Avon and Wiltshire NHS
Mental Health Partnership NHS Trust

Strategic Outline Case

B&NES community and inpatient re-provision

2014 to 2016

Avon and Wiltshire Mental Health Partnership NHS Trust					
Project Name:	**B&NES Community & Inpatient re-provision**				
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1. Executive Summary

An opportunity has arisen to work with the RUH and to re-provide the existing Hillview Lodge services, and the Ward 4 St Martin's services into a new build within the RUH boundary. This follows feedback from CQC (warning notice for Hillview Lodge and concerns for Ward 4)) and acknowledgment from senior managers that the environments on both wards are not suitable for the delivery of high quality care into the future.

The preferred option for the redevelopment of inpatient services in the B&NES locality as described above is for a new build on an RUH site. This conclusion is reached following engagement with local stakeholders and staff from July-December 2014, including the completion of impact assessments in December 2014. The results of the impact assessments and engagement are being presented to the Wellbeing Policy Development and Scrutiny Panel on January 16th 2015 following previous outline of the issues to the same panel in July 2014. If the panel agree that we have engaged widely enough and that the proposal is supported by local stakeholders and staff we will be in a position to actively pursue the options outlined in this outline case.

In addition to combining the ward facilities in one unit there has also been a request for the new site to include a section 136 place of safety/assessment suite, a seclusion suite, offices and community staff accommodation on the second floor.

It is estimated that a new build on this site would costs around £14.025m.

The table below sets out the relative costs of the different options. The first column shows the existing envelope. The second the refurbishment option with similar number of beds. The third columns show a new build with 36 beds. The fourth shows a new build with 45 beds. The fifth column shows the 45 bed new build with safer staffing costs.

	Existing 35 beds		3 wards of 12 beds - refurbishment		3 wards of 12 beds - new build		3 wards of 15 beds - new build		45 beds safer staffing	
	WTE	Total £'000	WTE	Total £'000			WTE	Total £'000	WTE	Total £'000
Direct staff pay & non-pay	55.79	2,527	71.68	2,602	71.68	2,602	84.33	2,832	95.88	3,290
Indirect non pay		2,725		2,540		2,540		2,662		2,662
Cost of capital existing		254		254		254		254		254
Cost of capital additional				222		684		859		859
Total costs		**5,506**		**5,618**		**6,080**		**6,607**		**7,064**
				112		**574**		**1,101**		**1,558**

This paper outlines all current options for consideration. It is requested that the Clinical Commissioning group and AWP consider the contents of this outline case in order to shape the future build and service options.

2. Introduction and background

2.1. Purpose and scope of this business case paper.

The purpose of this Strategic Outline Case (SOC) is to outline the options for inpatient redesign and make recommendations for Mental Health in B&NES currently being run by Avon and Wiltshire Mental Health Partnership NHS Trust. This SOC will look specifically at the re-provision of adult inpatient services at Hillview Lodge, the re-location of community services currently being provided out of Hillview Lodge, the re-provision of older people's dementia inpatient services based at Ward 4 St Martin's and the development of partnerships with other community based providers.

2.2. General outline of proposed options

These proposals outline four options for consideration:

- ***Option 1*** – No change to Hillview Lodge and St Martins Ward 4, continue to re-design community services.
- ***Option 2a*** – To incorporate an acute adult ward, a ward for frail and vulnerable adults, a ward for dementia assessment and treatment, a section 136, a seclusion suite, some community and administrative space on the existing Hillview site using the existing buildings ***– total 36 or 45 beds***.
- ***Option 2b*** – To incorporate an acute adult ward, a ward for frail and vulnerable adults, a ward for dementia assessment and treatment, a section 136, a seclusion suite, some community and administrative space on the existing Hillview site but building completely new. ***– total 45 beds***.
- ***Option 3*** –Develop a new hospital on another RUH site to incorporate an acute adult ward, a ward for frail and vulnerable adults and a ward for dementia assessment and treatment, section 136, seclusion suite, some community and administrative space. This will be considered for ***three wards of 45 beds***.

Following stakeholder, staff and CQC engagement in addition to the impact assessments completed in December the commissioner advises that this paper focus on options 2a-3.

This paper will also not go into great detail on the development of community services as these are moving forward independently and are not dependent on the changes in inpatient services, although any new inpatient units should be complimentary. Development of community services are described in the B&NES Crisis concordat action plan and annual commissioning intentions.

