

Cover Sheet

Trust Board Meeting in Public: Wednesday 08 September 2021

TB2021.67

Title: Horton General Hospital Health Infrastructure Programme
Expression of Interest

Status: For Decision

History: IAC 11 August 2021 – Briefing by Chief Nursing Officer

Board Lead: Chief Nursing Officer

Authors: Director of Capital Development / Acting Director of Estates &
Facilities
Chief Nursing Officer

Confidential: No

Key Purpose: Assurance

Executive Summary

1. The purpose of this paper is to seek approval from the Trust Board for submission of an Expression of Interest (Eoi) for a place in the Health Infrastructure Programme (HIP).
2. The Department of Health and Social Care (DHSC) has invited Eoi from NHS Trusts in England who wish to be considered for the next wave of the HIP. This programme has been set up with a commitment to deliver forty new hospitals by 2030, for which there are eight places remaining.
3. Work has been on going to develop the Horton General Hospital (HGH) masterplan for several years. Most recently the Trust commissioned a full design feasibility and high-level Strategic Outline Case with a preferred estates option, which completed in 2020 in readiness for a potential bid opportunity. The intention had been to progress further stakeholder engagement, however this work then paused due to Covid-19.
4. For HGH to be considered for one of the remaining eight HIP projects we must submit an Eoi by midday on 9 September. Stage 2 of the selection process will require a more detailed submission and it is anticipated that the final decision on the successful bids will be Spring 2022.
5. The preferred option is a 58,000m² new built hospital replacing the existing 30,700m² hospital on the Horton site. The construction would be split in three phases: Phase 1 to provide increased capacity for ED, Imaging, Theatres and Inpatients; Phase 2 to provide Outpatients, Therapies and Maternity; and Phase 3 to provide an Energy Centre and wider site redevelopment including a multi-storey car park.
6. Based on the Trust's experience with the construction of the Critical Care Building at the John Radcliffe site, the costs are estimated to be £330m including VAT but excluding equipment or between £350m–£370m including VAT and equipment.
7. Should the initial Expression of Interest be successful then a more detailed submission will be required and details of the proposal remain indicative at this stage.

Recommendations:

8. The Trust Board is asked to:
 - Note the context of the work undertaken to date in connection with the preferred option for redevelopment of the HGH site.
 - Approve the recommendation from the Investment Committee to proceed with the submission of the Expression of Interest in line with the appended final draft (**Appendix 1**).

1. Purpose

- 1.1. The purpose of this paper is to seek approval from the Trust Board for submission of an Expression of Interest (EoI) for a place in the Health Infrastructure Programme (HIP).

2. Context – Health Infrastructure Programme

- 2.1. The Department of Health and Social Care (DHSC) has invited EoI from NHS Trusts in England who wish to be considered for the next wave of the HIP. This programme has been set up with a commitment to deliver forty new hospitals by 2030, for which there are eight places remaining.
- 2.2. Work has been on going to develop estate options for redevelopment of the HGH site for several years. For HGH to be considered for one of the remaining eight HIP projects we must submit an EoI by midday on 9th September.
- 2.3. Stage 2 of the selection process will require a more detailed submission and it is anticipated that the final decision on the successful bids will be Spring 2022.

3. Background

- 3.1. In 2016, OUH undertook a Strategic Review of HGH, and Oxfordshire CCG launched a 12-week public consultation and produced a decision-making business case. This included detail on the future clinical service provision for the HGH site.
- 3.2. Following this, the Trust appointed AECOM in 2017 to undertake a high-level masterplan for the redevelopment of the Horton site, but planning was paused because there was no capital available.
- 3.3. In October 2019, a design team was appointed to revisit the HGH masterplan in readiness for a potential HIP bid.
- 3.4. The feasibility study assumed clinical services on site were in line with the 2016 consultation but with future growth and expansion opportunity. Following an initial review and dialogue with stakeholders it became clear that capacity for urgent and emergency care with associated diagnostics is already constrained on the site and with very limited options for expansion without a new build. The design team were therefore asked to consider urgent and emergency care with diagnostics, theatres, and beds to be prioritised for the first phase of development.
- 3.5. The team completed a design feasibility report including a longlist and shortlist of options, site analysis, site infrastructure/services review, accessibility study and a high-level planning review. Consideration was

also given to how the whole site development potential could be maximised with a phased approach to delivery.

