

**Manchester City Council
Report for Resolution**

Report to: Health and Wellbeing Overview and Scrutiny Committee – 9 September 2010

Subject: Inpatient Pathway Redesign Outline Business Case/Proposal

Report of: Manchester Mental Health and Social Care Trust

Summary

Purpose of Report is

- To appraise the Committee of the Inpatient Pathway Redesign proposal to relocate inpatient service provision to two sites
- To ask Committee to consider, comment on and support this proposed change
- To appraise the Committee of the level of engagement undertaken to date with key stakeholders
- To ask Committee to consider the sufficiency of proposed engagement by the Trust regarding relocation of inpatient services as to whether a formal public consultation is required in line with best practice guidance of the NHS Act 2006
- For the Committee to note the outline implementation arrangements for continued engagement of stakeholders with the described service changes

Recommendations

OSC Committee is asked:

- 1 To consider and support the Inpatient Pathway Redesign proposal including the preferred option
- 2 To note the degree of involvement of users, carers and partner agencies in the work to date and the implementation arrangements for continued engagement of stakeholders
- 3 To confirm that the proposed relocation of inpatient services does not require a formal public consultation taking account of the best practice guidance of the NHS Act 2006.
- 4 To note the outline implementation recommendations for continued engagement of stakeholders with the described service changes.

Wards Affected:

All Wards - Relocation of services may impact on the following specific wards:
Ardwick, Chorlton, Chorlton Park, City Centre, Gorton North, Gorton South, Hulme,
Levenshulme, Longsight, Moss Side, Rusholme and Whalley Range.

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Background documents (available for public inspection):

None

Documents listed are appendices to the report:-

Appendix 1: Clinical Foreword and Executive Summary of the Outline Business Case (OBC)

Appendix 2: Copy of Chief Executive Letter to Service User/Carers

Appendix 3: OBC – Critical Success Factors and Non-Financial Benefits Criteria

Appendix 4: Liberating the NHS - four reconfiguration tests

1.0 Introduction

- 1.1 To appraise OSC of the Inpatient Pathway Redesign (IPR) proposal to relocate provision of inpatient services to two sites
- 1.2 To ask OSC to consider, comment on and support this proposed change
- 1.3 To appraise the OSC of the level of engagement undertaken to date with key stakeholders
- 1.4 To ask OSC to consider the sufficiency of proposed engagement by the Trust regarding relocation of inpatient services as to whether a formal public consultation is required in line with best practice of the NHS Act 2006
- 1.5 To note the outline implementation arrangements for continued engagement of stakeholders with the described service changes

2.0 Background

Reason for Project/Case for Change

- 2.1 Manchester Mental Health and Social Care Trust (Trust), as are all public sector organisations in the current economic climate, is, along with its staff, service users, carers and stakeholders currently exploring ways to improve both the quality of service it provides and efficiency in order to ensure value for money to the taxpayer.
- 2.2 The Trust held a long-term efficiency planning event with Trust senior clinicians and managers in November 2009. The aim was to identify opportunities to free up resources and improve clinical efficiency, clinical effectiveness and give value for money to meet the requirements of the Health Service's Cost Improvement Programme (CIP) within the context of the challenging economic climate.
- 2.3 Identified opportunities have to enable the Trust to shift from working harder to working smarter, achieve an overall positive quality impact and recognise acute patient needs for focused treatment methods, expert wards and 'bespoke' patient systems.
- 2.4 One of the programmes proposed as part of the CIP is the IPR project which will determine how best the Trust can deliver its inpatient services in the most effective and efficient way with the focus on improving quality and addressing privacy and dignity issues. This project is part of the Health Economy's work on 'Securing our Shared Future' (SoSF) (productivity and efficiency work-stream) which is being led by NHS Manchester. Manchester City Council is a member of the SoSF Programme Board.
- 2.5 The Trust is keen to ensure true and meaningful engagement with all its stakeholders (service users, carers, commissioners, voluntary sector, university, recognised staff organisations, clinicians and other Trust staff) from the onset and throughout the duration of the project.

- 2.6 The Trust stresses that the project is not about a reduction in bed numbers or services. Depending on the option determined, there will be a reduction in estate costs. The Trust will continue to ensure that the needs of its service users are met.

Project Objectives and Outcomes

- 2.7. In summary, the project objectives are to:
- Improve and where possible enhance the service user /carer's experience
 - Improve the quality of the physical environment, meet NHS standards around gender segregation and provide the best possible estate for our service users and Trust staff
 - Focus acute inpatient care on the optimum number of sites to create excellent and efficient services
 - Standardise practice across the Trust's inpatient services ensuring the same quality care is provided
 - Design a new service model which provides a service better tailored to user requirements within the resource constraints of the Trust
 - Provide services within an integrated and effective model of care.
- 2.8. The expected outcomes for this project are:
- No reduction in the number of Manchester beds;
 - Re-configuration of inpatient service provision on two sites rather than three sites;
 - Increased efficiency and productivity in relation to inpatient resources by releasing expected savings from estate-related costs and associated overheads;
 - **No** cutting of any front-line services and **no** changes how a Service User can access inpatient bed if required;
 - **Not** reducing or rationalising any level of community services and/or support provided to A&E Departments.

Additional outcomes and benefits are described in the Foreword contained in Appendix 1 and in paragraphs 3.24 and 3.25 within this report.

