

<b>REPORT TO:</b>	<b>HEALTH AND WELLBEING BOARD (CROYDON)</b> <b>26 March 2014</b>
<b>AGENDA ITEM:</b>	<b>7</b>
<b>SUBJECT:</b>	<b>CROYDON HEALTH SERVICES EMERGENCY DEPARTMENT REFURBISHMENT BUSINESS CASE</b>
<b>BOARD SPONSOR:</b>	<b>John Goulston, Chief Executive, Croydon Health Services NHS Trust</b>

**CORPORATE PRIORITY/POLICY CONTEXT:**

This report summarises the business case for the redevelopment of the Croydon University Hospital (CUH) Emergency Department (ED). The planned redevelopment is being undertaken in response to the urgent and compelling case for change identified by the Croydon Health Services (CHS) Board and recognised and outlined in the Care Quality Commission's (CQC) recent report on the ED. The current ED sees and treats around 120,000 patients annually in buildings designed in the 1980s with an original capacity of 70,000 patients each year. Continuing to provide safe, secure services for patients in the current environment is not sustainable. The Croydon population is projected to continue to grow and to age which will mean continued pressures of demand on urgent and emergency care.

The ED provides care for patients with serious or life threatening conditions. It is staffed by a number of clinicians who specialise in emergency care and who are difficult both to recruit and retain. A key factor for staff wanting to work in EDs is the quality of the environment. Currently, the quality of the ED facilities is a long way from the standards of today's best ED departments and going forward the Trust will not be able to attract high calibre staff if this is not addressed, particularly given the level of investment going into other emergency departments across London, market in which the Trust competes for these staff.

The ED is a critical service for the Trust and represents the front end of the pathway in the Hospital for patients requiring emergency care. The existing design does not support the delivery of an efficient service. CHS continues to deliver against the standard of 95% of patients seen, treated, admitted or discharged within 4 hours. This is a high priority standard for CHS as well as nationally. Changes to the design will enable the ED to operate more efficiently and effectively and ensure resilience.

In addressing these challenges, the proposed ED redevelopment will enable the Trust to provide appropriate standards of care in a building which is fit for purpose and meets the needs of the Croydon community it serves. The proposals for the new ED are fully aligned with Croydon Clinical Commissioning Group's (CCG) Emergency and Urgent Care Strategy and will include a fully integrated, primary care led urgent care centre which will ensure patients who do not require treatment in the ED are seen and cared for in the most appropriate setting.

- **The Community Strategy.** The new ED will ensure patients are seen in the right place at the right time. The Trust will work closely with the team responsible for managing the urgent care centre to ensure patients' needs can be met equally effectively elsewhere. The Trust already has arrangements in place designed to improve General Practitioner (GP) access to the opinion of an acute consultant physicians Monday to Friday, 0900 – 1800 and if required patients can be admitted directly to the Acute Medical Unit. The Trust has introduced a new ambulatory care pathway across a range of conditions which allows patients to be

seen outside of the ED.

- **The Health and Wellbeing Strategy.** The plans for the new ED are aligned with the principles relating to redesign of urgent and emergency care pathways as set out in the Health and Wellbeing Strategy. The new ED model of care will help to ensure patients are only seen in the ED when this is clinically appropriate. This will be underpinned by a fully integrated ED and Urgent Care Centre (UCC) in the new facility which will support close working between ED staff and UCC colleagues.
- The outline business case for redevelopment of the ED is a key priority for the Trust, Croydon CCG, the CQC (in its role as regulator of care standards) and the London Ambulance Service. The scheme is essential to ensure that the ED continues to provide good quality and safe services for the community of Croydon.

### **FINANCIAL IMPACT:**

The need for the new ED facilities is driven by a quality imperative. The investment will enable the ED at CUH to transform into a leading example offering Emergency Services for the local population of Croydon and to address key issues identified by both the Trust and the Care Quality Commission (CQC) in respect of the current provision.