3. Strategic Context

3.1. History of inpatient services in B&NES

Hillview Lodge was built housing two inpatient wards, Cedar and Sycamore, and a PICU/HDU at Balmoral. Later when Balmoral was closed the Cherries was made into a High Dependency Unit (HDU). Offices for community staff were also made. At St Martins there were originally three wards for older people. As Mental Health services have developed nationally and locally since then, the emphasis has been on limiting inpatient care and developing targeted community teams, such as early intervention and crisis services. This has meant that the numbers of inpatient beds have been reduced. First to go was Balmoral, Cedar and two of the St Martin's wards, leaving by the start of 2010/11 the Cherries with 7 beds, Sycamore with 23 beds and Ward 4 St Martin's with 12 beds.

In addition to services situated in B&NES, B&NES CCG had commissioned a number of male and female PICU beds. In 2008/09 a rebasing of the PICU beds was done, but it was a period when for that year B&NES PICU activity was particularly low. When the re-basing was done it left B&NES with 1.0 male and 0.6 female PICU beds. A more thorough analysis of trends over a number of years has determined that the more realistic usage was 2.0 male and 1.0 female beds.

In 2011, it was decided to close the Cherries high dependency unit, as this model of care was not recognised nationally, and to rely on the standard inpatient and PICU services. This reduced the bed base to 23 adult at Hillview and 12 dementia beds at St Martin's (total 35).

3.2. Recent Care Quality Commission recommendations

Given the new models of care being implemented across all localities and in particular the emphasis on recovery and movement of patients more quickly into appropriate community settings, it has been of concern to AWP managers and the CCG that the layout and general standard of the remaining Sycamore services were not up to the desired level. This was brought home to the Trust in a recent CQC inspection in August 2014, which picked up on environmental issues at Sycamore ward. At the same time CQC also highlighted concerns regarding Ward 4 as this is not a specialist dementia environment. Whilst these are varied the most serious of them concerned anti-ligature facilities and the provision of single sex accommodation. Doing nothing is not an option.

3.3. Mental Health Strategies

B&NES CCG recently commissioned a capacity and flow modelling of community and inpatient services and how the patient flows interact and travel through the care pathways and services. The evaluation was based on what was termed "fails" which were times when there was a demand for one type of service, but not the capacity to

deal with that person in the prescribed timescale. Eight scenarios of service change were modelled and the number of "fails" recalculated. The key recommendations concluded in the paper are shown in the bullet points below, and the report itself is shown in Appendix 1.

- **One**: Make small increases in the bed pool to reduce reliance on overspill. In this case it was suggested that there should be 30 adult beds (current level 23). In the body of the document it suggested that PICU should move from 1.6 to 3.0 beds.

- **Two**: Establish a home treatment service at a level sufficient to manage demand. This would mean going to a 24/7 "ward in the community" model holding a caseload of around 20.

- **Three**: Consider the establishment of a Rapid Response service. This service would handle urgent GP and self-referrals short of acute crisis. This service is interposed between the existing primary care liaison and the crisis service.

- **Four**: Negotiate a new understanding across the health economy for the care of people in cluster 1-3 and 11. This recommendation follows on from the expansions of the services mentioned above. These clusters are less acute and can be managed outside the acute settings either as GP based services or in third sector providers.

3.4. Emerging Plans for re-provision and general re-design of services.

The need to re-provide inpatient services in B&NES has been realised for some time. In November 2013 AWP agreed at the Investment and Planning Group to re-provide services both from St Martins and from Hillview. Options were explored.

3.5. Site opportunity to re-design services

The site on which Hillview Lodge stands is owned by AWP and the RUH provide some of the services. In their recent space and buildings review and development, it has become clear that there is some space near to the existing AWP services which can be redeveloped and built on. The RUH estate plans have provided the momentum for change whether or not a new site is used.

4. Health Service Need and Service Vision

4.1. *Existing services provided by AWP*

The table below sets out the resource mapped services which are represented by the AWP B&NES quantum in 2013/14. The costs are attributed to B&NES based on the usage of the teams. It should be noted that total inpatient usage for B&NES is £8.006m.