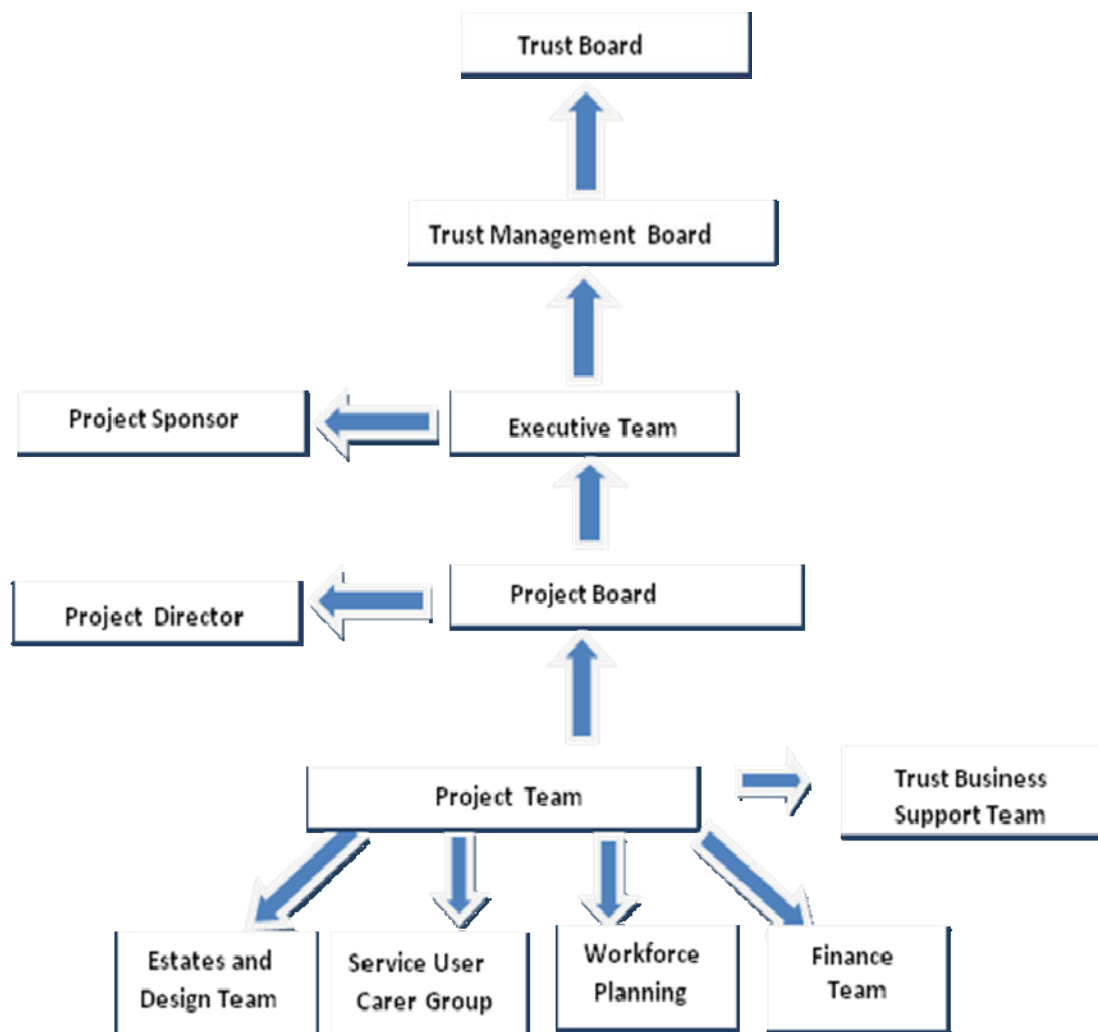
3.0 Discussion

- 3.1 For ease of reference for the OSC, the Clinical Foreword and Executive Summary of the OBC is attached at Appendix 1. A full copy of the OBC is not available due to it containing commercially sensitive information as the Trust plans to tender for some of the capital works.

Project Structure

- 3.2 The formal project structure is shown overleaf. The key project roles were provided by Stuart Hatton as Project Sponsor and Maeve Boyle as Project Director. The Director of Nursing and Therapies and Medical Director are the Project Board clinical representatives. In addition, senior clinical

representation on the Project Team includes the Associate Medical Directors, Head of Nursing and Consultant Psychiatrists for both Adult and Later Life Care Groups.



User & Carer Engagement

- 3.3 The Project Board was clear in its aim to ensure that the OBC development process was as inclusive as possible to ensure that those individuals that might be in receipt of the revised service could at this early stage influence its development. As wide a range of groups as possible were invited to be involved, including South Manchester User Group; North Manchester Users Network, Manchester Carers Forum and Manchester, **Manchester Alliance for Community Care** and representatives from Manchester LINK.
- 3.4 Time was built into the process to enable users and carers to understand what might be required of them through the process and to ensure that they were as prepared as possible to participate with clinicians and other professional staff in the option appraisal scoring exercises.
- 3.5 The degree of inclusivity in the project work did present challenges, as shown in the Non-Financial Benefits scoring part of the exercise, where users scored

highly the option to retain the status quo (Option 1) despite the fact that it had been explained that this did not meet the agreed Critical Success Factors. Nonetheless, the Project Team felt it was important to recognise and report on this score within the OBC as the baseline comparator option for consideration under the economic appraisal part of the process. A further expressed concern of users and carers related to the OBC as a way of reducing the number of Manchester beds across the City. However, written assurances to users and carers from the Chief Executive (see Appendix 2 for copy of letter) have been given in this regard and the capacity section of the OBC demonstrates the need to maintain the existing capacity.

- 3.6 In addition to nominated users and carers, a brief survey of current inpatients was undertaken to ask them to express their view on issues important to them whilst they were an inpatient. Their views were sought regarding what is important to them in terms of their care and what they thought of the environment in which they receive their care. The information from this work was fed into design workshops with the user and carer representatives and staff so that agreement might be reached on how a relocated ward service might operate. The outcome of this work was also used by the Trust Estates Department to develop the high level designs in preparation for the OBC and prior to a more detailed stage of design work.
- 3.7 As part of the Trust's continuing commitment to engagement, key members of the Project Team met with those users and carers involved in the options appraisal to take them through the finalised OBC on 25th August 2010. This has enabled those involved thus far to see the entire OBC process, recognise their influence in the work to date and understand how the preferred option was identified.
- 3.8 A number of service users and carers who have been involved in the stakeholder events have volunteered to be part of the groups who will be developing the final ward designs.