The key benefits of the ED redevelopment scheme are:

- Increased quality and safety of the department.
- Improved clinical environment and better layout leading to a sustained improvement in both the quality of care and productivity
- Flexible capacity to meet future needs.
- Ability to implement new Model of Care offering a better patient experience and more efficient operations.

The tariff system under which the Trust receives income for emergency care provided within the ED generates a loss for the Trust. This is consistent with the national trend to incentivise a reduction in emergency attendances at acute hospitals. The investment of c. £17.5 million of capital investment to fund the new ED will add a further cost pressure to the Trust's existing financial position. The detailed financial implications of the scheme are currently being developed by the Trust and discussions with Croydon CCG are ongoing in relation to the future levels of activity to be commissioned from the Trust.

The Trust has reviewed all aspects of its Cost Improvement Programme (CIP), including 13 CIP schemes based on national experience.

### **1. RECOMMENDATIONS**

This report recommends that, having considered the public sector equality duty and the Joint Health and Wellbeing Strategy, the Health and Wellbeing Board:

- 1.1 understands the key objectives addressing the Trust's and CQC's issues as set out in the Outline Business Case (OBC) for the redevelopment of the ED, supports the case for change; and
- 1.2 endorses the proposals for redevelopment of the new ED.

## 2. EXECUTIVE SUMMARY

2.1 The redevelopment of the ED will enable the Trust to address the comments made by the Care Quality Commission (CQC) in its reports, following inspections carried out in July and September 2013. The existing ED is poorly laid out, fragmented with poor sight lines in majors and paediatrics, the environment has inadequate ventilation and cramped facilities. The design solution included in the preferred option addresses the points raised in the latest CQC reports as follows:

- up-to-date design enabling a more suitable environment for maintenance through the replacement of the temporary / modular buildings;
- significant improvements in the space standards, with appropriate spaces for clinical activities. The open layout with central staff areas greatly improves the visibility and observation of all patients by staff;
- designed to Health Building Note (HBN) standards;
- generic nature of the spaces allowing for greater flexibility for future use and providing significant opportunities for the ED to work in a different way.

The redevelopment will address the environmental conditions and will enable patients to be seen in an appropriately specified space. It also addresses the privacy and dignity issues currently experienced within the existing department.

2.2 The Strategic Outline Case (SOC) for the ED Redevelopment has been approved in April 2013 and an initial OBC was issued in December 2013. A revised OBC (with updated financial information) is currently being prepared and will be issued to the Trust Development Authority (TDA) in April 2014. The Full Business Case (FBC) will be issued in August 2014 for approval by the TDA.

2.3 The redevelopment proposals are consistent with the Croydon CCG/Croydon Council integrated strategic operating plan which is aligned to the Health and Wellbeing Strategy. The OBC draws upon the epidemiological and demographic assumptions within the Croydon Joint Strategic Needs Assessment.

2.4 The Trust has worked closely with Croydon CCG on the development of the ED scheme. The proposals reflect the key principles set out in the CCG Urgent and Emergency Care Strategy in relation to the top 5 priorities with particular emphasis on improving system access and improving patient care and flow within the ED and the hospital.

2.5 The OBC also aligns with the whole system pathway, elderly frail pathway and children's pathway for Level 4 Specialised Services and how they relate to ED and UCC services.

2.6 The Trust has recognised that it has an important role to play in demand management for the ED. Over the past 18 months, the Trust has explored the scope for addressing demand management.

2.7 The Trust has undertaken considerable joint working to date with a wide range of stakeholders on a number of QIPP initiatives. These initiatives include:

- Implementing new model of care – GP referred patients
- Introduction of ambulatory pathway
- Diverting activity to UCC

The Trust will recognise this important work and will ensure this is reflected adequately in the updated OBC.