- 3.6. Several internal Trust stakeholder workshops took place between November 2019 and February 2020 to shortlist options and review these against the benefit criteria for input into the Strategic Outline Case lite.
- 3.7. A Strategic Outline Case lite was developed containing a full financial and non-financial options appraisal.

4. Preferred Option

- 4.1. Given the age and condition of the buildings on the Horton site, the vision is to replace the hospital in its entirety to create facilities that are safe, fit for purpose and can service a growing population and accommodate a shift in activity from the Headington sites to provide care closer to home for people living in the north of the county. This aims to provide:
 - Clinical services consistent with previous public consultation
 - Integrated Front door for Urgent & Emergency Care
 - Diagnostic Hub
 - Outpatient transformation
 - Increase in Day Case and Short Stay Treatments
 - New Maternity facilities
 - Co-location of research and education space
 - Multi-storey car park
 - Opportunity for complimentary site development through land released
 - Flexible and adaptable space to meeting changing requirements with an opportunity for future expansion
- 4.2. The current preferred option within the high-level Strategic Outline Case allows for a total re-provision of 58,000m² split into phases. This compares against an existing area of 30,700m².
 - Phase 1: 39,800m² to provide ED, Imaging, Theatres, Inpatients, Facilities Management Hub & Support Accommodation
 - Phase 2: 14,700m² + 3,500m² refurbishment to provide Outpatients, Therapies and Maternity
 - Phase 3: to provide an Energy Centre and wider site redevelopment including a multi-storey car park

- 4.3. A summary comparison of key existing and proposed functional content is included in the table below:

Function	Current	Proposed
Inpatients	108	166
Emergency Department	16	50
Emergency/Acute Medical Assessment	52	81
Theatres	4	8
Imaging	9 (4 x-ray, 1 mammography, 3 ultrasound, 1 CT)	15 (5 x-ray, 4 ultrasound, 2 CT, 2 MRI, 1 IR/fluoroscopy, 1 mammography)
Outpatients	43 consult/exam, 7 chemo, 12 dialysis, 2 endoscopy	58 consult/exam, 12 chemo, 18 dialysis, 3 endoscopy
Maternity	6 delivery, 9 consult/exam	16 beds, 7 delivery, 11 consult/exam
Day Case	33	44

5. OUH Approach to Eol Submission

- 5.1. The capital cost of the new Critical Care Building that will be completed in October 2021 equates to £5,711m² including VAT but excluding equipment. Applying this cost per m² to the 58,000m² Horton development results in a capital cost estimate of £330m.
- 5.2. This assumes no m² reduction in the 58,000m² proposed new hospital, which we expect to be possible. Whilst there is inflation to apply to the costs, consideration also needs to be given to the type of accommodation as Critical Care is at the upper end of fit out costs.
- 5.3. It is expected that a further £20-40m including VAT will be required for equipping and this is dependent on the amount of equipment to be transferred from the existing accommodation and programme for completion.
- 5.4. The total estimated capital cost of the 58,000m² new build including VAT and equipment is therefore £350-370m.

6. Investment Committee Review

- 6.1. Following discussion at the Integrated Assurance Committee on 11 August the Investment Committee were asked to review the proposed Eol in detail at its meeting on 25 August.