Wider Engagement and Consultation

- 3.9 The Stakeholder workshop events included Manchester LINK, NHS Manchester commissioners and senior local authority commissioning managers in the OBC development process to ensure that all associated partner agencies were appropriately involved. This included a briefing to the Executive Member for Adult Social Care at Manchester City Council and the Chair of the Health & Wellbeing Oversight Committee in preparation for the OBC to be discussed in the latter.
- 3.10 NHS North West has also been appraised of the Trust's work.
- 3.11 Regular updates have also been provided to Trust staff side organisations through the Trust Joint Negotiating and Consultation Committee (JNCC). Weekly communication briefings on the progress of the OBC work have been circulated to all staff to ensure as many staff as possible understand the progress that is being made.

Number of Patients/Carers Affected

- 3.12 The Trust provides a comprehensive range of mental health and social care services to adults who live within the city of Manchester, serving a resident population of 484,900 (ONS 2006 population projections for 2010) (excluding services provided to other parts of the North West for simplicity).
- 3.13 The Trust supports in the region of 13,000 service users – 2.7% of the resident population.
- 3.14 The total number of inpatient admissions for 2009/10 was: 920 and for 1st Quarter of 2010 was: 255. In relation to the service users supported by the Trust who required an admission in 2009/10, this was 7%.
- 3.15 There will be no changes for service users who may require an inpatient bed as the number of Manchester beds remains unchanged. Currently, once an inpatient episode of care is considered necessary, then the patient gets admitted to any bed available within the Trust (across the three geographical areas). In addition, there are already a number of 'Central' patients admitted to Park House (North Manchester) due to the number of admissions exceeding the number of acute beds available at Edale House (Central Manchester).

Impact on the Wider Community

- 3.16 There is a recognition that availability of public transport infra-structure could impact on the ease with which carers, family members or friends can travel to support the service user whilst they are an inpatient. The Trust has recognised and acknowledged the service users' and carers' genuine concern regarding any potential public transport difficulties. The Trust will explore what possibilities there are available to minimise any impact which might arise. The Trust understands that GMPTE is already considering how best to provide fast links between the different parts of Manchester and the Trust will closely follow this work and see how it might assist Service User/Carers.
- 3.17 There should be no difference regarding community safety as the community services would continue to be provided as per the current arrangements. Any community services that are displaced as a result of the closure of an inpatient site would be re-provided in the geographical patch served for that community and in some instances services would be provided in a more appropriate setting, supporting the idea of resilient communities¹ and the recovery model².

¹ Resilient Communities is where local people feel they are involved and can influence decisions locally including those relating to public services.

² Recovery Model - There is no single definition of the concept of recovery for people with mental health problems, but the key idea is one of hope that it is possible for meaningful life to be restored, despite serious mental illness. Recovery is often referred to as a process, outlook, vision, conceptual framework or guiding principle (source – Mental Health Foundation, 2007).

- 3.18 No immediate issues relating to the local economy and regeneration have been identified. Subject to funding of capital works by NHS North West, the Trust will be seeking local contractors to undertake the works which would provide employment for a period of up to 8 months.
- 3.19 In relation to the environment, there may be some minimal impact where Trust staff who are currently based in either South or Central may have to travel to alternative workplaces. The majority of staff work in an inpatient environment area so the impact is only during travel periods when people are reporting to work to commence their shifts and/or the staff are returning home following completion of their shifts.

Options Appraisal

- 3.20 The Project Team generated a comprehensive list of options ('long list') which included 3-site options, various permutations of 2-site and single site options. These options were presented to the stakeholder workshops for all participants to consider whether each of the options met the Critical Success Factors; definitions of which are provided in Appendix 3. In addition, stakeholder participants were provided with the non-financial benefits criteria and asked to consider and allocate appropriate weighting scores from their individual perspectives. Appendix 3 shows the finalised weighted non-financial benefits criteria.
- 3.21 The outcome of the above long list workshops resulted in 7 options being taken forward to the short list appraisal workshop which was jointly attended by all stakeholders. Each of these options was scored against the weighted benefit criteria.
- 3.22 The highest scored options in terms of non-financial benefits were:
- Option 1: Do Minimum on Three Sites.** This option was included as a baseline comparator although it did not meet the project's critical success factors.
- Option 2: Two Site Option: Edale House (Central Manchester), Manchester Royal Infirmary and Park House (North Manchester)³, (with adults and later life services on both sites)**
- Option 5: Two Site Option: Laureate House (South Manchester), Wythenshawe Hospital and Park House (North Manchester), (with adults and later life services on both sites).**
- 3.23 The ranking of the options was unaffected by the sensitivity analysis which included an equal weight analysis and switched weight analysis. The three options above were then subjected to an economic analysis to determine the best value for money option.

Quality & Clinical Improvements

³ Park House (North Manchester) is a recently transferred asset to the Trust.

3.24 The quality and clinical improvements which will flow from this OBC can be summarised in two broad categories: those arising as a direct consequence of the preferred option; and those which arise longer-term once the relocation is complete.

3.25 Improvements as a direct consequence included:

- There will be an increased number of staff in the larger inpatient facilities. This will mean that skills, expertise and staffing resources can be shared and enhanced more efficiently and effectively. Increased opportunities for cross-cover will enable staff to take up opportunities for training, development and supervision. Clinical leadership will focus on the provision of standardised care for service users that reflects best practice.
- Higher concentration of inpatient beds at the Trust owned site (Park House, North Manchester) will facilitate the enhancement and management of patient safety. Staff will be able to respond to the needs of service users in a more timely way and adopt a more flexible approach to safely managing incidences of high clinical risk, without transferring service users across the city.
- Gender segregation in line with Department of Health (DoH) Delivering Same Sex Accommodation⁴ agenda. For those as inpatients, this will mean that their privacy and dignity considerations or needs, e.g. all male or female ward, will be met.
- Psychiatric Intensive Care (PICU) services will be provided on both inpatient sites, providing access to expertise and specialist PICU assessments for each inpatient area.
- Timely access to inpatient beds will improve as unnecessary delays in treatment will be reduced.
- Better access to external space for more service users whilst they are an inpatient.

