Review and development of the proposed models of care for front door services covering NHS ADOC, A&E, Combined Assessment Unit (CAU) and Critical Care (CC). The model of care has the aim of changing the current focus from “admit to decide” to “decide to admit”, through the CAU care pathways

- Development of a robust model for sizing front door capacity and associated specialty based capacity requirements (beds, rooms etc)
- Identification of potential development options for both Ayr and Crosshouse
- A rigorous and engaging process of option appraisal
- Development of Schedules of Accommodation (SOAs)
- Design development with user based input and review
- The development of a robust cost plan

2. Current situation

- 2.1 The OBCs have been prepared in accordance with the Scottish Government Capital Investment Guidance which is specifically aimed at ensuring that investment proposals clearly demonstrate value for money for the taxpayer. The OBCs set out a preferred solution for both sites along with the basis for their selection.

3. Proposal

- 3.1 A summary of the preferred options for both Ayr and Crosshouse is provided in the tables below.

Ayr Hospital – Option 4	
Area	Feature
Accident and Emergency (A&E)	Development of a new build A&E comprising a total of 19 treatment rooms (including 3 rooms for ADOC) addressing the capacity and infrastructure constraints inherent in the current service
Combined Assessment Unit (CAU)	Extension and reconfiguration of the existing A&E department to provide a CAU comprising 28 single room bed spaces with en-suite bathrooms and 7 ambulatory care cubicles
Critical Care Facility (CCF)	Extension and reconfiguration of the existing Critical Care department to provide an expanded and integrated CCF comprising 13 bed spaces (compared to 9 currently).
Construction Programme	An overall construction duration of 2 years and 5 months including all enabling works
Capital Cost	Total capital expenditure is £17.6m

Crosshouse Hospital – Option 6	
Area	Feature
Accident and Emergency (A&E)	Redesign of the A&E department to provide 20 treatment rooms and 3 rooms to support the co-location of the ADOC service
Combined Assessment Unit (CAU)	Development of a new CAU comprising 40 single room bed spaces with en-suite bathrooms and 11 ambulatory care cubicles
Critical Care Facility (CCF)	Development of a new CCF, with optimal adjacencies, comprising a total of 24 bed spaces to replace a similar number of beds
Construction Programme	An overall construction duration of 1 year and 10 months including all enabling works
Capital Cost	Total capital expenditure is £18.2m

- 3.2 The proposed solutions deliver the best combination of benefits, which are specifically aimed at improving safety, enhancing integration, delivering sustainability, improving access and minimizing disruption. At the same time they address the identified constraints, particularly in relation to the availability of capital funding.

	Current bed numbers	Future bed numbers
Accident and emergency	50	42
CAU (new)	90	68 (and 18 trolleys)
CCF	29	37
Specialty beds	665	571
Total	834	718

4. Consultation on development of this report

- 4.1 The content of the outline business cases has been subject to extensive consultation with stakeholders including agreement on the preferred solution / outline plan.
- 4.2 The Locality Capital Programme Boards, Capital Programme Board, Capital Planning Steering Group and Finance Committee have been consulted in accordance with the Board's Capital Governance arrangements.

5. Resource implications

- 5.1 The capital investment required for the preferred option is £35.8 million (Crosshouse £18.2M and Ayr £17.6m). At the time of approving the Board's Review of Services the Government committed to fund £30 million of additional capital.

- 5.2 The revenue implications are summarised in the table below where figures in brackets represent a saving:

	Crosshouse	Ayr	Total
	£000	£000	£000
A&E	0	(116)	(116)
Combined Assessment Unit (CAU)	3,139	2,188	5,327
Beds consolidated into CAU	(2,832)	(1,771)	(4,603)
Critical Care	(42)	267	225
Bed Reduction from specialties	(1,848)	(992)	(2,840)
Depreciation	815	727	1542
Facilities Costs	169	264	433
Total	(599)	567	(33)

The table above demonstrates that excess savings from Crosshouse are covering a shortfall from Ayr so that the combined scheme is cost neutral.

- 5.3 The financial savings related to beds consolidated into the Combined Assessment Unit (which comprises 68 beds and 18 cubicles) are as follows:

	Crosshouse	Ayr	Total
	£000	£000	£000
Acute Medical Receiving (43 beds)	1,417	1,121	2,538
CDU (6 beds)	480		480
Medical Day Unit (12 beds)	365		365
Acute Surgical (15 beds)	323	306	629
Gynaecology (6 beds)	247		247
Vascular (8 beds)		344	344
Total	2,832	1,771	4,603

- 5.4 As a result of implementing the new models of care in the new facilities, this will enable a reduction of in-patient specialty bed. It is estimated that, in addition to the bed reductions identified above, the undernoted bed reductions and savings will follow:

	Crosshouse	Ayr	Total
	£000	£000	£000
Medical (54 bed reduction)	913	743	1,656
Care of the Elderly (30 bed reduction)	935	0	935
Surgical (10 bed reduction)	0	249	249
Total Beds(94 bed reduction)	1,848	992	2,840

6. Risk assessment and mitigation

- 6.1 All identified risks have been incorporated into the project risk registers and assessed for mitigation action as part of the risk management plan.

6.2 Funding considerations arising as a result of the financial allocation letters due to be received in February 2011 will be addressed as part of the update to the Local Delivery Plan.

6.3 The capital funding is dependent upon the extra £30 million from SGHD.

6.4 The revenue to fund the development is subject to closing the beds identified above.

7. Impact assessment and consequential changes proposed to mitigate adverse impacts identified

7.1 These investments support the enhancement of operational “Front Door” services which were approved by the Cabinet Secretary on 27 February 2008. These investments as set out provide equitable services at both District General Hospitals, and as such an impact assessment is not required.

8. Conclusion

8.1 The Board is asked to approve the Outline Business Cases for Ayr and Crosshouse front door and their submission to the Scottish Government Health Directorate Capital Investment Group.

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23 November 2010