- 6.2. It was noted that the next stage of the selection process would require a more detailed submission, but the Investment Committee were asked to consider the level of confidence that the Trust could have that the project could be delivered within the proposed costs. This was explored in the light of the Trust's experience in the use of modern construction methods and modular build technology in the construction of the Critical Care Building which was currently in progress. Reduced time for design and business case development, along with effective programme management, were also highlighted as success factors to give confidence in the Horton General Hospital proposal.
- 6.3. The Committee noted that, should the bid be successful, the Trust would be accountable should any risks emerge that resulted in the project overspending or exceeding the expected timescales. It would be important that effective project governance architecture was put in place to manage such risks.
- 6.4. The Committee noted that both the Trust clinical strategy and wider BOB ICS strategy would be considered to ensure alignment should the bid be successful, as would any commercial opportunities.
- 6.5. The EoI and cover paper considered by the Investment Committee were also shared with the Horton HOSC for consideration and the HOSC confirmed that they would share any comments directly with the Trust's Chair and Chief Executive Officer prior to the meeting. Wider stakeholders in Health and Social Care within Oxfordshire and beyond would also be involved in discussions should the bid be successful.
- 6.6. The Committee noted the work undertaken to date and recommended that the Trust Board proceed with the Expression of Interest in line with the final draft.

7. Recommendations

- 7.1. The Trust Board is asked to:
 - Note the context of the work undertaken to date in connection with the preferred option for redevelopment of the HGH site.
 - Approve the submission of the Expression of Interest in line with the appended final draft (**Appendix 1**).



Department
of Health &
Social Care

Health infrastructure plan: future new hospitals – expression of interest template for NHS organisations

Published 15 July 2021

Guidelines to trusts

Completing the form

Trusts should submit their completed expression of interest form to futurenewhospitals@dhsc.gov.uk by midday on 9 September 2021.

Please note the above mailbox is only for template submissions and/or questions from trusts relating to this stage of the process. Any other queries should be routed to the Department of Health and Social Care (DHSC) correspondence centre and media queries to our press office.

Trusts should submit information in the template proforma and conform to the word limit. Submissions above the word count will not be considered.

No additional information will be accepted or considered as part of this stage of the selection process, outside of this proforma.

No external funding or resource should be used to prepare the case and no additional pre-prepared documentation will be accepted.

Trusts are permitted to submit more than one form (for example for different sites) but must indicate how each proposal affects the trust as a whole and any dependencies between proposals as well as the site-based approach.

Important notes

Cost and savings estimates are only requested to give an early indication of the likely scale of investment required. We appreciate that many schemes will be put forward at the very early stages of development and so precise cost or savings estimates may not be available. We will only use estimates at this stage to understand the broad order of magnitude of costs of potential schemes in the pipeline and any key assumptions being made.

These costs estimates do not equate to a bid for this amount of funding. The ultimate size, scope and cost of shortlisted proposals will be determined in conjunction with the new hospital programme.

Savings estimates could reflect initial assumptions at this stage about efficiency as a result of any investment, for example reductions in backlog maintenance, land disposals, high level floor space and bed data if available.

Please note by submitting this information to the Department of Health and Social Care, you are agreeing that they are permitted to share the form or extracts of it with relevant officials in NHS England and NHS Improvement and their regional teams, and HM Treasury, on an OFFICIAL-SENSITIVE-COMMERCIAL basis.

Next steps

This summary information will form one part of the first stage of the process. It will be combined with evidence from existing national datasets (official data, signed off by provider chief executives) as well as discussions with regional and local NHS leaders. The later stage of the selection process in autumn or winter 2021 will allow for more detailed discussions and further evidence to be provided, if appropriate.

We hope to inform trusts of the outcome of this first stage, including more detail on the later selection process, during autumn 2021. The outcome of the first phase will be a longlist of proposals to continue to stage 2.

We aim to make the final decision on the next 8 hospitals to form part of the national programme by spring 2022.

Expressions of interest – form for completion

New hospital criteria

A whole new hospital site on a current NHS land (either a single service or consolidation of services on a new site).

Trust type

Acute

Region

South East

Trust name

Oxford University Hospitals NHS Foundation Trust (OUHFT)

Site covered

Horton General Hospital (HGH)

Indicative cost of scheme

Given the age and condition of the buildings, it is deemed to be more cost-effective to rebuild than to refurbish to create facilities that are safe, fit for purpose and can support a growing population whilst also accommodating a shift in services from Oxford sites to provide care closer to home.

