Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

Full Business Case

Care Environment Development and Re-provision

CEDAR

September 2020

Document History			
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Ferndene Proposed Medium Secure Unit Entrance

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Current Hospital sites/Current Services provided	
Carleton Clinic	Made up of inpatient wards and community clinics, providing Adult Long Stay Rehabilitation, Psychiatric Intensive Care, Mental Health Crisis Services and Community Mental Health Services for people with a learning disability or autism.
Ferndene	Assessment and treatment for CYPS patients with mental health and developmental needs and mild to moderate Learning Disability, Assessment and treatment for patients with mild to moderate learning disability and a requirement for high levels of supervision, assessment and treatment for patients with early onset psychosis or complex mental health disorders, Psychiatric Intensive Care.
Hadrian Clinic, Campus for Ageing and Vitality	Adult Male Acute Admission for those experiencing a relapse or crisis in their mental wellbeing, Adult Female Acute Admission for those experiencing a relapse or crisis in their mental wellbeing.
Hopewood Park	Assessment and Treatment, Psychiatric Intensive Care, Complex Care, Stepped Care and High Dependency, Older People's Functional Illness, A 'move on' service for people with complex care needs who require short term intensive rehabilitation.
Monkwearmouth	Adult Services, Learning Disability Services, Older People's Continuing Care Services, Adult Rehabilitation Services.
Northgate	Medium and Low Secure, Rehabilitation and Day Services, Mental Health, Autism Services, Assessment and Treatment for Patients with Learning Disabilities, Northumberland Head Injury Service.
St Georges Park	Adult Acute Admission/Treatment and Psychiatric Intensive Care, Mother and Baby, Rehabilitation, Geriatric Assessment/Treatment/Day Hospital.
St Nicholas Hospital	Adult Forensic Medium and Low Secure, Adult Urgent Care and Rehabilitation, Children and Young People's Medium Secure, Older People's Specialist Long Term Care.
Tranwell (Now vacated)	Female acute admission mental health, male acute admission mental health.
Walkergate Park	Major Physical Disability affecting mobility, self-care and everyday activities, Disturbance of Cognition or Behaviour, Psychiatric Sequelae of Neurological Disease.

Green shaded sites are included in this FBC.

Post CEDAR Hospital sites/Post CEDAR Services provided	
Carleton Clinic	Made up of inpatient wards and community clinics, providing Adult Long Stay Rehabilitation, Psychiatric Intensive Care, Mental Health Crisis Services and Community Mental Health Services for people with a learning disability or autism.
Ferndene	Assessment and treatment for CYPS patients with mental health and developmental needs and mild to moderate Learning Disability, Assessment and treatment for patients with mild to moderate learning disability and a requirement for high levels of supervision, assessment and treatment for patients with early onset psychosis or complex mental health disorders, Psychiatric Intensive Care. Also providing Children and Young People's Medium Secure services.
Hopewood Park	Assessment and Treatment, Psychiatric Intensive Care, Complex Care, Stepped Care and High Dependency, Older People's Functional Illness, A 'move on' service for people with complex care needs who require short term intensive rehabilitation.
Monkwearmouth	Adult Services, Learning Disability Services, Older People's Continuing Care Services, Adult Rehabilitation Services.
Northgate	Medium and Low Secure, Rehabilitation and Day Services, Mental Health, Autism Services, Assessment and Treatment for Patients with Learning Disabilities, Northumberland Head Injury Service, Adult Forensic Medium and Low Secure.
St Georges Park	Adult Acute Admission/Treatment and Psychiatric Intensive Care, Mother and Baby, Rehabilitation, Geriatric Assessment/Treatment/Day Hospital.
St Nicholas Hospital	Adult Urgent Care and Rehabilitation, Older People's Specialist Long Term Care, Adult Male Acute Admission for those experiencing a relapse or crisis in their mental wellbeing, Adult Female Acute Admission for those experiencing a relapse or crisis in their mental wellbeing.
Walkergate Park	Major Physical Disability affecting mobility, self-care and everyday activities, Disturbance of Cognition or Behaviour, Psychiatric Sequelae of Neurological Disease.

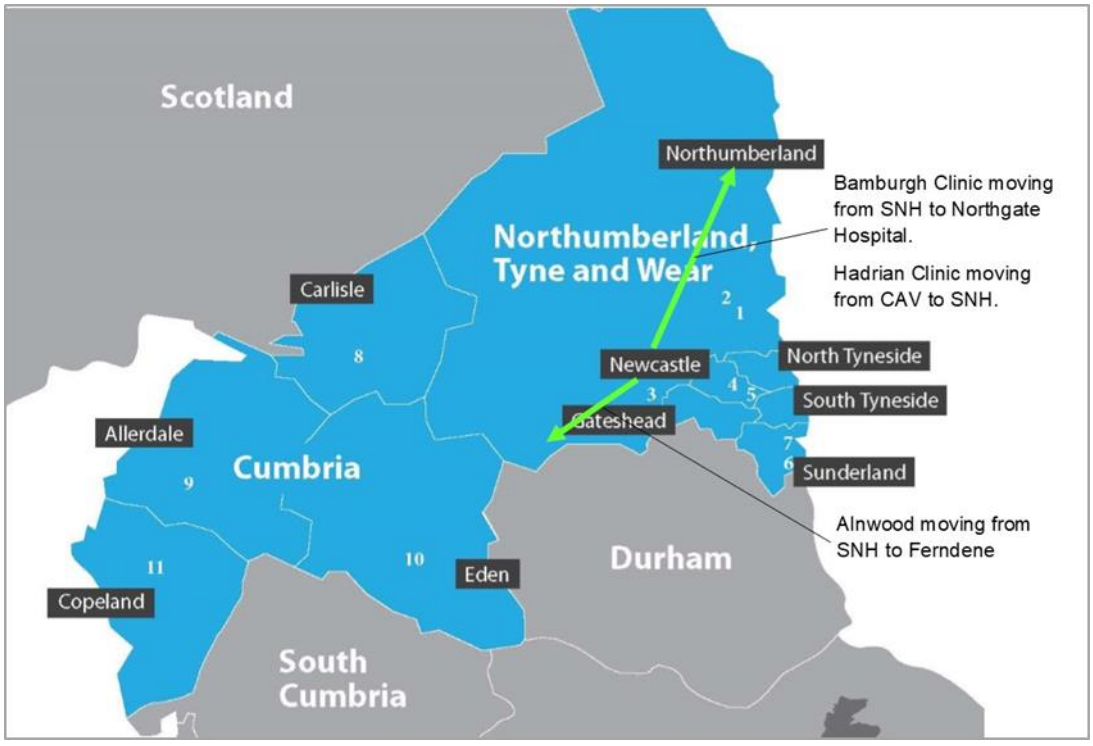
1. EXECUTIVE SUMMARY

1.1 Introduction

This Full Business Case (FBC) describes in more detail the service planning and proposed implementation of three major capital developments to support the Care Environment, Development and Re-Provision (CEDAR) programme:

i. The development of an integrated adult mental health and learning disability secure services centre of excellence at Northgate Hospital, Morpeth, Northumberland
ii. The re-provision of Newcastle and Gateshead adult inpatient services to the Bamburgh Unit, St Nicholas Hospital, Newcastle
iii. The re-provision of Children and Young People's (CYPS) medium secure inpatient services to Ferndene, Prudhoe, Northumberland.

All three major developments are linked to wider national and regional care model initiatives and are imperative in maintaining the Trust's long term sustainability as a provider of national and regional specialist services. The Trust has obtained full planning approval at all three proposal sites: Bamburgh Clinic at St Nicholas Hospital, Ferndene Unit at Prudhoe and Northgate Hospital at Morpeth. Our Principal Supply Chain partner, Sir Robert McAlpine (SRM) is currently undertaking enabling works to allow an early start at Northgate Hospital, if the Full Business Case is approved.



The FBC which was approved by the Joint Investment Committee on Friday 11 September 2020 has been developed from a Strategic Outline Case which was

approved by NHS England / NHS Improvement Delivery, Quality and Performance Committee on Thursday 27 June 2019 and the Finance Director, Department of Health and Social Care on Friday 2 August 2019 and an Outline Business Case which was approved by the Joint Investment Committee on Thursday 27 February 2020 and HM Treasury on Wednesday 26 August 2020. The FBC approval from DHSC and HM Treasury was received on Thursday 3 December 2020.

Our core values as a CQC 'outstanding' rated Trust, guide us to be caring, compassionate and respectful. Honesty and transparency are interwoven into everything we do, and the CEDAR programme provides the infrastructure our teams need to continue to deliver high quality care. Without doubt the COVID-19 outbreak has created many challenges to the preparation of this business case and progress of the scheme. We have managed to deal with these as a team in a pragmatic and fair way whilst recognising the extraordinary stresses many of us are facing at this time.

A description of all of the services incorporated into this case are included in section four.

1.2 Background

The CEDAR programme is fundamentally focussed on improving the safety and quality of care for patients in line with national standards and the latest best practice.

In order to ensure that Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust maintains its position as a leading national secure services provider, there is a need to re-provide outdated learning disability medium secure accommodation to meet current standards and increase capacity to meet demand for mental health secure services. In addition there is a need to move away from the current position whereby adult mental health and learning disability secure services are located on two separate sites, towards a single integrated secure service model. Delivering this model involves transferring nationally commissioned medium secure service beds for adults from the St Nicholas Hospital site to a new state of the art, centre of excellence on the Northgate Hospital site.

Transferring secure beds from St Nicholas Hospital will allow the vacated buildings to be refurbished and extended in order to re-provide adult acute admission facilities from existing sites at Newcastle General Hospital (now owned by Newcastle University) and a site at Queen Elizabeth Hospital, Gateshead which the Trust has now vacated and handed back to Gateshead Health NHS Foundation Trust. Both sites have insurmountable environmental risks that make them unviable for the Trust's services going forward.

The Trust's lease on the Newcastle General Hospital site ends on Thursday 31 March 2022 and the Trust must vacate the site by Sunday 31 March 2024 at the latest.

The FBC describes the preferred solution which includes co-locating CYPS medium secure services with all other Trust CYPS inpatient services at Ferndene, Prudhoe. Demand for learning disability beds at Ferndene has reduced since the commencement of the business case process due to the success of New Care Models and the Transforming Care Programme. The Trust recognises the need to efficiently utilise its estate and proposes to re-configure two of the existing Ferndene wards to house CYPS medium secure patients. This will maximise utilisation of the estate, create a CYPS centre of excellence, significantly improve environments within other wards and is a lower cost solution than an all new build facility for CYPS at Northgate.

1.3 Quality, safety and affordability

Quality

The programme will significantly improve the quality of care for patients through the provision of state of the art inpatient environments that will aid recovery by:

- Increasing dedicated therapeutic space
- Improving access to therapeutic outdoor space
- Improving access to exercise / gym facilities
- Providing en-suite facilities to every patient
- Improving environmental temperature control
- Improving indoor lighting
- Improving soundproofing and acoustics
- Improving furniture, fittings and access to modern technology
- Increased de-escalation and chill out space.

The programme will support the delivery of new care models and ways of working which are proven to aid recovery and enhance patient experience by:

- Providing services nearer to home which will allow more frequent visits from family and friends
- Moving away from large communal areas to smaller quieter personal lounge areas for people who have difficulties in socialising with others, which will help in the reduction and management of violent and aggressive incidents
- Creating a critical mass of highly specialised clinical staff within the immediate vicinity which will enhance quality of care through improved training and access to specialised clinical supervision
- Creating the ability to adjust bed numbers for specialities through flexible building design whereby increases and decreases in demand can be managed more effectively
- Increasing the ability to provide highly bespoke packages of care via flexible environments and an increased range of expertise and skills available.

Safety

The programme will significantly improve patient and staff safety by:

- Improving de-escalation and seclusion space
- Improving CCTV coverage and staff alarm systems
- Increasing access to a wider range of meaningful therapeutic activity which reduces stress, anxiety and frustration which can lead to violent and aggressive incidents
- Providing single storey accommodation which improves fire safety, observation and reduces the need to utilise mechanical restraint in order to move patients up and down stairs during incidents
- Increased critical mass of staff within the immediate vicinity which will significantly improve incident response times.

Affordability

The programme will create financial efficiencies through:

- Economies of scale that will reduce service cost replication
- The ability to increase income through repatriation and bespoke care packages acquired through spot purchase
- Reduced expenditure from vacating non-Trust accommodation and from improved utilisation of the Trust's existing estate.

The plans will improve patient safety, meet the outcomes of public consultation, deliver site rationalisation, bring together a critical mass of clinical expertise, release land for new homes, deliver financial efficiencies and improve patient care.

1.4 Strategic Case

The Trust, a mental health and disabilities Trust, currently operates from over 70 sites across Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside, Sunderland and Cumbria. It also runs a number of regional and national specialist services. Along with partners, it delivers support to people in their own homes, and from community and hospital-based premises.

The CEDAR Programme supports wider national and regional care model initiatives including:

1. NHS England New Care Models for Adult Secure Services
2. Transforming Care for people with Learning Disabilities
3. Newcastle and Gateshead Deciding Together, Delivering Together Programme
4. NHS England National CYPS Medium Secure Services review

The Trust intends to bring together all low and medium secure adult services onto the Northgate Hospital site in Morpeth, providing a new integrated adult medium secure facility comprising of six wards. The Trust will also continue to provide two low secure wards (Tyne and Tweed) and specialist adult autism service (Mitford) at Northgate Hospital.

Ultimately, after full appraisal of the impact of Covid 19 disruption, surplus land on the Northgate site will be remarketed for sale in 2022/23, with outline planning permission for approximately 134 homes to part-fund the capital programme. Our outline planning approval for new housing includes provision of affordable housing units. After full consideration with Northumberland County Council these will be available to all eligible residents, and not reserved specifically for NHS staff.

Following the transfer of adult secure services from St Nicholas Hospital to Northgate, the vacated wards at Bamburgh Clinic will be redeveloped to accommodate adult acute patients from Newcastle and Gateshead in line with the Deciding Together, Delivering Together consultation.

All options considered by the Trust are constrained by deliverability and availability of land for secure services and a business case and consultation exercise has already been undertaken in 2016 in relation to the adult acute services.

The Trust also intends to re-provide two medium secure wards for children and young people in reconfigured and extended accommodation alongside existing inpatient CYPS services at Ferndene, Prudhoe.

All programme streams are intrinsically interdependent. The programme plan will support the Trust in achieving a significant number of national, regional and organisational strategic objectives.

1.5 Economic Case

The OBC detailed seven possible options:

- Option one would involve doing nothing with all services remaining in their existing sites
- Option two would be do the minimum by gradually improving facilities by incremental refurbishment of existing accommodation to target reduction in backlog maintenance on existing facilities and replacing Hadrian Clinic when the lease expires
- Option three would be to re-configure and re-provide mental health services in purpose built facilities on the Northgate and St Nicholas Hospital sites
- Option four would be to re-provide services on a new 'green field' site
- Option five would be to re-provide adult mental health services at Northgate and medium secure CYPS at Ferndene, Prudhoe
- Option six would be do the same as option three but at the northern end of the Northgate site rather than the southern end
- Option seven encompasses dispersal of adult acute services across Trust sites and was one of the options considered in the Deciding Together, Delivering Together process.

Option	Description	Cost	Short Listed
1	Do nothing – services remain in existing premises	Backlog maintenance	X
2	Do minimum – gradual refurbishment and replace Hadrian Clinic due to lease termination	£27.7m over the next five years	✓
3	Re-configure and re-provide adult and CYPS secure mental health services in new purpose built facilities on the south end of Northgate site	£77.85m	✓
4	Re-provision of all services on a new green field site and complete closure of Northgate Hospital	Approx. C £180 million	X
5	Re-configure and re-provide adult secure mental health services in a new purpose built facility at Northgate and CYPS medium secure services in a reconfigured and extended Ferndene	£72.56m	✓
6	Re-configure and re-provide adult and CYPS secure mental health services as per option three but developed at the north end of Northgate site	£116.7m	X
7	Adult acute services on other Trust sites	See Deciding Together, Delivering Together analysis	X

Table 1 - Options

An analysis of the options was undertaken and options two, three and five were shortlisted. Options one, four, six and seven were discounted due to availability and cost, together with operational risks.

1.6 Preferred Option

The preferred option is option five. This option provides a new 74 bed purpose built facility for adult medium secure services on the Northgate site, providing a world class provision for people with mental health, learning disability and complex needs. Two existing units on the Northgate site will accommodate a further 42 beds, an increase of two low secure mental health beds in line with the proposed bed model. In the SOC it was planned to provide 16 CYPS medium secure beds at Northgate. After more assessment and more detailed design work was completed it became clear that the critical safeguarding issues around CYPS meant that there were very few opportunities to realise efficiencies and shared facilities between adults and CYPS patients.

Instead a separate scheme at Ferndene will reconfigure existing CYPS wards to accommodate 14 medium secure beds transferring from St Nicholas Hospital and 24 beds currently on the site.

Bamburgh Clinic on the St Nicholas Hospital site will be re-furbished and extended into a 54 bed facility for adult acute inpatients. This, along with 14 existing beds in

the Bede Unit will deliver all the required outcomes for adult acute services as part of the Deciding Together, Delivering Together public consultation undertaken by Newcastle and Gateshead Clinical Commissioning Group in June 2016.

Various buildings on the Northgate site will be decommissioned and the land sold as part of the land sale strategy supporting this programme. The Trust has moved off the Queen Elizabeth Hospital site, Gateshead and returned it to Gateshead Health NHS Foundation Trust and will move off the Campus for Ageing and Vitality, Newcastle Hospital site. This site was to be returned to Newcastle upon Tyne Hospitals NHS Foundation Trust but this has now already been sold to Newcastle University. The Alnwood Unit currently occupied by medium secure CYPS services at St Nicholas Hospital will also be vacated and will be available for redevelopment as part of future strategic plans.

1.7 Commercial Case

The Trust is proposing to utilise the PAGABO National framework for Major Projects (OJEU Reference: 2015/S 238-431604) to deliver the CEDAR programme. The Trust has been the host contracting authority for this framework since it was established in early 2016, and the Trust has utilised the framework on a number of occasions. The framework was established on the Trust's behalf by Added Value Portal Limited (trading as PAGABO) who conducted the procurement process under the Public Contract Regulations.

For the purpose of this programme a mini competition was held between the eight suppliers registered for LOT 3 of the above framework which covers contracts exceeding £50m in the North of England region.

The Trust appointed Sir Robert McAlpine as its Principal Supply Chain Partner through the PAGABO National Framework in April 2017. The contract entered into between the Trust and SRM under the PAGABO Framework is NEC3 Option C, with Z clauses based on those listed in P21, P21+ and P22 frameworks.

Detailed discussions have been undertaken with the Department of Health and Social Care, around the contractual arrangements under PAGABO and we have integrated shared learning from P22 into our proposed construction contract.

1.8 Financial Case

The CEDAR Programme is crucial to ensure the sustainability of the Trust's secure services and to make them financially viable. A successful bid was made to the Wave 4 STP Capital exercise in 2018 and the project was allocated £54.2m of PDC funding to cover the net costs of the project which consisted of provisional scheme costs of £64.6m less a land sale of £10.4m. The scheme capital costs increased to £71.9m in the OBC which reflected an increase in the scope and detail and there is a small further increase in the FBC to £72.56m. The estimated net land sale value has

decreased to £6.21m as a result of higher than anticipated Section 106 costs and uncertainty arising from the Covid 19 pandemic.

The capital cost increased in the OBC due primarily to a reconfiguration of the wider CYPS accommodation at Ferndene being incorporated into the programme. Capital costs have increased by £640,000 in the FBC and the value of the land sale has reduced by £1.66m. This means the capital cost is £72.56m with a estimated land sale receipt of £6.21m and the net costs of the project are £66.35m. It is now proposed to meet the costs of the preferred option from the allocated PDC with the balance of £12.15m coming from internally generated funds/cash reserves.

From a revenue perspective the programme will result in a £8.5m financial benefit to the Trust. The services within the scope of the programme currently make a deficit of £8.5m and the preferred option will enable these services to improve their financial performance and generate a breakeven position which makes them sustainable going forward.

The improvement in performance comes partly from increasing the number of secure mental health beds to meet demand which is currently being met out of area, which increases productivity from existing resources. There are also efficiency savings as a result of the co-location of services and services being delivered in fit for purpose accommodation.

The Trust is working closely with NHS England and the other main commissioners of the services included in this development.

It should be noted that financial analysis in the outline business case assumed receipt from the land sale in 2023; this continues to be the case. However, it has become clear that a combination of difficult market conditions and the negative impact of Covid19 has had a downward impact on market confidence. The Trust received five bids for the land in April 2020 (appendix BB). After careful analysis and consideration the Trust Board of Directors has decided to defer the land sale for the time being; seeking instead to return to the market in late 2022 when it is anticipated market conditions will have improved, or earlier if conditions improve sooner.

1.9 Management Case

There is a designated Core Programme Team who are allocated to the programme and who are responsible for its successful management and execution. The Core Programme Team report directly to the CEDAR Programme Board, and is led by the Programme Director and includes key Project Managers, Clinical Staff, Estates, Financial and Business Support Staff. They are responsible for developing this document and for ensuring that there has been necessary consultation with staff, service users, carers and other key stakeholders. They, along with the Capital team will oversee the completion of detailed design work to improve the patient environment, and have an overview of the construction work to ensure the Principal Supply Chain Partner, Sir Robert McAlpine fulfils the programme's objectives.

The CEDAR Programme Board is a sub-group of the Trust Board of Directors and ensures that proper arrangements are in place to drive the programme forward and deliver the required outcomes and benefits. The Programme Board work in partnership with other health and social care providers, in accordance with the Trust's strategic ambitions.

Turner and Townsend (Cost Management Consultant) is contracted to the Trust to independently review the expenditure for the programme and advise on all cost matters.

Key milestones in the programme are listed in table two and three below.

FBC Process	
FBC to Cedar Board for sign off	7 May 2020
FBC to CNTW Trust Board of Directors for sign off	29 May 2020
Submit Full Business Case to NHS England/Improvement/DHSC	5 June 2020
Final detailed queries and requests for further information sent to the Trust	19 June 2020
Trust responses due	10 July 2020
Recommendation report	20 July 2020
FBC sign off by NHSI/England, Capital and Cash, and CFO	13 August 2020
FBC sign off by Joint Investment Committee	11 September 2020
FBC sign off by DHSC and HM Treasury	3 December 2020

Table 2 – FBC process

Main Scheme Construction	
Commence MSU site establishment works at Northgate	17 August 2020
Start construction on Northgate new build	30 November 2020
Commence mobilisation to Ferndene	23 November 2020
Commence refurbishment and extension to Ferndene Phase 1a and 1b	4 January 2021
Complete refurbishment and extension to Ferndene Phase 1a and 1b	29 October 2021
Complete decant of service users and staff to Phase 1a and 1b	5 November 2021
Commence refurbishment and extension to Ferndene Phase 2	8 November 2021
Complete refurbishment and extension to Ferndene Phase 2	10 June 2022
Commence Bamburgh mobilisation	25 October 2022
Commence Bamburgh extension (post decant)	14 November 2022
Complete construction of Northgate	23 December 2022
Complete decanting Bamburgh and KDU into new build	3 March 2023
Complete Bamburgh extension and refurbishment	22 December 2023
Decommission and hand back Hadrian Clinic	31 March 2024

Table 3 – Main scheme construction

1.10 Conclusion

This programme removes isolated mental health facilities from other acute Trust sites, improves safety and quality of care for patients and is intrinsically linked to the Trust's long term financial delivery plans.

Improvements to these facilities will significantly reduce identified environmental risks associated with the current buildings, some of which are no longer fit for purpose and in one case has already been sold by another Trust for redevelopment.

The Trust has had considerable experience in successfully delivering major capital schemes during the past 15 years; including two mental health hospitals, a neuro-rehabilitation hospital, five other significant inpatient units and 'international and national design award winning' schemes.

It is recognised nationally for its innovative approaches to design, involvement, and project execution having won professional, industry and Department of Health recognition for its work in improving the NHS estate for the benefit of patients, their carers, and the wider community.

The Trust's approach to change programmes and capital projects is underpinned by its core vision and values: being a leader in the delivery of high quality care and a champion for those it serves; borne on values that assure consistent attention to care and compassion, respect, honesty and transparency.

The Trust is confident that it has the expertise and experience to successfully deliver a programme that exceeds expectation, on time, and within the agreed resource envelope.

Furthermore it has made prudent and pragmatic provision for the impact of COVID-19 without jeopardising the programme.

This programme ensures the future sustainability of our CQC outstanding rated services and delivers on local, regional and national plans.

1.11 Potential for COVID-19 disputes

Covid-19 has impacted upon the workstreams required for the development and submission of this Business Case, however not to the extent that its production and submission has been delayed, nor through the inclusion of unnecessary or inflated risk provision for time and cost impact.

This is in no small part due to the partnership approach adopted by the Trust, developed through many years of collaborative working practices for capital project delivery.

The Trust's delivery partner for design and construction, Sir Robert McAlpine, is fully embracing the requirement of the NEC contract to work in a spirit of mutual trust and co-operation, and has been open to constructive dialogue, risk reviews and

transparency of management approach, as and when Covid-19 related issues have arisen.

To date the whole project management, design and construction team has been able to operate effectively utilising a range of remote communication and sign off protocols, without detriment to the achievement of stage milestones.

The submitted GMP, programme and methodology reflect the current Construction Leadership Council (CLC) site operating procedure, version 5 and the cost and programme will only change if Government direction and guidance is updated and more onerous restrictions are introduced.

Investment in new technologies and methods on site to allow further productivity enhancement is in hand.

The whole project team is determined to avoid contractual disputes, and will continue to work together to assess, avoid and mitigate ongoing risks to the project as a result of Covid-19, including a joint approach to the ownership, management and discharge of future risk of delivery during construction working in line with the NEC processes and good management practice. Ideas already generated through open dialogue include the advance procurement of key materials and components to avoid time and cost risk of failing subcontractors, who might normally be procured on a “supply and fix” basis. Such measures are fully in accordance with the guidance issued by the ProCure 22 Framework to NHS Clients, and which we have agreed to follow as a team.

By adopting a proactive project-focussed culture, and through a mixture of pragmatism and sensible compromise, we will ensure that the project is delivered without compromise to benefit realisation, and without the need for recourse to formal project dispute resolution procedures.

2. GLOSSARY OF ABBREVIATIONS

A

AEDET	Achieving Excellence Design Evaluation Toolkit
AIMS	Accreditation Inpatient Mental Health Services
AIR	Assumptions, Issues and Risk
ALOS	Average Length of Stay

B

BAU	Business as Usual
BCIS	Building Cost Information Service
BIM	Building Information Model
BREEAM	Building Research Establishment Environmental Assessment Method

C

CAV	Campus for Ageing and Vitality
CBU	Clinical Business Unit
CCG	Clinical Commissioning Group
CEDAR	Care Environment, Development and Re-Provision
CEO	Chief Executive Officer
CHP	Combined Heating and Power
CIM	Capital Investment Manual
CIP	Cost Improvement Plan
CNTW	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
CPD	Continuing Professional Development
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
CYPS	Children and Young People's Service

D

DAT	Design Approval Toolkit
DDA	Disability Discrimination Act
DHSC	Department of Health and Social Care
DNO	Distribution Network Operator
DOH	Department of Health

E

EFM	Estates, Facilities, Management
EHE	Enhancing the Healing Environment

F

FBC	Full Business Case
FF & E	Furniture, Fixtures and Equipment

G

GARPRO	Gardens Project
GDP	Gross Domestic Product
GMP	Guaranteed Maximum Price

H

HMT	Her Majesty's Treasury

I

IAPT	Improving Access to Psychological Therapies
ICS	Integrated Care System
I&E	Income and Expenditure
IMD	Institute for Management Development
IPC	Infection, Prevention and Control

J

K

KDU	Kenneth Day Unit

L

M

MCIPS	Member of the Chartered Institute of Procurement and Supply
MH 5YFV	Mental Health Five Year Forward View
MHA	Mental Health Act
MRE	Mechanical Restraint Equipment
MSU	Medium Secure Unit

N

NCM	New Care Models
NEC	New Engineering Contract

NOMS	National Offender Management Services
NPV	Net Present Value
NUTH	Newcastle upon Tyne Hospitals NHS Foundation Trust

O

OBC	Outline Business Case
OGC	Office of Government Commerce
OJEU	Official Journal of the European Union
OPD	Offender Personality Disorder

P

PAM	Premises Assurance Model
PD	Personality Disorder
PDC	Public Dividend Capital
PEP	Project Execution Plan
PICU	Psychiatric Intensive Care Unit
PLACE	Patient Led Assessment of the Care Environment
PPE	Post Project Evaluation
PREOMS	Patient Response Outcome Measures
PSF	Provider Sustainability Fund
PSMI	People with Serious Mental Illness
PUBSEC	Tender Price Index of Public Sector Building Non Housing

Q

QNFMHS	Quality Network for Forensic Mental Health Services

R

RABAC	Resource and Business Assurance Committee
RCPsych	Royal College of Psychiatrists
RIBA	Royal Institute of British Architects
RPA	Risk Potential Assessment

S

SLA	Service Level Agreement
SMEs	Small and Medium Sized Enterprises
SMI	Serious Mental Illness

SOC	Strategic Outline Case
SOCF	Statement of Cash Flow
SOCI	Statement of Comprehensive Income
SOFP	Statement of Financial Position
SRM	Sir Robert McAlpine
SRO	Senior Responsible Officer
STP	Sustainability and Transformation Partnership

T

TC	Transforming Care
TEWV	Tees, Esk and Wear Valleys Foundation NHS Trust
TUPE	Transfer of Undertaking (Protection of Employment)

U

V

VAT	Value Added Tax

W

X

Y

Z

6 Facet survey rating codes:

- A - Excellent / as new
- B – Acceptable / meets standards
- C – Poor / requires investment to achieve 'B' rating
- D – Unacceptable / dangerously below standard

Space utilisation rating code definition:

- E – Empty / severely underutilised
- U – Under utilised
- F – Full
- O - Overcrowded

3. INTRODUCTION

Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust (The Trust) is in the enabling works phase of three major capital developments to support the Care Environment, Development and Re-provision (CEDAR) programme. These have been identified as strategic priorities for the organisation and wider NHS over the next five years. The Full Business Case covers the following schemes:

1. The development of an integrated adult mental health and learning disability secure services centre of excellence at Northgate Hospital, Morpeth, Northumberland
2. The re-provision of Newcastle and Gateshead adult inpatient services to the Bamburgh Unit, St Nicholas Hospital, Newcastle
3. The re-provision of Children and Young People's (CYPS) medium secure inpatient services to Ferndene, Prudhoe, Northumberland.

All three major developments are linked to wider national and regional care model initiatives:

1. NHS England New Care Models for Adult Secure Services
2. Transforming Care for people with a Learning Disability
3. Newcastle and Gateshead Deciding Together, Delivering Together Programme
4. NHS England National CYPS Medium Secure Services review.