3.26 More long-term improvements should include:

- Strengthening of clinical leadership for each ward across the whole multidisciplinary team

⁴ Same-sex accommodation means:

- a ward that's occupied only by men or only by women, and has its own toilet and washing facilities
- single rooms with same-sex toilet and washing facilities (preferably en-suite)
- multi-bed bays or rooms occupied solely by men or by women, with their own same-sex toilet and washing facilities

You shouldn't have to pass through opposite-sex accommodation, toilets or washing facilities to reach your own toilet and washing facilities.

- Enabling the focus on the provision of standardised care for service users that reflects best practice
- Providing the opportunity to explore and develop specialised services, e.g. a rehabilitation ward
- Allowing a more flexible use of inpatient resources.

Preferred Option

- 3.27 In determining the preferred option, the 3 options including the baseline comparator 'Do minimum on 3 sites' were subject to detailed financial appraisal of the capital costs. The Trust undertook this work with Faithful and Gould Quantity Surveyors.
- 3.28 The net present value of these capital costs, together with estimated savings and revenue cost for the short-listed options, were calculated by the use of discounted cash flow to determine the best value for money option. The comparator results of this analysis are shown in Table 1.3 in the OBC Executive Summary whilst Table 1.4 summarises the savings and costs over a period of time for these options.
- 3.29 The ranking of the non-financial benefits of both 2-site options resulted in very little difference in the final scores with Edale House (Central Manchester)/Park House (North Manchester) scoring 529 and Laureate House (South Manchester)/Park House (North Manchester) scoring 513. However, the financial appraisal of both these options showed differential achievement of recurrent savings relating to Option 5 – Laureate House (South Manchester)/Park House (North Manchester):
- Achievement of the plan at a reduced capital investment of £4.8m compared with £5.9m for Option 2
 - Earlier revenue savings availability predicated on negotiation of current SLA arrangements with host providers
 - Combined these result in an annualised equivalent cost of £1.6m (13.3%) per annum less than Option 2.
- 3.30 The economic case shows that **Two Site Option: Laureate House (South Manchester) and Park House (North Manchester)** (with adults and later life services on both sites):
- Meets the Critical Success Factors (as described in Appendix 3)
 - Provides the best value for money as it achieves the lowest equivalent annual cost;
 - Meets the key objectives of this OBC (see 1.2 of OBC Executive Summary)
 - Is achievable and provides recurrent annual savings of £1.7m
 - Fits with the strategic direction of the Trust.

3.31 In implementing the preferred option, this will result in the following physical movements needing to take place:

- Relocation of all inpatient services from Central to North – 51 Adult Acute Beds, 10 PICU⁵ beds and 21 Later Life Acute Beds
- Relocation of current SAFIRE⁶ facility within Park House (North Manchester) (6 assessment beds)
- Relocation of displaced staff to appropriate service settings as a result of re-commissioning former wards and other administrative space identified as for development, e.g. PICU ward
- Relocation of non-inpatient Edale House (Central Manchester) staff.

4.0 Implementation

Trust Board Decision

4.1 Following the Trust Board meeting held on 26th August 2010, the Trust Board considered the OBC and agreed the preferred option to relocate inpatient services from Central Manchester onto two sites at Laureate House (South Manchester) and Park House (North Manchester).

4.2 The decision by the Trust Board is the first step in the process. The submission of the proposals to the OSC for their consideration along with the submission of the OBC to NHS North West Strategic Health Authority to seek the required investment are the next key steps in the process. The other steps are further described in this section.

Continuing Engagement & Consultation

4.3 The Project Team plan to continue the degree of user and carer engagement that has occurred to date. This has already included a joint meeting on 25th August 2010 with users and carers to feedback on the outcome of the OBC and the preferred option that will be recommended to the Trust Board for their decision on 26th August 2010. Further meetings as appropriate will be organised and as the focus on the work shifts towards more detailed design and ward movement, then this engagement will be adapted as appropriate.

4.4 There will be a requirement to consult affected staff on one of the two inpatient sites and it is intended to undertake this, in conjunction with JNCC, from October 2010 allowing appropriate preparation the necessary documentation during September.

Formal Consultation

⁵ PICU – Psychiatric Intensive Care Unit which provides treatment in a specialist environment for people who require an enhanced level of specialist mental health care for a short period of time.

⁶ SAFIRE - Swift Assessment for Intensive Resolution of Emergencies is an assessment unit, up to a period of 48 hours maximum, for acute referrals that initially are deemed requiring a bed.

- 4.5 Having considered the Department of Health best practice guidance and discussed this with NHS North West, the Trust is of the view that relocating a service as proposed does not constitute a substantial variation or development in the provision of a service. Were this to be such a change, then the Trust would be statutorily obliged to take this issue to the Manchester City Council Health & Wellbeing Overview & Scrutiny Committee (OSC) and for NHS Manchester to lead a public consultation. However, a relocation which is not a service re-configuration does not indicate this is required. However, the Trust has decided as part of the complete engagement process that the OBC proposals would be shared at the September OSC Meeting, so that the OSC also has the opportunity to comment on these proposals.
- 4.6 Manchester LINK has the opportunity to refer the issue to OSC for consideration if it feels that there has been insufficient engagement. However, having included users and carers and representatives from LINK in the Trust's option appraisal process and seeking support from Public and Patient Advisory Group (Securing Our Shared Future - SoSF) on the project's engagement plan, we do not feel there should be cause for such a referral. In addition, the Trust completed and submitted the SoSF paperwork relating this project to NHS Manchester and is awaiting the outcome. However, the matter rests with the OSC and, subject to their support and any actions they require, the Trust will be able to proceed to implementation.
- 4.7 In addition, through the 'Liberating the NHS' changes, some further guidance on reconfiguration emerged in July 2010 focused around the four reconfiguration tests (see Appendix 4). As this guidance is relatively new, its precise impact on this proposal is still being clarified and the Project Director is already gathering evidence to ensure the Trust can comply. The Trust's approach in fulfilling this will include planned presentations and discussions with Practice Based Commissioning Hub Boards in Manchester during September and October.