For services in 2013/14		Main contract
Community Services		£'000
	Assessment and Recovery	3,564
	Early intervention	433
	Crisis services	1,029
	Complex psychological	451
Dementia Services		874
Employment services		3
Liaison Services		248
Inpatient units in Bristol		755
Inpatient units in B&NES		4,897
Inpatient units located elsewhere		2,354
Specialist services		190
	Balance to contract values	236
	Sub total expenditure	**15,034**
Contract plus CQUIN		13,318
Other income		1,716
	Total contract values 2013/14	**15,034**

4.2. *Overall approach and vision*

The vision for any successful Mental Health service, is for service users and carers to be at the centre of a fully integrated service pathway involving AWP, B&NES social services, B&NES CCG and primary care. Key to this is the access to mainstream services where needed. This will enable people who experience mental health problems to recover and lead self-directed, personally satisfying, physically safe and socially meaningful lives as valued members of our local communities

4.3. *Current demand*

Mental Health Strategies showed that even under present demand there was a strain on the system such that there were significant ”fails” and overspills. This confirms the current experience of having high internal bed occupancy levels and significant numbers

of patients out of area who are acute adult, functional elderly and PICU. Any new facility should have built in the capacity to absorb the overspills and allow for future growth.

4.4. Future demand and demography

It is anticipated that the demand from a dementia point of view will increase in the future. The numbers of elderly functional cases is also anticipated to rise. This supports the approach to provide more beds than the current numbers of 23 plus 12 = 35. Option 2b and 3b advocates the building of three 15 bed wards, a total of 45 beds, and increase of 10 over the existing numbers.

The Office of National Statistics (ONS) projects that the population of B&NES will increase by 12%, to 198,800, by 2026. This increase is expected to mainly be in older age groups; in particular the 80+ population is projected to increase by 40% from 9,900 in 2010 to 13,900 in 2026. It is important to note that the resident population quoted above increases by 16,000 when we include all the people registered with a GP in B&NES requiring health services (whether or not they reside in B&NES county boundary). The GP registered population in 2010 was circa 192,000. We can expect then that demand for services particularly for older adults will increase including the in-patient assessment beds.

4.5. Existing services at Ward 4

In the days when Bath Mental Health Trust were based at St Martin's Hospital, there were three Mental Health wards on site, for organic cases. As new models of care were introduced, the functional service became more community based and now only the Ward 4 dementia inpatient service remains. It has been recognised for some time by AWP and commissioners that the ward does not have the environmental characteristics which professionals would now consider essential. Such as:

- Aids to support orientation including visual stimulation.
- Ability to have personalised bed area with familiar objects such as pictures, images and photos.
- Effective lighting (often of higher intensity than general ward areas) this should include lighting that is free of shadows and glare.
- Space that supports activity and stimulation; considering how communal areas can be designed that enable relatives and carers to be involved in care and activities. Evidence suggests that people with dementia often eat better in areas that reflect a dining room or cafe.
- Discreet, calming space away from busy communal areas that can be flexibly utilised.
- Doors are a key. Way finding doors for patients will have clear contrast to the walls whilst staff only doors should be the same colour as the walls.

4.6. New possibilities for Older People's services

If an expansion of buildings was possible at the RUH site, then there would be a good argument for re-locating the dementia services there so that they can more easily be related to RUH services, be supported by them and have more effective liaison. Co-location with other Mental Health services would also provide economies of scale and a common use of some of the clinical staff across services. It would also be possible for patient flow to be better between adult and older people's services. This approach is strongly supported by stakeholders and staff.

4.7. Effect of the proposed changes on other AWP areas

In the past, it was thought that inpatient services would go on being reduced across the whole of AWP such that it would not be possible for each of the six areas to have their own locality units. B&NES was considered to be one of the areas in which this might apply. More recent thinking has come to the view that not only are there not enough Mental Health beds, but that B&NES does need its own locality units, particularly as it has a large General Hospital in its centre. An increase in beds in B&NES would also help in the medium term to absorb inpatient pressure across the whole in-patient provision from other areas of the Trusts such as South Gloucestershire and Bristol.

4.8. 36 bed or 45 bed unit?

In any redevelopment of the inpatient service, there is a choice between having three 12 bed wards or three 15 bed wards. In the light of the known expected increases in older people's needs over the next ten years both AWP and B&NES CCG/LA commissioner, on the basis of the capacity mapping and projected demographics, recommend that three 15 bed wards are provided. Initially with any new 45 bed unit, staffing can be set at a lower level until the additional beds are needed. It is likely with the extreme pressure being experienced at the moment across AWP that other CCGs will want to utilise the additional beds. The option of a 12 bed refurbishment of Hillview has been included here for completeness however.