- 2.8 The Project Team has developed the outline design for the new ED to include the level of engagement with clinical and other stakeholders, and ensure that flexibility has been incorporated to enable the new ED to flex to meet changing needs over time, notably in relation to different activity and capacity requirements.
- 2.9 A fundamental difference with the ED will be the new ways of working reflecting best practice nationally. These changes will lead to an improved patient experience and a more efficient and effective ED. The new ED will enable:
- proactive management of patients;
  - generic use of space which leads to efficient use of the department and leads to areas having multi use;
  - an increase in the efficient delivery of care due to improved visibility and observation (complemented by the CRS Millennium (Cerner) clinical information system)
  - clinicians to move to the patients not the patient to the clinician reducing hand offs and improving safety;
  - timely intervention as the clinical spaces will be equipped with appropriate lighting and equipment to perform minor procedures and treatments;
  - improvement in patient flow and management as the design affords areas to be opened or closed depending on activity and demand; and
  - identifying clinically how teams want to work and allowing the estate to respond to clinical need and requirements.
- 2.10 The new ED provides a major the opportunity for the Trust to make a step change in the quality and efficiency of care it offers to the community it serves; a case which the CQC believes is urgent and compelling.

### **3. DETAIL**

#### **3.1 Background**

- 3.1.1 The ED at CUH provides Accident and Emergency care for local patients and visitors in the Croydon area. It has an integrated Urgent Care Centre (UCC) which is operated by the private provider Assura Wandle, a partnership between 29 local GP practices and Virgin Care. There is a separate area within the ED for children under 16.

The department was built in the 1980's with an upgrade in the 1990s in temporary / modular build to accommodate the increase in demand. Currently activity of 120,000 patients is significantly in excess of the 70,000 patients the department was designed to serve.

The department is poorly laid out and fragmented with poor sight lines in majors and paediatrics. The environment is poor with inadequate ventilation and cramped facilities.

- 3.1.2 The redevelopment of the ED will enable the Trust to address the comments made by the Care Quality Commission (CQC) in its reports, following inspections carried out in July and September 2013.

## 3.2 Funding Process

- 3.2.1 The Outline Business Case (OBC) for the ED Redevelopment has been prepared to consider options for refurbishment and reconfiguration of the ED at CUH. The OBC follows on from a Strategic Outline Case (SOC) which received approval in April 2013. The OBC sets out the case for investment in improved and expanded facilities to support the future delivery of high quality Emergency services. It demonstrates that the proposed investment offers the best available solution to address the inadequacies of the current environment and would allow the flexibility to adapt to future changes in activity.
- 3.2.2 The OBC was approved by the CHS Board on the 25th November 2013 for submission to the TDA. The project is being funded from public dividend capital made available from the Department of Health (DH) via NHS TDA. The OBC has been prepared in accordance with HM Treasury's best practice 'Five Case Model' and Business Case guidance from the TDA.
- 3.2.3 As part of the funding process the NHS TDA requires that a SOC, an OBC and FBC are submitted for all business cases with a value that exceeds £10 million. In addition NHS Trusts need to complete the generic business case checklist provided by the TDA and this is submitted with each OBC and FBC version of the business case.
- 3.2.4 The OBC reflects the broad range of healthcare needs covered by emergency and urgent care services:
- the implementation of the Transforming Adults and Community Services (TACS) business case which the Trust has implemented in its role as an Integrated Care Organisation which is commissioned by Croydon CCG;
  - responding to the National Dementia Strategy – the Trust's existing ED includes a dementia zone, one of the first in the country to do so, which will be incorporated into the new ED; a proposal for better line of sight to enable the new ED to respond more effectively to the complex needs of mental health patients; and
  - continued co-location of the UCC which will be fully integrated with the new ED and which will include a dedicated paediatric area.
- 3.2.5 All of Croydon CCG's strategies (Primary and Community, Self-Care, Prevention and Shared Decision Making) focus on preventing ill health in the first place, facilitating more 'self-care' (people doing more to treat minor illnesses and injuries) and improving access to primary and community care. Further, the Urgent and Emergency Care Strategy follows the same emphasis to ensure that people are seen in the right place, right time, first time. The OBC and the design of the scheme fully embrace these principles.
- 3.2.6 A revised OBC will be issued to the TDA in April 2014 and the FBC will be issued to the TDA in August 2014 for approval.