Implications for non-implementation of OBC

- 4.8 The Trust has a challenging CIP of £20million that it has to achieve and deliver over the next 5 year period. If this OBC is not supported by the OSC and the wider stakeholders, then the Trust will have to be seek alternative ways to achieve the expected £1.7m revenue savings.
- 4.9 The Trust has been open and transparent about the required CIP programme that it needs to deliver and that this project would not reduce the total number of Manchester Beds.
- 4.10 Service Users and Carers have acknowledged that they wish for the services to remain on the 3 sites; however they have worked with the Trust in taking forward the discussions regarding the 2-site configuration in recognition of the consequences of not delivering the CIP in this way in terms of potential loss of other frontline services.

Final Design and Decanting Plans

- 4.11 Subject to Trust Board approval and support from the OSC of the preferred option, final ward designs will be developed along with final decant plans for the key stages of the project. The initial capital programme indicated a 8 month programme of work once funding is agreed. The Project Board will therefore be requiring clear and detailed delivery plans to be finalised so that the quality improvements can begin to be delivered as quickly as possible and ward moves occur. Affected wards will also be engaged in the detail of their ward plans and moves so that users and carers can continue to be briefed as progress is made.
- 4.12 As part of the decant strategy, it is planned that there will be no disruption to inpatient service provision including no temporary reduction in bed availability. There will also be forward planning of communications in terms of notifying service users, carers and the wider community regarding the relocation of services.
- 4.13 Formal notice will be given to the Central Manchester Foundation Trust by the Director of Finance & Estates so that appropriate financial planning on their part and renegotiation of Trust service level agreements can occur based on the capital upgrade programme timetables linked to shift of wards during 2011-12.

5.0 Summary

5.1 The OSC is asked:

- To consider and support the preferred option of relocating the inpatient services onto 2-site configuration of **Laureate House (South Manchester) and Park House (North Manchester)** (with adults and later life services on both sites) – the preferred option (option 5);
- To note the degree of involvement of service users, carers and partner agencies in the development of the Inpatient Pathway Redesign Outline Business Case (OBC) and the implementation arrangements for continued engagement of stakeholders;
- To confirm that the proposed relocation of inpatient services does not require a formal public consultation taking account of the best practice guidance of the NHS Act 2006.
- To note the outline implementation recommendations for continued engagement of stakeholders with the described service changes.

Stuart Hatton
Chief Operating Officer
1st September 2010

Maeve Boyle
Project Director
1st September 2010



Appendix 1

Business Case to Support the Relocation of Mental Health Inpatient Services in Manchester (Clinical Foreword and Executive Summary)

Together we are better

Foreword by the Director of Nursing and Therapies and Medical Director

This document presents the case for relocating the inpatient service provision from three to two hospital sites without any reduction in the number of Manchester beds. We believe that this relocation supports the quality strategy and in a number of ways there will be immediate quality improvements.

Clinical engagement has been integral to the development of this case to enable the proposals to be grounded in clinical quality. We and other senior clinicians support the move to two hospital sites and believe that there are significant benefits for our service users, carers and staff.

An external review of delayed discharges highlighted that patient transfers caused unnecessary delays in discharge and extended length of stay, which in turn reduces the opportunity for timely admission.

Relocating the existing bed capacity onto two sites will address concerns about the frequent transfers of care between wards and sites and has the following additional benefits:

There will be an increased number of staff in the larger inpatient facilities. This will mean that skills, expertise and staffing resources can be shared and enhanced more efficiently and effectively. Increased opportunities for cross-cover will enable staff to take up opportunities for training, development and supervision. Clinical leadership will focus on the provision of standardised care for service users that reflects best practice.

Staff will be able to respond to the needs of service users in a more timely way and adopt a more flexible approach to safely managing incidences of high clinical risk, without transferring service users across the city.

Timely access to inpatient beds will improve as unnecessary delays in treatment will be reduced.

Psychiatric Intensive Care (PICU) services will be provided on both inpatient sites, providing access to expertise and specialist PICU assessments for each inpatient area.

The concentration of bed numbers on two sites will allow a more flexible use of the resources and facilitate the opportunity in the future to explore and develop specialised services as appropriate, for example, a rehabilitation ward. This also supports the delivery of the same sex agenda.

The relocation provides an ideal opportunity to strengthen clinical leadership for each ward across the whole multidisciplinary team.

We believe that successful delivery of this case presents a significant opportunity for our inpatient services and provides a platform for further service improvements.

Adrian Childs
Director of Nursing and Therapies

Dr Sean Lennon
Interim Medical Director

Chapter 1 Executive Summary

This document presents the case for the relocation of inpatient services for adult and later life adults with mental health problems in Manchester. It is one part of the Trust's strategic plans to refocus its inpatient services; the successful delivery of which will provide the Trust with opportunities for further service improvements.

In addition, the project is one of a number of work streams within the programme of development "Securing Our Shared Future¹" that NHS Manchester is undertaking.

This business case has been developed following the structure of the Five Case Model² and the Capital Investment Manual³. It sets out the arguments for the relocation of inpatient services from three to two sites in Manchester.

1.1 The Strategic Context

The starting point for this business case is a review of Manchester Mental Health and Social Care NHS Trust (MMHSCT) existing inpatient accommodation in terms of its ability to support good service models, provide care in a quality environment and deliver efficiency and value for money.

The Trust currently provides inpatient services on the following three sites:

- Park House at North Manchester General Hospital;
- Edale House at Central Manchester Royal Infirmary; and
- Laureate House at South Wythenshawe Hospital.

Current bed numbers are shown below:

Table 1.1: Current MMHSCT Assessment and Treatment Beds as at July 2010

Inpatient Services	Park House (North)	Edale House (Central)	Laureate House (South)	Total
Adult Acute	56	51	31	138
Later Life Acute	16	21	23	60
PICU	0	10	8	18
Mother & Baby	0	0	10	10

¹ NHS Manchester set up a programme of work in mid-2009, entitled Securing our Shared Future, in partnership with each of the main providers of health and social care and commissioning partners in Manchester. The aim of the programme is to enable the health and social care community in Manchester to "commission and provide sustainable, high quality care in an increasingly challenging financial climate".