These developments are fundamentally focussed upon improving the safety and quality of care for patients requiring a stay in hospital. They are interdependent and support the efficient use of the Trust's current estate on the Northgate Hospital site at Morpeth in Northumberland, Ferndene site in Prudhoe and the St Nicholas Hospital site in Gosforth in Newcastle. Critically they also remove isolated mental health facilities from other acute and general NHS sites, releasing them for other strategic uses. They are intrinsically linked to the Trust's long term financial delivery plans and are imperative in maintaining the Trust's long term sustainability as a provider of national and regional specialist services.

The developments support the Estates strategies of neighbouring NHS Trusts and are in line with the Mental Health Five Year Forward View (MH 5YFV) by enabling the repatriation of service users receiving specialised forensic services in 'out of area' placements. Finally the developments ensure the long term delivery of mental health inpatient services in line with the outcome of the Newcastle and Gateshead Deciding Together, Delivering Together public consultation which determined that the described facilities should be moved out of their current isolated locations into reconfigured facilities on the St Nicholas hospital site.

In order to ensure the Trust's long term sustainability as a leading national secure services provider there is an identified need to move away from the current model

whereby facilities for adult mental health and learning disability secure services are spread across two sites. The new integrated adult single site model will involve the transfer of nationally commissioned medium secure service beds from the St Nicholas Hospital site to a new purpose built facility on the Northgate Hospital site. This, in turn will enable the development of an integrated mental health and learning disability secure service configuration whilst also achieving site rationalisation, improved service productivity, a greater critical mass of clinical expertise and expansion to enable repatriation in line with national strategy and the MH 5YFV. Provision of new services will be accommodated including non-offender personality disorder beds in the North East, an enhancement of the number of mental health beds post National Secure Services Review, including services for those currently in prison awaiting assessment and treatment. The space offered on the Northgate site offers an environment which is much more therapeutically conducive to medium and long term secure care.

The transfer of secure beds from St Nicholas Hospital will then allow for the refurbishment of the vacated Bamburgh Clinic in order to re-provide adult acute admission facilities from two sites in Gateshead and Newcastle. The transfer frees up estate in these neighbouring Trusts which supports the delivery of their respective estate strategies. The land currently occupied by the Hadrian Clinic at the Newcastle General Hospital site has already been sold to Newcastle University to support the creation of a world leading centre for ageing research. The Trust vacated the Tranwell site in Gateshead on Thursday 31 October 2019, and it was returned to Gateshead Health NHS Foundation Trust. The recently vacated Tranwell Unit on the Queen Elizabeth Hospital site, Gateshead was recently considered for immediate use as emergency ward accommodation due to the current COVID-19 pandemic. A chemotherapy day unit has also already been transferred into the building.

Since the commencement of the CEDAR programme, the existing general admissions and low secure CYPS facility at Ferndene, Prudhoe has seen a reduction in occupancy levels. The Trust recognises the need to efficiently utilise its estate and has thus proposed to relocate CYPS medium secure services alongside other wards in this existing facility, with suitable extension and reconfiguration of existing services on the site to create a similar centre of excellence.

The overall programme will significantly improve patient safety, privacy and dignity, and quality of inpatient environments in line with national standards across a number of service lines which include nationally and locally commissioned services. Improvements to these facilities will significantly reduce identified environmental risks associated with the current buildings, some of which are no longer fit for purpose and free up space on acute hospital sites for acute provision. The Trust also anticipates a reduction in the use of seclusion facilities.

4. WHERE IS THE TRUST NOW

The following section provides details of the current situation with regards to the premises from which the Trust provides its services. The summary is provided service by service rather than being location led and it incorporates details of area size, statutory and regulatory performance and CQC recommendations.

Currently services operate from a number of sites and buildings as follows:

4.1 Medium secure

Alnwood Unit (Ashby ward, Children and Young People's mental health and Lennox ward, Children and Young People's learning disability), St Nicholas Hospital, Newcastle upon Tyne

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
121 years	1977	B	C/D	B	C	F	C	£200K

CQC comments in 2016 include:

- "Unsatisfactory" movement of a patient to seclusion is via three flights of stairs, nine locked doors and one other door
- "High" use of restrictive interventions (environmental challenges associated with ageing and deteriorating buildings can have an impact)
- "Need to" reduce potential ligature anchor points
- Public spaces very clinical and unappealing
- Access to outside space and education difficult
- Poor lines of sight with blind spots.

PROPOSE TO VACATE

Bamburgh Clinic (Oswin ward, adult personality disorder, Aidan and Cuthbert wards, adult mental health), St Nicholas Hospital, Newcastle upon Tyne

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
14 years	4458	A	B	B	A	F	A	£0

CQC comments in 2016 include:

- Seclusion facilities to be modified to meet the required standard (no hatch to enable food and drink to be accessed by patient)
- Facilities "should be" available to monitor and control seclusion room temperature
- The layout results in some blind spots on the ward.

PROPOSE TO EXTEND AND RE-UTILISE FOR ADULT ACUTE SERVICES

Kenneth Day Unit – KDU (Cheviot, Lindisfarne and Wansbeck wards, adult learning disability) Northgate Hospital, Morpeth

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
25 years	2608	B	C	B/C	B	U	B	£85K

CQC comments in 2016 include:

- The physical environment not suitable for patients with significant mobility issues

- "High" use of restrictive interventions (environmental challenges associated with ageing and deteriorating buildings can have an impact)
- Clinic facilities limited, medication is stored and administered in the nursing office therefore limited privacy when patients are accessing medication –an additional clinic room has since been created to enable medication to be dispensed in a confidential manner
- Seclusions rooms have low ceilings with CCTV monitors which patients can reach, therefore presenting a potential hazard to patients.

PROPOSE TO VACATE AND INCORPORATE IN LAND SALE FOR HOUSING DEVELOPMENT

4.2 Low Secure

Tweed Unit (adult learning disability and adult learning disability hospital based rehabilitation), Northgate Hospital, Morpeth

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
27 years	1239	B	B	B	B/C	F	B	£158K

CQC comments in 2016 include:

- A patient commented to the CQC that the courtyard looked like a prison and was not a nice place to be
- The ward looked dated and required refurbishment.

PARTIALLY REFURBISHED IN 2019, COURTYARD WORKS DUE EARLY 2021 DUE TO NATIONAL POLICY REGARDING COVID 19 (OUTSIDE OF OBC)

Tyne Unit (adult mental health and adult learning disability hospital based rehabilitation) Northgate Hospital, Morpeth

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
7 years	1399	A	A	A	A	F	A	£0

CQC comments in 2016 include:

- Ward environment clean and comfortable

PROPOSE TO RETAIN (OUTSIDE OF OBC)

Ferndene Unit (CYPS low secure and open unit), Prudhoe

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
9 years	5684	A	A	A	A	U	A	£0

CQC comments in 2016 include:

- Very welcoming, clean environments with artwork on the walls
- Ferndene described as the best place by a patient.

PROPOSE TO EXTEND AND RECONFIGURE FOR ALL CYPS INPATIENTS SERVICES

4.3 Adult Acute Inpatient Services

Bede Ward (previously Collingwood), St Nicholas Hospital, Newcastle upon Tyne

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
121 years	2316	B	A	B	B	F	B/C	£8K

CQC comments in 2016 include:

- Had limited space on the ward and the dining room was only just big enough to accommodate all the patients
- The seclusion room did not have the appropriate environmental controls – light, blinds and temperature control.

REFURBISHED IN 2019 (OUTSIDE OF OBC)

Hadrian Clinic (Fellside, Lamesley and Lowry Ward, mental health), Campus for Ageing and Vitality, Newcastle upon Tyne

CQC comments in 2016 include:

- Environments which are very dated.
- Potential ligature points in patient accessible rooms.

Age of building	Floor area m^2	Fire Safety	Functional Suitability	Physical Condition	Quality	Space utilisation	Energy	Financial value of backlog
31 years	2985	B	B/C	B	B/C	F	B	£1.4m combined with Tranwell Unit

PROPOSE TO VACATE (SITE ALREADY SOLD BY NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST TO NEWCASTLE UNIVERSITY FOR REDEVELOPMENT)

5. WHERE THE TRUST WANTS TO BE

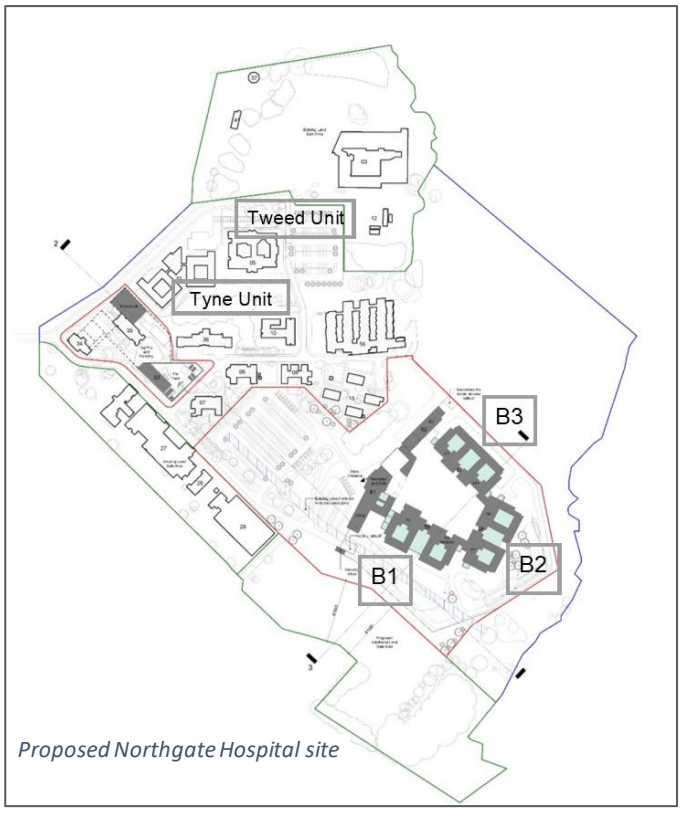
First and foremost the Trust wants to continue to provide high quality, safe and innovative services which meet all of the standards associated with its outstanding CQC rating.

Our strategic ambitions are:

- Working together with service users and carers we will provide excellent care, supporting people on their personal journey to wellbeing
- With people, communities and partners, together we will promote prevention, early intervention and resilience
- Working with partners there will be “no health without mental health” and services will be “joined up”
- The Trust’s mental health and disability services will be sustainable and deliver real value to the people who use them
- The Trust will be a centre of excellence for mental health and disability
- The Trust will be regarded as a great place to work.

In order to achieve our strategic ambitions, there are a number of inpatient facilities that require significant improvement. Whilst developing plans to improve inpatient environments the Trust is also taking the opportunity to develop new and innovative service models which will enhance the quality and effectiveness of care delivery.

The Trust intends to rationalise all adult low and medium secure services on to the Northgate Hospital site, Morpeth, Northumberland as follows:

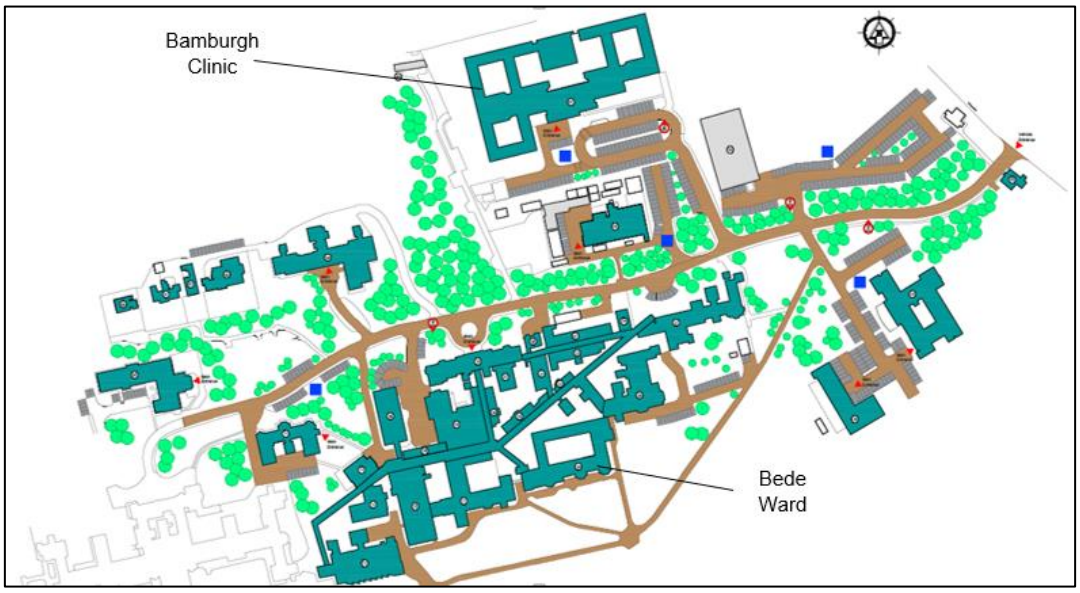


Proposed Northgate Hospital site

1. New integrated medium secure facility for adults. Adult Medium secure wards (Table four):
   - B1 Unit – MH Personality Disorder (New service) and Personality Disorder (OPD)
   - B2 Unit – Adult mental health/PD (New service) and adult mental health
   B3 Unit – Adult mental health and learning disability.

2. Low secure wards, utilising existing Northgate Hospital buildings (Table five):
   - Reconfigure existing Tweed Unit – Adult learning disability (Outside of OBC)
   - Tyne Unit – Learning disability and mental health.

3. Acute adult mental health services (Table six) will be accommodated in reconfigured Bamburgh and Bede units at St Nicholas Hospital, Newcastle upon Tyne.



St Nicholas Hospital site map

4. Dispose of surplus land at the northern and western boundaries of Northgate hospital (including the Kenneth Day Unit) to create sites for approximately 134 new homes and provide a contribution towards the funding of the programme.

5. Tranwell unit site at Queen Elizabeth Hospital was vacated on Thursday 31 October 2019 and returned to Gateshead Health NHS Foundation Trust (recently under consideration for stragetic additional services for COVID-19 planning and a chemotherapy day unit).

6. Hadrian Clinic at the Campus for Ageing and Vitality site in Newcastle, will be vacated as required under the terms of the lease held by Newcastle University.

7. New integrated CYPS facility at Ferndene (Table seven). Reconfigure, upgrade

and extend two existing low secure CYPS wards to provide CYPS medium secure learning disability and mental health wards. Upgrade and reconfigure two existing non- secure wards to provide low secure and general admission learning disability and mental health.

Ferndene Children and Young People's Unit

Adult Medium secure services

Service	Current location	Proposed location	Trust beds 1/4/20	Proposed number of beds	Proposed number of wards
Medium secure mental health (male)	SNH Bamburgh (Cuthbert and Aiden)	Northgate New Build	25	28 (+3)	2 x 14 beds
Medium secure mental health/PD (male)	Not Applicable (New Service)	Northgate New Build	0	10 (+10)	1
Medium secure MH/personality disorder (male)	Not Applicable (New Service)	Northgate New Build	0	12 (+12)	1
Medium secure learning disability (Male 11 NHS England + 1 spot)	Kenneth Day Unit Northgate	Northgate New Build	18	12 (-6)	1
Medium secure personality disorder (Male, Her Majesty's Prison and Probation service, formerly National Offender Management Service OPD – Oswin)	SNH Bamburgh (Oswin)	Northgate New Build	16	12 (-4)	1
		Total new build beds	**59**	**74**	

Table 4 – Adult medium secure services

Low secure services

Service	Current location	Proposed location	Trust beds 1/4/20	Proposed number of beds	Proposed number of wards
Low secure mental health (male 10 NHS England + 8 spot)	Northgate Tyne	Northgate Tyne	14	18 (+4)	1
Low secure learning disability (male 11 NHS England + 1 spot)	Northgate Tweed (26 bed)	Northgate Tweed	14	12 (-2)	1
Learning disability hospital rehab (Male)	Northgate Tyne & Tweed	Northgate Tyne & Tweed	14	12 (- 2)	1
		Total beds	**42**	**42**	

Table 5– Low secure services

Adult acute services

Service	Current location	Proposed location	Trust beds 1/4/20	Proposed number of beds	Proposed number of wards
Adult acute mental health male beds	SNH (Bede) (was Collingwood)	SNH Bede	14	14	1
Adult acute mental health female beds	Hadrian Clinic (Lowry)	SNH Bamburgh	16	18	1
Adult acute mental health male beds	Hadrian Clinic (Fellside)	SNH Bamburgh	20	18	1
Adult acute mental health female beds	Hadrian Clinic (Lamesley)	SNH Bamburgh	18	18	1
		Total beds	**68**	**68**	

Table 6 – Adult acute services

Children and young people's services

Service	Current location	Proposed location	Trust beds 1/4/20	Proposed number of beds	Proposed number of wards
Medium secure – mental health and learning disability	SNH Alnwood	Ferndene	14	14	2 x 7 beds
Low secure – mental health and learning disability	Ferndene	Ferndene	7 (0 & 7 beds)	6 (3 + 3 beds)	1 x integrated with PICU
General admission – mental health and learning disability	Ferndene	Ferndene	18 (10 + 8 beds)	14 (10 + 4 beds)	1
PICU – mental health	Ferndene	Ferndene	4	4	1 x integrated with LSU
		Total beds	**43**	**38**	

Table 7 – CYPS

6. STRATEGIC CASE

This section describes the local, regional, national, estates and organisational strategies involved in the programme.

6.1 Approvals and support

The Trust's outline business case was approved by the Trust's Board on Wednesday 2 October and Wednesday 5 February 2020 and by the Joint Investment Committee on Thursday 27 February 2020 with Ministerial approval in early April. This Full Business Case was approved internally on Friday 29 May 2020, as per the Board Meeting minutes in appendix A, and was approved by the Joint Investment Committee on Friday 11 September 2020. The Trust received approval from the DHSC and Treasury on Friday 3 December 2020.

This business case is owned and submitted by the Deputy Chief Executive who is the identified Senior Responsible Officer (SRO).

The programme scope and objectives have remained consistent with those outlined in the CEDAR Programme Board Terms of Reference and the Programme Initiation Document. In the OBC we explained how the programme changed as it developed, it became obvious that co-locating low and medium secure CYPS services together rather than co-locating adults and CYPS medium secure services offered greater operational and capital efficiencies.

The appendices include letters of support for this programme.

6.2 Organisational overview

Northumberland, Tyne and Wear NHS Foundation Trust, one of the largest mental health and disability Trusts in England, became Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust on Tuesday 1 October 2019. Now working over 70 sites across Cumbria, Northumberland, Newcastle, North Tyneside, South Tyneside, Gateshead and Sunderland, the Trust also runs a number of regional and national specialist services. Along with partners, it delivers support to people in their own homes, and from community and hospital-based premises.

The Trust now has more than 7,000 employees, serving a population of approximately 1.7 million, located over 4,800 square miles with an annual operating budget of circa £400million.

The services that it provides are divided into four sections, which are organised geographically into "locality care groups". These are known as North, Central, South and Cumbria.

There have been some dramatic changes that have helped shape how the Trust cares and supports the people that it serves. For instance, eight state-of-the-art facilities have been built in the past 12 years, ranging from a specialist dementia centre to a large 122 bed hospital in Sunderland.

In community services, Initial Response Teams have been introduced to provide 24-hour access to urgent mental health care through one single phone number. A number of other services have also been introduced, such as a support service for veterans and a street triage service that works in partnership with Northumbria Police.

In 2015, the Health Service Journal named the Trust as one of the top 100 NHS Trusts to work for. The Trust was awarded the highly acclaimed 'Provider of the year' in the 2017 Health Service Journal awards. In 2019, the Trust's Chief Executive was named in the top five of the Health Service Journals top 50 NHS Chief Executives 2019.

More recently, the Trust was chosen by NHS Improvement to lead the way in mental health care, picking them as its strategic partner in developing its mental health improvement programme.

The Trust was delighted to be rated 'Outstanding' by the CQC in 2016 and 2018.

Overall rating for this trust	Outstanding
Are services safe?	Good
Are services effective?	Outstanding
Are services caring?	Outstanding
Are services responsive?	Outstanding
Are services well-led?	Outstanding

The main Trust hospital sites are:

- Carleton Clinic, Cumbria
- Ferndene, Prudhoe, Northumberland
- Hopewood Park, Sunderland
- Monkwearmouth Hospital, Sunderland
- Northgate Hospital, Morpeth, Northumberland
- St. George's Park, Morpeth, Northumberland
- St. Nicholas Hospital, Newcastle upon Tyne
- Walkergate Park, Newcastle upon Tyne.

The Trust now has responsibility for the provision of mental health services in North Cumbria. This will not have any impact on this FBC as there are no secure inpatient services being included in the transfer as the Trust already provides secure services to the population of North Cumbria. The mainstream inpatient and community services being transferred are out of scope for this scheme.

Overview of the Trust's financial position

The Trust has a good financial record and has consistently achieved its financial targets including the delivery of efficiency savings. The Trust has always delivered a surplus (before impairments) and the Trust delivered a surplus of £7.8m (£2.6m excluding PSF) in 2018-19 and has delivered a surplus of £3.5m (£0.9m excluding

PSF) in 2019-20 and achieved its control total. The Trust's draft operatational plan for 2020-21 was to deliver a £2.1m surplus which would have required delivery of £12.8m of efficiency savings prior to the revised arrangements implemented due to COVID-19. The Trust has signed up to its control total (£2.6m surplus including £2.6m PSF funding) in 19/20 which will require delivery of £10.4m of efficiency savings. The Trust's financial situation has become more challenging as a result of the national Learning Disability Transforming Care Programme. Between 2015-16 and 2019-20, the Trust will have experienced a £15m reduction in income from the closure of learning disability beds with a net impact of circa £6m. This scheme is crucial to the Trust as the £8.5m financial benefit will offset this impact and make the Trust's adult secure services and CYPS services financially viable. Key financial data for the current and previous four years is shown in table eight below.

Key financial data 2016/17 – 2019/20

Key Financial Data	2016-17 Actual £'m	2017-18 Actual £'m	2018-19 Actual £'m	2019-20 Actual £'m	2020-21 Draft Plan £'m
Income (including PSF)	316.5	315.5	320.4	378.6	399.4
I&E Surplus (excl PSF and Impairments)	5.0	5.2	2.6	0.9	2.1
Core Control Total (excluding PSF)	4.7	5.2	1.5	0.0	2.1
Provider Sustainability Funding (PSF)	4.2	3.8	5.2	2.6	0.0
Surplus (including PSF/excluding impairments)	9.2	9.0	7.8	3.5	2.1
Risk Rating	2	1	1	2	2
Efficiency Savings	8.8	10.6	12.6	10.4	12.8
Agency Spend	11.3	7.7	7.6	11.7	10.3
Cash Balance	17.5	23.0	30.6	31.3	22.2
Capital Programme	12.6	6.1	7.9	11.6	23.8
Asset Sales	0.0	0.4	3.6	0.2	2.6
Loan/PFI/Lease Repayments	(5.9)	(6.2)	(6.3)	(4.7)	(3.9)

Table 8 – Key financial data

6.3 Local/regional strategy

The Trust provides services to a broad range of commissioners including:

- Five Clinical Commissioning Groups across Northumberland, Tyne and Wear
- Clinical Commissioning Groups across Cumbria
- Five Clinical Commissioning Groups across Durham, Darlington and Tees
- Cumbria and North East Commissioning Hub, the local team of NHS England
- CCGs out of area plus Scottish, Welsh and Irish health bodies who commission on an individual named patient contract basis
- Local Authorities

- As part of an innovative New Care Model arrangement we hold delegated commissioning responsibility for secure adult inpatient services and children's inpatient services along with Tees, Esk and Wear Valleys Foundation NHS Trust and NHS England.

Integrated Care System Planning

In recognition of the need to progress an integrated approach, the North East and North Cumbria Integrated Care System (ICS) developed a mental health work stream to ensure that adequate focus is given to the mental health agenda. The ICS has also embraced the delivery of the Transforming Care for People with Learning Disabilities agenda. There is a clear commitment within the ICS Plan to ensure parity of esteem and to commit to ensuring that equal weight is given to planning for the physical health, mental health and well-being of our local population. There is full commitment to the delivery of the Five Year Forward View for Mental Health. This development supports the ICS to deliver:

- NHS England New Care Models for Secure Services (NCM)
- Transforming Care for People with Learning Disabilities agenda (TC)
- Newcastle and Gateshead Deciding Together, Delivering Together Programme (DT) – implementing consultation outcome and delivering consistently high standards of adult acute inpatient provision across the Trust
- Implementation of the Five Year Forward View for Mental Health particularly meeting standards for repatriation of service users from out of area and private sector placements
- An integrated, flexible and adaptable model for world class secure services, in partnership with Tees, Esk and Wear Valleys Foundation NHS Trust, to meet the needs of the population within the ICS footprint.

New Care Models

As part of the new care models pilot for adults and children, a robust regional governance structure has been introduced to provide strategic leadership and direction and to ensure effective alignment with commissioners:

- Commissioning Group - responsible for undertaking the detailed needs assessment and ensuring that the appropriate care pathway is commissioned in the most effective and efficient way
- Quality Governance Group - responsible for reviewing and providing assurance on the quality of service provision across the three domains of safety, experience and effectiveness
- Implementation Group - responsible for delivering the changes to the clinical pathway in line with the contractual requirements and resolving any clinical issues that may arise from the implementation of the service model.

Newcastle and Gateshead Deciding Together, Delivering Together

In 2015 -16, Newcastle Gateshead CCG in partnership with local providers

undertook a public consultation called 'Deciding Together, Delivering Together'. This process asked for public views on different potential changes to the way adult acute and older people's mental health services in Newcastle and Gateshead were arranged. This process was carried out in three phases:

1. Early listening phase: June to August 2014
2. Pre-engagement 'Deciding Together' listening exercise: November 2014 to February 2015
3. Formal public consultation: November 2015 to February 2016.

The first two phases were an integral part in developing the scenarios upon which the formal public consultation took place. In the public consultation 1,195 responses were received from individuals or organisations, as below, and analysed by an independent organisation.

- 13 focus groups for service users and carers was attended by a minimum of 93 people
- 165 people responded to an online and paper survey
- 797 people responded to a street survey
- 26 written submissions were received from individuals and organisations,
- 18 in-depth interviews with service users and carers were undertaken by Northumbria University; and
- 114 people attended four public consultation events.

Each phase had engagement activity and output reports which have been presented to the CCG and CNTW executives.

The CCG Governing Body met on Tuesday 28 June 2016 to consider the business case which described how a number of options for the re-provision of acute inpatient services had been considered as follows:

- Option one - Do nothing
- Option two - The adult acute assessment and treatment service for Newcastle and Gateshead residents being provided from a location to be identified in Gateshead
- **Option three - Major conversion of wards for acute care at St. Nicholas Hospital, Newcastle**
- Option four - Major conversion of wards for acute care and adult acute care at St. George's Park, Morpeth and at Hopewood Park, Sunderland.

Option three was the preferred option requiring major conversion of wards at St Nicholas Hospital.

The Deciding Together and Delivering Together consultation still remains valid today, as the Trust and CCG consider that there are no changes in circumstances and no changes in the local adult acute mental health strategy. The outcome of the CEDAR proposal remains fully consistent with the options described in the process

above and the option approved by the local CCG. The programme includes a comprehensive engagement plan for the duration of the project which includes engagement with service users, carers, families, staff, local authorities, local communities and other stakeholders.

6.4 National strategy

The NHS-Five Year Forward View states that over its term the NHS must drive towards an equal response to mental and physical health and towards the two being treated together. Whilst acknowledging that investment has already been made through the Improving Access to Psychological Therapies (IAPT) Programme and the development of waiting standards for mental health, it is anticipated that this is only the start and that the much wider ambition is to achieve genuine parity of esteem between physical and mental health by 2020. All current NHS developments are being shaped by the forward view, of particular note being the ongoing development of Integrated Care System Plans.

The Mental Health Five Year Forward View sets out an ambitious programme of work to transform mental health services in order to ensure that integrated systems of mental health and physical health care are provided to meet the needs of the population.

Transforming Care

Transforming Care for People with Learning Disabilities is the Government's national programme to improve services for people with learning disabilities and/or autism, who display behaviour that challenges, including those with a mental health condition. The aim is to make sure more people are living in the community, with the right support and close to home.

The Transforming Care programme is focussing on:

- More choice for people and their families, and more say in their care
- Providing more care in the community, with personalised support provided by multi-disciplinary health and care teams
- More innovative services to give people a range of care options, with personal budgets, so care meets individual needs
- Providing early, more intensive support for those who need it, so people can stay in the community, close to home
- For those who do need inpatient care, ensuring it is only for as long as they need it and as close to home as possible.

In England, around 24,000 people who have a learning disability and/or autism are classed as being at risk of admission. Although the number of discharges or transfers has increased by 38 per cent over the last year, 2,595 people were in inpatient settings as of Wednesday 30 September 2015, more than three quarters of whom had been in inpatient facilities continuously for longer than a year.

While these placements are often a necessity in the short term, in too many cases they are used as a long-term option due to a historic lack of community-based services. These arrangements do not deliver the best outcomes for these people. They are also expensive, costing the health and care system on average over £175,000 per year for care which is often inappropriate.

As new and better alternatives become available in the community, the plan predicts a reduction in inpatient beds of between 30 and 50 per cent nationally. In some areas that have relied on inpatient settings more than average, the number of beds which will be commissioned may be reduced by up to 70 per cent.

This should free up hundreds of millions of pounds for investment in community-based support, as well as improving the quality of remaining inpatient units so that they can meet the needs of patients in the new system.

As a provider of local, regional and national inpatient services for people with a learning disability and/ or autism the Trust is working to the local Transforming Care Partnership bed reduction plan whilst also developing community support services in line with the Building the Right Support national model.

Reduction in bed numbers

The bed numbers in the FBC are in line with the requirements for Transforming Care and the objectives of the Long Term Plan. Table nine overleaf shows a reduction of 36 adult learning disability inpatient beds at Northgate Hospital between April 2018 and April 2023. This is in addition to the 36 beds that closed from 2015/16 to 2017/18. In addition to the 36 beds in the CEDAR development at Northgate, the Trust also has a 12 bedded assessment and treatment unit giving a total of 48 beds. These beds cover a population of 1.7m across North Cumbria, Northumberland and, Tyne and Wear, which equals 28 beds per million population and meets the Long Term Plan objective.

	NTW Beds 1/4/18	18/19 Bed Reductions	NTW Beds 1/4/19	19/20 Bed Reductions	NTW Beds 1/4/20	20/21 Bed Reductions	NTW Beds 1/4/21 & 1/4/22	22/23 Bed Reductions	NTW Beds 1/4/23
Medium Secure LD (11 NHSE + 1 spot)	24	-6	18		18	-6	12		12
Low Secure LD (11 NHSE + 1 spot)	24	-9	15		15	-3	12		12
LD Hospital Rehab	24	-11	13		13		13	-1	12
Total - CEDAR	**72**	**-26**	**46**		**46**	**-9**	**37**	**-1**	**36**
LD Assessment and Treatment	12		12		12		12		12
Total - NTW	**84**	**-26**	**58**	**0**	**58**	**-9**	**49**	**-1**	**48**
Population CNTW (M)	1.7		1.7		1.7		1.7		1.7
Beds per million population	49		34		34		29		28

Table 9 – Bed numbers

Building the right support

The Building the Right Support model describes a clear framework to develop more community services for people with learning disabilities and/or autism who display behaviour that challenges, including those with a mental health condition, and close some inpatient facilities. The New Care Model has already developed Secure Outreach and Transition Teams (SOTT) across the region (CNTW and TEWV) in order to aid the reshaping of learning disability and autism services. The core function of SOTT is to provide appropriate care and treatment for those with a learning disability and/or autism whose needs were associated with offending.