The current preferred option is a 58,000m² new build, replacing the existing 30,700m² hospital on the Horton site in a phased approach:

- Phase 1: 39,800m² to provide increased capacity for ED (+28 treatment cubicles and +6 GP streaming), Imaging (+1 CT, IR/Fluoro, X-ray and U/S and +2 MRI), Theatres (+4), Inpatients (+58 beds).
- Phase 2: 14,700m² + 3,500m² refurbishment to provide Outpatients, Therapies and Maternity
- Phase 3: Energy Centre and wider site redevelopment including a multi-storey car park.

Based on our track record with the construction of the critical care building at the John Radcliffe site, we estimate the capital costs to be £330m inc. VAT but exc. equipment or £350-370m inc. VAT and equipment for the 58,000m² state of the art hospital.

Key assumptions:

- Procurement will be on the basis of a 2-stage design and build form of contract, with the appointment being via an existing framework to support a fast-track approach to delivery.
- Programme for approval of each business case gateway can take place within 18 months in total to gain assurance on cost certainty.
- Equipment costs are to be confirmed dependent on the amount to be transferred from the existing accommodation and programme for completion.

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Indicative savings of scheme

Our recent independent estate condition survey shows that HGH currently attracts a backlog cost of £47m. This is built up of £27m for Physical Condition and £20m attributed to Functional Suitability of the current estate. The preferred option would considerably reduce this backlog cost as the building would be constructed to current standards.

The proposed new 58,000m² hospital creates an opportunity to utilise the remainder of the site for complimentary site developments. The intention is that these plots would be used for healthcare related functions like GP practice, staff accommodation, care homes etc. The area for redevelopment is 38,760m² in the preferred option. It is therefore anticipated that a rental income would equal up to £15.9m per calendar year, however it should be noted that there would be a need for capital investment to build these premises. Alternatively, if we were to lease the land, income could amount to £103k - £127k per acre per calendar year.

Other cash releasing benefits include:

1. Improved staff morale resulting in better retention and reduction in agency/recruitment costs
2. Improved environmental performance of the site resulting in reduced running cost
3. Improved patient environment resulting in less penalties for improper use of spaces

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Status of plans and engagement to date with partners

In 2016, OUHFT undertook a Strategic Review of HGH. In parallel, Oxfordshire CCG launched a comprehensive 12-week public consultation followed by a decision-making business case with recommendations of how to meet the Oxfordshire Transformation Objectives whilst taking into account the public consultation feedback.

HGH serves the growing populations of North Oxfordshire, South Northamptonshire and South Warwickshire. A special Horton HOSC was created to ensure engagement across these counties. There is cross-system support for the redevelopment HGH, and very

positive discussions have taken place with Councillors, MP and members of the local community.

In addition to support from Oxfordshire and the BOB ICS, the Trust has also discussed this programme of work with the South-East regional team as the Horton serves a population beyond Oxfordshire and the BOB ICS.

The project has fully engaged clinical and non-clinical staff in the development of the scheme.

Following approval to proceed to the next stage, a comprehensive engagement plan will be developed to ensure that all staff and patients are fully briefed on the strategy. The engagement plan will focus on how clinical, non-clinical staff and patients can be involved in refining the design of scheme.

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Summary of scheme

The preferred option is a redevelopment of HGH site in three phases to deliver the required capacity whilst allowing flexibility for expansion and provision of new services in the future. This will facilitate improved ways of working and enable delivery of integrated working across health and social care with wider public-sector parties.

Phase 1 maximises clinical benefit upfront and includes construction of the acute hospital and integrated care facilities and associated supporting facilities and infrastructure (A&E, Theatres, Imaging, Wards, Facilities Management Hub and Support Accommodation). Upon completion, existing services will transfer to the new building and phase 2 of the project commences to provide outpatient and maternity facilities.

Phase 3 delivers the Energy Centre, multi-storey car park and opportunity to develop areas of the site for complementary usages including introduction of a new public realm.

We plan to fast track the design to achieve a start on site 18 months from commencement. We will utilise Modern Methods of Construction to deliver phase 1 in 2 years, phase 2 in 1 year plus decant period.