Securing our Shared Future (SOSF) is Manchester's response to the Quality, Innovation, Productivity and Prevention (QIPP) or the Quality and Productivity Challenge (QPC) outlined by the Department of Health. It is a joint programme to develop sustainable Manchester health-anticipated reduction in the growth in public spending in the medium and long term.

² The 'Five Case Model' is the Office of Government Commerce's (OGC) recommended standard for the preparation of business cases and is used extensively within central government departments and their agencies.

³ The Capital Investment Manual represents a comprehensive approach to the planning and delivery of capital scheme.

Assessment	6	0*	0	6
Total	78	82	72	232

**The table excludes 4 assessment beds located in the A&E Dept at Manchester Royal Infirmary and the retraction of 8 beds (4 Adult and 4 Later Life) as a result of shift of responsibility for the Middleton Contract from April 2010.*

The direction of recent national policy can be summarised as follows:

- a focus on community based provision bringing care closer to home;
- integrating care pathways to include primary and social care;
- delivering greater equality;
- demonstrating restraint in terms of capital spending; and
- delivering efficiency savings.

Key elements of the Trust strategy, which relate to this business case, can be summarised as follows:

1. **Re-balancing healthcare delivery** from acute inpatient services to more community focused services;
2. **Re-aligning community services, creating whole system pathways and developing social care services** to add value through improved effectiveness and efficiencies from a more integrated 'whole system' model;
3. **Creating a whole system pathway** that promotes health and well-being and that integrates social services and primary care.

The case for moving onto fewer inpatient sites appears to be consistent with national and Trust level strategic drivers in that:

- Currently care pathways are not optimally aligned. The business case will provide an opportunity for the Trust to re-organise care pathways and to re-locate community services away from inpatient sites, closer to the communities they serve.
- Services will be re-balanced from inpatient to community services.
- Recurrent efficiency savings will be generated in line with the Long Term Financial Model.
- In line with the NHS Operating Framework, the business case shows restraint in terms of the levels of investment and will deliver efficiency savings.
- Making savings in terms of inpatient services will ensure that the necessary levels of spending for community services are not impaired, allowing the continued development of a comprehensive range of community services, which will bring care closer to people's homes.
- Concentrating services on fewer sites will provide sufficient service volume to support greater individualised and specialised care and a greater degree of gender separation.
- Fewer inpatient sites will provide a greater concentration of staffing expertise, supporting innovation and specialisation in line with the core focus on research and teaching.
- Fewer sites will provide a higher level of staff support for wards to draw on.
- Economies of scale will make it easier to develop high quality support and training and research facilities for the largest site, and
- It will be easier to standardise services on fewer sites providing a greater equality of care.

1.2 The Project Objectives

The project objectives are:

1. To focus acute inpatient care on the optimum number of sites to create excellent and efficient services.
2. To improve, and where possible, enhance the service user/carer experience.
3. To improve the quality of the physical environment, meet NHS standards around gender segregation and provide the best possible estate for service users and Trust staff.
4. To standardise practice across the inpatient services ensuring the same quality of care is provided.
5. To design a new service model, which provides a service better tailored to user requirements within the resource constraints of the Trust, and
6. To provide services within an integrated and effective model of care.

1.3 Capacity, Demographics and Geography

The Trust provides a comprehensive range of mental health and social care services to adults who live within the city of Manchester, serving a resident population of 484,900 (ONS 2006 population projections for 2010) (excluding services provided to other parts of the North West for simplicity).

The Trust supports in the region of 13,000 service users – 2.7% of the resident population. The total number of inpatient admissions for 2009/10 was: 920 and for 1st Quarter of 2010/11 was: 255 which represent 0.19% and 0.05% of the resident population respectively. In relation to the service users supported by the Trust who required an admission in 2009/10, this was 7%.

Bed numbers were benchmarked and activity levels reviewed. In order to meet the financial savings target, the timescale for services to be operational has been agreed by the Trust as being close to the commencement of the 2011/ 2012 financial year. This is reflected in the project's Critical Success Factors (see table 4.1). In view of the project timescales, the high occupancy levels in adult services, and the recent bed reductions in later life care, it is recommended that there is no change to the current bed numbers. Population growth of 16% is forecast for adults by 2019 and 6% in later life and this is likely to impact on the demand for beds in the future.

The impact of losing a site in terms of travel times by car and public transport was analysed based on information from Transport Direct. The Trust is comparatively well connected and most journeys either by car or public transport were achievable in under an hour, with the longest journeys being under an hour and a half. The Trust is approximately 14 miles long and 5 miles wide at the furthest points.

1.4 The Options Appraisal

A comprehensive long list of options was generated, discussed and scored in a series of workshops, which were attended by a wide range of stakeholders including: Trust managers, clinical leads, service users and carers, commissioners and union representatives. The highest scored options in terms of non-financial benefits were:

Option 1: Do Minimum on Three Sites. This option was included as a baseline comparator although it did not meet the project's critical success factors and is not a viable option. It was felt to be important to recognise and report on this score within the OBC as the baseline comparator option for consideration under the economic appraisal.

Option 2: Two Site Option: Edale House and Park House (with adult and later life services on both sites)

Option 5: Two Site Option: Laureate House and Park House (with adult and later life services on both sites).

The ranking of the options was unaffected by the sensitivity analysis, which included an equal weight analysis and switched weight analysis. The three options above were then subjected to an economic analysis to determine the best value for money option.

1.5 The Preferred Option

The table below shows the relocation of inpatient services proposed in Option 5, the preferred option. Bed numbers have remained the same.

Table 1.2: The relocation of inpatient services under Option 5 (the preferred option)

Inpatient Services	Park House (North)	Laureate House (South)	Total
Adult Acute	107	31	138
Later Life Acute	37	23	60
PICU	10	8	18
Mother & Baby	0	10	10
Assessment	6	0*	6
Total	160	72	232

**The four assessment beds provided in the A&E department on the Manchester Royal Infirmary site will remain.*

It is also planned that the following services be relocated from Edale House into the community: the Bridges Day Unit, the Young Onset Dementia service, the Admiral Nurses and the Administrative Offices. A process is underway to determine their location within the Trust's strategy of 'patch' implementation.