The core functions of SOTT are:

- Support the safe transition of people in secure care back into the community
- Assessment / treatment / crisis support to prevent (re) admission into secure services
- Ensure those that require diversion and secure admission are identified and have speedy access to the most appropriate service
- Support, advice, scaffolding and direct intervention to prevent people coming into contact with secure services in the first place.

As inpatient bed numbers reduce and funding is released to invest in community support, SOTT have been increasing their focus to support patients within the community to live a lifestyle less compatible with offending. We have:

- Increased access to specialist support and crisis services
- Increased access to specialist assessment and therapies in community settings
- Increased liaison with TEWV/CNTW Secure inpatient services
- Increased liaison with other health providers, criminal justice system and other agencies
- Increased support for access to primary and secondary care services
- Increased support for social inclusion and pro-social lifestyles.

As the New Care Model evolves into a Provider Collaborative one of our key future objectives is to use savings, realised from reduced lengths of stay and funding of out of area placements, to invest and build upon the success of the existing SOTT. The investment will mean a number of improvements can be made across the breadth of the North East and Cumbria to improve patient experience including; enhanced working 8am-8pm, seven days per week for both teams and an increase in the range of interventions to reduce admissions and to avoid re-admissions. This should support a reduction in the levels of the risk in the community, help to reduce the overall length of stay and will allow effective use of inpatient beds supporting improved pathway flow.

An enhanced SOTT team facilitates:

- Enhanced integration with the current inpatient services to improve communication and develop enhanced in-reach services to support effective discharge and reduce handovers across services
- The development of a highly specialist community offender treatment programme utilising service experience in providing effective treatment to offenders in both inpatient and community settings
- Reallocation of forensically trained learning disability staff from reduction in inpatient services. This allows SOTT to be enhanced with experienced staff
- Enhanced services across the criminal justice pathway, (including police stations, street triage, courts, prisons, probation and community support), SOTT can support intensive early identification and early intervention to maintain people safely in the community and reduce offending behaviour
- Increased access to NCM based meaningful activities and programmes e.g. Recovery College, Day Services, Trauma Informed Care, Educational, Vocational and Occupational opportunities etc. that can reduce risks and promote recovery
- Enhanced working relationships with other services i.e. adult mental health and adult learning disability CMHTs to support future transfer to non-specialist

services once risk has reduced thereby maintaining the capacity of the SOTT to meet future need
- Continue to prevent unnecessary admissions and reduce potential to reduce lengths of stay.

CNTW also have a Housing Officer who has been seconded to scope private housing providers and what a community offer could look like. To support this they have been reviewing planned discharge destinations for current inpatients to try to steer away from hospital based rehab facilities and explore more innovative community options.

The savings from closure of beds have also supported investment by local CCG's in support packages for discharged patients and in learning disability community teams.

6.5 Organisational strategy

During 2016 the Trust undertook a comprehensive process to review its organisational strategy and to develop a new strategy for the five years from 2017-18. This was approved by the Board of Directors in January 2017, and was implemented from Saturday 1 April 2017.

From the start the Trust took an inclusive approach to refreshing the organisational strategy. The approach has involved different interested parties including:

- Service users and carers
- The staff
- The four locality groups
- The Council of Governors
- The Board of Directors.

The feedback from all of those involved has helped the Trust shape this strategy, identify what is important and determine the Trust's Strategic Ambitions. The title of the strategy, 'Caring, discovering, growing together' sums up the themes and comments which everyone made. The Trust has developed six strategic ambitions as part of the new strategy. These are:

1. Working together with service users and carers it will provide excellent care, supporting people on their personal journey to wellbeing
2. With people, communities and partners, together it will promote prevention, early intervention and resilience
3. Working with partners there will be "no health without mental health" and services will be "joined up"
4. The Trust's mental health and disability services will be sustainable and deliver real value to the people who use them
5. The Trust will be a centre of excellence for mental health and disability
6. The Trust will be regarded as a great place to work.

Each of the Trust's strategic ambitions are underpinned by high level, measurable goals. These focus on Trust-wide issues, for example care models, changes to the Trust's estate and partnership working. Equally, if not more important is how the strategy 'feels' on the ground to service users, their families, and the staff. The Trust's strategy will only be successful if the Trust is able to see further improvements in how people experience services. With this in mind the Trust will be asking local teams to develop their own approach to implementing the strategy specific to their own service. Central to this will be deeper partnerships with service users, carers, families, communities and other organisations.

A further element to the Trust's strategy is the major change programme of work. This sets out the significant service developments (including estates programmes) which will contribute to the six strategic ambitions.

These include:

- **Delivering excellence in inpatient care: Inpatient care is provided in fit for purpose facilities, with common standards of care and support, responsively, seven days per week, within the constraints of the resources available to them**
- Great care in your community: Roll out new community evidence based care pathways across Northumberland, North Tyneside, Newcastle and Gateshead and ensure that the community services work alongside the partners to ensure people's holistic needs are met. It will deliver community services which demonstrably deliver value for money in terms of productivity and outcomes
- **Building the right support: Transforming services for people with learning disabilities and autism: It will close the agreed number of adult secure beds, in line with the national programme. It will work to ensure a patch wide approach to improving services for people with a learning disability and autism, using the expertise alongside partners to transform the services across the whole pathway in all localities. It will develop the provision of world class inpatient services for people with autism and with the most complex needs**
- Building resilience for people and communities: The Trust will, as an integral part of local integrated care systems, play a leading role with partners in developing a patch wide approach to building resilience for people and communities. It works with all partners and agencies to enable people, their families, carers and communities to better manage mental illness, including its precursors, and disability
- The future for children and young people - Improved access to community services: It will promote and play an integral part in delivering a system wide approach to improving services for children and young people, collaborating with all partners

- Enabling the system to support your whole needs: It will promote a patch wide approach to better supporting people's whole needs, working with all local acute hospitals and community service providers to integrate mental health into physical health pathways
- **The future for children and young people - care for the most vulnerable: It will not provide young people's specialist inpatient services from the current location of Alnwood (the CYPS unit at St Nicholas Hospital) in the medium term and will re-provide those services from alternative accommodation or exit from the market. It will develop a sustainable model of care for children and young people requiring specialist inpatient support.**

The proposals described in this FBC are directly related to the delivery of three of the Trust's strategic ambitions highlighted above in **bold**.

6.6 Estates Strategy and Development Control Plans (DCP)

Estates Strategy

This scheme forms part of the ICS estates strategy, appendix B and supports its wider aims by:

- Moving beds from the Hadrian Clinic (2985 m^2) which is based on the Campus for Ageing and Vitality site in Newcastle. This will facilitate the redevelopment of the site which Newcastle upon Tyne Hospitals NHS Foundation Trust has now sold to Newcastle University to create a proposed world leading centre for ageing research
- Moving beds from the Tranwell Unit (2620m^2) on the Queen Elizabeth Hospital site in Gateshead to facilitate future site development. The Trust vacated the Tranwell site and this was returned to Gateshead Health NHS Foundation Trust on Thursday 31 October 2019
- Delivering the solution to site wide estate strategies for Northgate Hospital, Ferndene and St Nicholas hospital sites
- Providing functionally suitable, safer and clinically appropriate accommodation in Trust owned premises for patients of the Trust
- This programme centralises adult secure services onto a single site at Northgate Hospital, and adult acute beds for services currently provided in Gateshead and Newcastle moving onto the St Nicholas Hospital site. In both cases this eliminates current accommodation deficiencies which can only be achieved through this investment proposal
- Centralising CYPS inpatient services on a single site at Ferndene, Prudhoe. This re-uses reconfigured existing empty CYPS wards and concentrates clinical expertise on a single site
- Aligning itself to both the Naylor and Carter reports in terms of surplus land disposal, site rationalisation and optimisation

- Contributing via the land disposal to the DHSC target of £3.3bn capital receipts in land disposals by 2023 and 26,000 new homes by 2020 (as part of the Government's Public Land for Housing Programme).

Backlog maintenance issues associated with current accommodation will be significantly reduced through the delivery of this programme.

Property	Total of all backlog
St Nicholas Hospital Site (inc Bamburgh and Alnwood)	£957,000
Hadrian Clinic (inc Collingwood/ Lowry) and the Tranwell Unit, Gateshead (Under the residual terms of the lease the Trust is responsible for all backlog maintenance on Hadrian Clinic).	£1.4m combined
Northgate Site (inc Kenneth Day Unit/Tweed)	£2.76m

Table 10 – Backlog Maintenance

The programme's rationale is consistent with the mandatory Government construction strategy. The programme's sustainability will be monitored in line with the Trust's Green Plan, (the latest revision has been submitted to the Corporate Decisions Team –Climate Health meeting for approval) appendix C, which sets out clear milestones to measure, monitor and reduce direct carbon emissions.

Current Services

Key issues currently faced include:

- The standard of the current estate – this is deteriorating and increasingly there are issues linked to the age of the buildings, which are requiring greater financial investment in maintenance. There is a great divergence in the quality and standard of the Trust's estate, something that has been commented on through feedback from the Royal College of Psychiatrists Quality Network. Buildings are not future-proof as there is limited flexibility within the current footprint. This has resulted in an inability to adapt care delivery to meet changes in patient demand. While the Trust currently delivers outstanding care (CQC, 2016 and 2018), there are challenges which must be addressed to enable long term sustainability from environments that are fit for purpose
- Under-utilisation of the Northgate Hospital and Ferndene sites - the implementation of the Transforming Care Programme for people with Learning Disabilities has led to a significant reduction in site utilisation at both sites. This gives the opportunity for retraction and consolidation of the Northgate site and offers the opportunity to redeploy the considerable

expertise of staff to meet the needs of a different but related client group. At Ferndene existing underutilised wards can be consolidated and redeveloped to form two medium secure wards. This development enables the Trust to support the ICS to become entirely self-sufficient in its management of secure inpatient services for its local population. Funding which is currently invested outside of the ICS footprint or within the private sector will be brought back into the NHS and ICS footprint. It will enable a further land sale (estimate £6.21m) at Northgate Hospital through hybrid planning approval, which will partly fund this proposal.

6.7 Local sensitivities and mitigation

Following consultation with local stakeholder's, only one concern was raised in August 2019 by Northumberland County Council, which relates to the potential for patients from other parts of the UK choosing to stay in Northumberland following their discharge from hospital. In this scenario the aftercare responsibilities and costs would transfer to Northumberland County Council. In response to this concern CNTW undertook an audit of past discharges from secure facilities. The audit identified that there were very low numbers of post discharge cases who were not originally from Northumberland that chose to stay in the county following discharge from hospital.

The Trust has agreed that this issue is something that will be monitored closely in conjunction with Northumberland County Council post construction.

Any other issues or sensitivities relating to any aspect of the CEDAR project raised by relevant stakeholders will be fed into the CEDAR Core Programme Team for consideration and any responses or mitigating actions required will be developed and allocated to one of the programme team members who will adopt lead responsibility.

In planning terms, only two objections from members of the public were made to the Northgate proposals, and only one of these related to the healthcare facility (the other objected to the proposed housing on the land to be sold). No objections were received for the alterations to the Bamburgh unit, St Nicholas Hospital. A total of 28 objections were made against the alterations to the Ferndene unit, mainly on the grounds of parking and traffic generation, together with the proposed partial move to accommodate medium secure patients. Detailed analysis of parking provision was included as part of the planning application, along with assurance security measures would comply with nationally required standards. Members of the Northumberland County Council Strategy and Planning Committee were minded to approve the Ferndene Unit planning application at it's virtual meeting held on Tuesday 2 June 2020. Standard and specified conditions have been accepted by the applicant. The Decision Notice was issued on Wednesday 3 June 2020, appendix AA.

6.8 Integrated working

In general the plans associated with this programme have been developed with all of the identified key stakeholders.

With regards to the proposed facilities the plans have been fully supported by the New Care Models (NCM) Partnership Boards covering Adult Secure and CYPS services which consists of representatives from the two regional provider organisations and also includes representation from:

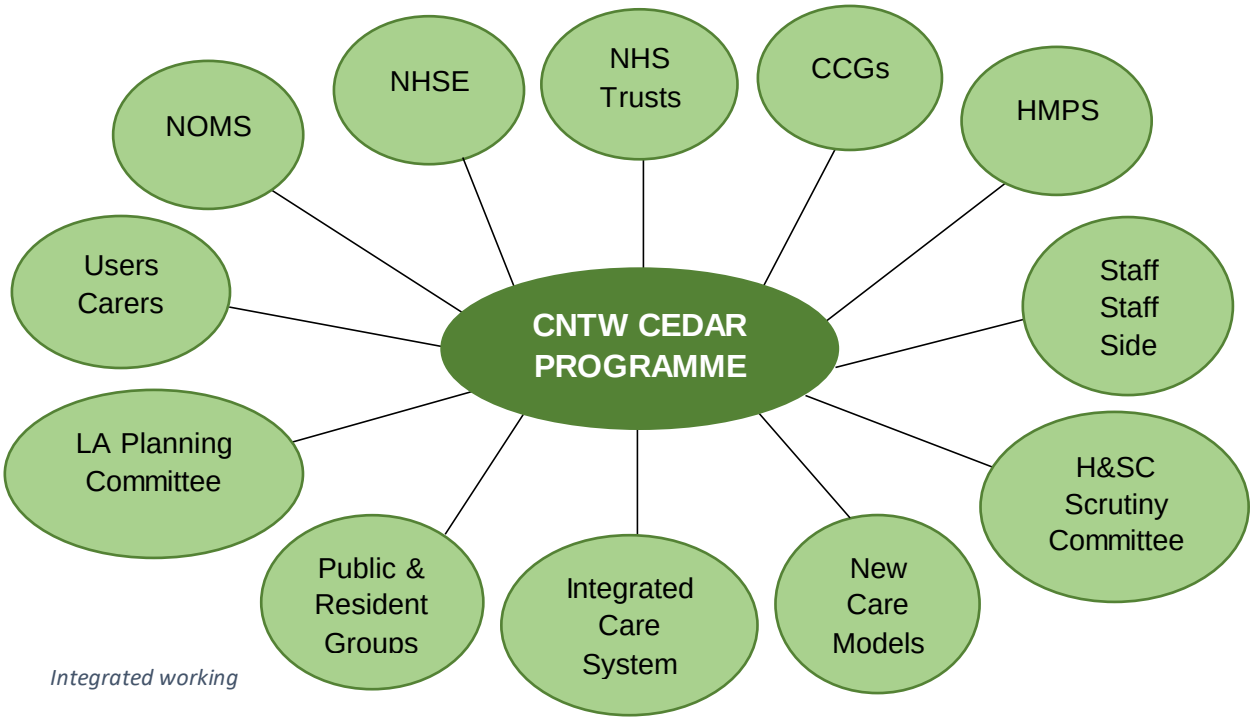
- Cumbria Partnership NHS Foundation Trust
- NHS England Specialised Commissioners Region and Hubs
- North East and Cumbria Transforming Care Partnership
- The sponsors of the mental health and learning disability programme
- Local Authorities.

Members of the NCM Boards have considered this proposal and are in agreement to the proposed bed model. The partnership boards also monitor all new service model and care pathway developments associated with the programme.

Other stakeholders include all CCGs across the North East and Cumbria footprint, NHS England, National Offender Management Service (NOMS), Her Majesty's Prison Service (HMPS) and independent sector organisations.

The Trust has actively engaged with relevant local authorities in the development of plans and updates against progress. Members of the programme team along with CNTW Executive Directors continue to attend local Overview and Scrutiny Committees (OSC) in Northumberland and Gateshead to ensure that wider engagement and joint working across the health, social care and voluntary sectors is maintained. All local OSCs continue to provide general support for the programme objectives.

The Trust has developed a comprehensive communication and engagement plan, as shown in appendix D.



Integrated working

6.9 Activity and capacity planning, including utilisation schedule

The proposal is aligned to the activity requirements of the local health system and the wider national picture.

The £15m income reduction reflects the loss of income as a result of achieving the Transforming Care bed targets. The FBC includes a further loss of income of £2.6m from an additional reduction in CYPS beds. The number of proposed learning disability beds in the FBC are 36 for adults (12 medium secure, 12 low secure and 12 rehab) and 14 for CYPS (seven medium secure, three low secure and four general admission). This is expected to be the medium and longer term requirement and no further income reductions are predicted as NHSE polices are extended.

The proposed bed models have in turn been incorporated into the Trust's workforce planning programme and the recurring efficiencies identified within the proposal form a significant part of the Trust's financial planning processes.

The proposal is consistent with both the Trust's and ICS estate strategies.

6.10 Greater patient choice and access

The proposed scheme improves choice and access through:

- An increase in bed capacity in the northern region for medium secure mental health services where there are current shortfalls in provision. This in turn would improve ease of access for visiting friends and family from the region who have relatives who are in secure inpatient wards
- An increase in ease of access to Newcastle and Gateshead Acute Inpatient services for visiting friends and family due to the central situation of St

Nicholas hospital and its proximity to metro rail stops and regular bus services
- An increase in ease of patient access to outdoor space for most of the services in scope as the schemes move all inpatient clinical areas into ground floor buildings with easy access to outdoor spaces throughout
- An increase in ease of patient access to a wider range of sports and gym facilities.

The proposed scheme will significantly improve quality and safety. See section 11.

6.11 Service reconfiguration tests

The Trust believes that the service changes proposed within the CEDAR programme plan have been developed in line with the four key tests for service reconfiguration described in the NHSE guidance (Planning assuring and delivering service change for patients 2018) through:

- Strong public and patient engagement (see section six and section 11)
- Consistency with current and prospective need for patient choice (see section 11)
- Clear, clinical evidence base (see section 10)
- Support for proposals from clinical commissioners (see section six).

A comprehensive assessment of the programme and the proposed service configurations has also been undertaken by the regional NHSE commissioning team in line with the "Four Key Test" framework. The outcomes of the assessment were compiled into an internal report which is to be submitted to the NHS England Assurance panel. However due to issues linked to COVID-19 there has been a significant shift in priorities for the panel members therefore the report will be considered at a later date.

6.12 Compliance with Carter efficiency recommendations

The Carter Review and Naylor Report, considers Estates and Facilities services performance and efficiency across the NHS.

The Carter review made a number of findings relating to estates and facilities, specifically highlighting the variances in cost to run the estate and the opportunity to rationalise estate. This project will deliver on both fronts. Cost savings will be delivered by having modern fit for purpose estate with significant reductions in the backlog maintenance position, and furthermore there will be a net reduction in floor area of around 10,000m^2.

The Naylor report was clear that the "NHS estate is one of the key enablers to change in the health system and directly contributes to the delivery of high quality healthcare to patients". However, it also acknowledged the general consensus that the current NHS capital investment is insufficient to fund transformation and maintain

the current estate and that property disposals could form part of the funding for new developments. This is precisely how the CEDAR programme has been structured.

6.13 Compliance with the Government Construction Strategy

The following text is included in the Construction Contract, Works Information section 1.2 The Clients Strategy:

'The Employer requires the Contractor to adhere to compliance and the targets stated within the 'UK Government Construction Strategy 2025'. By working in partnership, the construction industry and Government jointly aspire to achieve by 2025':

- A 33% reduction in both the initial cost of construction and the whole life cost of assets
- A 50% reduction in the overall time from inception to completion for new build and refurbished assets
- A 50% reduction in greenhouse gas emissions in the built environment.

The Contractor is required to use the following guidelines to support the Employer with achieving the principles of the UK Government Strategy:

- People – Improve the image of the industry by inspiring young people and through a co-ordinated approach to health and safety and improving performance
- Technology - Government mandate that BIM is required for all centrally procured Government contracts from 2016. The Contractor will, through the implementation of BIM on this project, be able to deliver more sustainable buildings, more quickly and more efficiently. BIM is also critical to the successful implementation of a wider offsite manufacturing strategy
- Sustainability - Develop market and technology based plans to secure the jobs and growth opportunities from driving carbon out of the built environment, led by the Green Construction Board
- Growth – Create conditions for construction supply chains to thrive by addressing access to finance and payment practices.

6.14 Investment objectives

Table 11 overleaf sets out the Trust's and programme investment objectives together with the rationale for the programme to meet SMART deliverables.

Service	Investment/Spending Objectives	SMART Deliverables	Identified Benefits
Adult and CYPS Secure, Adult Acute Inpatients	To comply with national environmental and building standards	Achieve 95 - 100% compliance rating against national environmental audit criteria by December 2023, from current compliance of 85%.	• Improved environments • Improved patient safety • Safer working conditions • Better facilities and outdoor access • Improved compliance including CQC, PLACE etc.
Adult Mental Health Secure and Adult Acute Inpatients	To meet increased regional demand for services i.e right number of beds in the right place at the right time (In line with national and regional strategy – see New Care Models, Transforming Care and Deciding Together, Delivering Together public consultation outcomes)	100% reduction in eligible out of area placements by November 2023. (51) 50% reduction in the numbers of people from the northern region waiting for secure beds by November 2025.	• Care closer to home • Reduced travel enabling more visits • Improved patient experience and outcomes • Reduced costs • Achieve secure CQUIN MH4 Discharge and Resettlement • Achieve CQUIN MH5 CYPS Inpatient Transitions • Improved pathway flow / reduced waiting times • Compliance with national programmes (including Transforming Care, New Care Models, Mental Health Service Review) • Achieve outcomes of public consultation.
Adult and CYPS Secure, Adult Acute Inpatients	To ensure efficient utilisation of the NHS estate	Extraction of services from non-Trust sites by December 2024 creating a revenue saving. Full utilisation of retained estate at Northgate hospital and Ferndene sites. Vacation of land at Newcastle General Hospital site currently occupied by the Hadrian Clinic, which has now been sold to Newcastle University.	• Revenue savings associated with annual costs • Achieving national occupancy level standards within modern purpose built facilities whilst vacating underutilised buildings that are no longer fit for purpose • Freeing up public land for reuse e.g. housing sites at Northgate • Vacating space to be utilised by Newcastle University for a medical research facility at the Campus for Ageing and Vitality.
Adult and CYPS Secure	To allow the Trust to continue to provide national children and young people's services (one of only two sites in the country that admit CYPS females). To make services sustainable by maintaining viability and competitiveness	Continuation of service provision via the Trust over the next 10 years. Adult secure, CYPS and adult acute services in CEDAR delivering a surplus by end 2024/25 financial year. Meeting CQC recommendations to improve the quality of accommodation for CYPS.	• Reduction in annual agency expenditure • Recurring cost efficiencies / economies of scale • Improved performance • Reputational enhancements • Ability to meet current and projected demand • Provide purpose built facilities for CYPS in line with CQC recommendations

Table 11 – SMART investment objectives

6.15 Benefits, constraints, dependencies and risks

The programme has a range of benefits from a patient level to macro benefits for wider society. These have been broken down as below:

Patient:

- Improved environment
- Care closer to home
- Improved quality of care
- Improved patient safety
- Improved patient experience and outcomes.

Patient families:

- Reduced travel enabling more visits
- Reduced costs
- Peace of mind (improved care).

Clinicians:

- Safer working conditions
- Quicker response times
- Centres of excellence / shared learning
- Improved staff recruitment and retention
- Improved career development.

Administration:

- Better facilities
- Collaboration
- Easier access to patient records.

Trust:

- Improved compliance including CQC
- Achieve secure CQUIN MH4 Discharge and Resettlement
- Achieve CQUIN MH5 CYPS Inpatient Transitions
- Reduction in agency costs
- Cost efficiencies / economies of scale
- Improved performance
- Reputational enhancements.

Local health economy:

- Reduced A&E admissions
- Reduced pressures on local authority services
- Financial savings
- Improved pathway flow / reduced waiting times
- Reduced GP / primary care re-attendance
- Compliance with national programmes (including Transforming Care, New Care Models, Mental Health Service Review)
- Delivery of the outcome of the consultation on the future of inpatient adult assessment and treatment services for Newcastle and Gateshead
- Secures long-term viability of local and national services provided by the Trust.

Society:

- Improved transforming care
- Public safety enhancement
- Freeing up public land for reuse e.g approximately 134 housing sites at Northgate
- Vacating space to be utilised by Newcastle University for a medical research facility at the Campus for Ageing and Vitality
- Providing space for strategic development within the Queen Elizabeth Hospital site, Gateshead
- PAGABO is leading the way in Social Value and how it is accounted for. To date the total social return on investment on PAGABO projects is £1.54bn.

Constraints

- National constraints regarding New Models of Care
- The outcomes of the Deciding Together, Delivering Together Consultation
- The constraints of secure environment provision.

Dependencies

All streams of the programme are intrinsically interdependent. Without undertaking all outlined works on the Northgate site, the Trust would not be able to relocate existing patients to vacate necessary wards on the St Nicholas Hospital site to then move in Newcastle/Gateshead adult acute wards. It is necessary to vacate current Newcastle/Gateshead wards due to:

- The agreed outcomes of Deciding Together, Delivering Together public consultation
- Poor physical environment on the Tranwell Unit
- Pressure to vacate Hadrian Clinic, Campus for Ageing and Vitality as soon as possible with the termination of the lease due in March 2022, with the option of a further maximum extension of two years. The site will then be redeveloped by Newcastle University to create a world leading centre for ageing research.

Risks

The list of potential risks in appendix E identifies, assesses and costs the residual risks to the programme. Regular risk workshops have been undertaken throughout the programme and costs allocated to each risk whether borne by the Trust or the main contractor. High scoring risks are summarised and discussed in more detail in section 10.11.

7. ECONOMIC CASE

This section summarises the long list of options considered by the Trust, our options appraisal and benefit criteria for the programme. Full details were provided in the OBC and the Joint Investment Committee confirmed full support to our preferred option. The OBC economic appraisal has been reviewed and as there have been no changes to the scope of the project and minimal changes to assumptions and costs in this FBC, the OBC economic appraisal is consistent with this FBC.

7.1 Options appraisal process

This option appraisal process follows Government guidance, including H.M. Treasury's 'Green Book' and also NHS Improvement capital regime, investment and property business case approval guidance for NHS Trusts and Foundation Trusts. The Trust has followed the guidance when generating options, including the application of the Five Case Model. Additional social value calculations are available in appendix F.

7.2 Option appraisal – long list

The long list of options are as below:

- Option one - do nothing, remain in existing accommodation on the following sites
- Option two – do minimum (Business as usual)
- Option three - capital developments at Northgate (south end of site) and St Nicholas Hospital
- Option four - capital development on a green field site
- Option five -capital developments on Northgate, St Nicholas Hospital and Ferndene sites
- Option six - capital developments at Northgate (north end of site) and St Nicholas Hospital
- Option seven - adult acute services on other Trust sites.

No other options were considered as being realistically achievable as the Trust is constrained by:

- The availability of land on our existing sites
- Timescales, particularly relating to termination of the lease for the Hadrian Clinic service
- Risks relating to public acceptability of developing medium secure mental health and learning disability facilities in new locations.

7.3 Options appraisal – from long list to short list

Critical success factors were identified to help appraise the options – both to reduce the long list of options to a shortlist and to develop the benefit criteria used to

appraise the shortlisted options. The critical success factors are shown in table 12 below.

No.	Critical Success Factor (Descriptor)	Measure (SMART)
1.	Meeting National/ICS level strategies for all services in scope	Audit against strategic objectives
2.	Repatriation of all eligible out of area placements in line with new care models	100% reduction in eligible out of area placements by November 2023
3.	Prevent the need for the Trust to serve notice on critical national secure services provider contract	Maintenance of contract as at November 2023
4.	Fully meeting outcomes identified in the Deciding Together, Delivering Together public consultation	Re-provision of adult acute wards onto the St Nicholas hospital site by December 2023
5.	Reduction in waiting times for regional secure beds	50% reduction in the numbers of people from the northern region waiting for secure beds by November 2025. Allowing 24 months post build completion allows the necessary flexibility to manage the learning disability and mental health MSU bed demands and occupancy levels safely during transition
6.	Addressing current environmental risks associated with services in scope	Removal of all current environmental risks identified on Trust list of potential risks for all of the services in scope by December 2023
7.	Achieving national environmental standards for the services in scope	Achieve 95% compliance rating against national audit criteria by December 2023, allowing time between build completion and snagging before collating patient views about their new environment
8.	Improving the quality of patient experience during their hospital stay	Demonstrable improvement in patient experience ratings via current audit systems by November 2025
9.	Reducing recurring costs of services	Achievement of £8.5m recurring financial improvement by April 2024
10.	Efficient utilisation of Trust Estate	Reduction in land area used by approximately 17 acres and the sale of excess land on the Northgate site for £6.21m in order to support CEDAR capital project. Reconfigure existing underutilised ward space at Ferndene to provide two medium secure wards

Table 12 – Critical success factors

Options one, four, six and seven were rejected for the reasons explained and ratified in the OBC.

7.4 Shortlisted options

The remaining three shortlisted options and benefits are described in more detail below. The configuration of services is illustrated in table 13 overleaf. The financial cost of these options is provided in section 7.7.

The Trust considers that the options that were appraised in the OBC remain appropriate for consideration in the FBC and there are no new options.

	Northgate Hospital, Morpeth	St Nicholas Hospital, Newcastle upon Tyne	Hadrian Clinic, Campus for Ageing and Vitality	Tranwell Unit, Queen Elizabeth Hospital, Gateshead	Ferndene Unit, Prudhoe
Option Two (Do minimum)	Adult Secure, Learning Disability	Adult Secure, Mental Health	Adult Acute (new facility still required)	Adult Acute	
		CYPS Medium Secure			
Option Three	Adult Secure, Learning Disability	Adult Acute (Hadrian Clinic)			
	Adult Secure, Mental Health	Adult Acute (Tranwell Unit)			
	CYPS Medium Secure				
Option Five	Adult Secure, Learning Disability	Adult Acute (Hadrian Clinic)			CYPS Medium Secure
	Adult Secure, Mental Health	Adult Acute (Tranwell Unit)			

Table 13 – Shortlisted options, site specific services

Option two – Do minimum (Business as usual)

For adult secure services, this option would continue to provide services from both Northgate and St Nicholas Hospital sites, with refurbishment of the existing secure accommodation at Northgate to address immediate concerns. Bamburgh Clinic would remain as it is.

The CYPS medium secure services (Alnwood) would remain at St Nicholas Hospital but no costs are identified to improve this accommodation as it is considered that no level of refurbishment could overturn the fundamental limitations of the building and meet the CQC recommendations. The future provision of this service would need to be reconsidered by the Trust if this option was chosen.