Key clinical accommodation:

Function	Current	Proposed
Inpatients	108	166
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Imaging	9	15

	(4 x-ray, 1 mammography, 3 ultrasound, 1 CT)	(5 x-ray, 4 ultrasound, 2 CT, 2 MRI, 1 IR/fluoroscopy, 1 mammography)
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[250/250]

Expression of interest – statement

The proposed option supports the delivery of a transformational model of care in a fit for purpose estate; whilst also alleviating pressure on other OUHFT sites through increasing capacity and the range of services at HGH. The solution reflects the Trust’s need to improve the care it provides to the local population and to provide sufficient capacity for a rapidly growing population with more complicated health issues. Conversely, if these works do not take place, it is likely OUHFT will fail to achieve key quality and safety standards; whilst struggling to cope with the population growth due to the number of housing developments proposed in Oxfordshire and neighbouring counties.

The project is aligned with key national strategic publications including the NHS Long Term Plan, The Next Steps on the Five Year Forward View, Carter Report and Naylor Review. HGH will particularly enable the delivery of:

- *Transformed out of hospital care, fully integrated community-based care and reduced pressure on emergency hospital services* – by providing a fully integrated front door, transformed outpatients, same day urgent care and improved integration with local primary and community care services to deliver care close to home
- *Improving cancer outcomes* – by enabling delivery of high-quality care and treatment close to home
- *Improving mental health* – by enabling better integration of care with Oxford Health and community providers
- *Enabling shorter waits for planned care* – by delivering more procedures at HGH e.g. award-winning Hip Fracture service.

- *Increasing focus on Population Health* – by developing innovative approaches to share data across the system to improve connectivity and patient experience
- *Prevention and addressing health inequalities* – by focusing on development close to neighbouring areas of significant deprivation and by working with local government partners to improve outcomes and wellbeing
- *Wider social impact* – by building on the learning from the local Healthy New Towns and Healthy Place Shaping Initiatives

OUHFT's vision is to “deliver compassionate excellence for our people, our patients and our populations”. The site redevelopment will deliver benefits across each of these three groups.

- *Our People* – improving staff experience and offering innovative new learning and research opportunities. The redevelopment HGH will not only provide comfort to staff that there is a commitment to the site and retain staff, but it will also help to attract new staff to the area. New training opportunities will be provided by enhancing the working relationships with other health, social care and University organisations.
- *Our Patients* – improving patient outcomes and experience by delivering high quality care, close to home, within excellent state-of-the-art facilities and with integrated care pathways.
- *Our Population* – improving the health and wellbeing of local populations through a Fit for the Future hospital, transformed outpatient services and provision of an integrated health and care hub to improve community health and wellbeing.

HGH currently comprises of approximately 30,700 m² of buildings spread over a 9.9-hectare site. There has been very little development in the last 30 years and several of the key services such as diagnostics, theatres, emergency department and maternity are not connected. These services are set in several dilapidated buildings that are unsuitable for the provision of high-quality healthcare. Nearly 20% of the buildings are over 50 years old, nearly 70% are over 30 years old and many were designed for short term use post World War Two.

Given the age and condition of the buildings, it's deemed to be more cost-effective to rebuild than to refurbish to create facilities that are safe, fit for purpose and can support a growing population whilst also accommodating a shift in services from Headington sites to provide care closer to home for people in the Banbury catchment area, whilst aiding a reduction in carbon footprint. We plan to maximise opportunity for modern methods of construction and the use of renewable energy technologies to reduce energy consumption and environmental impact. In response to COVID-19, we plan to ensure the design allows

for future flexibility and resilience to changing healthcare needs. The scheme addresses the unsuitable, disjointed and old facilities at HGH and replaces it with a sustainable, digitally enabled, state-of-the-art estate.

The Trust is aware that the Long Term Plan committed to the future of smaller, acute general hospitals. OUHFT, backed by our partnerships with Oxford University and Oxford Brookes University, is keen to make HGH a cutting-edge model of a small District General Hospital and are happy to open it up to piloting new ways of working, testing new approaches and to help spread learning and good practice.

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Declaration

I confirm that the information in this form is accurate at the time of completion and that I have appropriate executive approval from my trust to submit this expression of interest.

Yes/No [Delete as applicable]

Name:

Role:

Email address:

Phone number:

Date approved by trust board: