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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	19 August 2021	Agenda Item	3.1
Report Title	NPT Hospital additional theatre capacity.		
Report Author	Kier Warner, Head of Procurement Simon Davies, Assistant Director Strategy – Capital Darren Griffiths, Director of Finance and Performance (interim)		
Report Sponsor	Siân Harrop-Griffiths, Director of Strategy Rab McEwan, Chief Operating Officer Darren Griffiths, Director of Finance and Performance		
Presented by	Rab McEwan, Chief Operating Officer		
Freedom of Information	Closed		
Purpose of the Report	<p>This paper provides a brief report on the design, procurement, build and commissioning arrangements for installing additional theatre capacity using modular build theatres at Neath & Port Talbot Hospital.</p> <p>The establishment of this facility is critical element of the Health Board's urgent recovery plan.</p>		
Key Issues	<p>Key points: -</p> <ul style="list-style-type: none"> • The plan is to establish appropriate theatre space for orthopaedic activity to tackle the backlog of cases and meet future anticipated demand. • When the detailed feasibility and location plans are finalised a planning application will be required together with Building control approval from the Local Authorities. • Modular Unit supply and demand comes on a first to place order securing a production manufacturing slot. High demand for these units through Wales and the UK, will introduce long lead in times. • Pace is key and the quicker the facility can be established, the quicker the patient benefits can be realised • A significant amount of work has been undertaken to deliver the quickest possible time (whilst maintaining good governance and compliance) to establish this facility • Provision for £1m has been made within the revenue plan for 2022/23 forward to support the lease costs. 		

	<p>Should Welsh Government support be forthcoming the additional revenue plan will be used to accommodate additional theatre capacity and further prioritise demands for scarce capital resource.</p> <ul style="list-style-type: none"> • Board approval and then Welsh Government approval is required given the financial sum involved and the extant approvals required in respect of revenue and Welsh Government capital deployment. 			
Specific Action Required <i>(please choose one only)</i>	Information	Discussion	Assurance	Approval
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Approve the establishment of the additional theatres in NPT Hospital. • Note the requirement for Board and Welsh Government approval for the physical capacity • Note the requirement for Welsh Government revenue funding approval to support additional activity as part of Recovery plans which the CEO will lead on with the Director of Finance. • Note the recruitment risk of this large scale development and the mitigating action. 			

Singleton and NPT Hospitals additional theatre capacity

1. INTRODUCTION

This paper provides a brief report on the design, procurement, build and commissioning arrangements to develop the additional theatre capacity for Neath Port Talbot (NPT) hospital. The development at NPT is already subject to a Strategic Outline Case (SOC) submitted to Welsh Government.

The establishment of this additional operating capacity is a critical element of the Health Board's Planned Care Recovery Programme.

2. BACKGROUND

NPT Development

In recent years health services across the United Kingdom have been subject to significant pressures including unscheduled care pressures, an aging co-morbidity population with increasing chronic conditions and more complex health and social care needs.

Locally, these pressures have placed significant pressure on Swansea Bay's elective orthopaedic services. For several months during 2019 capacity was reduced when all elective orthopaedic and spinal surgery was cancelled to alleviate unscheduled care pressures. This resulted in a steep rise in waiting lists compared with other Swansea Bay specialities and other Health Board orthopaedic positions across Wales.

Most recently, the COVID pandemic has escalated pre-existing unacceptable waiting times for orthopaedic and spinal surgery patients. Currently, elective orthopaedic activity within Swansea Bay and spinal theatre access is severely limited. Essential clinical adjacencies have been compromised and capacity compromised by relocating the orthopaedic services' Fracture Clinic and Outpatient facilities to NPTH site.

Responding to COVID is an opportunity to improve the strategic organisation of Orthopaedic and Spinal services in Swansea Bay. The British Orthopaedic Association (BOA) has long encouraged the organisation of services to separate emergency/trauma work and elective planned care for orthopaedic patients, ideally on different hospital sites. This is to protect the efficiency and delivery of planned care and ensure adequate trauma services are also developed and protected and that planned elective care is not cancelled in favour of emergency cases.

3. SCOPE OF WORKS

Design work is at early stages of development with underground services, foundations, structure and link corridors being worked through to obtain a robust cost plan from the Modular Unit companies and extent of enabling works. The accommodation to be created will be as follows:

- 4 Orthopaedic theatres for NPT, and conversion of ward G into Orthopaedic outpatient's department.

By using the modular unit off site manufacture it will minimise the disruption to the existing hospital services but more detail will be required on actual craneage logistics and transporting the units into the hospital sites. A contingency plan will be developed to manage the risk however, although there is a potential for extended programme and costs.

4. COSTS AND TIMESCALES

Based on the general assessment of the modular unit scale of works needed it had been hoped that a facility could be available to take patients from the end of the 1st Quarter 2022.

Given the scale of work now understood early placement of orders are required to secure manufacturing slots and provide certainty in timescales for delivery on site.

A significant amount of work has been undertaken to develop the quickest possible timeline for delivery whilst ensuring accurate design and cost assessment and compliance with good governance and procurement regulations

The current plan at time of writing is as follows: -

- Design period – 10 weeks
- Procurement of contractor – 15 weeks
- Build – 20 weeks
- Commissioning of facility – 4 weeks

These are the timescales for design and procurement via the ‘mini competition’ process, and on this basis, the facility will be available at the end of Q2 2022. Should procurement take a direct award route on a framework then it is envisaged that the facility could be available at the end of Q1 2022.

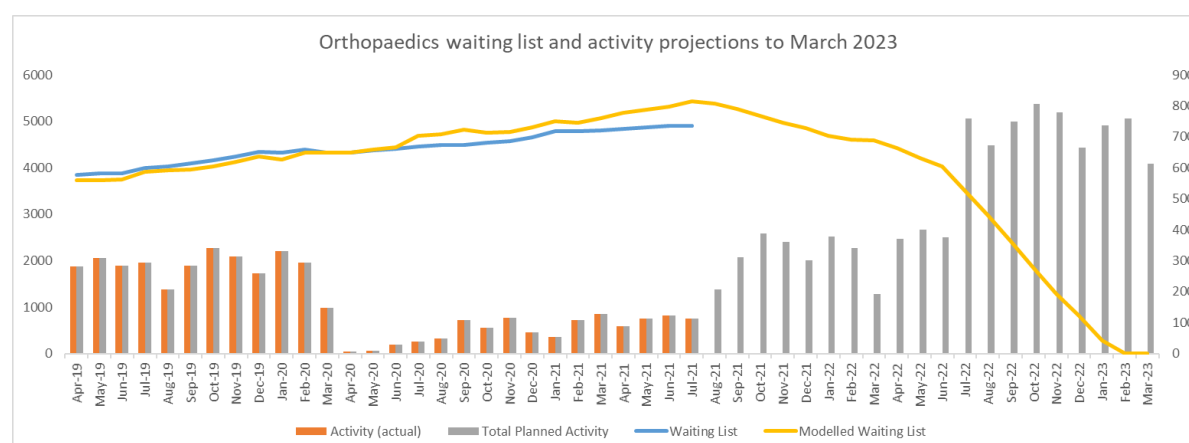
A budget has been set for the design fees for this project of circa £50k. A paper setting out the revised revenue / discretionary capital plan and the impacts of re-prioritising that plan will follow this paper for consideration by the Management Board.

It is not envisaged that the derogations will significantly impact the deliverability of the project. Management Board will agree the derogations based on professional advice.

5. WAITING LIST IMPACT

This service development will significantly increase orthopaedic theatre capacity, by an additional 4,500 cases per annum. The total inpatient/day case waiting list for orthopaedics was 4,907 patients at the end of July 2021. By the end of the current financial year, we anticipate there will be 4,586 patients on this list. The graph below illustrates the impact this development will have on the size of the waiting list from July 2022, if all other assumptions in our forecast are held steady, and we add

capacity for an additional 375 procedures per month through this development. The inpatient/daycase waiting list would continue to reduce, to zero patients waiting for inpatient or daycase treatment by February 2023. Given that there would still be 2,600 patients waiting at the outpatient stage in March 2023, 45% of whom would be anticipated to convert to surgery, we would also begin to reduce the outpatient waiting list through 2022 and convert more than this modelling indicates to the inpatient/ day case waiting list.



6. FINANCIAL IMPACT

The financial impact can be considered as the costs to establish the additional physical operating capacity and the costs associated with running the additional capacity.

Physical Capacity

The costs of establishing the additional four operating theatres has three key components:

- Design Fees and enabling works – these costs must be treated as Capital due to the PFI status of NPT Hospital.
- Modular Building – these high level lease cost estimates are based on a 10 year lease period
- Equipment – the costs of equipping the theatres. This element of the costs could be either revenue or capital depending on WG funding availability.