This option is not a viable option for adult acute services, as the Trust must vacate the Hadrian Clinic in Newcastle as the Campus for Ageing and Vitality site on which it is located has already been sold by the previous NHS landlord to Newcastle University. Services would have needed to remain at Tranwell (vacated Thursday 31 October 2019, returned to Gateshead Health NHS Foundation Trust), even though this is an isolated mental health facility set on an acute hospital site with known deficiencies.

Strengths	Weaknesses
• Minimal expenditure • No consultation • Minimal disruption	• Fails to deliver any critical success factors • Jeopardises future viability of medium secure services and Ferndene site • Fails to deliver on Deciding Together Delivering Together or any stakeholder objectives
Opportunities	**Threats**
• Reallocation of under used space by other services	• Stifles operational growth • Render some services unviable • Negative impact on CQC outstanding rating • Negative impact on national standards

Table 14 – Option two SWOT analysis

Benefit Description	Benefit Category	
No disruption to clinical service delivery	Service continuity	Unmonetisable
Some improvements to patient environments through backlog works being undertaken	Environment	Unmonetisable
Significantly less capital expenditure (Backlog work only)	Financial Efficiency	Unmonetisable
No staff consultations would be required as there would be no service moves or staffing model changes	Workforce	Unmonetisable

Table 15 – Option two benefits appraisal

Option three - New Build at Northgate (south end of site) for adults and CYPS medium secure services

For adult and CYPS medium secure services this option would deliver a full redesign of the whole pathway and provide an opportunity to create a 'heart of the hospital model', incorporating state of the art facilities, whilst creating new business opportunities for growth to meet demand and repatriate out of area placements.

The new build facility would comprise of 74 adult medium secure beds and 14 CYPS medium secure beds. The adult service would operate as an integrated service with two other existing adult wards on the site (Tyne and Tweed which provide 42 low secure and rehabilitation beds) providing a total of 116 adult beds in the proposed new bed model. The new service would also operate alongside the recently completed autism unit (which would need to be reprovided at a cost of circa £12m if the adult secure service was not provided on this site).

The proposed single secure hospital on the Northgate site would offer services and facilities for people with learning disability, mental health and complex needs. This, aligned with services provided by Tees, Esk and Wear Valleys Foundation NHS

Trust, and developments in community forensic services, would enable the ICS to be a national leader in the provision of comprehensive secure services for its population.

In addition to the inpatient units, the new facility would also include a full range of associated physical treatment and mental health recovery and therapeutic facilities, family and visitor facilities, support services and management and administrative facilities. This option would ensure the Northgate site would be fully utilised to maximise the site capacity but would only release approximately 11.4 acres of site for housing development.

As the design was developed it became clear that the opportunities to share space and clinical resources between adult and CYPS medium secure services were virtually non-existent.

For adult acute services, the transfer of the existing adult secure service in the Bamburgh Clinic on the St Nicholas Hospital site to the new build facility described above, would enable it to be upgraded and extended to provide state of the art adult acute mental health inpatient facilities for the population of Newcastle and Gateshead. The service would comprise of 68 beds, 54 in Bamburgh Clinic and 14 in Bede Ward, also on the St Nicholas Hospital site. This would provide two male and two female wards, replacing existing wards at the Hadrian Clinic on the Campus for Ageing and Vitality (CAV) site which is part of the Newcastle upon Tyne Hospitals NHS Foundation Trust estate and the Tranwell Unit on the QE Hospital site, which was vacated and returned to Gateshead Health NHS Foundation Trust on Thursday 31 October 2019.

Strengths	Weaknesses
• All medium secure services on one site • Easier transition from CYPS to adult services • It meets all critical success factors apart from efficient utilisation of estate at Ferndene • Supported by stakeholders • Easier to obtain planning approval	• High capital cost • Isolation of land at Northgate • Ferndene unit future viability • Inefficient operation of Ferndene • Inability to share space between adults and CYPS due to safeguarding concerns
Opportunities	**Threats**
• More land retained for future expansion • Centralised medium secure skill set	• Future viability of Ferndene questionable

Table 16 – Option three SWOT analysis

Benefit Description	Benefit Category	
All medium secure services would be on one site which would create an accessible critical mass of skilled clinical expertise	Treatment Options	Cash Releasing - Included in Revenue Costing
Closer working arrangements between services would support improved transitions from CYPS secure pathways into adult service pathways where this is indicated	Clinical Pathways	Unmonetisable
Repatriation of all eligible out of area placements in line with new care models	Treatment Options	Cash Releasing - Included in Revenue Costing
Provision of en-suite facilities to services that currently do not have them	Privacy and Dignity	Unmonetisable
Increased levels of quiet, chill out and sensory room facilities	Privacy and Dignity	Unmonetisable
Improved de-escalation facilities	Privacy and Dignity	Non Cash Releasing Benefit
Improved reception and search environments	Patient Safety	Unmonetisable
Introduction of multi faith rooms and visitor facilities	Privacy and Dignity	Unmonetisable
Improved seclusion facilities	Patient Safety	Cash Releasing - Included in Revenue Costing
Improved access to individual dining facilities	Privacy and Dignity	Non Cash Releasing Benefit
Increased levels of safe outdoor areas including individual outdoor space	Patient Safety	Societal Benefit
Having all secure services on one site will significantly improve emergency response capability	Patient Safety	Cash Releasing - Included in Revenue Costing
Increased numbers of smaller communal/social areas	Privacy and Dignity	Unmonetisable
Increased access to sports/gym facilities	Improved Physical Health Options	Societal Benefit
Reduction in waiting times for regional adult secure beds	Patient Waiting Times	Cash Releasing - Included in Revenue Costing
The option meets the majority of identified critical success factors	Strategic	Unmonetisable
This option was supported by key stakeholders and service commissioners	Stakeholders	Unmonetisable
Easier to obtain planning approval as proposals involve two sites as opposed to three	Planning	Unmonetisable
Having all adult secure services on one site would allow for economies of scale to be realised through service rationalisation & new ways of working	Financial Efficiency	Cash Releasing - Included in Revenue Costing

Table 17 – Option three benefits appraisal

Option five – capital developments on Northgate, St Nicholas Hospital and Ferndene sites

This option is the same as option three, except that the CYPS medium secure service, currently at St Nicholas Hospital, would be relocated to the Trust's CYPS Ferndene Unit in Prudhoe, Northumberland rather than to Northgate Hospital. In addition the existing CYPS inpatient services at Ferndene are reconfigured into a more efficient and sustainable clinical model and physical arrangement.

The award winning Ferndene unit opened in 2011, and provides an integrated mental health and learning disability inpatient service for children and young people. It opened with four inpatient wards, providing a mix of 40 low secure and open beds, but following recent changes to improve the community care pathway for children and young people with a learning disability, there has been a significant reduction in admissions leading to under occupancy in the learning disability wards. This option would reconfigure and extend two of the Ferndene wards to accommodate 14 medium secure beds. The space occupied by the other two wards, providing 24 beds, would be reconfigured in line with newly developed integrated models of care, which entails making significant changes to the environment in line with current patient needs whilst optimising accommodation for a general admission unit, PICU, low secure and learning disability patients. There is the ability to share existing, underutilised educational, sports and workshop facilities at Ferndene, which reduces the capital cost of providing such new build facilities.

This option would consolidate the Trust's adult secure inpatient services at Northgate Hospital and the Trust's children and young people's medium secure inpatient beds at Ferndene whilst also making significant improvements to other areas of Ferndene in line with the changing needs of the CYPS inpatient population.

As with option three, it would improve utilisation of the Northgate Hospital site but additionally improve utilisation and future sustainability of the Ferndene site, and increases the land sale area to 17 acres (additional receipt value) in comparison to option three.

Strengths	Weaknesses
• Fulfils all critical success factors • Lower capital costs • Safeguards sustainability of Ferndene • Critical mass for CYPS staff expertise • Greater land sale opportunity • Optimum utilisation of estate • Positive staff feedback/greater support • Better facilities for medium secure CYPS patients • Better land utilisation • Improved buildability at Northgate • Patients familiar with location whilst moving through secure pathways (MS/LS/LD) • Improved PICU facilities at Ferndene • Improved low secure and LD admission facilities at Ferndene • Ability to implement new integrated care models at Ferndene	• Disruption over three sites rather than two • Limited expansion opportunities for both services
Opportunities	**Threats**
• Closer working over the CYPS pathway • Greater integration with local community for both services	• Achieving national secure standards with regards to secure perimeter • Re-designation of an existing low secure site to a medium secure site • Obtaining planning approval

Table 18 – Option five SWOT analysis

Benefit Description	Benefit Category	
All adult medium secure services would be on one site which would create an accessible critical mass of skilled clinical expertise	Treatment Options	Cash Releasing - Included in Revenue Costing
All CYPS inpatient services would be on one site which would create an accessible critical mass of skilled CYPS clinical expertise	Treatment Options	Cash Releasing - Included in Revenue Costing
Closer working arrangements between service pathways will support improved transitions across levels of security in both adult and CYPS service pathways	Care Transition	Unmonetisable
Having all adult medium secure services on one site will significantly improve emergency response capability	Patient Safety	Cash Releasing - Included in Revenue Costing
Having all CYPS inpatient services on one site will significantly improve emergency response capability at Ferndene	Patient Safety	Cash Releasing - Included in Revenue Costing
Provision of en-suite facilities to services that currently do not have them	Privacy and Dignity	Unmonetisable
Increased levels of quiet, chill out and sensory room facilities	Privacy and Dignity	Unmonetisable
Improved de-escalation facilities	Patient Safety	Non Cash Releasing Benefit
Improved reception and search environments	Patient Safety	Unmonetisable
Introduction of multi faith rooms and visitor facilities	Privacy and Dignity	Unmonetisable
Improved seclusion facilities	Patient Safety	Cash Releasing - Included in Revenue Costing
Improved access to individual dining facilities	Privacy and Dignity	Non Cash Releasing Benefit
Increased levels of safe outdoor areas including individual outdoor space	Patient Safety	Societal Benefit
Increased numbers of smaller communal/social areas	Privacy and Dignity	Unmonetisable
Increased access to sports/gym facilities	Improved Physical Health Options	Societal Benefit
Reduction in waiting times for regional adult secure beds	Patient Waiting Times	Cash Releasing - Included in Revenue Costing
Having all adult secure services on one site would allow for economies of scale to be realised through service rationalisation & new ways of working	Financial	Cash Releasing - Included in Revenue Costing
Having all CYPS Inpatient services on one site would allow for economies of scale to be realised through service rationalisation & new ways of working	Financial	Cash Releasing - Included in Revenue Costing
Additional improvements to Ferndene ensures that the environment is more aligned to current and projected patient needs	Environment	Cash Releasing - Included in Revenue Costing
Additional improvements and adaptations to Ferndene ensures that the facility will be fully utilised	Environment	Cash Releasing - Included in Revenue Costing
The option meets all identified critical success factors	Strategic	Unmonetisable
This option was supported by key stakeholders and service commissioners	Stakeholders	Unmonetisable

Table 19 – Option five benefits appraisal

7.5 Non-financial benefit criteria

The desired non-financial benefits from implementing a change in the way in which services are provided, were derived from numerous perspectives i.e the Trust, the commissioning agencies and service users. These have been grouped into five main benefit criteria:

1. Effectiveness of clinical services
    a. High quality clinical service is delivered (Royal College of Psychiatrists, CQC, AIMS standards)
    b. Re-provided services gain significant levels of credibility with key stakeholders and referring agencies
    c. Supports seamless pathway between inpatient and community based services/teams
    d. Supports positive patient outcomes
    e. Reduced length of stay
    f. Reduced frequency in use of seclusion and alternatives such as de-escalation
    g. Reduction in duration of seclusion
    h. Improved dental care for patients
    i. Improvement in physical health and wellbeing
    j. Wider range of skills for independent living
    k. Quicker admission of service users to the appropriate level of security through the co-location of adult secure services and, low and medium secure CYPS
    l. Transform care for patients and members of the public.

2. Accessibility for patients
    a. Access to quality day care services and education facilities
    b. Access to local services for rehabilitation
    c. Suitability of geographical placement
    d. Access for visitors.

3. Staffing Implications
    a. Recruit and retain suitably qualified and experienced medical workforce
    b. Reduced need for formal staff consultation
    c. Minimal redeployment of staff
    d. Appropriate staffing to support clinical model
    e. Positive work life balance for staff
    f. Improved staff facility
    g. Reduction in restrictive practice (use of supportive observations) which can slow down care pathway and is a very intrusive experience for the patient

h. With the integration of learning disability/mental illness services on one site there will be an increased need for a cross-skilled workforce, creating opportunities for professional development.

4. Operational and Environmental Suitability
    a) Buildings are therapeutic environments and fit for purpose
    b) Current estate - utilisation increases from 75% to 100%
    c) Increased access to a full range of therapies by the provision of designated psychological and occupational therapeutic spaces/rooms
    d) Improve privacy and dignity for service users by the provision of single en-suite bedrooms
    e) Increased access to outside space and fresh air for patients
    f) Improved access to medical treatment following increased availability of treatment rooms on wards
    g) Improved environment for patients whilst in seclusion
    h) Greater autonomy and independence for the services within the unit
    i) Increased therapy and social spaces will provide greater opportunities for social interaction for service users
    j) Facilitating patient access to therapy on a 24/7 basis by providing therapeutic content to be accessed by service users, especially during times when provision is limited.

5. Strategic Fit (Achievability, Future Sustainability and Flexibility)
    a) Delivering the outputs of Deciding Together, Delivering Together
    b) Helping to deliver Trust strategic objectives
    c) Compliance with targets and future performance requirements
    d) Acceptability to stakeholders (CCGs/Patients/Carer)
    e) Absence of major constraints, positive overview and scrutiny
    f) Ability to sustainably meet current and future demand for service
    g) Designed to be in a position to respond to longer term strategy aims (Intermediate care/North ICS/Gateshead)
    h) Greater flexibility to respond to demand for beds and to deliver services that meet the national service review for secure care
    i) Adhere to and enhance the Trust's Estates strategy.

7.6 Financial option appraisal

The following paragraphs describe the financial appraisal of the shortlisted options.

Option two - Do Minimum Option

The capital costs for the do minimum option are £27.7m over the next four years at out-turn prices and £26.2m at 19/20 prices. This cost includes capital lifecycle costs (£0.3m), planned backlog maintenance to address immediate concerns on the Northgate site (£3.7m) and the replacement of Hadrian clinic (£23.7m). The Hadrian

clinic cost has been based on cost models that have been developed from recently completed schemes.

The revenue figures in the table below reflect services maintaining current levels of income and pay and non-pay expenditure. Services currently cost more to provide than the income received and make a loss of £8.5m per annum.

The need for capital investment to address lifecycle and backlog maintenance and the replacement of Hadrian Clinic results in increased capital charges but these are offset by savings in rent/capital charges on existing accommodation split across two sites. An analysis of the Do Minimum option costs at 2019/20 prices are shown in table 20 below:-.

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	Total £000
Capital Cost		1,111	2,004	18,792	4,319		26,226
Revenue Impacts							
Total Income	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	
Ward Costs	23,400	23,400	23,400	23,400	23,400	23,400	
Other Direct Costs	10,100	10,100	10,100	10,100	10,100	10,100	
Support Costs	12,800	12,800	12,800	12,800	12,600	12,400	
Capital Charges	1,200	1,200	1,200	1,200	1,500	1,600	
Total Spend	**47,500**	**47,500**	**47,500**	**47,500**	**47,600**	**47,500**	
Trust Total Net Cost	**-8,500**	**-8,500**	**-8,500**	**-8,900**	**-9,000**	**-8,500**	
Commissioner Out of Areas Costs	**-4,200**	**-4,200**	**-4,200**	**-4,200**	**-4,200**	**-4,200**	
Total Net Cost	**-12,700**	**-12,700**	**-12,700**	**-12,700**	**-12,800**	**-12,700**	

Table 20 – Option two

The above table reflects Trust costs and the costs of out of area patients that will be repatriated as a result of this development. These have been included in the do minimum option in the Comprehensive Investment Appraisal (CIA) Model as these will be avoided in Options three and five from 2023/24.

Option three – CYPS at Northgate

The capital costs of this option are £77.8m at out-turn prices and £73.5m at 19/20 prices. Capital costs for 19/20 of £5.5m are excluded from the economic appraisal as these are sunk costs and will be incurred whether or not the scheme goes ahead. An analysis of Option three costs at 2019/20 prices are shown in table 21 overleaf:-

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	Total £000
Capital Cost	5,524	13,208	31,492	21,425	1,881		73,530
Revenue Impacts							
Total Income	**39,000**	**39,800**	**39,300**	**39,300**	**45,500**	**46,500**	
Ward Costs	23,400	23,600	23,200	23,200	22,500	22,500	
Other Direct Costs	10,100	10,100	10,000	10,000	9,800	9,800	
Support Costs	12,800	12,300	12,200	12,200	11,000	10,900	
Capital Charges	1,200	1,300	1,300	1,600	2,600	2,600	
Total Spend	**47,500**	**47,300**	**46,700**	**47,000**	**45,900**	**45,800**	
Trust Total Net Cost	**-8,500**	**-7,500**	**-7,400**	**-7,700**	**-400**	**700**	
Commissioner Out of Areas Costs	**-4,200**	**-4,200**	**-4,200**	**-4,200**			
Total Net Cost	**-12,700**	**-11,700**	**-11,600**	**-11,900**	**-400**	**700**	

Table 21 – Option three

Option five – CYPS at Ferndene

The capital costs of the preferred option are £72.56m at out-turn prices and £68.9m at 19/20 prices. Capital costs for 19/20 of £5.5m are excluded from the economic appraisal as these are sunk costs and will be incurred whether or not the scheme goes ahead. The costs of the preferred option at 19/20 prices are shown in table 22 below:-

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	Total £000
Capital Cost	5,524	13,536	31,057	15,855	2,928		68,900
Revenue Impacts							
Total Income	**39,000**	**39,800**	**39,300**	**39,300**	**45,500**	**46,500**	
Ward Costs	23,400	23,600	23,200	22,700	21,500	21,500	
Other Direct Costs	10,100	10,000	9,800	9,600	9,300	9,300	
Support Costs	12,800	12,300	12,200	11,800	10,600	10,500	
Capital Charges	1,200	1,300	1,300	1,500	2,500	2,500	
Total Spend	**47,500**	**47,200**	**46,500**	**45,600**	**43,900**	**43,800**	
Trust Total Net Cost	**-8,500**	**-7,400**	**-7,200**	**-6,300**	**1,600**	**2,700**	
Commissioner Out of Areas Costs	**-4,200**	**-4,200**	**-4,200**	**-4,200**			
Total Net Cost	**-12,700**	**-11,600**	**-11,400**	**-10,500**	**1,600**	**2,700**	

Table 22– Option five

7.7 Identifying the best value for money option

A cost/benefit analysis has been undertaken for the three possible short listed options in line with guidance and a CIA model has been completed. The appraisal has been carried out over a period of 60 years from the completion of construction and discount rates of 3.5% for the first 30 years and 3% for the remaining years have been used. Capital costs for 19/20 have been treated as sunk costs and excluded from the appraisal. The net present social values are shown in table 23 below:-

Incremental costs and benefits cost	**Discounted sum of cash flows (years 0-64)**				
	Option 2 Do minimum	**Option 3 CYPS at Northgate**	**Option 5 Preferred option**	**Incremental Costs/Benefits**	
				Option 3	**Option 5**
	£m	**£m**	**£m**	**£m**	**£m**
Costs					
Capital Costs	45.9	77.4	70.2	31.5	24.3
Revenue Costs	1,348.2	1,188.9	1,142.6		
Risks	1.0	4.6	3.6	4.6	3.6
TOTAL COSTS	**1,395.1**	**1,270.9**	**1,216.4**	**36.1**	**27.9**
Benefits					
Revenue Cost Reduction				(159.3)	(205.6)
Cash Releasing Benefits (Asset Sale)		(3.9)	(4.6)	(3.9)	(4.6)
Non Cash Releasing Benefits		(10.1)	(10.1)	(10.1)	(10.1)
Societal Benefits	(1.0)	(7.3)	(7.3)	(6.3)	(6.3)
TOTAL BENEFITS	**(1.0)**	**(21.3)**	**(22.0)**	**(179.6)**	**(226.6)**
Net Public Value	**1,394.1**	**1,249.6**	**1,194.4**	**143.5**	**198.7**
Benefit Cost Ratio				**4.97**	**8.12**

Table 23– Cost/benefit analysis

Table 23 is a summary of the CIA model results. The discounted revenue cost reductions are based on the costs of the different options at 19/20 prices. The main areas of cost reduction at 19/20 prices (preferred option values) are as follows:

- Ward staffing - CYPS £0.9m from reduction in number of wards and new models of care. Adult Secure £0.9m as a result of more functionally suitable accommodation and standard unit sizes
- Clinical support staff - CYPS £0.6m from co-location onto one site and a reduction in bed/patient numbers. Adult Secure £0.2m as a result of co-location onto a single site
- Estates and facilities costs - CYPS £0.8m from reduction in space occupied (1 ward less) and co-location onto a single site. Adult Secure £1.3m from reduction in space occupied and co-location onto a single site.

The cost reductions are based on the proposed staffing levels which have been identified by the clinical teams and estimated estates and facilities costs for proposed accommodation.

The table above shows that the preferred option delivers an incremental benefit of £198.7m over the Business as Usual option and a value for money benefit-cost ratio of 8.12. It also shows a benefit of £55.2m over option three.

The preferred option delivers a financial improvement that eradicates the current £8.5m deficit which would continue under the 'Do Minimum/Business as Usual' option. This will make the services sustainable going forward. It also enables the further land sale (estimate £6.21m) at the Northgate site, through a hybrid planning application, which was approved by Northumberland County Council on Tuesday 7 January 2020, which will part fund this proposal and facilitate the building of 134 new homes.

This development ensures the longer term sustainability of secure services which means these services will continue to be provided within the ICS. It also secures employment in Northumberland for a large workforce of 800 staff which is an economic benefit to the whole region. This development enables the Trust to support the ICS to become entirely self-sufficient in its management of secure inpatient services for its local population. Funding which is currently invested outside of the ICS footprint or within the private sector will be brought back into the NHS and ICS footprint.

Additionally, the current split across multiple sites limits economies of scale, dilutes clinical expertise and fragments the patient pathway. The Trust aspiration is to co-locate adult secure services to a single integrated site and CYPS to a secure specialist site. This development will deliver a recurrent financial improvement of £8.5m which will make the services sustainable and ensure the on-going provision of secure services.

7.8 Conclusion and clear recommendation for preferred option

As per the options appraisal, the preferred option is option five.

The scheme will achieve the following benefits:

- Compliance with national programmes including Transforming Care, New Care Models, Mental Health Service Review
- Securing long-term viability of local and national services provided by the Trust
- Delivery of the outcome of the consultation on the future of inpatient adult assessment and treatment services for Newcastle and Gateshead
- Improved outcomes for patients
- Achieving Secure CQUIN MH4 Discharge and Resettlement
- Achieving CQUIN MH5 CYPS Inpatient Transitions

- Improved clinical environments, including compliance with CQC recommendations
- Achieving standards in line with the Greenlight Toolkit
- Fully aligned with mental health workstream of the ICS and delivery of the NHS long term plan.

The proposal recognises a clear responsibility not only to provide mental health services for people experiencing mental ill health, but to also ensure people with serious mental illness (SMI) have access to, and experience good physical health care. The flexibility planned for the resource will ensure that services can adapt to presenting need across the ICS area. There is a need to break down barriers between mental health and learning disability services, realigning provision to support the aim to ensure that all of those needing services are able to access appropriate services locally. The preferred option meets this need.

Services provided will be focussed on rehabilitation and step down, working closely with community services across an integrated pathway. The Trust envisages a reduction in length of stay within secure service beds by at least 10% and less inappropriate admissions, either out of area or within the private sector where individuals experience long stays, limited therapeutic interventions, and limited opportunities for progress.

CYPS low secure and open services at Ferndene will support a natural step down in security environment as patients move towards discharge.

Similarly, enabling the Bamburgh Clinic on the St Nicholas Hospital site to become available for Newcastle and Gateshead Adult Mental Health Services will provide an opportunity for the services to become consolidated in one area (which fits with the expectations of the Deciding Together, Delivering Together public consultation) in a suitable environment meeting contemporary standards.

The Trust expects that the environment will have a positive impact on service user's, carer's and staff wellbeing and potentially reduce incidents and promote recovery. Bed numbers per unit reflect the recommendations from the Royal College of Psychiatrists. Consolidating four wards onto the St Nicholas Hospital site will bring benefits in terms of cross cover and more effective utilisation of staff, particularly in relation to clinical support staff. Co-location will mean a greater number of services remain based on the site, reducing the risks associated with isolation, and more effective response to emergency situations. It will also result in a reduction in the number of sites for out of hours' medical cover, which will have a positive impact on responsiveness of junior doctor expertise to help manage these circumstances.

It will enable the opportunity to combine staffing resources across multi-disciplinary teams, which will increase productivity. Re-locating services to Bamburgh Clinic will ensure that adult inpatient services will continue to be delivered within the Newcastle and Gateshead locality, which was one of the main required outcomes of the public

consultation and expectations of external stakeholders and is fully in line with the outcome of the Deciding Together, Delivering Together public consultation completed in June 2016. Furthermore, links to community services and local services will remain through the continued provision of service within the city.

7.9 Performance

With regard to performance, the proposal aligns with a number of ICS priorities; the new and reconfigured buildings will provide the physical health care facilities to ensure holistic patient needs are addressed, reducing demand on acute services wherever possible. The physical health agenda will extend to health promotion, encouraging personal responsibility through co-produced recovery plans. The Trust continues to explore options including working with CNTW Physical Health Link Nurses, Triage Nurses and trainee general nurses to ensure that the health care needs of the adult patients at Northgate are met. This includes the holistic annual health check criteria, general ill health screening and monitoring (including diabetic, asthma, well man and bowel screening) as well as health promotion (weight management, alcohol and tobacco cessation and physical activity), which is already in place (and links to the Trust's RiO physical health screens and CQUIN's).

Additionally, the provision of a single adult site facility for secure services will allow a skilled workforce to be further developed, reducing demand on the wider health and care economy. It will also help to alleviate pressure in relation to waiting times; at present there are issues surrounding this, including: waiting times for care on a low secure unit being up to six months; Ministry of Justice recalls; ability for community treatment order recalls; clinical urgencies relating to prisoners; and the ability to access services quickly. The Trust foresees that this project will improve links with private and voluntary sectors, and improve pathway flow due to its community facing element (in-keeping with the future of forensic services, which is heading towards a community forensic model with a need to deliver 24/7 crisis response).

It is also important to note that there are presently no dedicated services for Forensic Personality Disorder patients within the North East footprint. Of those originating from the North East with a Personality Disorder diagnosis, they are often placed in specialist services miles away from family and friends, the nearest unit being over an hour's drive away.

Adult Secure Services

The metrics will be developed to align with the ICS priority areas, Five Year Forward View for Mental Health and monitoring potential savings as outlined in the strategy unit report. The Trust will monitor and would expect to see:

- The number of patients placed in secure services out of area decrease
- The distance patients are placed from home reduce
- A reduction in the average length of stay (ALOS) in hospital
- Waiting times for a hospital bed (including for those currently in prison awaiting assessment and treatment) reduce

- A reduction of violence and aggression
- Ensuring no suicides and no never events

It is envisaged that the ongoing work by Secure CBU in relation to its internal quality priorities in line with the former NHSE CQUIN (MH4 Discharge and Resettlement) will achieve at least a 10% reduction in the current average length of stay.

In secure services the Average Length of Stay (ALOS) in Medium Secure for those discharged during 2018-19 was 796 days. For those discharged from Medium Secure during 2019-20 the ALOS has reduced to 553 days. This equates to a 30% reduction against the previous year.

In Low Secure services the Average Length of Stay (ALOS) for those discharged during 2018-19 was 752 days. For those discharged from Low Secure during 2019-20 the ALOS has reduced to 589 days. This equates to almost a 22% reduction against the previous year.

It is anticipated that ALOS will reduce further due to enhanced service pathways, as well as through the development of a co-located service that is designed to deliver quality care from an environment that is designed to minimise risk, and promote safety and wellbeing. This will enable a more streamlined service, opening up beds earlier to ensure patients are admitted/transferred in a timely manner, and receive treatment to improve health and minimise risk.

A number of systems will be utilised to ensure that the Trust achieves the above, including the work already commenced to repatriate patients close to home through NCM. The Trust has already applied the CQUIN: MH4 to Reduce Average Length of Stay, and has embedded a robust monitoring process linked to the patient electronic records (RiO) and a performance dashboard that is monitored by the Central and Secure Clinical Business Unit (CBU).

For the physical health CQUIN, secure services achieve 100% compliance for service users.

CYPS Secure Services

The same CQUIN (MH4 Discharge and Resettlement) applies to Children and Young People's Services. This applies to all of the Trust's Children and Young People's Services including those at Alnwood.

The CQUIN MH5 CYPS: Inpatient Transitions looks to develop more effective co-ordination of transition plans between services and address common issues with services such as:

- Delayed discharge due to lack of social care provision which is a significant problem
- Difficulties around availability of community support from CYPS
- Transition issues become a greater problem when the child/young person re-presents in crisis.

It is anticipated that the service changes planned across those Trust CYPS Services that are included in the New Care Models approach will influence practice at Alnwood. It should be noted that the key 'fundamentals' of New Care Models are:

- Reduction in number of admissions
- Reduction in average length of stay at hospital
- Reduction in the number of out of area placements for young people
- Reduction in the number of overall miles travelled for hospital admission.

This should be set alongside the national CYPS development that has a clearly stated aim to provide:

"Facilitation of transition into, and out of, secure settings for young people, providing support, advice and practical input as required, follow-up of cases where young people move out of area, facilitating, where appropriate, return from secure custodial, welfare or mental health placements".

Given this, it would be anticipated that, through the development of a reconfigured medium secure unit for CYPS, alongside the service improvements (and expected outcomes) as a result of New Care Models and CYPS, there will be a greater emphasis on:

- Co-ordinated approaches to admission to CYPS MSU including greater emphasis on identifying shorter intended discharge dates
- Shorter lengths of stay enabled by the ability to provide a purpose built, therapeutic space which enables positive approaches and for treatment plans to be delivered earlier (leading to more effective treatment and earlier discharge dates)
- Readily available therapeutic environments which allow for individual needs to be much more readily accommodated at the initial point of admission (enabling admissions to be much more easily facilitated).

Newcastle Gateshead Adult Acute Inpatients

There are a number of key metrics that the proposed scheme will take into account in relation to Adult Acute Inpatient Services. For example, Talk 1st is part of the Trust's positive and safe care strategy to reduce the need for restrictive interventions including physical restraint. By using safewards, starwards and Talk 1st (which is well established within Trust services), the Trust dashboard data indicates a clear reduction in incidents, prone restraint and use of seclusion. The preferred option would facilitate continued improvement in relation to this metric by delivering environments that improve access to outdoor space, chill out / relaxation rooms and de-escalation areas.