5. Option 1 – No change at Hillview Lodge and Ward 4 St Martins

5.1. Option 1 in outline

This option is for the same configuration of inpatient facilities both at Hillview Lodge and Ward 4 St Martins, but to continue to make changes to the community services in line with the MH Strategies recommendations.

5.2. Option 1 advantages

The advantages with this approach are:

- No additional costs or least additional cost for the commissioner.

- Least disruption to existing patients in the inpatient units, whilst work would otherwise have been going on.

5.3. *Option 1 disadvantages*

The disadvantages for this option 1 are:

- The physical state of the buildings and the attendant environmental issues will not be addressed. It is likely that the inpatient unit at Hillview will be the subject again of serious criticism from the CQC. This option does not allow full compliance with more modern models of care.
- Does not allow opportunity to incorporate elderly and dementia patients onto the RUH site and to add a local section 136 suite.
- The necessity to expand and develop services as demand and practices change will not be possible.

6. Option 2a – Remodel existing buildings at Hillview (three 12 bed wards)

6.1. *Option 2a in outline*

Option 2a would consist of re-providing adult, frail elderly and vulnerable adult and dementia services on the Hillview site using the existing building shell and to accommodate administrative and existing community staff. The building would aim to house a seclusion suite and a section 136. This option would require the re-modelling of the existing Hillview unit, by primarily internal refurbishment, but not rebuilding. Planning assumption would be for three 12 bed wards, although 15 bed wards can be considered. Capita have scoped the 12 bed option using the existing buildings.

6.2. *Option 2a advantages*

The advantages of this option are:

- This option would be the least expensive. Capita estimates a cost of £6.5m for refurbishment as against £11.82m for a 36 bed new build.
- The larger ground area of 9,000 square metres as compared to 6,500 to 7,700 square metres on the alternative RUH site, could provide flexibility in the future for an expansion of services.
- Building could be done in stages, thus reducing the disruption to existing services.

6.3. *Option 2a disadvantages*

The disadvantages of this option are as follows.

- Modern forms of care mean that the buildings may never be able to get up to the required standard. They have no en-suite rooms and the layout is limiting. There is no second storey so valuable ground space is taken up.
- Services would have to decant into another property as building work would go on.
- Three 12 beds wards do not future proof the service. Putting 45 beds into the existing buildings will be difficult given the current shape of the buildings. The space will be cramped and it will not be possible to accommodate modern management of the unit.

7. Option 2b – Rebuild new on existing Hillview site (three 15 bed wards)

7.1. Option 2b in outline

Option 2b would consist of building a new 45 bed unit on the existing Hillview site, providing adult, frail elderly and vulnerable adult and dementia services and accommodating the existing administrative and community staff. The building would aim to house a seclusion suite, a section 136 and an observation/assessment suite of 4 places. Part of the building would be second storey. The existing buildings would be demolished.

7.2. Option 2b advantages

The advantages of this option are:

- AWP would not have to buy any additional land. However, this option would cost around £14.025m, which is more expensive than a 36 bed new build option costing £11.820m. The funding for this would come from an NHS Capital Investment Loan or Social Bank.
- The new build would incorporate all the new CQC requirements and be fit for purpose. 45 bed unit future proofs the services for the next ten years.
- The Hillview usable site is around 9,000 square metres which is larger than the RUH alternative site of 6,500 square metres (7,700 square metres if site was expanded) and so will leave room for expansion in the future or additional parking.

7.3. Option 2b disadvantages

The disadvantages of this option are as follows.

- This may require a "de-canting" of clients for the period of the build – whilst every effort will be made by AWP to use Callington Road as it is nearer to us this is not currently agreed (see Section 10).

- The 45 bed unit costs around £14.025m to build as compared to £11.82m for a 36 bed unit and £6.5m for a refurbishment. The additional cost of capital from 36 to 45 beds amounts to £175k per year.

- There will be an additional cost of staffing the 45 bed unit as compared to the 36 bed unit. The staffing difference amounts to £210k per year. Initially it is likely that staffing levels of a new unit would be the same as for a 36 bed unit, only staffing up when there was demand and a corresponding cross charge to other CCGs.

- The number of beds might well be more than is currently used by B&NES and therefore there could be a lack of recovery of income to pay for the additional costs. This would be mitigated by the additional beds being "sold" to other commissioners both inside and outside of the former Avon.

8. Option 3 – Develop a new footprint on another RUH site with three 15 bed wards

8.1. Option 3 in outline

Option 3 would consist of a new build on a site adjacent to the existing Hillview Lodge consisting of at least three 15 bed wards. This building would also house the existing community and administrative teams, a section 136 suite, a seclusion suite and 4 bed observation/assessment ward. This option includes adding a second story to part of the unit.

8.2. Option 3 advantages

The advantages of this option are the same as for a new build on the existing Hillview site, option 2b. In addition:

- The existing services could continue uninterrupted at Hillview Lodge, whilst building is going on, thus avoiding any disruption to patients and community staff.
- A new building position might more easily encourage a new approach to models of care.
- The 45 bed option will future proof the inpatient services

8.3. Option 3 disadvantages

The disadvantages of this option are as the same as for Option 2b for a new build of 45 beds at Hillview, and in addition:

- The area into which a new build would be situated is around 7,700 square metres. In doing this the Trust will be losing a larger area at Hillview of 9,000 square metres usable area. Thus AWP will lose flexibility in the future for any kind of expansion.

- The 45 bed unit costs around £14.025m to build as compared to £11.82m for a 36 bed unit. The additional costs of capital amount to £175k per year.

- There will be an additional cost of staffing the 45 bed unit as compared to the 36 bed unit. The staffing difference amounts to £210k per year. Initially it is likely that staffing levels of a new unit would be the same as for a 36 bed unit, only staffing up when there was demand and a corresponding cross charge to other CCGs

9. Selection of Preferred Option

At this stage given the vision of the Local Delivery Unit (LDU) and B&NES CCG, the preferred options are the ones which provide for a new three 15 bed ward unit, either on the existing Hillview site or on a new nearby RUH site. That is options 2b and 3. When we then look at these two options the one which provides the most flexibility into the future and space is option 2b. Other points are:

- Option 2b and 3 offer the flexibility for growth in the next ten years for inpatient and other services, and the chance to remodel the way care is provided in fit-for-purpose inpatient units of 45 beds.

- A renovation of the existing Hillview buildings in option 2a will not provide the environment which fully complies with CQC requirements and modern models of care.

- Option 2b offers the same building shape as option 3, but the larger area will provide greater flexibility of space than in option 3.

- It is not clear at this point whether or not in choosing to move to a new site on the RUH there will be some financial capital gain by relinquishing Hillview. If there was a significant gain then this might weight the new site build option in its favour. The relative values of the respective land elements are being looked at in January 2015.

10. Decant Plan

The preferred options are for a new build of 45 beds. The option 2b involves a new build on the Hillview site. It is vitally important if this option is chosen that there is a detailed and credible plan for decanting the services for a period of up to a year. Decant options are being considered for the inpatient element at Southmead and Callington Road. The community teams could be housed across Bath NHS House and also possibly in some of the empty RUH buildings close to the existing site.

11. Vacated Site options

For one of the preferred options, option 3, where the existing site is not utilised, there will be a vacated Hillview site. It is really important that no net costs accrue to AWP as a result of the disposal of the vacated site. Discussions are taking place with the RUH on their own options for use of this site. Other options are being explored by AWP for income generation or disposal.

12. Listed Building Options

The proposed new site at the RUH for option 3, also includes a large listed building, called the Manor House. The RUH have not yet decided on what to do with this. AWP is exploring options around this listed building in case it can be used.

13. Financial Appraisal and affordability of Options

This section will deal with the relative costs of the three major options and their affordability.

13.1. Existing financial envelopes

Financial areas that will be included in this appraisal are, the existing financial revenue envelopes for Ward 4 St Martins and Sycamore ward, the financial envelope of Hillview Lodge as a whole with administrative and community staff and the current levels of acute, adult and older people's out of area costs. The table below sets out the existing cost envelope in its various parts, which total £5.506m. Out of area costs at month 5 2014/15 amount to £0.7m, which can be added to this total.

Type of cost centre	WTE	Direct costs £'000	Indirect & estate costs £'000	Cost of capital £'000	Total £'000
Ward 4 St Martins	26.03	891			891
Sycamore ward	29.76	1,402			1,402
Sycamore admin & office costs		12			12
FM - St Martins			8		8
FM - Sycamore			477		477
SLA - St Martins			282		282
SLA - Sycamore			78		78
Ward 4 central costs			611	31	642
Sycamore central costs			1,269	223	1,493
Therapy and Medical staff		222			222
Total financial envelope	**55.79**	**2,527**	**2,725**	**254**	**5,506**

13.2. *Cost of Capital and Funding Rate of Return*

Because there are uncertain sources of funding at this stage of the business planning process, it has been assumed that the cost of capital from an NHS Capital Investment Loan (CIL) will be 1.88% above the 0.5% base rate for a 15 year pay back option. There are a number of other sources of funds open to the Trust for this project. These are:

- Internal capital funding from AWP cash reserves.
- NHS Loans for "Normal Course of Business" for NHS Trusts.
- NHS Loans or Public Dividend Capital (PDC) for strategic investment.
- Loans provided by B&NES Local Authority and St John's Charity.
- Funding through a social bank such as Triodos where rates are relatively low.
- A combination of two or more of these possibilities.

13.3. *Acquisition of Land*

For option 3, there will be an acquisition of land between the RUH and AWP. In accordance with NHS procedures this will take the form of a transfer of the net book value of the land. It is expected that there will be some kind of value transfer which will that there will be no net cost to AWP.

13.4. *Building costs – Option 2a (three 12 bed wards using Hillview buildings)*

Capita have done a piece of work to re-model Hillview Lodge to house three wards of 12 beds each on the existing Hillview Lodge site. Their site area totals 2,598 square metres. This includes offices, activity areas and a section 136 suite. The renovation costs including fittings are estimated as £2,500 per square metre. Total costs are therefore estimated at around £6,500,000.

13.5. New Build costs – hypothetical three 12 bed wards

The building costs of a three 12 bed ward unit with a second storey are shown in the table below together with the assumptions on space. It has been assumed that all the capital will be obtained from non-NHS sources. Advice from NHS organisations and Capita suggest that the area needed for one bed including all circulation and amenity areas is between 60 and 70 square metres. Maximum community and administrative space needed is around 1,000 square metres.

OPTIONS 36 bed unit - space	Number beds	Area per bed	Admin & comm	Total site size
		Sq m	Sq m	Sq m
Option - 3 x 12 bed wards	36	70		2,520
Section 136 suite			200	200
Admin & community space			1,000	1,000
Total space for 36 bed ward				3,720

OPTIONS 36 bed unit - costs	Cost to build	Total Wards	Total Admin & comm	Total
	£	£'000	£'000	£'000
Option - 3 x 12 bed wards, s136	3,500	8,820		8,820
Admin & community space	2,500		3,000	3,000
Total costs for 36 bed new build		8,820	3,000	11,820

13.6. Building costs –Options 2b and 3 (three 15 bed wards and second storey)

The building costs of a three 15 bed ward unit with a second storey are shown in the table below together with the assumptions on space.

OPTIONS 45 beds - Space required	Number beds	Area per bed	Admin & comm	Total site size
		Sq m	Sq m	Sq m
Option - 3 x 15 bed wards	45	70		3,150
Section 136 suite			200	200
Admin & community space			1,000	1,000
Total space for 45 beds				4,350

OPTIONS 45 beds - costs	Cost to build	Total Wards	Total Admin & comm	Total
	£	£'000	£'000	£'000
Option - 3 x 15 bed wards	3,500	11,025		11,025
Admin & community space	2,500		3,000	3,000
Total costs for 45 bed new build		11,025	3,000	14,025

13.7. Revenue costs – Option 2a (Develop Hillview site in existing buildings)

The assumption around the revenue costs of this option is that the costs of ward staff are the same as for the new build with three 12 bed ward unit. The table below sets out the revenue costs, which include the revenue costs of capital. Cost of capital will be less than the new build options. Increase in costs from existing funding envelope is **£112k per year**.