The tables below set out the high level revenue and capital cost estimates. It should be noted that these costs will be subject to design and tender.

	Option 1 WG cover enabling works and rest via lease arrangement £000					
	21/22 Capital	21/22 Revenue	22/23 Capital	22/23 Revenue	23/24 Capital	23/24 Revenue (Recurring)
Design Fees	259					
Enabling Works - HB Infrastructure	1,772					
Enabling Works - Part of Modular Building		54		54		54
Modular Buildings		291		1,162		1,162
Equipment				615		615
Total	2,031	345	0	1,831	0	1,831
	Option 2 WG cover enabling and equipping via capital and rest via lease arrangement ok £000					
	21/22 Capital	21/22 Revenue	22/23 Capital	22/23 Revenue	23/24 Capital	23/24 Revenue (Recurring)
Design Fees	259					
Enabling Works - HB Infrastructure	1,772					
Enabling Works - Part of Modular Building		54		54		54
Modular Buildings		291		1,162		1,162
Equipment	3,077					
Total	5,108	345	0	1,216	0	1,216

Operating Costs

The planned development provides capacity for around 7,400 inpatient and daycases. Some of this activity will be transferred from Morriston and Singleton theatres, resulting in an overall increase in activity of 4,500 cases per annum.

The table below summarises the anticipated additional resource implications from a revenue and workforce perspective, assuming four theatres will be operationalised from 1st July 2022. We anticipate that pay costs will begin to be incurred from April 2022 as we build up the workforce, and that there will be some premium rate costs from July 2022 to ensure the theatres are fully mobilised. The target operating model is to run these theatres on a six day working week basis with four of those days extended on average to deliver three sessions per day. The costs in 2023/24 reflect the full year cost of the target operating model without any pay enhancement.

Resource Investment for Modular Theatres				
	NPTH			Comments
	WTE	22/23 £'000	23/24 £'000	
Surgeons	13.17	£2,419	£1,819	includes offsetting current sessions from other sites
Anaesthetists	11.72	£2,297	£1,655	includes additional 3 consultants to support out of hours
Junior Medical Staff	24.00	£2,457	£2,012	2 rotas of 8 in hours + 1 of 8 for out of hours
Theatre Staff	35.98	£1,988	£1,629	includes offsetting current sessions from other sites
Ward Staff	36.30	£1,860	£1,498	Based on new 25 recommissioned NPT
Clinical Specialists	7.00	£538	£455	AHP's/Physicians Associates
AHPs & Pharmacists	28.00	£1,283	£1,110	
Hotel Services	10.60	£509	£509	
Management & Administration	10.00	£367	£367	
Diagnostics		£1,149	£1,149	
Non Pay		£5,508	£5,934	
Estates		£145	£145	Rates/Utilities
WAST		£545	£654	24/7 cover for emergency transfers to Morriston
PFI				
Total	176.77	£21,065	£18,937	

7. GOVERNANCE AND RISK

The timescales set out above meet the governance requirements of the Board and of the Procurement regulations. Following Management Board consideration and Health Board approval we will need Welsh Government approval to proceed to procurement and contract award (place the order). The timescales for these approvals are already accounted for in the 15-week procurement timescale set out above.

8. RECOMMENDATION

Members are asked to:

- **Approve** the establishment of the additional theatres in NPT Hospitals.
- **Note** the requirement for Board and Welsh Government approval for the physical capacity
- **Note** the requirement for Welsh Government revenue funding approval to support additional activity as part of Recovery plans.
- **Note** the recruitment risk of this large scale development and the mitigating action

Governance and Assurance		
Link to Enabling Objectives (please choose)	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input checked="" type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
Good financial governance will provide the support needed across the health board to deliver services which are of sound quality and safety and provide the right patient experience.		
Financial Implications		
Set out in the paper.		
Legal Implications (including equality and diversity assessment)		
There are no legal implications to highlight.		
Staffing Implications		
The unit will need to be staffed from a mix of existing staff who are already deployed at NPTH or Singleton Hospital, and new recruits. A staff engagement and consultation plan will be developed when we have authorisation to proceed with this service development.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
Robust financial governance arrangements will ensure the right decisions are made for the long-term future of the health board.		
Report History	Management Board has considered and supported this plan and received updates on other plans to increase theatre capacity	
Appendices	none	