## 3.3 Design Process

- 3.3.1 The Trust established a Project Team to undertake a comprehensive options appraisal process. A list of nine options was considered including both a Do Nothing and a Do Minimum option. The options were developed and appraised in conjunction with the Project Team and User Groups reporting to the ED Project Board.

- 3.3.2 The following constraints were applied in order to produce a short list of options
- Options must allow the continued provision of the ED during the development period (Constraint 1);
  - Proposals should clearly demonstrate that future services can be delivered within the financial constraints of the Trust and its commissioners (Constraint 2);
  - Proposals should ensure that capacity is available to meet activity forecasts including the flexibility to adapt to changed activity (Constraint 3).
- 3.3.3 The weighting of criteria was carried out in a workshop attended by key stakeholders. Non-financial benefits were assessed to give a weighted benefits score for the short-listed options. Quantified benefits (savings) were included in the revenue costs for the options and used in the value for money comparison.
- The risk comparison of options focussed on qualitative risks. A detailed Risk management register will be developed during the development of the FBC.
- 3.3.4 Following the assessment the preferred option was identified. This option (Option F) is to refurbish the whole of the ED, replacing current modular facilities and providing limited new build components to achieve an appropriately configured and designed ED service, able to deal with the volume of activity the department is required to manage going forward.

The scope of the Project is as follows:

- ED Services for both Adults and Children
- Urgent Care Centre Services for both Adults and Children
- Associated ED equipment
- Associated infrastructure
- Requisite enabling works (including requisite decanting works).

The proposed departmental layout will improve visibility and patient flows as well as access and adjacencies, and thus enable staff to provide the best care. The design incorporates the ability to 'flex' key areas, so as to accommodate periods of high demand on the service. The projected activity is in line with current Trust projections. In addition, the design enables the build to be extended appropriately should there be significant changes in the provision of emergency care in the health economy.

The layout for the preferred option is attached as an appendix to this report.

## **4 CONSULTATION**

- 4.1 During the development of the OBC the following stakeholders were consulted:
- Croydon CCG
  - Croydon Council
  - Croydon Planning Department
- We have received letters of support from Croydon Council and Croydon Planning Department and have an initial letter from the CCG which acknowledges the case for change.

- 4.2 During the design stage the following stakeholders were advised and engaged with and their comments incorporated in the design:
- Trust Clinical Team from ED including medical, nursing, administrative and management personnel responsible for delivering the clinical services within the main department;
  - Members of Virgin Care including medical, nursing and administrative and estates personnel responsible for the delivery of 'front end' Urgent Care services; and
  - Clinicians from South London and Maudsley mental health team.
  - London Ambulance Services with regard to the design and the decant strategy.
  - CCG who have representation on the Project Board.
- 4.3 Currently the Outline Design has been completed with the drawings at 1:200. All the designs have been developed with the User Groups and further detailed layouts will be signed-off by the ED and the Project Board. Membership of the User Groups has included representation from the CCG, Assura Wandle LLP, London Ambulance Service, South London & Maudsley Trust and the Trust's Infection Control Team.
- 4.4 The Project Team presented the ED Redevelopment Project at the IPEC (Improving Patients Experience Committee) on 29th November 2013, which was attended by patient representatives, to brief them on the proposals.
- 4.5 Going forward, the Trust recognises its engagement activities need to be expanded to reach out more effectively to wider stakeholders. This will be a priority as the Trust moves on to development of the Full Business Case (FBC). The Trust will pay particular attention to engaging with users and the public. It is intended that the project team will present the scheme in a public location in the hospital for members of the public and patients to ask questions and make comments. The comments will then be reviewed at the Project Team meetings as part of the process. While there has been consultation with users through the design development process, this will be expanded as part of the wider engagement strategy. The Project Board governance has been strengthened to include a Non-Executive Director and patient/user representation.
- 4.6 The Trust will also focus on extending engagement with the Health and Wellbeing Boards as key stakeholders for the new ED project.