Using Hillview buildings	Adult ward		Functional ward		Dementia ward		Total all wards	
12 bed wards	WTE	Total £'000	WTE	Total £'000	WTE	Total £'000	WTE	Total £'000
Direct staff	22.54	748	26.59	969	22.54	748	71.68	2,465
Direct non-pay		45		46		45		136
Direct accommodation		152		160		152		464
Estates costs		334		334		334		1,002
Apportioned costs		358		358		358		1,073
Cost of capital		159		159		159		476
Total costs		**1,796**		**2,026**		**1,796**		**5,618**

13.8. Revenue costs – For a 36 bed unit of three wards

The main assumption for these options is that levels of nursing staff have been determined from the Nursing Hours per Patient Day staffing model recommended by the NHS. Economies of scale have then been applied for certain specialist staff groups like therapies and doctors. This chart excludes the safer staffing increases. Increase in costs from existing funding envelope is **£574k per year**.

12 bed wards	Adult ward WTE	Adult ward Total £'000	Functional ward WTE	Functional ward Total £'000	Dementia ward WTE	Dementia ward Total £'000	Total all wards WTE	Total all wards Total £'000
Direct staff	22.54	748	26.59	969	22.54	748	71.68	2,465
Direct non-pay		45		46		45		136
Direct accommodation		152		160		152		464
Estates costs		334		334		334		1,002
Apportioned costs		358		358		358		1,073
Cost of capital		313		313		313		938
Total costs		**1,950**		**2,180**		**1,950**		**6,080**

13.9. Revenue costs – Options 2b and 3 (three 15 bed wards)

The main assumption on staffing for this option is that levels of nursing staff have been determined from the Nursing Hours per Patient Day staffing model recommended by the NHS. Economies of scale have then been applied for certain specialist staff groups like therapies and doctors. The model relies upon a unit nurse in charge for late, night and weekend shifts, which cost has been included under the functional ward. Increase in costs from existing funding envelope is **£1.101m per year**.

Excludes safer staffing 15 bed wards	Adult ward WTE	Adult ward Total £'000	Functional ward WTE	Functional ward Total £'000	Dementia ward WTE	Dementia ward Total £'000	Total all wards WTE	Total all wards Total £'000
Direct staff	26.52	818	31.29	1,039	26.52	818	84.33	2,675
Direct non-pay		52		53		52		157
Direct accommodation		196		196		196		587
Estates costs		334		334		334		1,002
Apportioned costs		358		358		358		1,073
Cost of capital		371		371		371		1,113
Total costs		**2,128**		**2,351**		**2,128**		**6,607**

13.10. Safer staffing – Options 2b, 3 (three 15 bed wards)

The staffing level assumption has also been guided by recent information from the CQC. The staffing element change attributed to the safer staffing model in the 45 bed unit is shown in the table below and represents 3.85 WTE staff in each ward costed at £152k, a total increase of £457k. This increase is one band 5 nurse on all week on the early, late and night shifts. Increase in costs from existing funding envelope is **£1.558m per year**.

Includes safer staffing	Adult ward		Functional ward		Dementia ward		Total all wards	
15 bed wards	WTE	Total £'000	WTE	Total £'000	WTE	Total £'000	WTE	Total £'000
Direct staff	30.37	962	35.14	1,183	30.37	962	95.88	3,107
Direct non-pay		61		61		61		183
Direct accommodation		196		196		196		587
Estates costs		334		334		334		1,002
Apportioned costs		358		358		358		1,073
Cost of capital		371		371		371		1,113
Total costs		**2,281**		**2,502**		**2,281**		**7,064**

13.11. Double running and transitional costs

For options 2b and 3, there will be double running costs between the new build and the existing premises. The areas of double running and transitional costs will be:

- De-cant costs from Hillview into the new site under option 3.
- For option 3 residue costs of the empty Hillview Lodge site prior to its disposal.
- For options 2b, there will be significant decant costs whilst building work is going on for from 9 to 12 months.
- For option 2a there will be temporary de-cant costs as parts of the building are renovated.

14. The Commercial Factors

The physical state of the inpatient unit at Sycamore has long been of concern to the local health community. It is important that the local health economy take this opportunity to bring the service up to a proper level which will have a standard, which can compete with anything that is around as best practice at the moment.

15. Workforce Implications

It is anticipated that the inpatient moves into a single site on the RUH, will not affect the recruitment of staff directly. A better standard of working space will indirectly help staff to have more job satisfaction, and this will aid recruitment. The greater number of beds does require more staff overall.