The preferred option will deliver the following inpatient based quality improvements:

- greater gender segregation;
- improved safety and privacy;
- better access to external space;
- access to a wider range of therapeutic and recreational activities;
- better staff back up, support and shared expertise;
- the critical mass to develop more specialised services;
- less inequality in terms of service provision and service standards; and
- more services located in the community, closer to the communities they serve.

In addition the preferred option will deliver estimated annual efficiency savings of £1.7m. The capital cost of the option is: £4.823m.

The Trust undertook, together with Faithful & Gould Quantity Surveyors, a detailed appraisal of the capital costs of the shortlisted options. The net present value of these costs, together with estimated savings and revenue cost for all three options, were calculated by the use of discounted cash flow to determine the best value for money option. The results including a comparison are set out in the table overleaf.

Table 1.3: the Value for Money Assessment of the Short listed Options

	Option 1 (£)	Option 2 (£)	Option 5 (£)
Total Discounted Costs	259,014,852	258,418,521*	223,896,566
Annualised Equivalent Cost	12,320,139	12,291,774	10,649,724
Rank	3	2	1
Additional EAC if Rank 1 is not chosen	1,670,415	1,642,050	nil
Percentage reduction in equivalent	13.56%	13.36%	nil

annual cost(EAC) to achieve the same value as Option 5

** Excludes one-off cost for option 2 regarding the unwinding of PFI payments of £4.4m confirmed as necessary by the external auditors.*

This table shows that Option 5 demonstrates the lowest equivalent annual cost and Option 1 the highest. The equivalent annual cost represents the cost to the Trust in terms of both capital and revenue with adjustments made to reflect the timing of when these costs and savings are incurred. The selection of Option 1 would mean an additional equivalent annual cost of £1.7m and for Option 2 an extra £1.6 comparing them with Option 5. It shows therefore that Option 5 provides the best value for money.

A sensitivity analysis was undertaken to test the effect of a significant increase or decrease in the capital costs. The results demonstrated that Option 5 was still the preferred option.

The economic case shows that Option 5:

- meets the critical success factors;
- provides the best value for money as it achieves the lowest equivalent annual cost;
- meets the key objectives of this OBC;
- is achievable, and
- fits with the strategic direction of the Trust.

1.6 Affordability

Savings have been calculated for each option based on a detailed review of current costs. This includes an assessment of the profile of future payments for the PFI development at Laureate House, South Manchester together with the contractual position. Details of the savings assumed relating to the existing Service Level Agreements and offsetting costs are incorporated into the financial assessment. Several determinants are relevant when considering the potential savings as outlined in Chapter 5. No savings have been assumed for Option 1 because there is no change.

Revenue costs have been included for both Options 2 and 5 for the provision of services that include the re-commissioning of Orchard and Beech at Park House, as well as additional accommodation for other services that would be displaced as a result of relocation of inpatient beds.

For Option 2 these requirements would cover outpatient services displaced from Laureate House and for Park House, the Community Mental Health Teams, administrative staff, the Trust Training Department, the Medical Education and Transformational Work Programme Team.

For Option 5 this consists of alternative accommodation for Young Onset Dementia, Admiral Nurses, Clinical and Administrative Staff with 'Edale House' as their administrative base and Bridges Day Unit from Edale, together with the same requirements for Park House as set out for Option 2.

The following table summarises the savings and costs included for each option.

Table 1.4: Savings and costs over time for the shortlisted options

	Option 1 (£)	Option 2 Year 1 (£)	Option 2 Year 2 (£)	Option 2 Years 3-23 (£)	Option 2 Year 24 onwards (£)	Option 5 Year 1 (£)	Option 5 Year 2 (£)	Option 5 Years 3-23 (£)	Option 5 Year 24 onwards (£)
Reduced cost of SLAs	Nil	nil	-730,828	-1,286,014	-5,034,354	nil	-2,454,115	-3,635,173	-3,635,173
Offset by:									
Extra cost of other services	47,082	231,789	1,694,034	2,170,347	2,170,347	191,556	1,421,070	1,883,090	1,883,090
Total net savings/cost	47,082	231,789	963,206	884,333	-2,864,007	191,556	-1,033,045	-1,752,083	-1,752,083

1.7 The Project Plan

The key project dates are shown below:

Table 1.5: Key project dates

Activity	Target Date for Completion
Completion of Business Case	9.08.10
Board approval of Business Case	26.08.10
Completion of public consultation exercise	24.12.10
Completion of staff consultation exercise	31.10.10
Period of review following consultation	21.01.11
Appointment of contractor	26.08.10
Complete detailed design exercise	26.08.10
Commencement of main construction work	6.11.10
Completion of last phase of construction work	31.07.11
Post project evaluation	July 2013 (2 years after completion of first phase of construction work).

1.8 Key Risks

A summary has been prepared identifying all risks for each of the short listed options. These have been assessed and quantified according to likelihood and impact at two meetings of the Project Group set up to consider these issues. This confirmed that the main issues for this OBC concern the:

- major risk arising from no savings being achieved as a result of doing nothing;
- achievement of the project objectives through the approval of either options 2 or 5;
- significant risk arising from the project timetable;
- importance of confirming the period of notice to vacate either of the acute Trust sites;
- need to manage the potential impact on the reputation of the Trust, and
- the need to resolve site contractual issues.

1.9 Conclusion

Throughout the development of this OBC, substantial effort has gone into ensuring that service users, carers, clinicians, recognised staff organisations, Manchester Local Involvement Network, commissioners and other key partner stakeholders have been fully engaged in the process.

The Trust has shared the proposals contained in this OBC with the Manchester City Council and will be presenting the OBC to the Manchester Health and Wellbeing Overview and Scrutiny Committee and to the Manchester GP practice based commissioning hubs.

The Trust is continuing to communicate with all these stakeholders through a range of local forums and will continue to work with them to ensure their continued involvement during the implementation of the relocation of inpatient services.