## **5 SERVICE INTEGRATION**

- 5.1 In providing a new facility, the ED will be fully aligned with the CCG Urgent and Emergency Care Strategy. The following elements are identified in supporting these improvements:
- Full integration of the ED and UCC as part of a single pathway with robust gateways and thresholds.
  - Close co-operation with all of the Trust's partners to ensure only appropriate attendance at the ED. This will include close working with the London Ambulance Services in how the new facility is operated to minimise inappropriate ambulance attendances.
  - Clear communication strategy and effective signposting to ensure that service users are directed to appropriate non-ED services.
  - Implementation of the Transforming Adults and Community Services (TACS) business case which the Trust has implemented in its role as an Integrated Care Organisation which is commissioned by Croydon CCG.

## **6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

### **6.1 Revenue and Capital consequences of report recommendations**

The financial implications of the proposed ED do not affect any of the partner organisations other than Croydon CCG. We have discussed and agreed future activity and income levels with the CCG. The basis of this agreement will be modeled within the revised OBC to be submitted to the Trust Development Authority in April 2014.

In preparing the OBC, the Trust has focused both on the CIP and Quality, Innovation, Productivity and Prevention (QIPP) aspects in the development of plans for the new ED. The Trust has reviewed in detail its CIP plans and looked at a range of 13 potential ED CIP schemes based on national experience. This has identified no additional opportunity for Croydon Health services (CHS) ED CIP savings beyond those factored in relating to substituting substantive for agency nursing posts.

### **6.2 Risks**

A project risk workshop was held to determine risk headings and agree risk ratings 'prior to mitigation'. The meeting was attended by representatives of the Project Team and the Trust. The risks were established and loadings discussed and agreed against each heading. A mitigation strategy for the risks were agreed and will be reviewed during the development of the FBC.

### **6.3 Options**

The option appraisal was carried out as described items 3.3.1 to 3.3.2 earlier in this report. The costs for the preferred option were within the costs approved in the SOC.

### **6.4 Future savings/efficiencies**

The new ED will enable modest savings to be realised through being able to recruit to a number of substantive posts, thus avoiding premium agency costs, and the saving of one post through service redesign (albeit with no redundancies). However, the scheme will be a cost pressure for the organisation and the fundamental rationale for the new ED is to improve significantly safety and quality of care for patients.

## **7 LEGAL CONSIDERATIONS**

There are no significant legal issues identified arising from the ED scheme.

## **8 HUMAN RESOURCES IMPACT**

8.1 The new ED, with its improved environment, will assist the Trust in retaining and recruiting staff.



8.2 The Trust has developed a workforce strategy for the new ED. This comprises:

- Foundations of Emergency practice course for newly qualified Nurses in ED.
- Emergency Nurse Practitioners/Paramedics role to allow senior nurse and paramedics to use and develop skills and knowledge in Emergency care predominately in the Resuscitation room.
- Band 5-8 Development map which is a guide to mapped development, education and competency assessment for each level and grade.

Elements relating to paediatric workforce strategy covering: enhanced assessment skills for nurses; supporting co-location of safeguarding staff; and supporting future development opportunities for paediatric nursing staff.

## 9 EQUALITIES IMPACT

9.1 It is not envisaged that there will be any significant service change as a result of the ED scheme. However, as part of the detailed Full Business Case the Trust will be undertaking a full equality impact assessment.

## 10 ENVIRONMENTAL IMPACT

10.1 The new ED will be developed in broadly the same location as the existing department. It is not envisaged that there will be any significant environmental impact, although it is likely to lead to an improved façade to the ED and better access for patients and ambulances.

10.2 The completed building will be rated as BREEAM Excellent and will provide a more energy efficient facility than the existing ED with reduced running costs.

## 11 CRIME AND DISORDER REDUCTION IMPACT

11.1 Although there are no crime or disorder considerations arising from the ED Outline Business Case by implementing some of the measures identified in the document 'Reducing violence and aggression in A&E' there should be a reduction in assaults on staff. The layout of the new design and good visibility will also improve safety for the staff and patients.

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## BACKGROUND DOCUMENTS

Appendix A – Proposed Layout – Option F	
Appendix B – Strategic Programme	