16. Project Management Arrangements

AWP have put into practice a formal project management structure. This consists of a project board chaired by the Chief Executive, Iain Tulley, and made up of AWP senior staff, B&NES CCG senior staff and the RUH director of estates. The project owner and director is Bill Bruce-Jones. The project manager is Dick Beath. The first board took place in early December and these will continue monthly until the project is finished.

17. Timings

There is a target to get the new unit built by the summer of 2016. This is a tight timescale. A timeline will be produced for the January project board. There are a number of key events coming up which can be noted.

- Presentation of the Strategic Outline Case and impact assessment to the B&NES scrutiny committee in January 2015.
- Final detailed options appraisal to the AWP finance and planning committee in January 23rd 2015.
- Short listing of Quantity Surveyors and building project managers for selection in providing detailed costing of new build sketches by the end of January 2015.
- Development of the Outline Business Case for the preferred option from January to February 2015.
- Development of a Full Business Case up to 31st March 2015
- Acquisition of development partners from 1st April 2015

18. Commissioner, service users and carers involvement.

18.1. Joint Business Cases

This paper is a joint Strategic Outline Case and is jointly led by AWP and B&NES CCG.

18.2. Commissioning intentions.

The latest B&NES CCG commissioning intentions highlights key aspirations which support the re-modelling of the services. Key points are:

- In-patient services to be designed in such a way that they help people, who are suffering from an acute mental health episode to feel batter and for the staff to be able to provide the best clinical care.

- Mental Health services generally to be more closely associated with physical acute care so that patients can receive appropriate physical as well as mental health care in a seamless way.

- To provide patient centred care, closer to where they live, thus maximising patient recovery and support and keeping them out of acute hospital settings.

18.3. Commissioning arrangements.

It is the desire of AWP and B&NES CCG to create a more integrated Mental Health service, which works across organisational boundaries. Commissioning arrangements need to be flexible and a collaborative approach by all parties needs to be maintained.

18.4. Service users and carers.

A recent B&NES CCG report has emphasised the important issues for service users and carers as:

- Easy access to relevant information about what services are available

- Services which provide motivation and good support relationships.

There have been a number of consultative initiatives from AWP and B&NES CCG. These have consisted of:

- Provisional consultation with ward and community teams in B&NES LDU

- Sycamore carers and user forum, community carers forum

- Dementia Care Pathway group,

- Acute care forum

- Your Health, Your Voice.

- Mental Health and Wellbeing Forum

- Healthwatch – public meeting and online survey

19. Risk

19.1. Buildings footprint risk

There is a risk that the piece of land earmarked for the new build in option 3a and 3b is not large enough to accommodate the right size of a three ward inpatient unit. Good preparatory work will be done to ensure the space is adequate for the services.

19.2. Affordability risks

There is a risk that the building costs are more than anticipated and that the revenue costs of this increase in capital means that affordability plans are put in jeopardy. This can be mitigated by a wise choice of building partner. Involvement of those experienced in the field of building hospitals will be sought. Involvement and advice from the RUH and Local Council will also be sought throughout the process.

20. Governance

20.1. Overall governance

Any of the services re-designed will have overall clinical and managerial governance provided by AWP.

20.2. Leadership and responsibilities

AWP will be in the lead position with regard to the pathway management and the clinical input for every service user. The project leadership for implementing the changes and buildings will be AWP.

21. Impact Assessment

The recently completed impact assessment which is presented to the Wellbeing Policy Development and Scrutiny Panel on January 16th 2015 is included with this SOC, and this is attached at Appendix 2. The impact assessment considers the following factors and dependencies.

- Quality impact assessment, Patient safety and experience, clinical effectiveness
- Equality impact assessment (further work will be done throughout the implementation)
- Information, data handling and record keeping

- Staff wellbeing, reputation and finance

The results of the impact assessment and all engagement has been positive support for a move of Ward 4 onto the RUH site into a specialist unit with other Mental Health services in a newly built unit. On that basis we anticipate positive support from the Wellbeing PD&S panel to proceed.

22. Recommendations

It is requested that the B&NES CCG Joint Commissioning Committee note this proposed strategy and make comments on any of the issues presented in order to inform future thinking.

23. Appendices

The Appendices attached to this business case are as follows:

23.1. Appendix 1 –Mental Health Strategies Report

BANES mental health modelling report 13th

23.2. Appendix 2 – Impact Assessment

Impact Assessment Form.doc

Andrea Morland and Dick Beath

22nd December 2014