The Trust has undertaken work to ensure that patients are free from ligature risks as far as reasonably practicable and strives to maintain safety whilst patients are in care with an embedded policy of engagement and observation. The reconfigured and extended build would be designed to have enhanced levels of sight and be

environmentally ligature free with CCTV and state of the art facilities to enhance safety and well-being.

The CQUIN regarding improving physical healthcare to reduce premature mortality in people with serious mental illness (PSMI) and preventing ill health by risky behaviours will continue to be a priority for the service to improve the health and well-being of those who use inpatient services.

Adult acute services site options

Locations for adult services were considered in the Deciding Together, Delivering Together public consultation of 2016, and three options were identified at this time:

1) St Nicholas Hospital
2) St George's Park, Morpeth and Hopewood Park, Sunderland
3) Gateshead – a location to be identified.

The consultation concluded that St Nicholas Hospital was the preferred site. This decision went through all the appropriate approval processes in addition to the public consultation exercise. The Clinical Commissioning Group produced a Case for Change document and also a Decision Making Business Case, which was sent to NHS England for assurance purposes in May 2016. This outcome has been adhered to through the CEDAR Options Appraisal as work has been on-going since 2016 to deliver this agreed solution. Furthermore the clinical commissioning group letter of support dated Friday 3 July 2020, appendix G, reconfirms the continued validity of the consultation.

7.10 Transformation and Environment

The proposed scheme will have a transformative effect on all of the services in scope. While it is not sustainable to continue to deliver services from existing buildings, the scheme will address the current environmental challenges associated with ageing and deteriorating buildings. It will afford services the flexibility to tailor care to meet the changing needs of patients with complex needs. The shared services incorporated into the Northgate single adult integrated secure site and integrated CYPS facility at Ferndene will not only provide efficiencies via economies of scale, but will help to better integrate delivery of care for service users with complex needs, helping to de-stigmatise services and breakdown existing perceptual barriers. Services will be better placed to adapt to local, regional and national requirements.

The redesigned service will greatly improve the pathway, facilitating reduced waiting times and offering additional beds to repatriate out of area patients to receive care closer to home and prevent people being sent out of area. It is expected that this development, alongside services provided by Tees, Esk and Wear Valleys Foundation NHS Trust, will be able to meet fully the demand for secure services across the ICS area. Appropriate triaging and placement of patients into services

will alleviate pressures on other healthcare providers in the region for example A&E, GPs, community teams, police, prison and social services.

The transfer of adult secure services from St Nicholas Hospital to Northgate allows for the redevelopment of the vacated facilities into state of the art adult acute mental health inpatient services for the population of Newcastle and Gateshead. Co-locating these adult beds on one site enables cross cover and integrated working, across all professional staff groups which will also deliver financial savings through economies of scale.

This programme will improve services for a wide ranging group of patients, improving quality of care through enhanced environments, while strengthening links with the community and will aid recovery and smooth discharge pathways. The Northgate site will be community facing where certain facilities will be accessible to all i.e café, woodwork and GARPRO facilities. This will enhance the surrounding area and contribute to wider cultural issues surrounding stigmas relating to mental health and learning disability. Other benefits include:

- Provision of new facilities with the means to address all challenges identified. Flexibility to deal with physical frailty, gender, age, security level, pathway, speciality, demand, needs (reducing any out of area placements)
- Individual care areas to improve the quality of care recognising safety, patient care need and their dignity
- Delivery of 21st century standard environments supporting modern healthcare
- Future-proofing - flexibility in design to meet changing needs across the ICS across medium/low secure/mental health and learning disability, demand for adult acute inpatient beds
- Individual care delivery caters for people with complex needs, autism and acute mental health presentation – these reduce anxiety, enable optimised care in line with the MHA, Code of Conduct and Trust Policy.

For children's secure services, feedback from the Care Quality Commission (CQC) echoes the benefits listed above suggesting that current environmental provision does not best cater to meet patient need. The provision will be enhanced through the development of amenities that enable patients to access a range of spaces that aid recovery and enable staff to facilitate more efficient treatment focused pathways of care.

New and reconfigured facilities will increase flexibility for both adults and children, and remove challenges surrounding the refurbishment of aged existing stock to meet the required standards outlined by both the Royal College of Psychiatrists Quality Network and the CQC (the current footprint of some wards does not enable additional therapy / quiet time, or access to outside spaces). It is envisaged that the design of the new provision will provide longevity of services and future-proof the effective provision of quality patient focused care.

The aim is to provide an enabling environment which will create a bridge between clinical and non-clinical settings. In addition to traditional therapeutic facilities, the environment will offer de-escalation suites and low stimulation spaces where patients can take time to relax and restore themselves with peace. Multi-disciplinary hubs will assist in developing a single common core vocabulary, as well as shared learning across a range of agencies and services, which will foster productive relationships and promote a healthy workforce.

Clinical outcome measures will be utilised to work in conjunction with the enhanced environmental facilities, in order to reduce the need for restraint. Restrictive practices will diminish due to bespoke environments that are designed to enable freedom of choice and movement, whilst maintaining relational and environmental safety.

The use of Secure PREOMS will enhance hope in recovery, recovery star (national quality standard), and my shared pathway, promoting patient engagement in care. Talk 1st initiatives will enable patients to address frustrations and anxiety and self-manage their anger.

Environments have been designed incorporating national best practice such as enabling environments standards, Royal College of Psychiatrists and NHS England quality standards, Kings Fund, enhancing the healing environment (EHE), as well as the Trust quality initiatives around the house model and discharge pathway.

The environments are designed utilising the Trust's extensive knowledge from previous new builds, drawing upon such designs as the Stirling University Gold Award Winning development at Monkwearmouth Hospital to ensure that key design features and lessons learnt are utilised. This will result in creating functional, state-of-the-art, future-proofed services that enhance the experience of patients, carers and staff. A high level of standardisation is inherent in the design which will allow further flexibility between services if demand and commissioning interest varies with time. The Trust inherited a large, very poor quality mental health and disability services estate. Before its formation in 2006, only 5 - 10% of inpatient accommodation was in NHS condition A or B. Now, at over 90%, it is amongst the best in the country. Fourteen significant new build and refurbishment developments have been completed since 2006, at a capital value of around £180m, the largest being the £50m, 122 bed Hopewood Park hospital in Sunderland, which opened in September 2014. The most recent scheme, the Mitford Unit is a new £12m, 15 person unit providing a highly specialist UK-wide service for adults with an autism spectrum disorder who have extremely complex needs and challenging behaviours. This scheme won Best Mental Healthcare Design in the Building Better Healthcare Awards 2017 and was highly commended in two categories of the European Healthcare Design 2017 awards.

There was very little design research or exemplary purpose built facilities for this type of service and as individual service users respond differently to the sensory

aspects of their environment, this presented a considerable “design challenge”. However, the Trust believes the collaborative approach of an integrated and committed Capital Project Team, particularly in building upon clinical expertise, has created an innovative and world leading facility. This approach included:

- Awareness raising by clinicians with design and construction staff of service users’ requirements
- A day in the life workshop
- Individual room champions, with design sign-off responsibility
- Fully constructed mock-up of an individual’s flat
- Continual evolution of design with the clinical team
- Carer / patient involvement in some internal and external design features
- Integrated artwork into the low sensory environment
- A Team Charter including “challenging ourselves to avoid assumptions and think differently”, with all Charter objectives monitored monthly by the Project Board
- A three-day ‘live-in’ for clinical staff, the Trust’s capital projects team, architects and Trust governors to comprehensively test the unit before it opened.

The CEDAR programme initiates the final stage of this estates and service transformation and encompasses the final major capital scheme required to provide the quality clinical environment experienced by patients throughout the Trust.

The Team’s contribution towards achieving the Trust’s strategic objective – ‘to modernise and reform services providing first class care in first class environments’ is evident in the consistent delivery of award winning new developments over this period, providing excellent environments for patients, staff and visitors.

The Team has shown determination to improve the patient and carer experience on all developments, within significant patient safety constraints for mental health and learning disability services. For example, following their work with Stirling University’s world-leading Dementia Services Development Centre on the design of the £10m Monkwearmouth Dementia Unit there has been a direct impact on the patient environment with large reductions of 34% and 53% respectively in falls and violence and aggression incidents on the female ward in the first year. The Team also developed innovative design features - bespoke bedroom doors and signage for the unit. In the international award winning £27m Ferndene young people’s unit, the incorporation by the team of impressive sports facilities and educational facilities has both improved the patient experience and helped to de-stigmatise the service by enabling engagement with the local community.

Structure to daily routine will be enhanced through a range of services and facilities all being accessible on specialist sites. Patient centred care, promoting a sense of belonging and involvement, will be fostered through co-production, and encouraging empowerment in their own care planning and personal development.

Historically the team worked with Procure21 partners on innovative construction methods, including on and off-site modular building for Hopewood Park, resulting in the Construction Excellence North-East award for Innovation. The developments have regularly achieved Green Apple environmental awards. Partnership working has continued since 2017 with the Trust's PAGABO partner, Sir Robert McAlpine.

7.11 Optimism bias (costs, benefits and risks adjusted in line with this)

As expected, the detailed development and costing of the programme with an agreed GMP has removed the need to apply any optimism bias to the Full Business Case. A contingency sum of 4% is included in our figures, as reported in our Outline Business Case, together with an additional £250k COVID provisional amount.

Market testing of just over 97% of the works packages for the new Northgate facility has already been completed, and this will continue to increase up to the final signing of the construction contract. Market testing at a lower level has been achieved to date for Bamburgh and Ferndene schemes with a 95% target to be achieved prior to entering into a construction contract.

7.12 Compliance with NHS estates design and costing requirements including 'abnormals'

The new build proposal is compliant with NHS estates design and costing requirements, including taking account of proposal 'abnormals'. Some of these 'abnormals' e.g. demolitions have been market tested and extensive survey work has established ground conditions and site wide infrastructure parameters to fully inform the design. These actions have fully informed the costs, which include the pre-construction costs that cover SRM staff time, design fees and survey costs. The SRM fee is the agreed % fee based on the PAGABO framework and CNTW agreement for the works. These are indicated in the FB forms, see appendix H. When existing facilities are being reconfigured, NHS estates design guidance is fully utilised, but some derogations are unavoidable. These are described further in appendix I.

The inflation applied to the costs within the previously issued OB forms utilised the BCIS PUBSEC index. Within the OB forms, sums for planning contingency, and other development costs were included. This will also apply to the revised forms in appendix H, where inflation hasn't already been included in market tested costs.

7.13 Cost indices and regional location factors

Turner & Townsend subscribe to the BCIS to enable access to the latest information being released. Within the initial cost plan produced for the project, which was based upon Healthcare Premises Cost Guide (HPCG) £/m2, location and inflation indices were applied to reflect published BCIS data. Subsequently within the FB forms, the locations index was not applicable as the costs were based upon

elemental breakdowns, but the inflation utilised the BCIS PUBSEC index, adjusted for the level of market testing achieved at this time. A GMP is agreed for all works.

As stated within the FB Forms, see appendix H, the inflation being applied to the costs is varied.

For the main works at Northgate, there is no inflation applied to the construction costs as the figure included reflects the GMP submission from SRM. However, inflation has been applied to the Trust on-costs as these will not be procured until towards the end of this element of the project. The inflation that has been applied to the figures has been based on the BCIS PUBSEC Tender Price Index of Public Sector Building Non-Housing and BCIS All-in Tender Price Index published data to reflect the increase from Q2 2020 to Q4 2022. The reason for utilising two indices is due to the BCIS PUBSEC Tender Price Index of Public Sector Building only forecasting to Q4 2021. The increase in % terms is as follows:

- Q2 2020 (265) to Q4 2021 (272) – 2.64%
- Q4 2021 (345) to Q4 2022 (361) – 4.63%

For the works to be carried out at Ferndene, the cost submission is based upon a mixture of market tested rates and cost plan rates. As the works are not yet fully finalised, inflation is applied to both construction and Trust costs. Based on the current programme, the mid-point of the construction works is forecast for Q2 2022. The inflation that has been applied to the figures has been based on the BCIS PUBSEC Tender Price Index of Public Sector Building Non-Housing and BCIS All-in Tender Price Index published data to reflect the increase from Q2 2020 to Q2 2022. Like Northgate, the reason for utilising two indices is due to the BCIS PUBSEC Tender Price Index of Public Sector Building only forecasting to Q4 2021. The increase in % terms is as follows:

- Q2 2020 (265) to Q4 2021 (272) – 2.64%
- Q4 2021 (345) to Q2 2022 (354) – 2.61%

For the works to be carried out at Bamburgh, the cost submission is based upon a mixture of market tested rates and cost plan rates. As the works are not yet fully finalised, inflation is applied to both construction and Trust costs. Based on the current programme, the mid-point of the construction works is forecast for Q4 2023. The inflation that has been applied to the figures has been based on the BCIS PUBSEC Tender Price Index of Public Sector Building Non-Housing and BCIS All-in Tender Price Index published data to reflect the increase from Q2 2020 to Q4 2023. Like Northgate, the reason for utilising two indices is due to the BCIS PUBSEC Tender Price Index of Public Sector Building only forecasting to Q4 2021. The increase in % terms is as follows:

- Q2 2020 (265) to Q4 2021 (272) – 2.64%
- Q4 2021 (345) to Q4 2023 (379) – 9.86%

7.14 NHS Capital investment manual (CIM) cost forms 1,2,3 and 4

The FB forms, appendix H, submitted reflect the CIM forms format, incorporated into the Turner & Townsend format of documents for issue.

8. COMMERCIAL CASE

This section describes commercial basis in support of the programme, including the procurement of third party providers to support the programme, key commercial milestones, land transactions that support and will enable the programme and the construction deliverables.

8.1 Scope - Procurement scope (buildings, land, equipment, technology and related service streams)

There are three interlinked and interdependent components to the CEDAR programme in terms of the development of the Trust's infrastructure:

1. The sale of land at the Northgate Hospital site to a housing developer to enable the development of an integrated adult mental health and learning disability secure service centre of excellence at Northgate Hospital to provide a total of 116 inpatient beds, located in a combination of new and refurbished/reconfigured existing buildings.
2. The reprovision of Newcastle and Gateshead adult inpatient services through an extension at Bamburgh Clinic, St Nicholas Hospital, Gosforth to accommodate 54 beds.
3. The reprovision of Children and Young People's (CYPS) medium secure inpatient services including national provision for female patients at Ferndene.

The completion of the above infrastructure project will support the closure of existing, sub standard units within the Trust's estate and concentrate patient care in fewer, better resourced sites.

The new site strategy for Northgate hospital identifies zones for the potential future expansion of the proposed new wards (if ever required) as well as limited sites for additional wards and parking to ensure the future sustainability of the hospital.

The Project briefing document sets out performance and quality criteria for the scheme in appendix J. The Northgate design and access statement in appendix K provides full details of the design process and current state of the proposals.

8.2 Strategy for specialised procurement if applicable

The programme includes a requirement for specialist metal health Furniture, Fittings and Equipment (FF&E) and the appropriate clinical equipment. Fitted bedroom furniture such as beds and wardrobes are all built-in standardised Trust designs incorporated into detailed construction schedules and costs.

Informed by comprehensive room data sheets, draft FF&E schedules are used to collate data and calculate accurate costs for the Northgate Hospital part of the scheme; this is identified as £1,025,986 (1.9% of construction cost). FF&E working schedules for Bamburgh Clinic and Ferndene are under construction, based as above, on comprehensive room data sheets. The working assumptions for these

locations equates to 1.7% and 2.29% of construction costs respectively. Procurement costs are managed through the Trust's well established Standardised Furniture Specification, which attracts preferential percentage reductions from major furniture manufacturers and assures the quality and safety of products.

The Trust has very experienced FF&E procurement specialists embedded in its Capital Projects Team. The typical lead-in time for manufacture of medium secure furniture/fittings/equipment is less than six months and will not require a separate/additional procurement plan. The Trust will procure, own and maintain the vast majority of FF&E in the scheme. The Equipment Strategy is available in appendix L.

8.3 Realistic procurement strategy identified

Initial design proposals for option appraisals and initial cost appraisals were completed by the NTW Solutions Capital Team on behalf of the Trust. The preferred scheme designs have been signed off by the clinical teams as part of the RIBA stage 3 and 4 development. Market testing is advanced and a detailed design is complete.

The Trust has a proven track record of delivering large capital schemes within budget and within planned timescales. Many of these have won national and international awards including:

- European Healthcare Design Awards 2017, highly commended
- Building Better Healthcare 2017, Winner Best Mental Health Development Building
- Building Better Healthcare 2016 Winner Best BIM Development
- Constructing Excellence North East 2015 Winner BIM Project of the year and winner in the Innovation Category, see appendix M
- Constructing Excellence, National Awards 2012, Integration and Collaborative Working
- International Academy for Design and Health, Best Mental Health Design 2012

Capital procurement of the project is via the PAGABO National Framework for Major Construction Works. The reasons for using PAGABO rather than P22 are discussed in detail in section 8.31. Under this mature Trust hosted framework we will be able to progress this scheme promptly after approval.

There is a 0.3% fee chargeable for using the PAGABO framework for a scheme of this size but as the Trust host the framework a partial rebate is received to reduce the nett cost as identified in the FB Forms, appendix H.

The preferred procurement route for this scheme is public capital with funding from the Treasury via the STP capital allocation. The timetable for this is shown in table 24 overleaf:

Contract status	Date	RIBA stage
Pre-construction contract agreed and signed	April 2019	Pre-construction work includes RIBA stage 2 design together with detailed costings to inform the business cases
	September 2019	45% market testing and procurement in preparation for the Outline Business Case – RIBA stage 3 design
	May 2020	Just over 96.5% market testing for Northgate, and lower levels for Ferndene and Bamburgh C 80% and procurement in preparation for the Full Business Case – RIBA stage 4 design
Signing of construction contract	September/October 2020 once FBC approval received	95% market testing all schemes

Table 24– Procurement route

No changes have been made or are to be made to the procurement strategy. Consistency of the collaboration and integration of all stakeholders is of paramount importance to successfully achieve the objectives of the business case.

8.4 Commercial feasibility - Procurement options and procurement route

A suitable range of responses was received through the Pagabo Framework portal, which was open to all six contractors, who were the successful bidders to the Major Works framework, following a competitive tendering process. The procurement portal was opened by Pagabo on Saturday 8 April 2017 until 12noon on 21 April 2017. Four bids were received from the following contractors; Sir Robert McAlpine, Vinci, Interserve and Morgan Sindall, all of whom were invited for Interview. The two remaining contractors on the Framework declined to bid (Laing O'Rourke and Wilmott Dixon).

The Trust appointed Sir Robert McAlpine as their framework partner through the PAGABO National framework for Major Projects, OJEU Reference: 2015/S 238-431604. The Trust is the primary Contracting Authority for the framework. Lot 3 covers projects exceeding £50m. PAGABO provides 12 national frameworks to serve the public sector and a Dynamic Purchasing Scheme for small works up to £1m. To date 452 clients have used the framework with in excess of £915m in project value, all contributing to over £2.5bn in social value enabled.

All PAGABO frameworks are fully UK and EU compliant as described in the latest Public Contracts Regulations (2015) and Public Contracts Regulations (2006). Expert independent legal advice was received on Friday 28 October 2016 from specialist solicitors at Gordons LLP (UK) and Anderson Strathern (Scotland) on

Sunday 9 October 2016 when the framework was originally established. The Trust obtained legal opinions due to the frequency of requests for confirmation of EU Directive/PCR Compliance from clients. The legal opinion mitigates many of these early/due diligence questions that are normally asked by either the client's procurement or legal department or other parties. A letter of advice from our commercial lawyer is available in appendix N.

Furthermore a project procurement strategy was established early in the project for work package goods and services to successfully complete a build from start to finish in the most value for money way. The procurement strategy will take multiple factors into consideration including quality required, budget and the timeline. The strategic procurement packages are predominately single-stage tender with a fixed lump-sum cost apart from the Mechanical and Electrical contractor where a two-stage tender was used to allow early appointment under a pre-construction services agreement, to cooperate with the project team and develop the required design.

A summary of the project programme is included in appendix O. This highlights substantial periods for market testing for the Guaranteed Maximum Price (GMP), which is included in this Full Business Case. It should be noted minor interuption to pricing works has been experienced due to COVID-19, but the GMP has still been formalated with high levels of market testing which will reach approximately 95% for all component schemes prior to the signing of the construction contract.

Legal Opinions

PAGABO take procurement seriously, all of the Framework Agreements have been through a European Compliant process. To further strengthen the procurement position of our Framework Agreements, we have obtained statements from leading experts within the legal procurement profession.

Legal Opinion - Public Contracts Regulations 2015:

"In our opinion we believe that the procurement structure and the legal documentation to support the PAGABO framework agreements are consistent with the relevant legislative requirements contained within the Public Contracts Regulations 2015 and are thus "EU compliant". The procurement structure is an innovative and robust application of principles contained within the Regulations which permit the creation of Framework Agreements and allow multiple client organisations to benefit from a centralised purchasing approach. Provided that the procedures and timescales are adhered to in respect of each Framework Agreement then we anticipate that public sector bodies and private sector suppliers alike will benefit from this refreshing approach, which should drive efficiency and savings across the public sector."

Richard Piper
Gordons LLP
Partner - Head of Construction

Gordons LLP is a top-100 UK law firm based in Leeds and has an international reach to the Middle East, Far East and North America. Established in 1884, Gordons has gone from strength to strength through partnerships, mergers, and acquisitions.

Richard Piper advises in respect of all aspects of construction and engineering procurement (public procurement, tendering, drafting and negotiating contracts, and providing strategic advice on commercial and legal risk). Richard is considered as "one of the best construction lawyers in the regional market" (Chambers, 2014). He has significant experience in commercial property development and construction, specialist civil engineering contracts, hotel and leisure facility procurement, renewable energy projects, litigation, arbitration and mediation. He has also advised on a number of PFI projects, advising local authorities and private sector companies alike on public procurement issues. Richard is Secretary of the North East Branch of the Chartered Institute of Arbitrators. He has also for a number of years served as a Visiting Lecturer at Leeds Metropolitan University in the Construction Law MSc Degree course. Richard spent 14 years previously at Eversheds before joining Gordons, where he was a Partner.

8.5 Supplier shortlisting in accordance with the Public Contracts Regulations 2015

Contractors had been selected to the Pagabo Framework on its creation (in April 2016), having been assessed as suitable suppliers against the framework evaluation criteria. For the further competition which the Trust carried out under the Framework for this project, the Trust established its own evaluation criteria, as set out in the Final Tender Evaluation Report appendix P dated Thursday 27 April 2017, against which further competition tenders were evaluated. The report includes price and quality evaluation scoring with the full details contained in the evaluation spreadsheet. Pagabo supported the Trust in facilitating and conducting the further competition process on behalf of the Trust and they have confirmed that the establishment of the Framework and this further competition were conducted in accordance with Public Contract Regulations 2015.

The recommendation of the Tender Evaluation Team was that a Framework Agreement be awarded to Sir Robert McAlpine as indicated in section 3.9 of appendix P, subject to any requests for information during the Standstill period.

There have been no procurement challenges to the selection of SRM as the preferred supplier in April 2017.

The procurement process for the acquisition of the suppliers and/or services required to complete the construction project is managed by SRM. The planned approach of the project procurement strategy has included regular reviews to establish open, restricted or negotiated tendering options to ensure the most appropriate subcontractors apply to tender. A Pre-Qualification Questionnaire (PQQ) has been used to evaluate and shortlist a minimum of five candidates under the restricted and negotiated tendering options. Also the procurement process, evaluation and selection of the suppliers and/or services, by SRM, required to complete the construction project is described. Selection of providers will be carried out with transparency to ensure fair competition and value for money in the market.

Those providers invited to tender will have a final evaluation including:

- Legal details about trading entity such as Companies House registered information
- Company Turnover for last three years
- Credit Rating and Financial Check providing a credit score
- Net company worth
- Gearing ratio,
- Cash reserves,
- Confirmation of company insurances held,
- Company Policies and processes for: Supply Chain Management Policy, Quality Management System, Confirmation of Safety Schemes in Procurement (SSIP), Health and Safety Management System, Environmental

Management System, In-House design and BIM Capability (where necessary), Size of labour force and Relevant Project Experience.

Additional benefits are captured within the attached SRM submission document, appendix Q.

8.6 Compliance value for money market interest

PAGABO has been designed to support the public sector to masterplan estate reconfigurations, carry out extensive maintenance and refurbishment programmes and deliver small and major capital construction work.

The framework has the following advantages:

- Delivering real social value - through a unique Social Profit Calculator, PAGABO measures the positive social, economic and environmental impact of projects over the long term, currently standing at over £1.34bn
- Speed - access to advice and Estate Development expertise very quickly with Principle Supply Chain Partner appointment within a very short timescale
- Cost certainty and transparency – ability to control cost and get cost certainty by agreement to a Guaranteed Maximum Price
- Quality – close integration of the supply chain and client ensuring agreed quality standards are achieved
- Value – agreed rates and profit and overheads set at Framework level.
- Supported – free support from a dedicated team of MCIPS qualified procurement professionals
- Assured – Contractor and supply chains are pre-vetted on appointment to the framework which complies with current government standards for construction procurement.

Key Value for Money benefits of the PAGABO framework include:

1. Efficient and economical management control of change
2. Fast track start without OJEU or legal fees being incurred
3. Ability to achieve programme delivery to schedule
4. Cost certainty in advance of construction (and contract engrossment)
5. Reduced risk of health and safety failures impacting on patients, visitors, staff or contractors
6. No litigation on PAGABO to date
7. Competitively tendered rates and margins as agreed at the outset of the PAGABO Framework covering:
    i. Profit
    ii. Overheads
    iii. Training and Development
    iv. Insurance
    v. Launch workshop
    vi. Senior personnel

vii. Administration
viii. Management supervision
ix. Head office communication

8. Structured approach to cost management
9. Target cost for each stage (stages one – three pre-construction and stage four construction)
10. Well drafted contract (NEC – engineering and construction contract) enabling clear approach to disallowable cost
11. Robust management of risk (with processes in place from the outset of the contract)
12. Procurement strategy agreed with client from the outset
13. Open book process
14. Robust audit and governance.

The Guaranteed Maximum Price in this business case accurately reflects the levels of market testing and design currently completed for the CEDAR programme. This GMP has been independently assessed for value for money and market testing compliance by both the commercial manager at NTW Solutions and against the external cost consultants (Turner and Townsend) cost plan. It is expected further market testing will occur up until the signing of the construction contract which will further refine the GMP and reduce items in the list of potential risks.

The works are subject to approval of the FBC by DHSC.

The Contractor's share percentages and the share ranges are:

Share range	**Contractor's share %**
Less than **95%**	0%
From **95%** to **100%**	50%
Greater than **100%**	100%

Table 25 – GMP gain/shares

Recognising the uncertain impact of disruption to COVID-19, we have taken a pragmatic approach with our construction partner Sir Robert McAlpine to achieve an appropriate balance between cost and risk transfer. Details are recorded in the list of potential risks, appendix E.

8.7 Contract alterations or derogations

The Trust is utilising NEC3 Option C standard form of contract. The Z clauses, attached in appendix R which mirror those included in the P22 Framework, where still applicable. We have worked closely with the Department of Health and Social Care Portfolio Performance Investment and Risk team and have incorporated suggested amendments to the works information and contract clauses to ensure full compliance with UK national construction policy.

The payment mechanism is as per the NEC3 Option C Contract, which is a cost reimbursable contract plus agreed Fee, with Guaranteed Maximum Price, including gain share incentives. This is applicable to both the pre-construction phase and the construction phase.

The assessment interval is every four weeks; alternatively calendar monthly. Payment becomes due to the contractor 28 days after issue of the payment certificate (potentially to be reduced due to COVID-19 measures and guidance). Adopting the same principles as utilised under the P21+/P22 contracts, the contractors monthly payment application does not exceed the amount forecast by the current accepted contractor's expenditure profile (the cash-flow forecast).

8.8 Contractual key milestones and delivery dates

NEC3 Option C form of contract re-imburses Defined Cost plus agreed fee, up to the agreed GMP. The contractual Delay Damages and Gain Share arrangements are included in the Contract Data Part 1, and are as described in section 8.6 of this FBC.

Main Scheme Construction	
Commence MSU site establishment works at Northgate	17 August 2020
Start construction on Northgate new build	30 November 2020
Commence mobilisation to Ferndene	23 November 2020
Commence refurbishment and extension to Ferndene Phase 1a and 1b	4 January 2021
Complete refurbishment and extension to Ferndene Phase 1a and 1b	29 October 2021
Complete decant of service users and staff to Phase 1a and 1b	5 November 2021
Commence refurbishment and extension to Ferndene Phase 2	8 November 2021
Complete refurbishment and extension to Ferndene Phase 2	10 June 2022
Commence Bamburgh mobilisation	25 October 2022
Commence Bamburgh extension (post decant)	14 November 2022
Complete construction of Northgate	23 December 2022
Complete decanting Bamburgh and KDU into new build	3 March 2023
Complete Bamburgh extension and refurbishment	22 December 2023
Decommission and hand back Hadrian Clinic	31 March 2024

Table 26 – Main scheme construction dates

8.9 Risk allocation (public and private sector)

The current list of potential risks is included in appendix E. It has been developed jointly by the Trust and SRM through a series of joint risk workshops. Each risk is allocated ownership to whichever party is best able to manage it and has been individually costed. It covers legal issues in the contract/legal section and commercial matters under both the Finance and Resources sections.

The shared list of potential risks clearly defines which party holds which risk and has been developed and agreed jointly through a series of risk workshops with Sir Robert McAlpine, and by association, their supply chain.

The contractor has the obligation to provide the works in accordance with the works information and the works information is clear that the contractor designs all parts of the works. Therefore the contract is set up to ensure that the contractor takes all the risk that the designs actually do meet the requirements of the employer's works information (subject to the signed off derogation schedules). Clause X15.1 has been replaced with the option to limit the contractor's liability for its design to 'reasonable skill and care' rather than the default level of liability for a product provided by a contractor of 'fitness for purpose'. This aligns with the approach taken by Procure 22. Also the Project Manager, at certain points has an obligation to accept the design or not to accept it. However, any such acceptance should not and does not change the contractor's responsibility to provide the works or its liability for its design.

8.10 Timetable to revisit risk allocation matrix

Risk workshops are held approximately every two months to update the list and ensure risk allocations are still appropriate.

8.11 Workforce - Scheme implications on workforce

The CEDAR Programme was initially developed in order to facilitate the improvement of inpatient environments across a number of services and sites through a mix of new build and refurbished facilities. From the onset the key focus of the programme has been to improve safety and care quality through the development of modern facilities that meet patient needs and all of the required environmental standards.

In the initial planning phase it very quickly became apparent that the programme also offered the opportunity to look at new ways of providing care through the introduction of innovative clinical and staffing models that would secure the future sustainability of these vital national and regional services.

Many of the services in scope are currently running with a financial deficit which places these highly specialised services at risk. It is therefore critical to ensure that the programme closes the current financial gap whilst also maintaining safety and high quality care.

