

Fit 4 the Future

Transforming the care we deliver in Whitby and surrounding area

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Report for: Assurance

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1. Introduction and Purpose

The purpose of this report is to update the Health Overview and Scrutiny Committee on developments in Whitby and surrounding area, specifically, the procurement of Community and Out of Hours Services and the future development of Whitby Community Hospital.

2. Background

The procurement for a new provider of community and out of hours services has entered its final stage of dialogue and assessment, following the announcement of two shortlisted bidders.

Following the transfer of these services to a new provider on 1 July 2015, NHS Property Services will become the owners of the Community Hospital through an asset transfer from the incumbent owners York Teaching Hospitals NHS Foundation Trust.

NHS Hambleton, Richmondshire and Whitby Clinical Commissioning Group (HRW CCG) are committed to ensuring a sustainable future for Whitby Community Hospital as part of the vision for the transformation of community and out of hours services they have developed through public consultation. In support of this HRW CCG commissioned an option appraisal from Community Ventures to assess the options for the future development of the Community Hospital.

3. Key Developments

3.1 Procurement of Community and Out of Hours Services

HRW CCG is pursuing a competitive dialogue process to procure a new service provider. The second stage of the procurement evaluation has been completed. This included a technical questionnaire and submission of draft service specifications which were assessed by a group of clinical and non-clinical subject matter experts. On 19th December 2015 the CCG announced the names of the bidders who were successfully evaluated to enter into continued dialogue and final tender assessment.

The two bidders selected to enter into continued dialogue with the CCG were:

Humber NHS Foundation Trust – <http://www.humber.nhs.uk/>

Virgin Care – <http://www.virginicare.co.uk/>

This next phase of evaluation will continue in January and will be followed by a rigorous final assessment and evaluation process. HRW CCG has determined that the weighting for final evaluation scoring will be 70% quality and 30% financial.

A preferred bidder will be selected, and announced, in March 2015. The CCG will then work with the preferred bidder to mobilise the contract with an expected start date of 1 July 2015.

3.2 Development of Whitby Community Hospital

3.2.1 Project Initiation Document

After discussion with NHS England, it has been agreed that HRW CCG, as the main commissioner of services provided on site, will act as the project sponsor for the re-development of the Community Hospital.

The CCG Project Team has developed a Project Initiation Document (PID) in partnership with NHS Property Services, the future site owner.

The PID is a short, early stage agreement by sponsors on the strategic case for the project proposal. It contains high level estimates on capital and revenue implications for the project and explicit confirmation on the costs to work up at the next stage of the scheme. The purpose of the PID is to ensure all stakeholders are committed to the development of the scheme and are prepared to accept a level of risk associated with the early stages of the development.

The Project Initialisation Document outlines details of the project sponsor and provides a brief description and strategic need for the scheme and demonstrates its consistency with the CCG commissioning plan.

The PID does not set out detailed plans for the development which will be prepared as part of forthcoming stages of the project - the outline and full business case.

The PID will be presented to the CCG Governing Body on 23 January for approval and following sign off from NHS Property Services Finance and Investment Committee, will be submitted to NHS England Area Team to secure PID approval to proceed to an Outline Business Case.

3.2.2 Post PID Options Appraisal and Next Steps

Although the Community Ventures report identified a number of options to the CCG for redevelopment, the Project Team will conduct a post PID option appraisal. The post PID options appraisal will confirm the preferred options to be pursued further and validate that the procurement route will achieve the best value for money going forward.

At this point the Project Team will discuss the options for co-locating services with stakeholders. Interest has been shown by a range of stakeholders in occupying residual land on the current site. NHS Property Services are currently defining the process for the release of any residual land for sale.

The Project Team considers that it is essential to fully involve the new provider of Community and Out of Hours Services in Whitby and the surrounding area in establishing the requirements of a remodelled Hospital, particularly the patient flows and internal space requirements. Therefore, these elements of the outline Business Case will be developed following the appointment of the new provider.

3.2.3 Key Milestones for Hospital Redevelopment

Key milestones have been established with NHS Property Services to determine proposed timescales for each stage of the scheme. These milestones will be reviewed by the project team regularly and the Governing Body will be updated accordingly. At present the estimated key milestones are:

- Project Initiation (including Post PID Options Appraisal) – November 2014 to February 2015
- Outline Business Case – February 2015 to August 2015
- Full Business Case – September 2015 to February 2016
- Construction – commences May 2016
- Transition and Completion – Dec 2017

Further public engagement and formal consultation form part of the CCG project plan and exact timescales and details for these events will be shared with the Committee and the public once finalised.

3.3 Communications and Engagement

The CCG has recently completed a public engagement exercise to seek the public's views on the Fit 4 the Future programme, specifically focussing on the options for the redevelopment of the Hospital. Indications show that the public are very supportive of retaining the hospital in its current location and would like to see the remainder of the site being used to meet future housing needs, more specifically used for the development of extra care housing accommodation, housing for those with complex health needs and private housing.

The full Communications and Engagement Report detailing the findings of the public engagement exercise will be available on the CCG website in March 2015.

Regular communications will continue with key stakeholders and the public on the redevelopment of the Hospital and the procurement of community and out of hours services.

4 Conclusions

HRW CCGs Fit 4 the Future programme in Whitby and surrounding areas focusses specifically on the procurement of Community and Out of Hours services and options for the future of Whitby Community Hospital, with the aim of transforming the care delivered to the local population to improve health outcomes.

The CCG Project Team for Whitby and the surrounding area have developed a Project Initiation Document (PID) which sets out a high level description of the scheme for the redevelopment of Whitby Hospital. The PID was developed in partnership with NHS Property Services, the future owners of the site, and advice has been sought on the development of the PID from NHS England Project Appraisal Unit.

Following approval from the CCG Governing Body, the PID will be considered by the NHS England Area Team to go to the next stage. The project team will then complete a post PID options appraisal before developing an Outline Business Case.

The CCG has announced the names of the two shortlisted bidders entering into the final stage of the dialogue and final tender evaluation for the procurement of community and out of hours services. A preferred provider is due to be selected in March 2015 following a rigorous assessment and evaluation process and the contract will start on 1 July 2015.