The Trust recognises its statutory responsibility to maintain financial balance and this business case contributes to the Trust's delivery of an ongoing Cost Improvement Programme and fits with the expectations of 'Securing Our Shared Future'.

Appendix 2

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E-mail: Jackie.daniel@mhsc.nhs.uk

Our Ref: JD/MB

Date: 29th June 2010

Dear

Inpatient Pathway redesign Project - Reassurances

Firstly, a big thank you for taking part in this project to date. I know it has been an intensive process but I very much appreciate your input and support to date, and I hope you will continue to work with us on it. This project is very timely as you will be aware in the current economic climate all public sector organisations need to explore ways to improve the quality of services and efficiency to ensure value for money for the taxpayer. We are undertaking this project to find out how we can deliver inpatient services in the most effective and efficient way whilst focusing on improving quality and improving privacy and dignity issues.

As part of the project, we are considering the optimum number of sites from which to deliver inpatient services and how we can improve the quality of the physical environment, meet NHS standards around same sex accommodation (so men and women do not have to share sleeping areas or bathrooms) and provide the best possible buildings for our service users and staff.

As you will be aware, we have held workshops with a range of stakeholders, including yourself, other service users and carers, commissioners, voluntary sector, university, clinicians, recognised staff organisations and other Trust staff. At these workshops we have considered long and short lists of options, the potential design considerations and principles as part of the work.

As part of this work I understand that you have raised the following areas of concern, for which you are seeking reassurance: I have responded to these below:

Transport and car parking

We do fully appreciate your concerns about the car parking charges which are set by our host trusts, although this is an issue which we all face now. As part of the project, we are exploring with Acute trust colleagues how best they can provide us with the required number of parking spaces.

We recognise your genuine concern regarding any potential public transport difficulties and we will be exploring what possibilities there are available to us to minimise any impact which might arise. We understand that GMPTE is already considering how best to provide fast links between the different parts of Manchester and we will closely follow this work and see how it might assist us.

Manchester beds

As stated at the workshops, we can confirm that the current number of Manchester beds will continue to be provided on the optimum number of sites that emerge from this project. As you are aware from the design workshops, the initial design plans for potential options do show that the current total number of beds would continue to be provided.

Frontline services

As highlighted in the workshops, one of our key purposes in explaining site options is to deliver financial savings by releasing funds tied up in our buildings and associated facilities. We have no plans that affect inpatient staffing resources in this project.

I hope that this letter reassures you that we are keen for you to continue to be involved and engaged in all stages of this project as appropriate for the project work to be done in an open and transparent way.

If you have any queries regarding this project please contact either Maeve Boyle or Patrick Cahoon:

Maeve Boyle, IPR Project Management lead on 276 5364 or maeve.boyle@mhsc.nhs.uk

Patrick Cahoon, Associate Director – Service user and Carer Engagement on 882 1103 or Patrick.cahoon@mhsc.nhs.uk

Yours sincerely

Jackie Daniel
Chief Executive Officer

cc: Maeve Boyle and Patrick Cahoon

Appendix 3

Critical Success Factors (CSFs)

No	CSF	Description
1	Strategic Fit	The option is consistent with the Trust's strategic vision and fits appropriately with other strategies at national and local level.
2	Value for Money (VFM)	The option provides economies of scale, scope and efficiencies, whilst maintaining quality and standards of effectiveness in the delivery of care.
3	Achievability in relation to estates	The option is deliverable by 31.03.11 within the site and planning constraints with acceptable processes for decanting and construction.
4	Achievability in relation to workforce	The option is feasible in terms of projected staffing capacity and skill mix in order to maintain or improve quality of care.
5	Affordability	The option is affordable.
6	Generate savings	The option generates recurrent savings relating to estates and facilities costs without comprising delivery of care.
<p>CSFs are those criteria that are clear cut, essential and the service would not function without them. If any of the above are deemed to be desirable then they should be considered as benefits.</p>		

Non-financial Benefits

No	Benefit	Description	Weight
1	Accessibility	To be accessible, taking into account the income, mobility, and travel patterns of service users, carers, visitors and staff. To support integrated and flexible access for inpatients to the care they require from other health and social care services.	13
2	Flexibility to allow for change in volume, activity and improvement	To provide flexibility for future changes in volume and client group in each facility.	9
3	Quality of built environment	Provides a high quality environment that is safe and meets the needs of service users and staff.	13
4	Model of Care	Supports the delivery of a modernized model of care and enables the delivery of effective and integrated pathways of care.	30
5	Acceptability	The option will be acceptable to the wider Trust audience, commissioners, public sector and other partner organisations.	8
6	Sustainability	The option does not compromise the stability of other essential services.	11
7	Safety	Sufficient staff and infrastructure to provide a satisfactory level of patient safety.	16

Appendix 4

'Liberating the NHS'

Guidance on Reconfiguration Proposals – The 4 Reconfiguration Tests

(Taken from Revision to the Operating Framework for the NHS in England 2010/11 and DoH Letter – Gateway reference number: 13443)

The Secretary of State has identified four key tests for service change, which are designed to build confidence within the service, with patients and communities. The tests were set out in the revised Operating Framework for 2010-11 and require existing and future reconfiguration proposals to demonstrate:

- **support from GP commissioners** – to show evidence of engagement with GPs and the level of support and consensus for a proposed service change;
- **strengthened public and patient engagement** - to build upon the statutory provision for the engagement of local communities (section 242 of NHS Act 2006) and Local Authority Health Overview and Scrutiny Committees (HOSCs). Local commissioners are expected to engage the Local Involvement Networks (LINKs) and HOSCs to seek their views.
- **clarity on the clinical evidence base** - to consider the strength of the clinical evidence and the support from senior clinicians whose services may be affected by the reconfiguration;
- **consistency with current and prospective patient choice** – to consider how the proposed service configuration affects choice of provider, setting and intervention; and the choice this presents the patient compared with the current model of provision including the quality of proposed services and improvements in the patient experience.

There is an expectation that local commissioners will lead on gathering the evidence for these tests and they will be expected to demonstrate to their Strategic Health Authority that the tests have been applied and met.