As described earlier the Trust has adopted an estates strategy which aims to co-locate inpatient service specialities together onto single sites across the Trust footprint:

- Neurological Rehabilitation Services – Walkergate Park
- Adult Acute Services South Tyneside and Sunderland – Hopewood Park
- Adult Acute Services Northumberland and North Tyneside – St Georges Park

- CYPS Services – Ferndene
- Older Peoples Services South Tyneside and Sunderland – Monkwearmouth Hospital
- Adult Learning Disability Admission Services Trust wide – Rose Lodge.

The CEDAR programme has been developed in line with these co-location principles and involves the bringing together of Adult Secure Services onto a single site at Northgate, transferring CYPS MSU services to Ferndene alongside other CYPS inpatient services at Prudhoe and merging the Newcastle and Gateshead Adult Acute services onto the St Nicholas hospital site in Gosforth.

The single site model improves quality, safety and efficiency by:

- Creating critical masses of clinical staff with common skill sets and expertise allowing the development of new and innovative workforce models
- Integrating learning disability and mental health services in line with the Greenlight Toolkit recommendations
- Improving out of hours and emergency response support through higher site staff ratios
- Creating economies of scale through reduced replication of effort and increased levels of joint working.

Adult Secure Inpatient Services

Adult Secure Inpatient Services are currently delivered across two sites at Northgate (learning disability secure wards) and St Nicholas hospital (mental health secure wards). This multiple site model was developed over a number of years and originated from a time when learning disability and mental health services were provided by separate NHS Trusts.

As described earlier, strategic developments and national initiatives have resulted in a significant decrease in demand for learning disability secure beds and increases in demand for mental health secure beds. The CEDAR Programme bed model reflects the projected future demand for specialist beds and these new service configurations provide the basis upon which new workforce models have been developed.

The bed model shows how learning disability secure and hospital rehabilitation bed numbers have reduced from 72 to 46 in the last two years with a further reduction of 10 beds planned prior to 2023. This is a total learning disability bed reduction of 36 over a five year period. The income linked to the bed reductions will be transferred into newly developed community services in line with the national Transforming Care Programme.

The bed models also show how mental health secure bed numbers will need to increase from 55 in 18/19 to 80 in 2023. This is a total mental health bed increase of 25 over a five year period. The bed model shows 22 of the increased mental health bed numbers will be newly commissioned services which will enable the repatriation of out of area patients and attract additional income.

The bed models described above would initially indicate the need for an approximate 50% reduction in learning disability workforce numbers and a 50% increase in mental health workforce numbers; however there are a number of factors that required consideration when developing the new workforce model:

- New nursing models need to maintain ward staffing levels that are safe and effective
- There is the opportunity to merge a number of services associated with patient therapy and activity when moving from two sites to one site, particularly where services are transferable across mental health and learning disability patient groups
- New staffing models need to take into account developments across the service relating to new ways of working such as the increases in approved clinicians, nurse prescribers etc
- New workforce models should be developed in conjunction with professional and clinical leads
- Transferable skills should be considered and staff movements within the secure service should be facilitated wherever possible
- Appropriate training and development programmes would need to be implemented where integrated learning disability and mental health working is indicated.

Adult secure establishments

A number of facilitated workshops involving Operational leads, Ward Managers, Nursing leads, Professional leads, Heads of Finance, Workforce leads and the CEDAR Programme Team have taken place in 2019/2020 in order to develop workforce models linked to the new co-located service configuration.

The new nursing models are based upon the implementation of an agreed, more efficient, single shift pattern across secure services on the Northgate site.

Table 27 and 28 are currently subject to staff consultation and will be inserted following consultation.

Secure service wider MDT establishments

These models take into account the efficiencies that can be achieved through the co-location and integration of services onto a single site.

Table 29 is currently subject to staff consultation and will be inserted following consultation.

CYPS Inpatient Services

CYPS inpatient services are currently delivered across two sites at Ferndene, Prudhoe (low secure and general admission wards) and Alnwood, St Nicholas hospital (medium secure wards).

Recent strategic developments and national initiatives have resulted in a significant decrease in demand for CYPS learning disability low secure and admission beds

with projected increases in demand for mental health beds. The CEDAR Programme bed model reflects the projected future demand for CYPS beds and these new service configurations provide the basis upon which new workforce models have been developed.

The bed model shows a planned reduction in learning disability low secure and general admission beds from 15 to seven and an increase in mental health low secure beds from zero to three which is an overall reduction of five beds across the services. The model also sees a reduction from six wards to four wards which is achieved through the integration of PICU and learning disability low secure along with the integration of mental health and learning disability general admission beds.

The bed models described above would initially indicate the need for a 50% reduction in learning disability workforce numbers and a slight increase in mental health workforce numbers; however there are a number of factors, as per Adult Secure Inpatient services, that need to be considered when developing the new workforce model.

CYPS establishments

During 2019/2020, Operational leads, Ward Managers, Nursing leads, Professional leads, Workforce leads, Heads of Finance and members of the CEDAR Programme Team attended facilitated workshops to develop workforce models that are linked to the new integrated service configuration.

The nursing models developed (below) are based upon the implementation of an agreed single shift pattern across the integrated site at Ferndene.

Table 30 and 31 are currently subject to staff consultation and will be inserted following consultation.

Wider CYPS MDT workforce

These models take into account the efficiencies that can be achieved through the co-location and integration of services onto a single site, the reduction of five beds and the reduction in ward numbers from six to four.

Table 32 is currently subject to staff consultation and will be inserted following consultation.

Change Management Plan

The new service bed reconfiguration and workforce model implementation plan is detailed in appendix S. These documents will be sent to every member of staff that is effected by the changes proposed within the CEDAR programme. The plans and timescales associated with these change management plans are summarised in table 33 overleaf.

No.	Summary Action Descriptor	Lead /s	Target Date
1.	Develop and agree service models including bed numbers and ward configurations based upon current need and projected demand information.	CBU Leads CEDAR Lead	Dec. 2018
2.	Develop and agree future workforce models for clinical and non-clinical support services in line with agreed efficiency targets.	CBU Leads CEDAR Lead Finance Lead	May 2020
3.	Compile staff development and training programmes for all staff effected by proposed changes.	CBU Leads CEDAR Lead Workforce Leads Training Dept.	July 2020
4.	Have both service and workforce models approved via the agreed internal trust process.	CBU Leads CEDAR Lead	May 2020
5.	Compile staff consultation launch presentations and consultation packs in preparation for 45 day formal staff consultation	CBU Leads CEDAR Lead Workforce Leads Staff Side Leads	CYPS April 2023 Adult Secure June 2023
6.	Commence 45 day formal staff consultations for all services in scope	CBU Leads CEDAR Lead Workforce Leads Staff Side Leads	CYPS May 2023 Adult Secure July 2023
7.	Review outcomes and feedback from staff consultations making any necessary changes to staffing models	CBU Leads CEDAR Lead Workforce Leads Staff Side Leads	CYPS July 2023 Adult Secure August 2023
8.	Implement new service and workforce models in line with CEDAR construction timeframes	CBU Leads CEDAR Lead Workforce Leads	CYPS Sept. 2023 Adult Secure Dec. 2023

Table 33 Outline Model Implementation Plan

8.12 TUPE

There is no TUPE requirement for this programme.

Consultation with staff

Consultation for the relocation of staff groups from the Tranwell Unit to new locations has already been completed and the staff have transferred. The proposed workforce models for Adult Secure and CYPS meet the criteria for a 45 day staff consultation

process. The Trust is working in partnership with staff side and staff feedback has been very positive with good engagement. The Trust has a long standing track record of undertaking staff consultations and successfully redeploying staff across the organisation preventing redundancy and maintaining a skilled workforce.

Consideration will be given to upskilling the workforce to meet changing need and deploying workforce across the whole pathway.

8.13 Commercial case - Numbered and dated 1:50 drawings

Approved 1:50 drawings are included within appendix T.

8.14 Schedule of accommodation/derogation

The schedules of accommodation and schedule of compliance and derogation are included within appendix I.

8.15 Detail of land transactions

No land purchases are required at the proposed development sites. CNTW holds the title absolute at Northgate Hospital, Ferndene Unit and St Nicholas Hospital. The capital outputs of the business case are part-funded by the sale of surplus land at Northgate Hospital, realising an estimated net capital receipt of £6.21m for land offered with outline planning consent for approximately 134 dwellings. The net value of surplus land has reduced since preparation of the OBC due to general financial and commercial uncertainty due to Covid-19 and higher than anticipated Section 106 planning demands, totalling £2.24m including affordable housing provision.

The Trust's real estate consultants, C&W, were commissioned in January 2020 to market surplus land at Northgate Hospital in anticipation of its disposal, after earlier strong interest from a national house builder on adjoining land was suddenly withdrawn. Five bids were received by early April; the full appraisal is provided in the C&W 'Review of Offers and Recommendations Report in appendix BB.

The Trust and its advisor team reviewed all five proposals, with one discounted quickly due to low value and lack of detail, leaving the remainder to be subjected to greater scrutiny.

Offers were received during a period of uncertainty due to Covid 19 and the Trust has been advised that it is not unreasonable to assume that market certainty may well have been influenced during and beyond the ongoing pandemic. Greenfield bids ranged from £9.8 to £8.5 million resulting in net bids of £5.51m to £4.59m - net of known and estimated deductions. Two bids were subjected to greater scrutiny and C&W was instructed to commence informal engagement to seek further clarification concerning the treatment of payment terms, open-book overage provisions and willingness to consider joint venture options. Both bids commanded strong interest but failed to reach the estimated Greenfield value. After further scrutiny and detailed considerations, the Trust's Board of Directors has decided to

defer the sale, electing instead, to return to the market in the latter part of 2022 when it is anticipated there may be greater market confidence leading to greater potential of achieving the upper Greenfield estimated value, or earlier if market conditions improve sooner.

8.16 Design review (design appropriate and actively supports healthcare outcomes)

The Design Approval Toolkit (DAT) champion Rosemary Jenssen has confirmed that the DAT toolkit is available to all NHS Trusts irrespective of procurement routes. AEDET is approved by NHS England as meeting the requirement of an independent design appraisal as referenced within the NHS Business Case Checklist. DAT is a version of AEDET tailored to meet the requirements of the DHSC.

A number of workshops have been carried out and the scores have been collated. The latest completed DAT review is included within appendix U.

8.17 Commitment to government construction strategy

GCS 2016-20 highlights the fact that the construction industry is a major part of the UK economy and the government is the biggest single construction client and as such, it should be using its position to drive collaboration and deliver efficiencies and better value for the taxpayer.

Contracting approaches that support more collaborative and continuous improvement models have been adopted within the Trust since 2002 and latterly by NTW Solutions, the Trust's EFM and Services Company.

The areas of focus on cost reduction and value for money over the last few years are as follows:

- Quality of schemes is determined by the number of defects/quality issues after completion/during the life of a building
- A knowledgeable, dedicated in-house Capital team with knowledge of products and specifications for mental health environments means only fully tested products are used to provide the most robust solutions for the mental health environment. Whole life cycle costing is considered rather than cheapest initial cost to avoid costly errors or replacement costs in the future
- Space requirements in buildings are evidence based and as efficient as possible. The Carter Report recommends all estates and facilities departments operate with a maximum of 35% non-clinical floor space and 2.5% of unoccupied or underused space by April 2020. CNTW is currently on target to achieve these standards
- Improving energy efficiency of new build projects taking into account NHS Sustainability Unit carbon emission and energy targets
- All supply chain trades are market tested to an appropriate level to ensure that value for money is being provided and the Capital team has an extensive

library of market tested rates for the products/specifications used in the Trust's facilities. Using these rates, solid budgets are developed, which can then be used to establish a robust business case

- The lowest design and capital cost is not a reliable measure of value for money, since it takes no account of how well buildings perform. Design costs are likely to be 0.3-0.5% of the whole-life costs and investment in design quality is essential as the ultimate aim is to deliver construction projects that meet the requirements of the business and all stakeholders, particularly the end users
- Soft landings are embedded within the project delivery process and include staff training and familiarisation, and a 'live-in' period (including operational testing) prior to the building being occupied.

GCS 2016-20 suggests that the BIM Working Group will develop a more ambitious set of measures to enable departments to derive further benefits from BIM. Since 2010 the minimum requirement of level two BIM has been utilised on our major capital schemes with the aim to gradually move to BIM Level three allowing estates team members to access and modify a single, shared project model, held centrally. The Trust has developed a BIM strategy with SRM and this was signed off in March 2020.

GCS 2016-20 also suggests that young people are under-represented in the construction industry, with just 10% aged between 19 and 24. Our construction partner Sir Robert McAlpine currently has 14 apprenticeships in the north east.

Both contract z clauses and works information sections of the construction contract specifically commit the Trust and SRM to fully comply with UK national construction policy.

8.18 Healthcare planner appointment

Healthcare planning is being delivered in-house by the Capital and Planning Team with support (when needed) by a Healthcare Planner via the SRM supply chain. Fortnightly Clinical Workshops have been undertaken with various members of the clinical teams (Associate Directors, Clinicians, Occupational Therapists, Estates, Facilities, IPC, and Patient Safety etc) who have all had an input into developing the design solution.

8.19 Compliance with DH consumerism requirements for healthcare buildings

The approved design offers patients high levels of privacy and dignity at all times. Of the 74 beds that are being provided in the new build adult facility, 72 are single bedrooms with en-suite facilities. The remaining two are flat style arrangements comprising of a bedroom, en-suite and lounge. All patients have access to their own en-suite which contains a shower, WC and wash hand basin.

In the medium secure CYPS facility at Ferndene, 10 single en-suite bedrooms will be provided with four flats. Another 24 beds are being provided at Ferndene providing en-suite accommodation for mental health, learning disability, PICU and low secure service users. Seven of these will be flats with a dedicated living room.

Call points will be included in all bedrooms, and general areas (Living, Quiet, Bathrooms, WC and activity areas). Although patients will not have the ability to directly control environmental temperatures, these will be controlled via the building management system to suit individual patient comfort requirements on a room by room basis. There will be a bed head light to medium secure standards installed in the bedroom. Containment will be provided so that a patient can use a TV and other forms of entertainment system within their bedroom.

The adult wards are an all-male service however the CYPS ward at Ferndene is a mixed gender service. Female only day rooms are contained within this design.

The fabric and finishes included in the scheme will be of a high quality, compliant to Trust and NHS Standards and fit for purpose with regards to use in a medium secure facility.

Appropriate dedicated facilities storage has been incorporated into the plans which has been developed with and approved by the Facilities Team.

Dedicated sacred space is embedded in the Northgate, Ferndene and Bamburgh Unit plans with designated prayer space for each ward.

8.20 Compliance with health building note (HBN) requirements and health technical memorandum requirements

Health Building Notes and Health Technical Memoranda have formed a fundamental part of the design and briefing process. The signed off derogation schedule in appendix I fully lists all the applicable HBNs and HTMs and any derogations incorporated into the design. The fire strategy in appendix V has also been signed off by both the Fire Engineer and the Director of Estates and Facilities. The Trusts Infection, Prevention and Control lead has provided a letter confirming compliance with IPC regulations.

8.21 Compliance with BREEAM assessment

The Trust has worked with the Building Research Establishment (BRE) to develop a bespoke BREEAM assessment for Northgate as a medium secure mental health facility. We had considered the standard version applicable to healthcare premises but this couldn't take into account some of the restrictions and security considerations intrinsically linked to medium secure standards. A registered BREEAM assessor (WYG Engineering) was appointed early in the project development process to identify a feasible route-map towards the achievement of an 'Excellent' rating (New Build) and 'Very Good' (Existing Building). This has been

targeted from the outset for the new medium secure wards, CYPS wards and associated new support buildings and is written into the project brief.

The current BREEAM assessment for Northgate (using the bespoke building type criteria developed with BRE) demonstrates a current target score of 75.9% and the achievement of 'Excellent' (min of 70% required for BREEAM Excellent). Ferndene's current BREEAM pre-assessment demonstrates a current target of 60.12% 'Very Good' (min 55% required for 'Very Good'). A letter of confirmation and the BREEAM interm design certificates are available in appendix W.

8.22 Compliance with fire code

The fire strategy has been developed by team consultation through several qualitative design reviews. The fire strategy is based on a progressive horizontal evacuation approach and has taken due consideration of the specific design requirements for in patient mental health facilities contained in clauses 2.37 to 2.59 of HTM 05-02 (pages 10-13).

As part of the RIBA stage 4 technical design, a risk assessment was undertaken in accordance with HTM 05/03 (4.3) to omit detection in voids greater than 800mm due to neither a high fire load nor significant ignition source being contained there.

The risk assessment identified that the voids over 800mm are only present in the ward block corridors, equating to 9% of the overall Medium Secure Unit ground floor net area, the solitary item in the voids is the single phase power cable for the corridor lighting, which will be securely attached with metal supports as required by the 18th Edition of the IET Wiring Regulations (BS7671).

These voids are not deemed patient access areas, no equipment containing services for which patients are dependent passes through the voids and there will be adequate fire separation and protection between the void area and adjoining fire compartments.

The above strategy in relation to ceiling void detection is contained within the agreed Fire Strategy report, section 6.3 having been approved by the Trust Director of Estates, Trust Fire Officer and the appointed Fire Safety Consultant to the CEDAR scheme.

8.23 Compliance with infection control

Trust Infection Prevention and Control leads are co-opted onto the planning and design working group providing advice and support to the design team and ensuring that compliance with HBN 00-09: Infection control in the built environment is achieved. A signed letter of compliance in appendix X has been provided by the Trust's Group Nurse Director, Safer Care.

8.24 Compliance with DH energy and sustainability targets

The implementation of principles within the HTM 07-02 are the mechanism through which energy reductions will be achieved. The HTM 07-02 documents (Making energy work in healthcare) detail the measures, actions and principles which should be considered when designing new or refurbishing buildings, procuring and managing energy and establishing energy policies. The mandatory requirements for Erne 01 under BREEAM 2018 far exceed the minimum requirements needed to meet Building Regs Part L. There is a sliding scale that results in an overall ENE 01 score, the aim being to recognise and encourage buildings designed to minimise operational energy demand, consumption and CO2 emissions. The Northgate scheme scored 9 of the available 13 credits. Building Regs are a separate, mandatory standalone requirement and there are various elements to it – in simple terms there's Part L compliance for new builds (U-values etc) and for refurbishments there is 'consequential improvements' (where by a reduction in energy consumption has to be demonstrated). Part L compliance is proved via the BRUKL output document and compliance is checked by the local authority / building control. Sustainability, whilst having links to energy, is a separate issue.

The NHS Sustainability Development Unit (SDU) requires all NHS Trusts to adopt a Board approved Sustainable Development Action Plan. The plans will address the following key areas: carbon reduction, water, transport, waste and procurement. The latest version of the Trust's Action plan was reviewed by the Corporate Decisions Team Climate Health in July, amendments were requested and the final version is expected to go to the October meeting for approval.

Other applicable elements of legislation include: NHS Carbon Reduction Targets – 10% reduction in greenhouse gas emissions by 2015 from 2007 levels, leading to a 34% reduction in emissions by 2020 from 1990 levels, and 80% reduction in emissions by 2050. Other mandatory NHS targets achieved by the CEDAR Programme are: new buildings will achieve energy performance levels of 35 – 55 GJ/100M3, refurbishments will achieve energy performance levels of 55 – 65 GJ/100M3, all new buildings will achieve an Excellent BREEAM healthcare rating, refurbishments will achieve Very Good BREEAM healthcare ratings and major capital developments will include at least 10% onsite renewable generation capacity.

The Trust purchases zero carbon electricity for all its sites. Both Northgate and Ferndene sites include large areas of mature woodland which absorb more C02 than is produced by our Trust gas fired boilers and combined heat and power units. The sites thus improve on net zero carbon criteria.

8.25 Resilience to a range of threats and hazards

Gas

The primary heating source that is utilised for space heating and domestic hot water generation consist of dual fuel central modular boiler plant with combined heat and

power (CHP) located in the central energy block. The new MSU primary heating mains infrastructure will be formed by ring mains providing robust, resilient delivery. If the gas supply fails, the boilers can utilise 'on site' diesel fuel stores to operate the dual fuel central boiler plant to maintain all services.

Water

A new/upgraded utility water supply will be provided to serve the new development and the existing site. Resilience is provided by two duty and standby (N + 1) cold water storage tanks located in the new energy centre block. The new mains infrastructure will be formed by a mixture of new and existing pipework/ring mains providing robust, resilient delivery.

Electric

A new site wide strategy has been developed. New mains infrastructure will be required to the site from the Distribution Network Operator (DNO). This will come in the form of a new DNO owned substation that supplies new central switchgear for the site. The new electrical distribution shall adopt design principles, system resilience, connection, supply interlocking functions and a metering strategy as outlined in HTM 06:01. To mitigate the impact of mains electrical power supply interruptions a secondary source of on-site power generation is provided in the form of a back-up diesel powered generator. The new emergency generator will be provided within the energy centre to back up the entire site. New ring main and radial low voltage circuits will then serve the new and existing buildings on the site. It is proposed to distribute the electrical power around the MSU buildings split over two power streams to offer additional resilience allowing maintainability of distribution equipment.

8.26 Compliance with relevant health organisation travel plan

The Trust-wide travel plan has been revised by the organisation's Support Services Team and has been submitted to the Corporate Decisions Team –Climate Health meeting for approval. One of the main reasons for this revision is the recent expansion of the Trust, which now incorporates North Cumbria. A copy of this can be viewed in appendix Y.

A comprehensive site specific travel needs assessment and travel plan have been undertaken for Northgate and Ferndene sites. The assessments have helped the planning team in terms of parking requirements, general road access across the sites including deliveries, drop off points, turning circles, secure transport needs and public transport needs. Cycle storage and electric vehicle charging points will be enhanced and supplemented by the scheme designs.

8.27 Summary of the necessary planning permissions

Three planning submissions were made in late 2019 and all three have been approved. The first and predominant application was a hybrid application for the works at Northgate Hospital. This covers both a FULL approval for the hospital

related works and an outline approval for the housing, grouped together as a single hybrid application. This was submitted on Friday 27 September 2019, and approved by the planning committee on Tuesday 7 January 2020 with final approval documentation being issued on Tuesday 21 April 2020. The benefit of a number of high profile public events is evident in that only two members of the public lodged objections to the application during the consultation period, and one of those welcomed the hospital works but objected to the housing.

The second separate application was a FULL planning application for the works at Bamburgh Unit, St Nicholas Hospital. The vast majority of works are internal (which wouldn't have required planning approval) with one moderate area of new build extension amounting to a 2.5% increase to the existing floor area of the building. This application was submitted on Friday 6 December 2019 and approved by the planning committee on Thursday 30 January 2020, with no objections received.

The third FULL application was for the Ferndene Unit, involving only minor internal work and several small extensions (under 10% increase of floor area). This was recognised as an intrinsic part of the CEDAR programme by Northumberland County Council and submitted on Friday 20 December 2019, initially scheduled for Committee on Tuesday 4 February 2020. The planning report was subject to administrative delays and rescheduled for the Tuesday 7 April planning meeting. All Council Committees were subsequently suspended due to COVID 19. Members finally approved the application at its virtual meeting held on Tuesday 2 June 2020. The Decision Notice was issued on Wednesday 3 June 2020, appendix AA.

8.28 Full planning permission obtained

Full planning approval has been granted for all three components of the Programme: Ferndene Unit, Northgate Hospital and Bamburgh Clinic. Outline approval has also been granted for 134 new houses on Trust owned surplus land at Northgate.

8.29 Copy of planning application, letter of approval from local authority, and schedule of any planning conditions and costs provided

The approval dates of the various planning applications are referenced in section 8.26. Copies of the approvals and associated conditions are available in appendix AA.

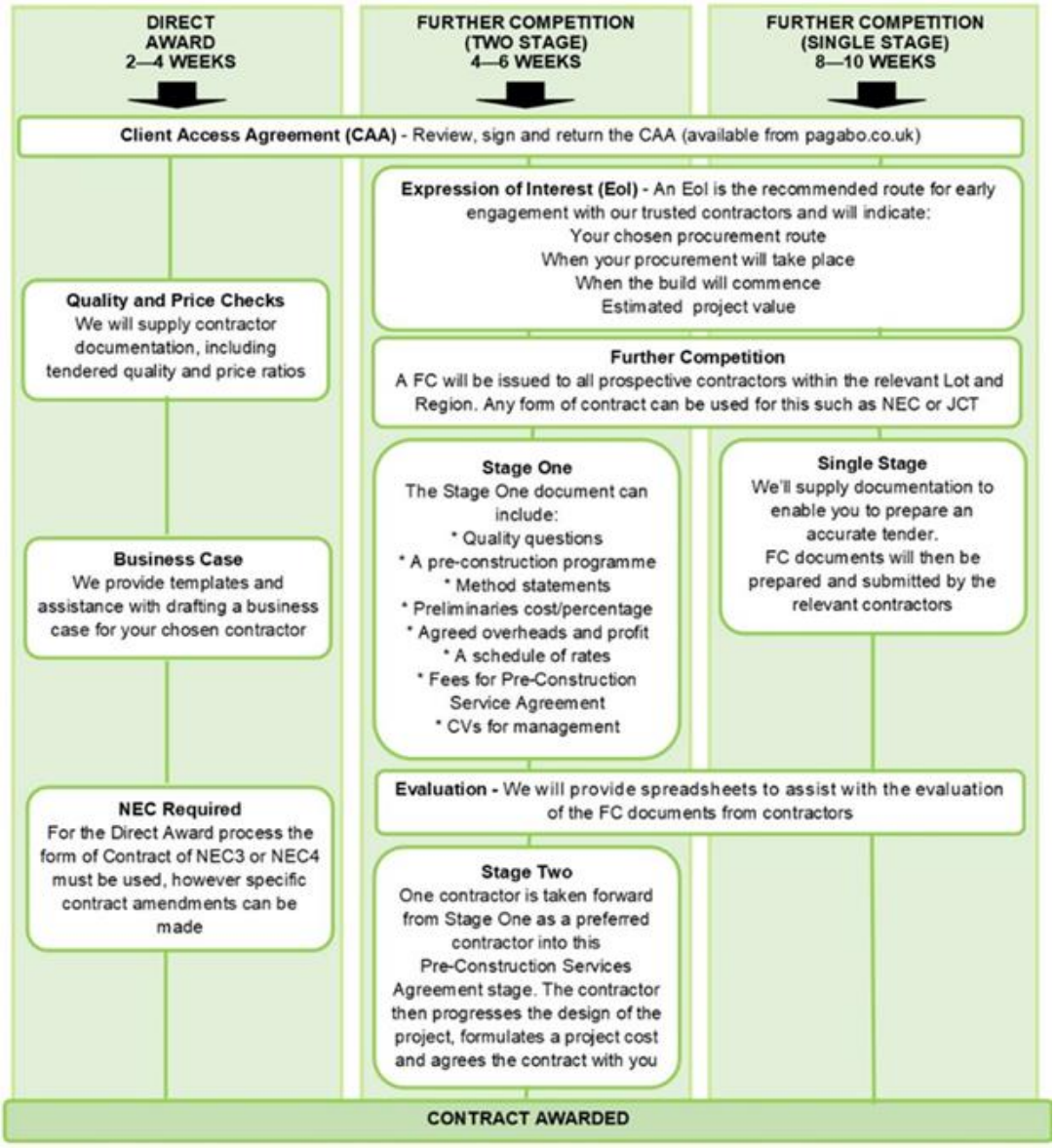
8.30 Associated acquisitions or disposals

Capital funding for the programme is drawn from three sources: Government funding, Trust reserves and the sale of land owned by the Trust at the current Northgate Hospital site. The previous disposal of other packages of land at Northgate (to a national house builder) have been used to fund earlier projects. Cushman and Wakefield (C&W) are the Trust's land agents and advisors.

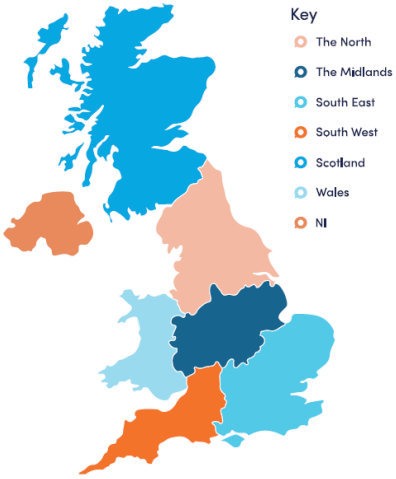
8.31 ProCure 21+ compliance if applicable

The Trust is utilising the PAGABO national framework for major projects, OJEU reference: 2015/S 238-431604. The Trust is the host Contracting Authority for the framework, and has also extensively used the framework. The framework was established pursuant to an EU procurement law compliant specific process. Lot 3 covers projects exceeding £50m and is therefore appropriate for the CEDAR project. A mini competition was held between the eight suppliers registered for Lot 3 (contracts exceeding £50m) in the North of England region. See process overleaf.

Sir Robert McAlpine was selected as the Trust's partner and has successfully operated on projects for the Trust since April 2017 without any legal challenge.



Framework selection process



Supplier	North	Midlands	South - East	South - West	Scotland	Wales	N. Ireland
Galliford Try	✓	✓			✓		✓
Interserve Construction	✓						
ISG Construction	✓	✓	✓	✓		✓	
Laing O'Rourke	✓						
Morgan Sindall Construction and Infrastructure	✓	✓	✓	✓		✓	
Robertson Construction Group					✓		✓
Sir Robert McAlpine	✓	✓	✓	✓	✓	✓	✓
VINCI Construction UK	✓	✓	✓	✓		✓	
Wilmott Dixon Construction	✓	✓	✓	✓		✓	

Lots and supplier breakdown

8.32 If P21+ not used provide sufficient justification

In 2002 the predecessor organisation of CNTW adopted P21 as its preferred method of construction procurement as it supported the Latham and Egan principles of continuous improvement and partnership working. Over the following 12 years the Trust delivered over 200 successful schemes with Laing O'Rourke as their partner. When the decision was taken to move to P21+ the Trust (with the support of the P21+ implementation advisor) engaged Kier as their preferred partner as they were able to demonstrate at interview their fit with the organisation's requirements.

However the delivery arm of Kier performed significantly below that of their bid team and the Trust's expectations and, as the Trust had an ambitious programme of work to progress it decided to terminate its appointment of Kier and consider what delivery options were available, as it could not afford to repeat the previous experience with Kier. The Trust sought advice from a number of its external advisors in terms of options and after discussions with the executive team chose to create its own framework in 2015. In order to do so the Trust engaged Value Added Portal Limited t/a PAGABO to create and manage the framework on its behalf. The decision of the Trust to set up its own framework was not simply a decision relating to this particular programme of work; it was a decision of a more strategic nature. Following on from the appointment of SRM through the PAGABO framework the Trust has, in partnership with its constructor delivered over 40 successful schemes, working to tight time constraints in, what are at times challenging environments. The Trust believes that in SRM they have found a partner who understands the specific needs in mental health design and construction and as part of the CEDAR programme they have successfully delivered 26 enabling schemes on time and to budget to date. As such the Trust believes the decision taken to develop our own framework has been a success and has delivered in terms of expectations. A letter of advice from our

commercial lawyer is available in appendix N, detailing compliance of procurement law.

With regard to a comparison between PAGABO and P22, Turner Townsend has undertaken an independent option appraisal, shared with DHSC and NHS England colleagues which has concluded that PAGABO is a comparable framework to P22 and that the decision to use PAGABO with the additional rebate benefits it brings the Trust is appropriate.

PAGABO is leading the way in Social Value (SV) and how it is accounted for. To that end they have invested in a system that calculates SV performance to a detailed level as follows:

- Local Multiplier at 3 rounds of spending (LM3) - £821.3m
- Gross Value Add - £506.8m
- Fiscal - £64.1m
- Economic - £91.8m
- Social - £98.4m
- **Total Social Return on Investment - £1.54b**

These figures are for PAGABO as a whole but demonstrates PAGABO's unique and wide ranging purpose. The social return on investment specifically for this scheme is recorded in appendix F.

	Overall Permormance	Ability to keep to quoted price	Ability to keep to time	Build/quality of completed items	Resolution of any defects at handover	Trust/overall confidence in contractor
2019	87%	90%	80%	85%	80%	90%
2018	93%	80%	83%	90%	90%	93%
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-

Performance of PAGABO Framework title

9. FINANCIAL CASE

This section sets out the capital and revenue costs, funding arrangements, financial implications and affordability of the preferred option.

9.1 Capital Costs

The capital cost of the scheme has continued to be developed through the design process and the current forecast capital cost of the preferred option is £72.56m at out-turn prices. This cost includes a planning contingency of 4%. Costs are based on detailed design work (RIBA Stage 4) and just over 96.5% market testing of the proposed sub-contractor packages for Northgate, and lower percentages for Bamburgh and Ferndene works. These capital costs are made up as shown in table 34 below:

	£m
Building Costs	57.7
Design Fees, overheads and profit, pre-construction costs, PAGABO fee	10.1
Non-Works Costs	0.8
Equipment	1.3
Planning Contingency and COVID-19 provisional amount	2.6
VAT	Nil
Total	**72.5**

Table 34– Capital costs

Non-works costs in the table above comprise of statutory and local authority charges, decanting costs, the arts project and information technology and telephony costs. The equipment cost includes equipment supplied by the contractor and equipment supplied by the Trust. A planning contingency is included to manage unforeseen costs during the remainder of the project.

The OBC described an increased cost of £7.3m from the SOC mainly due to the Trust incorporating a number of additional elements that weren't included in the original bid. These were incorporated due to economies of scale, inclusion of enabling works and additional costs associated with services outside of the original scope now included in the preferred option. There has been a further increase in costs of £600k in the FBC, but this includes a provisional amount for the potential unknown further impact of COVID–19 and sums within the contractors costs for PPE and other COVID-19 measures during 2020.

Cost increases from SOC to OBC:

Enabling works pre-business case	£2.4m
Additional scope of works Northgate	£0.2m
Additional scope CYPS services Ferndene	£3.4m
Increase in costs included in SOC	£1.3m

Total Increase SOC to OBC	£7.3m
Increase in costs from OBC to FBC	£600k (including COVID-19 related measures and Trust provisional amount)

In the OBC, the preferred option was extended to incorporate an existing facility at Ferndene. Changes in the service model for existing services gives the Trust the opportunity to re-model their delivery and reduce significantly the existing footprint of delivery. This has required significant re-modelling of the Ferndene Unit for services that were entirely out of scope of the original business case, and which enables significant further efficiencies to be delivered by the overall business case. The Board has recognised that it makes sense to incorporate all of the above works, in addition to a new laundry into this single business case, as they are intrinsically interlinked, and it makes economic and operational sense for them to be completed effectively as a single scheme. These elements of the build are to be funded through Trust cash reserves.

Optimism bias

Optimism bias is a figure which is used to redress the historical tendency for project costs to be overly optimistic and its calculation is based on HM Treasury guidance for public projects. We have removed optimism bias from the Full Business Case as would normally be expected as we have a confirmed Guaranteed Maximum Price for the programme and most risks are now defined. A 4% contingency sum is included in the FB forms attached in appendix H. The unique impact of COVID-19 has been recognised by including the known consequences (social distancing measures at work, PPE etc) in the costs of all enabling works up until October 2020. We have also agreed with Sir Robert McAlpine that main contract works up until February 2021 will not be impacted by current measures. This recognises the current state of uncertainty and prudently transfers known COVID-19 risks to the contractor for the foreseeable future. A COVID-19 provisional amount has also been added to the costs of the scheme by the Trust.

Market testing of just over 96.5% of the works packages for the new Northgate facility has already been completed, and work continues to reach this level for Ferndene and Bamburgh works prior to the signing of the construction contract. A GMP for all works has been secured for this Full Business Case with suitable distribution of risk costs and contingency.

Treatment of VAT

The capital cost of £72.56m does not include VAT as these buildings are provided to the Trust as part of a fully managed estates and facilities service by the Trust's subsidiary company, NTW Solutions and the VAT will be fully reclaimable.

The main components of this scheme are identified in table 35 overleaf: -

Northgate Hospital	£m
Site preparation including demolition, service provision etc and construction costs associated with new development at Northgate including modifying existing estate on the site	£57.2m
St Nicholas Hospital	
Construction costs associated with refurbishment of and extension to Bamburgh Clinic	£3.9m
Ferndene Unit	
Construction costs associated with extension and reconfiguration of Ferndene	£8.0m
Villas 7-10 Refurbishment, plus Gees, Garpro & Woodwork	
Construction costs associated with refurbishment of existing buildings to accommodate displaced services at Northgate Hospital site	£3.4m
Total Scheme Cost	**£72.5m**

Table 35 – Scheme

FB Forms are attached in appendix H.

9.2 Asset Sale

Release of surplus land

The Trust actively reviews its estate on an on-going basis to identify surplus assets and asset sale opportunities and it is experienced in the disposal of surplus land and assets. This is evidenced by a number of successful transactions during recent years that have been used to fund capital developments, including the previous sale of part of the Northgate site.

The implementation of the Transforming Care Programme for people with learning disabilities has led to a significant reduction in site utilisation at the Northgate Hospital site. This provides an opportunity for retraction and consolidation of the overall site and enabling further land sales. The sale of 17.8 acres, complete with Outline Planning Permission for 134 homes, is an essential element of the Programme funding envelope. The OBC estimated net valuation of £7.9m was established by C&W. It was based on extensive site knowledge, market analysis and contemporary regional knowledge of Morpeth and south east Northumberland.

Regrettably, site marketing activities coincided with the COVID-19 outbreak. Five bids were received in mid-April from a range of housing developers with the highest offer resulting in a potential net receipt of £5.51m appendix BB.

C&W personnel have good knowledge about the Northgate Hospital site, having provided valuation and land sales advice about the site for over 15 years. Key

members of its professional staff provided valuation, marketing, agency and sale advice for the Phase one surplus land disposal at Northgate during 2010; they have provided unbroken consultancy advice on further land disposals since then. They are closely involved too in completing the land disposal of Trust owned surplus land at the nearby former St George's Hospital site. C&W is also providing valuation consultancy to major house builders in the Morpeth area.

Disruption arising from the Coronavirus pandemic resulted in process delays to the firming-up of final bids. The Trust and C&W assessed four serious bids from major house builders; the object of marketing was to achieve a net return in the region of £7- 8m. Despite detailed site, locality and market knowledge, current pandemic uncertainty has made the assessment of site values (now and in the future) extremely challenging. The Trust instructed informal engagement with the two highest bidders to further explore aspects of their bids and to sound-out bidder attitude to open-book overage and joint venture opportunities. However, bids from both parties fell short of the anticipated net return and, following further consideration of feedback from bidders and advisors, the Trust Board of Directors has decided to defer the land sale at this time; preferring instead, to return to the market in the latter part of 2022 when it is anticipated market confidence may lead to improved Greenfield offers.

Land sale valuation basis

The Trust has had long standing, mature relationships with key professional real estate, valuation and marketing consultants familiar with the Northgate site. They have advised the Trust on planning, valuation and land sale matters for over 15 years, all with due reference to compliance with the Green Book and Trust Standing Financial Orders. The surplus site was marketed with Outline Planning Approval for 134 dwellings, assuming a Greenfield bid of circa £10.25m achieving a net return of circa £6.21m; the basis for the estimated net value stated in this Full Business Case.

Land transactions and associate costings/justification

Proceeds from the sale of land at Northgate Hospital form a vital element of the programmes capital funding, as stated in the programme strategic statement and identified as a critical pillar of the Trust's strategy to develop and improve its estate. Since the Outline Business Case the Trust has had to accept a deterioration in market conditions, unprecedented and totally unexpected pandemic disturbance and higher than predicted Section 106 costs, which combined, have decreased the net receipt potential of the site to £6.21m.

9.3 Capital Funding

The phasing of capital expenditure and the timing of the asset sale are shown in table 36 overleaf. The full anticipated land sale receipt will be used to support this programme. However, the Net Book value of the land is low (current estimate £200k) so this will mainly be an I&E Gain on disposal. The net cost of the project is £66.35m.

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Capex	864	4,660	14,336	32,893	16,792	3,017	72,562
Asset disposal						(6,210)	(6,210)
Net Cost	**864**	**4,660**	**14,336**	**32,893**	**16,792**	**(3,193)**	**66,352**

Table 36 – Capital funding

This project was successful in the Wave four STP Capital exercise and it was allocated £54.2m of PDC funding to cover the net costs of the project. Additional elements which are essential to the delivery of the Trust's overall strategy were incorporated into the OBC given their inter-relation with other aspects of this programme. This increased the gross costs of the build to £71.9m. As described above scheme costs have increased further to £72.56m. These additional costs will be met from internal cash reserves.

The Trust's internal cash reserves are sufficient to fund the Trust's contribution to this project. However, the capital receipt from the asset disposal will not be received until the Northgate scheme is completed and it is expected the cash payments will be phased over a number of years. This project results in a cumulative cash impact of £14.3m by 22/23 before the cash position starts to improve in 23/24. To give the Trust some cash headroom and in case other cash pressures arise the Trust would like the option of taking out a bridging loan for £6.21m, the value of the land sale, which would be repaid as the land sale receipts are received.

The Trust had a cash balances of £31.3m at 31 March 2020. Taking into account the planned timing of FBC approval, the proposed drawdown of PDC and a bridging loan the use of Trust cash would be as shown in table 37 below:-

	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	25/26 £000	27/28 £000	Total £000
Internal cash / depreciation	864	4,660	(5,524)		9,135	3,017			12,152
Land/Property disposals						2,484	1,863	1,863	6,210
DHSC borrowings					6,210	(2,484)	(1,863)	(1,863)	0
DHSC PDC			19,860	32,893	1,447				54,200
Total capital requirement	**864**	**4,660**	**14,336**	**32,893**	**16,792**	**3,017**	**0**	**0**	**72,562**

Table 37 – Proposed drawdown of PDC/Trust cash

9.4 Financial Model

The Income and Expenditure analysis covers the Trust's inpatient adult medium secure, low secure and step-down rehab services, Children's and Young People's inpatient medium secure, low secure, PICU and general admission services and adult acute inpatient services in Newcastle and Gateshead. The CYPS low secure, PICU and general admission inpatient services were not included in the SOC but were included in the OBC and FBC due to the CYPS medium secure services moving to Ferndene in the preferred option. There are no further changes to the services and only minimal changes to income and costs in the FBC. However, one change reflected in the FBC is a reduction in capital charges as a result of the new capital guidance. It is now assumed that this scheme will receive PDC dividend relief for assets under construction. The main impact of this is a reduction in costs of £1.0m and £1.3m in 21/22 and 22/23 respectively.

A summary of the income and costs of the preferred option at 2019/20 prices are shown in table 38 below with a more detailed breakdown shown in appendix CC.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Total Income	39,000	39,800	39,300	39,300	45,500	46,500
Ward Staff Costs	23,400	23,600	23,200	22,700	21,500	21,500
Other Direct Costs	10,100	10,000	9,800	9,600	9,300	9,300
Support Costs	12,800	12,300	12,200	11,800	10,600	10,500
Capital Charges	1,200	1,300	1,300	1,500	2,500	2,500
Total Spend	**47,500**	**47,200**	**46,500**	**45,600**	**43,900**	**43,800**
Total / (Deficit)	**-8,500**	**-7,400**	**-7,200**	**-6,300**	**1,600**	**2,700**

Table 38 – Income and costs

Changes to the levels of income are a result of changes to the number of beds provided and also as a result of price increases for some services. These price increases are currently reflected in 23/24 and 24/25. However, these increases may be phased in over the the next 4 years but due to COVID-19 and the suspension of contract negotiations the trajectories for this have still to be agreed with commissioners. The financial model at 19/20 prices needs to generate a surplus of £2.7m to give a breakeven position in the out-turn prices model because applying inflationary uplifts to expenditure and income results in a £2.7m additional pressure over the next five years. This is due to these services being in deficit, the 1.1% efficiency requirement and the tariff uplift not fully covering the Trust's inflationary costs due to the Trust's proportion of pay (& A4C staff) being higher than that used in the tariff calculation.

The services within the scope of this project currently make a deficit of £8.5m. The proposed capital development will enable the services to improve their financial

performance by £8.5m and generate a breakeven position which makes them sustainable going forward.

This is achieved by undertaking additional activity, improving productivity and delivering efficiency savings as a result of the co-location of services and services being delivered in fit for purpose accommodation. The consolidation of inpatient units from a number of sites provides the opportunity to reduce recurring running costs through economies of scale and the development of shared site resources. This results in financial benefits from the new beds provided through this scheme as costs are reduced while income levels are increased.

Efficiency savings

The net financial improvement of £8.5m at 2019/20 prices (excluding the £2.7m inflationary uplift pressure) is broken down in table 39 below which shows the cumulative impact of the preferred option. Income increases due to the additional activity undertaken to meet the demand for mental health secure services. By providing these services from fit for purpose accommodation, reconfiguring services and increasing productivity this additional activity will effectively be absorbed and provided while still achieving a reduction in ward staff costs. Co-location of services will also result in efficiencies which will deliver savings from other clinical support and management as well as estates and facilities.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Income	800	300	300	4,300	4,800
Ward Staff Costs	-200	200	700	1,900	1,900
Other Direct Costs	100	300	500	800	800
Support Costs	500	600	1,000	2,200	2,300
Capital Charges	-100	-100	-300	-1,300	-1,300
Net Revenue Savings	**1,100**	**1,300**	**2,200**	**7,900**	**8,500**

Table 39– Efficiency savings

The Trust achieved efficiency savings of £10.6m in 17/18 and £12.6m in 18/19 and £12.4m in 19/20. The Trust's draft plan efficiency target in 20/21 was £12.8m and planned efficiency targets going forward are based on the national NHS efficiency requirement in the planning guidance of 1.1% applied to patient care income which equates to 1.0% of the Trust's total income.

This development will deliver £8.5m of recurring efficiency at out-turn prices which will increase the Trust's surplus which has reduced in the short-term as a result of Transforming Care and other service retractions. The increase and stabilisation of the Trust surplus position is essential to ensure the Trust generates sufficient cash to cover existing loan repayment liabilities and to enable on-going required investment in the estate.

Service Line I&E Summary

Table 40 below shows income and costs of the baseline and preferred option at 2019/20 prices and the link to bed numbers/demand. This shows the increase in medium secure mental health beds and the reduction in Learning Disability beds.

Service	CNTW Beds 1/4/18	CNTW Beds 1/4/19	Income 2019/20 £'m	Costs 2019/20 £'m	Surplus /(Deficit)		Proposed number of beds	Income £'m	Costs £'m	Surplus /(Deficit)
Adult Medium & Low Secure Mental Health	55	58	9.6	10.0	-0.4		80	13.9	13.9	0.0
Adult Medium & Low Secure & Hospital Based Rehab Learning Disability	72	46	7.0	12.0	-5.0		36	6.6	6.6	0.0
Total – Adult Secure & Rehab	**127**	**104**	**16.6**	**22.0**	**-5.4**		**116**	**20.5**	**20.5**	**0.0**
CYPS Medium Secure Mental Health & LD	14	14	5.7	6.8	-1.1		14	6.4	6.4	0.0
CYPS Low Secure, PICU & General Admission Mental Health & Learning Disability	32	29	8.3	9.9	-1.6		24	8.0	8.0	0.0
Total – CYPS	46	43	14.0	16.7	-2.7		38	14.4	14.4	0.0
Adult Acute	70	70	8.4	8.8	-0.4		68	8.9	8.9	0.0
Total CEDAR	**243**	**217**	**39.0**	**47.5**	**-8.5**		**222**	**43.8**	**43.8**	**0.0**
Net Improvement										**8.5**

Table 40– Service line I&E summary

Revenue Costs and Income Assumptions and Income & Cost Summary at Nominal Prices

The revenue cost and income assumptions used for this Financial Case are set out in table 41 overleaf :-

a) Rates of inflation and efficiency. The Trust has used the Tariff uplifts from the 5 Year Plan Implementation Framework.

	20/21	21/22	22/23	23/24	24/25	Future
Income	1.3%	1.3%	0.9%	0.9%	0.9%	0.9%
AFC Staff	2.9%	2.8%	2.1%	2.1%	2.0%	2.0%
Other Staff	2.1%	2.1%	2.1%	2.1%	2.0%	2.0%
Other Operating Costs	1.8%	1.9%	2.0%	2.0%	2.0%	2.0%
Capital Charges	1.8%	1.9%	2.0%	2.0%	2.0%	2.0%
Efficiency Savings	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%

Table 41– Rates of inflation and efficiency

The impact of the Long Term Plan uplifts on the Trust's cost categories are shown in table 42 below.

	20/21	21/22	22/23	23/24	24/25	Future
Income	1.3%	1.3%	0.9%	0.9%	0.9%	0.9%
Ward Direct Costs	2.9%	2.8%	2.1%	2.1%	2.0%	2.0%
Group Direct Costs	2.6%	2.6%	2.1%	2.1%	2.0%	2.0%
Trust Support Costs	2.5%	2.4%	2.1%	2.1%	2.0%	2.0%
Capital Charges	1.8%	1.9%	2.0%	2.0%	2.0%	2.0%
Efficiency Savings	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%

Table 42 – Long Term Plan Uplifts

b) A summary of the income and costs of the preferred option at nominal prices (i.e. taking into account inflation) are shown in table 43 below.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Total Income	38,981	40,310	40,323	40,686	47,501	49,035
Ward Staff Costs	23,354	24,317	24,534	24,562	23,742	24,218
Other Direct Costs	10,076	10,313	10,336	10,294	10,182	10,340
Support Costs	12,832	12,576	12,823	12,674	11,325	11,687
Capital Charges	1,244	1,306	1,388	1,583	2,723	2,790
Total Spend	**47,506**	**48,512**	**49,081**	**49,113**	**47,972**	**49,035**
Total / (Deficit)	**-8,525**	**-8,202**	**-8,758**	**-8,427**	**471**	**0**

Table 43 – Income/costs

9.5 Impact on SOCI, SOFP and SOCF

The tables show the incremental impact (at out-turn prices) on the Trust's I&E surplus, the incremental statement of financial position and the incremental statement of cash flows. The Trust's 10 year Financial Statements are in Appendix HH.

SOCI

The impact of this project on the Trust's Statement of Comprehensive Income at out-turn prices is shown in table 44 below:-

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Income	1,329	1,342	1,705	8,520	10,055
Pay costs	-1,079	-1,366	-1,224	602	-340
Non-pay costs	135	-65	-44	411	356
Depreciation	-18	-43	-102	-444	-501
PDC dividends	-44	-101	-237	-1035	-1045
Incremental impact on I&E surplus/(deficit) before exceptional items	**323**	**-233**	**98**	**8,054**	**8,525**
Impairments	-197	-3,522	-43,110	-81	
Gain on Disposal				6,010	
Incremental impact on I&E surplus/(deficit)	**126**	**-3,755**	**-43,012**	**13,983**	**8,525**

Table 44 – SOCI

The main benefit to the SOCI at out-turn prices is from increased income. A proportion of this relates to price increases which are currently reflected in 23/24 and 24/25. These may be phased in over the next four years but due to COVID-19 and the suspension of contract negotiations the trajectories for this have still to be agreed with commissioners. As well as the operational impacts, the expected impairments and the gain on disposal from asset sale also have an incremental impact on the SOCI.

SOFP

The impact of this project on the Trust's balance sheet is shown in table 45 overleaf:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Assets Employed						
Land					-200	
Buildings and equipment - Additions	4,660	14,336	32,893	16,792	3,017	
Buildings and equipment - Impairments	-429	-197	-3,522	-43,110	-81	
Receivables					3,726	
Bridging Loan (To be approved)				-6,210	2,484	
Cash and cash equivalents	-4,660	5,847	-233	-9,037	5,037	8,525
Total – Assets Employed	**-429**	**19,986**	**29,138**	**-41,565**	**13,983**	**8,525**
Taxpayer's Equity						
PDC		19,860	32,893	1,447		
Revaluation Reserve	-429	-197	-3,522	-43,110	-81	
I&E Reserve	0	323	-233	98	14,064	8,525
Total – Taxpayer's Equity	**-429**	**19,986**	**29,138**	**-41,565**	**13,983**	**8,525**

Table 45 – SOFP

The impacts on the balance sheet are an increase in building and equipment assets as a result of this capital project sitting on the Trust's balance sheet as the assets will be owned by the Trust. The increase in assets will be net of impairments. The Northgate site is valued on a Modern Equivalent Asset basis so the land that will be sold has a low value. When the part of the site to be sold is cleared and available for sale this will become an asset held for sale which will be valued at the previous carrying amount (ie as non-operational land) before being sold to part fund the project. This will result in an I&E Gain on Disposal. PDC balances increase as the project is mainly PDC funded and cash balances initially reduce due to the Trust part funding the scheme before the projected improvement in the Trust's financial performance (I&E surplus) facilitated by this development comes into effect.

SOCF

The impact of this project on the Trust's cash position including a bridging loan (to be approved) is shown in table 46 overleaf:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Capital costs	-4,660	-14,336	-32,893	-16,792	-3,017		-71,698
Revenue costs	0	323	-233	98	8,054	8,525	16,767
PDC		19,860	32,893	1,447			54,200
Bridging Loan (To be approved)				6,210	-2,484		3,726
Cash-releasing benefits					2,484		2,484
Incremental impact on Cash Flow	**-4,660**	**5,847**	**-233**	**-9,037**	**5,037**	**8,525**	**5,479**
Cumulative impact on Cash Flow	**-4,660**	**1,187**	**954**	**-8,083**	**-3,046**	**5,479**	

Table 46 – SOCF

The Programme has significant impact on the Trust's cash position in 22/23 due to the Trust making its contribution to the scheme that year and receipts from the land sale not starting until 2023/24. As noted earlier in this section, service price increases are currently accounted for in 23/24 and 24/25 and some of these may be received earlier which would have a small beneficial effect on the cumulative impact at 22/23.

9.6 Statement of capital and revenue affordability

The capital costs of this scheme total £72.56m which it is proposed will be funded by £6.21m from a land sale released by this scheme, £12.15m from Trust cash reserves and £54.2m by PDC.

This project results in cost reductions (£5.0m) and additional income (£4.8m) which are much greater than the additional capital charges (£1.3m) so the scheme is affordable from a revenue perspective.

9.7 Confirmation of Commissioner/Stakeholder Support

The Trust is working closely with the main commissioners of the services included in this programme and they support the proposed service models and financial impacts. Overall income for the services covered by this scheme is planned to increase. However, the income received for learning disability services reduces due to reducing bed numbers. This is offset by an increase in income for mental health secure services from the increase in bed numbers to meet agreed demand. Table 47 overleaf shows the planned change in profile of income.

Commissioner	Current Income 19/20 (£m)	Proposed Income (@ 19/20 prices) (£m)	Income Movement (£m)	Inflationary Impact Pressure (£m)	Total Impact on Commissioners (£m)
NHS England – Adult Mental Health Secure Services	9.5	13.9	4.4	0.9	5.3
NHS England – Adult LD Secure Services	5.4	3.9	-1.5	0.2	-1.3
NHS England – CYPS Mental Health and Learning Disability	14.0	14.4	0.4	0.9	1.3
Local CCGs – Learning Disability	1.6	2.3	0.7	0.1	0.8
Local CCGs – Acute Mental Health	8.4	8.9	0.5	0.5	1.0
Non English – Secure Services	0.1	0.4	0.3	0.1	0.4
Total	**39.0**	**43.8**	**4.8**	**2.7**	**7.5**

Table 47– Profile of Income

Table 48 below provides a breakdown of the income movement by service and commissioner.

Commissioner	Bed Reductions (£m)	Bed Increases (£m)	Price Increases (£m)	Inflationary Impact Pressure (£m)	Total Impact on Commissioners (£m)
NHS England – Adult Mental Health Secure Services		5.2	-0.8	0.9	5.3
NHS England – Adult LD Secure Services	-1.7		0.2	0.2	-1.3
NHS England – CYPS Mental Health		1.1	0.8	0.5	2.4
NHS England – CYPS Learning Disability	-2.6		1.1	0.4	-1.1
Local CCGs – Learning Disability	-0.1		0.8	0.1	0.8
Local CCGs - Acute Mental Health	-0.3		0.8	0.5	1.0
Non-English – Secure Services		0.3		0.1	0.4
Total	**-4.7**	**6.6**	**2.9**	**2.7**	**7.5**

Table 48 – Income movement by service and commissioner

This scheme is a high priority for the North East and North Cumbria ICS and a bid for funding was submitted as part of the Wave 4 STP capital exercise in July 2018. It was announced as one of the successful schemes allocated funding to support STP transformation in December 2018.

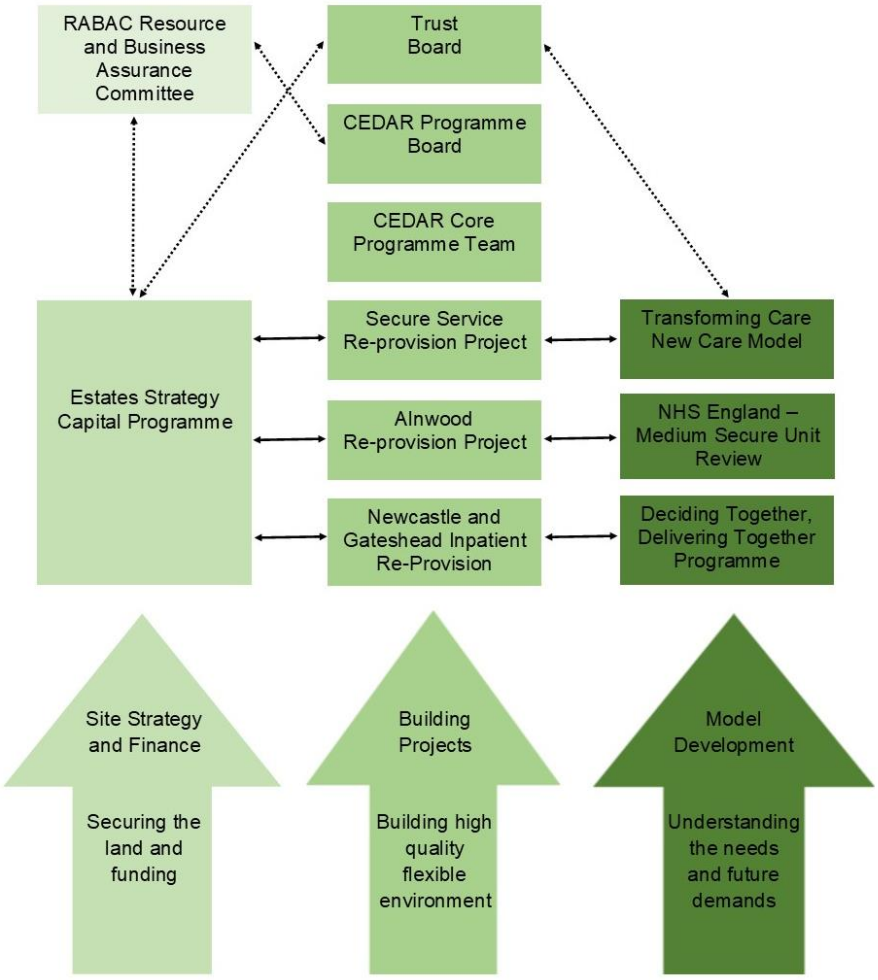
Letters of support for this programme are included in appendix G.

10. MANAGEMENT CASE

This section describes the management structure behind the programme and also the service user and stakeholder involvement. It also describes organisational development and cultural change strategies within the Trust.

10.1 Project management structure and method

Project management arrangements follow those identified within the Capital Investment Manual and are broadly based on PRINCE2 Methodologies. The Programme Management structure is illustrated in the diagram below:



There is a designated CEDAR Programme Team who are allocated to the Programme and are responsible for its successful management and execution. Its membership and resource allocation are detailed below:

CEDAR Programme Director (30 hours per week - part time, reducing to 15 hours per week after FBC submission)

CEDAR Programme Consultant Clinical (15 hours per week - part time)

CEDAR Programme Consultant (15 hours per week - part time)

CEDAR Programme Support Officer (37.5 hours per week - full time)

Additional resource has been incorporated into the team from March 2019 to provide sufficient resilience to ensure successful delivery. This arrangement is constantly under review, and should it be deemed that there is insufficient resource within the CEDAR Programme Team, there is commitment from the Trust to act to remedy this with further resource where appropriate. The CEDAR Programme Team are mindful that members of the extended Core Programme Team have more limited capacity due to fulfilling existing full time operational roles, and manage this resource accordingly. Operational capacity is identified on the list of potential risks, and is also discussed and reviewed regularly.

CEDAR Northgate Programme	2019-20	2020-21	2021-22	2022-23
Programme Consultant (Clinical)	38,300	10,000		
Construction Programme Manager	56,000	56,000	56,000	56,000
Programme Support Officer	37,400	37,400	37,400	37,400
OD Support Staff Consultations	24,000	24,000		
Total Salary Costs	155,700	127,400	93,400	93,400
Programme Director	90,000	45,000	45,000	45,000
Programme Consultant	55,000	41,250	20,000	20,000
Non pay	8,000	6,000	3,000	3,000
Total other Trust costs	153,000	92,250	68,000	68,000
Total expenditure	**308,700**	**219,650**	**161,400**	**161,400**

Table 49 – CEDAR programme

NTW Solutions Limited (NTWS) is the wholly owned subsidiary of the Trust. The two organisations operate under a contract for the provision of a number of services, including Estates and Facilities. The Capital Development and Planning team is part of the Estates and Facilities Department of NTW Solutions and it delivers services to the Trust to support capital projects, including CEDAR. The Head of the Capital Development and Planning team, is a member of the CEDAR programme team, reporting into his client, the Trust, through the Programme Director for the purposes of CEDAR. NTW Solutions are also providing a full-time Project Supervisor (Senior Capital Projects Officer).

Senior Responsible Owner

The Senior Responsible Owner (SRO) is the Trust's Deputy Chief Executive. He is accountable for the programme, ensuring that it meets its objectives and realises the expected benefits:

- Creating and communicating the vision for the programme
- Providing clear leadership and direction
- Securing the required investment in order to run the programme
- Ensuring that the programme achieves its strategic outcomes and realises its benefits

- Establishing programme governance arrangements and ensuring that appropriate assurance is in place
- Ensuring viability of business cases
- Maintaining interface with key senior stakeholders
- Monitoring key strategic risks facing the programme
- Maintaining alignment of the programme with the Trust's strategic ambitions.

Programme Director

The Programme Director is responsible for leading and managing the setting up of the programme through to delivery of the new facilities, realisation of benefits and programme closure:

- Day to day management of the programme
- Being the day to day agent on behalf of the SRO
- Planning and designing the programme and proactively monitoring its overall progress, resolving issues and initiating corrective action as appropriate
- Developing and implementing the programme's governance framework
- Effective coordination of the Programme and their interdependencies
- Managing and resolving risks
- Managing the performance of the core programme team
- Managing communications with stakeholders
- Reporting progress of the programme at regular intervals to the SRO.

CEDAR Programme Consultant (Clinical)

The CEDAR Programme Consultant (Clinical) is responsible for working alongside clinical teams and operational managers to develop:

- New Clinical models and vision
- New Workforce models
- Supporting communication and engagement of workforce
- Developing programme benefits and benefit realisation plans
- Developing new operational policies and procedures
- Commissioning and on boarding
- Operational supervisor for Programme Support Officer
- Trust financial signatory for the programme
- User and carer engagement plan.

CEDAR Programme Consultant

The Programme Consultant is responsible for:

- Lead co-ordination of Planning Applications – dialogue with Planning Consultants and Local Authorities, community engagement, communications arising from planning applications
- Lead co-ordination of land sale activities – point of contact with real estate agency consultants, dialogue with potential purchasers, liaison with estates and property management departments, minor authority/community liaison

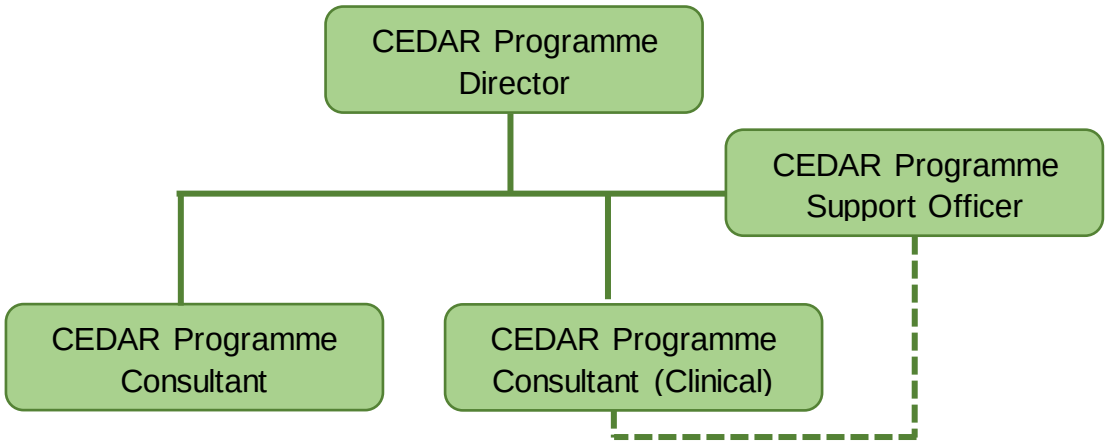
- Lead co-ordination for equipping strategy and procurement activities
- Lead co-ordination for IT and technology strategies, design and procurement activities
- Senior leadership and coaching role across of programme areas.

CEDAR Programme Support Officer

The Programme Support Officer is responsible for providing vital assistance to Programme Managers and the Programme Director in driving the CEDAR Programme forward from planning to implementation:

- Ensuring that the agreed project management methods, standards and processes are maintained throughout the project lifecycle
- Collation of information and production / owner of OBC and FBC
- Assist the Project Manager and Service Managers in the production and maintenance of project plans
- Develop and maintain the project library, filing, recording and reporting systems
- Co-ordinate the production of reports and produce project summary reports
- Define and document procedures in accordance with agreed methodology
- Advise and assist project team members in the application of project procedures, disciplines and recording and reporting standards
- Undertake any other administrative tasks as specified by the Programme Director
- Working alongside Project / Workstream Leads in order to achieve tight target timescales
- Organisation of large scale events linked to the programme
- Supporting the facilitation of internal and external consultation and engagement events linked to the programme
- Supporting the delivery of the CEDAR Programme communication plan
- Taking a lead responsibility for identified elements of the CEDAR Programme Plan.

CEDAR Team Structure



Governance

The CEDAR Programme Board is accountable to the Trust Board of Directors, who sign off all Business Cases and decisions relating to the Programme. Beneath that sits the CEDAR Core Programme Team and then various subgroups, outlined in detail throughout this section. Issues which cannot be resolved at any level, are escalated for approval. There are terms of reference for each forum which outline delegated authority and reporting mechanisms, these are available in appendix DD.

Trust Board of Directors

The key responsibilities of the Trust board of Directors include:

- Approve the Strategic, Outline and Full Business Cases for the programme
- Agree the scope of the programme
- Authorise funding for the programme
- Resolve any major issues referred to it by the Resource and Business Assurance Committee (RABAC).

CEDAR Programme Board

The Programme Board is a sub-group of the Trust Board of Directors and ensures that proper arrangements are in place to drive the programme forward and deliver the outcomes and benefits. The Programme Board work in partnership with other health and social care providers, in accordance with the Trust's strategic ambitions.

Key elements of the Terms of Reference for the Programme Board are as follows:

- To represent wider-ownership and maintain co-operation and co-ordination between "major development" schemes and other stakeholders
- To agree the Strategic Direction and purpose of the programme
- To agree programme controls and processes, and obtain assurances that these are effective in managing the programme and delivering the programme objectives
- To ensure that the Core Programme Team has sufficient and appropriate resources to carry out their functions
- To agree internal and external communication plans
- To ensure that the programme achieves its objectives in terms of timescales and cost
- Carrying out programme related decision-making responsibilities on behalf of the Trust Board of Directors
- To ensure timely delivery of agreed outcomes.

Programme Board membership is set out in table 50 overleaf:

Non-Executive Director (Chair)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Executive Director Finance and Deputy Chief Executive Officer (SRO)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Executive Director of Nursing and Chief Operating Officer	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Deputy Chief Operating Officer	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
CEDAR Programme Director	NTW Solutions
CEDAR Programme Consultant (Clinical)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
CEDAR Programme Consultant	NTW Solutions
CEDAR Programme Support Officer	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Managing Director NTW Solutions Ltd	NTW Solutions
Director of Estates and Facilities	NTW Solutions
Senior Capital Projects Officer	NTW Solutions
Head of Capital Development and Planning/Project Manager	NTW Solutions
Group Nurse Director	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Deputy Director of Workforce and Organisational Development	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Deputy Director of Corporate Affairs and Communications/Company Secretary	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Deputy Director of Finance and Business Development	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Mental Health Lead, NHS England and NHS Improvement	NHS England
Staff Side Lead	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust

Table 50 – CEDAR Programme Board

Core Programme Team

The Core Programme Team is led by the Programme Director and includes key Project Managers, clinical staff, estates, financial and business support staff. The membership of the Core Programme Team may change at different stages of the programme e.g. during the business case development stage and the construction stage. The Core Programme Team's role is to:

- Support the development of business cases for each element of the programme, including ensuring that there is necessary consultation with staff, service users, carers and other key stakeholders
- Review and develop new operational policies and procedures to improve the quality of care and realise the required cost savings
- Oversee the development of the design work to improve the patient environment

- Have an overview of the construction work to ensure the Contractor meets objectives, including time, cost and quality
- Identify, manage and report risks to the Programme Board relating to any of the projects
- Ensure that there are good communications, and involvement with all key stakeholders throughout the programme.

The Core Programme Team form task and finish sub groups as necessary as the programme develops to manage different work streams.

CEDAR Programme Director	NTW Solutions
CEDAR Programme Consultant (Clinical)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
CEDAR Programme Consultant	NTW Solutions
CEDAR Programme Support Officer	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Senior Capital Projects Officer	NTW Solutions
Business Development Leads (North and Central)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Associate Directors (CYPS, Secure Care Services, Inpatient North, Inpatient Central)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Clinical Managers (CYPS and Adults)	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Head of Finance Delivery	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Head of Workforce and Organisational Development	Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust
Sir Robert McAlpine Project Leader	External Company

Table 51 – Membership of the CEDAR Core Programme Team

Membership in table 51 may change slightly during each phase of the programme dependent on need, particularly as operational considerations begin to predominate as construction progresses.

Core Programme Team Roles

The Programme Director chairs the Core Programme Team and has specific responsibilities for the project plan and the list of potential risks. The Trust's CEDAR Programme Consultant (Clinical) co-ordinates the clinical components including workforce of the project.

The Clinical leads / specialists lead on day to day clinical and operational issues, including chairing the Clinical and Operations Group and the Admissions and Discharge Group.

The Trust Construction Project Manager is the Head of Capital Development and Planning and leads on estates issues for the Trust, including chairing the Design and

Construction Group and liaison with the Trust's Procurement partners. The Managing Director of NTW Solutions Ltd oversees this work, providing additional input to the Programme Team, as necessary. The Senior Capital Projects Officer leads on day to day design and building issues.

The Contractor representative leads on day to day design and construction issues for the Supply Chain, including liaison with NTW Solution's Head of Capital Development and Planning/Project Manager.

Turner Townsend are contracted to the Trust to independently review the budget and expenditure for the project. Cost information is shared with the Programme Board every month.

10.2 Organisational and cultural change

The organisation has a full organisational development package which all secure staff have been part of. This, as well as various other metrics including the staff survey and friends and family analysis gives an indication of the Trust's culture. The staff have a number of engagement sessions on an ongoing basis.

The CEDAR intranet site provides details of the scheme, design and programme information and a 'frequently asked questions' (FAQ) to ensure accurate consistent responses are provided to staff questions and concerns.

Stakeholders

Key stakeholders have been included throughout the process. Local authorities, CCG representatives and Service User and Carer representatives are all members of the CEDAR Board.

The following stakeholders have been identified:

Internal:

- Trust staff working in the services to be re-provided
- All other NHS staff working on the Northgate, Ferndene and Bamburgh hospital sites
- All other Trust staff
- Staff side representatives
- Trust Board of Directors
- Trust Business Development Group
- Trust Council of Governors.

External:

- People using the services to be re-provided
- Carers and families of people using these services
- Commissioners of the service – Clinical Commissioning Groups, NHS England
- Foundation Trust public members

- Local authority leaders and officers
- Health Scrutiny Committees
- Local elected members and MPs
- User led organisations
- Carers organisations
- Other community and voluntary organisations
- The general public including neighbours on three sites
- Local and national media
- Sir Robert McAlpine, Principal Supply Chain Partner, as the construction partner
- Local emergency services – police, ambulance and fire service.

Other stakeholders identified as requiring input into the design process include the Trust's Fire Officer, Risk Management and Health and Safety Officers; Estates Maintenance Engineers; Infection Prevention and Control Team; Site Facilities Lead; Service Level Agreement Stakeholders, Carers and patient representatives.

These groups will be included in the design process on an "as-needed" basis by involvement in the regular meetings as required.

A full Communication and Engagement Strategy for all stakeholders has been developed as summarised in appendix D.

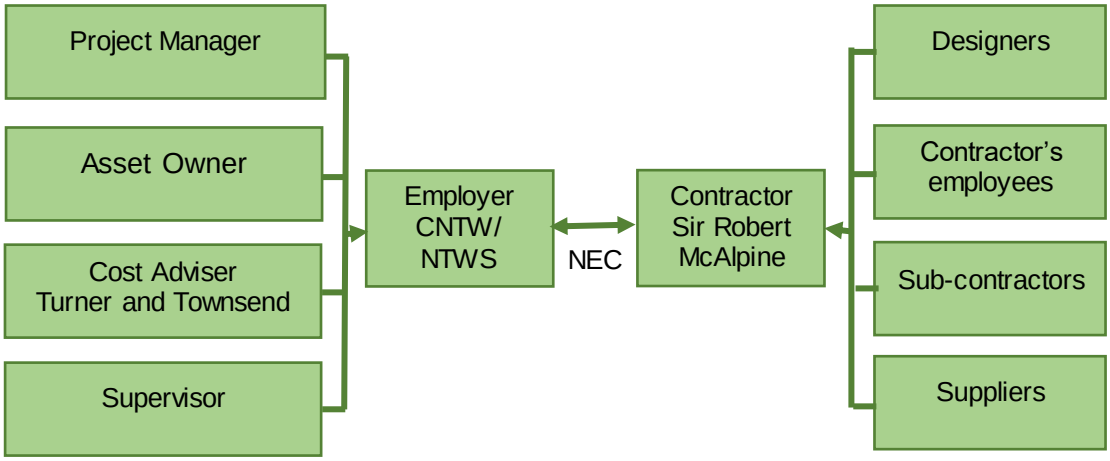
10.3 Service user involvement

The Trust values mean that service user and carer involvement is essential to the development of the programme. The Trust has a statutory duty to involve service users and the public in planning the development of services. Service user forums ensure that service users and carers can provide views on the development of the scheme and to receive updates on progress. This includes engagement events, communications and the creation of a CEDAR email address where people can send their views and thoughts on the project for consideration. The Trust also involves service users and carers in focus groups around the design of the buildings and services.

10.4 Management of preferred bidder appointment and contract

The Trust construction partner (Sir Robert McAlpine) has already been appointed using the PAGABO Framework. The Pre Construction Services Agreement has been populated and signed covering the period up to submission of the FBC. The contract will be administered by the Capital and Planning Team with the Head of Capital Planning and Development, acting as Project Manager, along with a Project Supervisor and a Commercial Manager. Other members of the team will assist as and when required throughout the duration of the project. The organisation's Capital and Planning Team have worked on all Trust projects for a period of 12 years and have amassed a wealth of knowledge in delivering Capital schemes during this time.

The contract management structure for the programme is indicated below:



10.5 Project structure assurance and support

The CEDAR Programme structure and governance arrangements have been approved by the CNTW Trust Board of Directors and all of the business cases produced by the programme team are submitted to the Trust Board of Directors for approval and signed by the CEO prior to submission. The OBC and FBC have both received approval by the Trust Board of Directors.

The Board of NTW Solutions is not required to approve the OBC or FBC as these are Trust documents to support their proposed development. However as NTW Solutions are the Trusts Operated Healthcare Facility Provider their Board will need to agree the Capital project delivery and contractual changes to their contract with the Trust. This project has been discussed at NTW Solution's Board regularly throughout its planning phase and has the Board's support in principle in terms of delivery and contractual changes required. Four members of NTW Solution's Board sit as members of the Programme Board. This ensures mutual visability and awareness of the programme and ease of communication of any concerns for rapid resolution.

10.6 Project plan - Project plan including delivery plans, dates and details milestones

The current Project Execution Plan (PEP) is available in appendix EE. The project programme covering planned delivery dates and milestones is in appendix O.

10.7 External advice where applicable

The adoption of the PAGABO framework has allowed early engagement of external specialist advisers, including Fire engineers to supplement and enhance the advice already available through Trust 'in house' resources for fire, infection control and design along with existing subcontracted specialist advice including water quality

management. Monthly Estates workshops have been undertaken where the Trust's operational maintenance teams have integrated with SRM, the design team and specialist advisors from a Mechanical, Electrical, IT and Water Quality perspective to provide a holistic design solution. The appointed Fire Safety advisor has integrated with the Trusts Fire Officer and Design Team to complete a comprehensive strategy for the Northgate, Bamburgh and Ferndene projects whilst the IPC teams have advised through a detailed Room Loaded Elevation development process.

10.8 Workstream milestones and inter dependencies

The SRM master programme shows the critical path of the scheme and inter dependencies. A handover period of eight weeks is included for the completion of each ward block, with time allowances for staff training, Trust FFE, open days, 'live-in's' and familiarisation. In addition to this an allowance has been included in the programme for the incorporation of best practise soft landings as well as provision for a detailed benefits analysis within one year of occupation.

10.9 Contract management plan

Both the PEP and NEC 3 contract data identifies clear overall ownership of the contract management across the organisation. Contract management reporting processes are aligned with organisational governance processes, operational board, and risk structures, all with senior level engagement.

The NEC 3 form of contract requires a collaborative approach from all parties, which stimulates open management to mitigate problems and reduce risk. The contract programme is included in appendix O and is formally accepted by the client Project Manager on a monthly basis.

10.10 Benefits realisation

The monitoring of the delivery of programme benefits will be managed through the CEDAR Programme Board during the planning and construction phases. Post construction the programme benefits realisation plan overleaf will be managed by the operational group directors and reported via the Trust Board of Directors. The plan sets out who is responsible for the delivery of specific benefits and how achievement of them will be measured.

Key benefits of the programme are:

- Provide enough capacity to meet demand, over the next 5-10 years, and provide flexibility for the future and fit with the Trust's strategic plans
- Enhance clinical practice that support clinical effectiveness, improved patient outcomes and patient safety
- Quality of care is enhanced, in terms of the model of care, and seamless pathways of care and patient choice

- Provides a dynamic working environment that supports research and development
- Development of working environments that will encourage retention and recruitment
- Facilities will meet the requirements of NHS and other national guidance for the built environment for the services in scope, with limited derogations identified in appendix I
- Patient experience is enhanced, in terms of privacy and dignity, and the quality of environment
- The programme will be delivered on time with minimal disruption to current service delivery.

Benefit Descriptor	Beneficiary	Method of review	Who is responsible/leads	Target date
Quality of care is enhanced, in terms of the model of care, and seamless pathways of care and patient choice	Service user Wider community Wider NHS	Internal clinical audits Peer reviews Patient feedback systems	Operational and clinical heads of services	December 2024
Enhances clinical practice that support clinical effectiveness, improved patient outcomes and patient safety	Service user Wider community Wider NHS	Internal clinical audits Peer reviews Patient feedback systems PLACE Reports	Operational and clinical heads of services	December 2024
Facilities within scope will provide enough capacity to meet demand, over the next 5-10 years, and provide flexibility, for the future and fit with the Trust's strategic plans	Service user Wider community Wider NHS	Monthly Reports: Occupancy levels Referral Rates Discharge Rates Waiting lists Out of area placements	Operational and clinical heads of services CNTW Performance Team	Annually from 2024
Provides a dynamic working environment that supports research and development	Service user Wider community Wider NHS	Internal clinical audits Research proposals Evidence of change implementation	Operational and clinical heads of services CNTW Research and Development Team	Annually from 2024
Development of working environments that will encourage retention and recruitment	Service user Wider community Wider NHS	Staff retention and recruitment reports Staff Survey feedback	Operational and clinical heads of services Workforce Leads	Annually from 2024
Facilities will meet the requirements of NHS and other national guidance for the built environment for the services in scope	Service user Wider community Wider NHS	PLACE Reports AIMS BREEAM PREOMS RCPsych EHE NHS England Quality Standards	Operational and clinical heads of services NTW Solutions	December 2023
Patient experience is enhanced, in terms of privacy and dignity, and the quality of environment	Service user Wider community Wider NHS	PLACE Reports Patient feedback systems	Operational and clinical heads of services NTW Solutions	December 2023
The development will be delivered on time with minimal disruption to current service delivery	Service user Wider community Wider NHS	Project Plan Update Reports Feedback from operational groups	Programme Director	December 2023
Reducing recurring costs of services	Wider economy Wider NHS	Achievement of £8.5m recurring financial improvement	Operational heads of services CNTW Finance Leads	December 2023

Table 52– Benefit realisation plan

10.11 Risk management plan – comprehensive and costed list of potential risks

The list of potential risks is included in appendix E. The scoring matrix is also described in terms of probability and impact ratings. Full costings against each risk are provided and set against the planning contingency held by the Trust and contractor's risk held by SRM. Risks are grouped under the following headings:

1. Finance
2. Programme/phasing
3. Contract/legal
4. Resources
5. Technical
6. Construction
7. Operational

Risks scoring 12 or above in the list are identified in table 53 below and are reported at each programme board.

Risk Category	Raised By	Risk owner	Risk description (cause, risk event and impact)	Likelihood - CURRENT	Consequence - CURRENT	Risk Score - CURRENT	Risk Response Action / Mitigation
Financial	Client / Trust	NHS Client	Trust does not receive the expected level of land sale receipt leading to a shortfall in the overall budget	5	4	20	Hybrid planning application and early engagement of specialist advisors. High level of survey detail as part of land sale package Recent feedback suggests landsale value has reduced from initial estimate partly due to deterioration/saturation in local market conditions and partly impact of coronavirus 19. Outline Planning approval now achieved. 5 active bids received. After deductions for section 106, affordable housing, abnormals and demolitions value is below that indicated in the OBC. Coronavirus has had an impact on market. Option to remarket in 2023
Financial	Client / Trust	NHS Client	Allocated project budget is not sufficient to meet all the requirements of the Trust (including addressing backlog issues in existing, retained buildings and site wide infrastructure issues)	4	4	16	Development of the project costs and scheme information now well advanced. Continuation of regular cost advice and staged cost plans with GMP due 22/5/20. Clinical function is signed off at each stage. Significant pressures emerging in some construction packages e.g brickworks
Financial	Client / Trust	NHS Client	Significant expenditure is being undertaken by the trust at risk prior to business case approvals. This expenditure would be irrecoverable if the scheme is not approved and does not proceed.	3	4	12	Multi stage business case process should minimise risk exposure. Keep the programme board informed of liabilities to projected FBC approval date each month. Ensure timely responses to business case queries. £9.5m level of expenditure at risk approved by board
Financial	SRM	SRM	Insolvency of supply chain during the works	4	3	12	SRM appropriate vetting and selection procedures.Use key supply chain partners who are vetted. Identify supply chain packages with higher risks. Contractor to carry out due diligence for key orders of items of materials Any key subs at risk to be identified. Increased concern and likelihood due to coronavirus 19
Financial	Client / Trust	NHS Client	Principal Contractor may suffer insolvency	3	4	12	Regular financial checks to be undertaken by Trust
Programme/Phasing	Client / Trust	NHS Client	National approvals by NHS England, NHS Improvement, DoH, Ministerial are delayed	3	4	12	Ensure the project team achieve programme dates and hit NHSI response dates. Carefully monitor progress of business cases through the system. DHSC is coping with many other priorities currently. Costs of delay quantified at approximately £2m/month at risk if programme not immediately suspended
Programme/Phasing	Client / Trust	NHS Client	Excessive lead in times/poor performance of statutory authorities/utility companies for non contestable work impacts on programme	4	3	12	Early Engagement instigated to mitigate as far as possible. This is linked to COVID19 and response timescales from stats providers. (SRM will diligently manage process and include stats fees in GMP however have minimal control over timescales/start dates for stats providers who operate autonomously)
Programme/Phasing	SRM	SRM	Delay to FM, GARPRO followed by Demolitions of the existing buildings and starting the MSU due to the knock on effect of late receipt and poor quality stage 4 design information impacting negatively on the timing of costing / procurement / construction	4	3	12	Contingency plan in place to ensure no delay to MSU due to Trust vacating buildings. Demolition delays may still occur due to coronavirus impact.
Contract /Legal	Client / Trust	NHS Client	Impact on Programme and costs due to National Policy issues around BREXIT	4	4	16	Monitor
Operational	Client / Trust	NHS Client	Loss of or changes to provider contract for medium secure inpatient services leading to long term under occupancy of purpose built facilities	3	4	12	Ensure quality standards for the contracts are met and sustainable and competitive tenders are submitted by the Trust. Full 'open book' discussions continued with NHS England and other commissioners
Operational	Client / Trust	NHS Client	Proposed staffing models have identified a reduction of 70 FTE posts. Detailed staff engagement and consultation needs to be urgently progressed.	3	4	12	Numbers widely recognised. Too early for formal consultation. Reductions to be managed by natural wastage in next 2 to 3 years

Table 53– List of potential risks

Some of the residual high scoring risks were expected, including any unknown future impacts of Brexit on costs and availability of materials and the high level of expenditure 'at risk' by the Trust to keep the CEDAR scheme progressing at pace. Many others are linked (directly or indirectly) to the extraordinary circumstances we currently face as a country and unprecedented levels of uncertainty due to the COVID-19 pandemic.

Where risks are almost certain to materialise, we have simply incorporated 100% of these costs into this FBC.

We have added new COVID-19 specific risks, incorporated its potential impacts on previously identified risks (and re-scored) and have recognised there are likely to be business casualties in the selected supply chain (which certainly would not have been expected previously due to the high level of financial assessments made on these companies). It is highly likely the market for housing sites has seen a downward trajectory due to the level of uncertainty and this has unfortunately impacted on our projected land receipt. We are addressing this by remarketing the site in 2023 (our financial plans have always assumed no land receipt for the next three years). We have recognised the increased level of deductible costs against the gross land valuation and after incorporating these into the business case a net lower receipt from the sale has been used in our financial assessment. There have also been issues in progressing agreements with NHS England on the commissioning contracts as critical staff have quite rightly needed to concentrate on other, more urgent tasks, although principles are well established.

The timing of the realisation of some risks is clear – lower land value and expenditure at risk by the Trust are both immediate impacts. Others, including potential insolvencies, further working restrictions, further severe waves of COVID-19 and any impact of Brexit are simply impossible to assess in both cost and timing terms. The submitted GMP, programme and methodology reflect the current CLC site operating procedure, version 5 and the cost and programme will only change if Government direction and guidance is updated and more onerous restrictions are introcuced. A specific provisional amount for additional COIVD-19 impacts of £250k has also been included in our costs, controlled by the Trust.

For these reasons we have increased our risk scoring where appropriate, whilst 'closing out' some of the other risks as the programme has developed. We have incorporated a 4% planned contingency in our assessment. This level of contingency funding, inclusion of a COVID-19 provisional amount and the incorporation of any 'almost certain' risks into our core financial assumptions as definite costs at 100% value are all prudent measures to increase the robustness and resilience of the CEDAR programme.

10.12 Post implementation monitoring and post project evaluation (PPE)

Why undertake evaluation?

Project evaluation is the process of assessing the impact of a project, while it is in operation, and as in this case, after it has come to an end. It is an essential part of a project with the aims of:

- Improving the design, organisation, implementation and strategic management of projects
- Promoting organisational learning to improve current and future performance
- Achieving best value for money from public resources and avoiding costly mistakes
- Improving decision making and resource allocation
- Improving accountability by demonstrating to internal and external parties that resources have been used efficiently and effectively
- Demonstrating whether or not the predicted objectives, outcomes and benefits have been achieved.

It is also a requirement of the NHS Capital Investment Manual for all significant building projects.

How has the evaluation been developed?

The evaluation has been based upon the 'Good Practice Guide – Learning Lessons from Post Project Evaluation' published by the Department of Health in 2002, combined with the 'NHS Scotland Capital Investment Manual Project Evaluation Guide' (July 2012).

What is the scope of the evaluation?

The evaluation assesses how the project was managed from the approval of the Strategic Outline Case in 2019, through to the completion and opening of the facilities at Ferndene, Northgate Hospital and St Nicholas Hospital in 2023.

It comprises of:

- Post project evaluation workshops following each of the three facilities becoming operational
- A joint post project evaluation workshop to be held covering all three developments
- A post occupation patient survey
- A post occupation staff survey
- A workshop to examine what would have happened if the project had not been undertaken i.e. if the ('do nothing' option) had been chosen, in order to consider how it would have been likely to develop over the same duration of the programme. This counterfactual will act as an additional benchmark against which the performance of the project may be measured.

Time and cost allowances are included within the project programme and cost plans to facilitate the process.

Who will lead the evaluation process?

The Trust have commissioned a Core Post Programme Evaluation Team as follows:

- CEDAR Programme Consultant
- Senior Capital Projects Officer
- Head of Workforce and Organisational Development
- Operational Associate Director
- User and Carer Involvement Leads
- Head of Financial Delivery
- Programme Support Officer

A full Post Programme Evaluation (PPE) Report will be produced for the Trust Board of Directors on completion.

10.13 NHS premises assurance model (PAM) standard assessment questionnaire

The latest Premises Assurance Model (PAM) Annual Report dated October 2018 is included in appendix FF. The PAM report was discussed at the RBAC meeting in January. NTW Solutions scores an average rating of 'good' with one item rated outstanding in regards to assurance for the Trust.

10.14 Equality and diversity

Public authorities spend £236 billion each year on buying goods, works or services from other organisations across every sector. This purchasing power can be used as a way to advance equality and, where appropriate, achieve wider social benefits, such as creating training or employment opportunities.

The Programme Team will work with its supply chain to establish that second and third tier supply chain partners have effective policies in place that comply with the Equality Act 2010 and Public Services (Social Value) Act 2012. This will include encouraging healthy diversity within the supply chain, with a view to reflecting the local community's demographics and addressing the needs of the wider community.

The Programme Team will promote the inclusion of local suppliers and small and medium sized enterprises (SMEs) within its supply chain and encourage participation in CEDAR redevelopment; this will provide both economic and social benefit, such as employment, training and development, particularly to disadvantaged communities within the local area. The Trust will endeavour to make some allowances for SMEs, which may only have very basic policies in place since their size may restricts their ability to implement complex training and development programmes.

The Trust's Equality and Social Care Strategy describes the Trust's processes for complying with the Equality Act 2010 and Public Services (Social Value) Act 2012. Equality outcomes are often seen to overlap with community benefits and are part of the social and economic elements of sustainable procurement.

The Programme Team will monitor both new and existing contracts to ensure strategic suppliers are compliant with legislation, and where possible suggest advice and training be given from the Trust's Equality, Diversity and Human Rights team.

When buying and selecting goods and services through the compliant process, the Programme Team will ensure the goods and services meet the needs of the Trust's different and diverse users. Selection exhibitions and workshops will endeavour to capture special needs and requirements through this process.

The Procurement Team, when selecting its supply chain through competitive tendering, quotations and framework contracts, will give due consideration to legislations whilst ensuring that commercial benefit is not reduced or lost through the process.

The Trust Equality and Diversity Lead has undertaken an assessment of the proposals and the programme plan. An initial report has been compiled in appendix GG which is summarised as follows:

The preferred option provides a solution for the provision of services that will generally have a positive impact in terms of equality and diversity. The potential areas for negative impact will be locating forensic services on a site that may potentially be less easy to access for visitors to patients. Accommodation for visitors goes some way to mitigating this impact, discussions with Public Transport providers are recommended to ascertain whether there are likely to be any service improvements in light of the new developments on the Northgate site – both for the Trust and the proposed extension of housing development.

Transport to access the site is also likely to be an issue for staff who may be moving from St Nicholas to Northgate as a consequence of the CEDAR proposals. It is recommended that this is addressed as part of the consultation exercises that will take place. Doing so will mitigate potential negative impacts of the proposal.

Finally it is recommended that the Equality and Diversity Lead maintains a regular contact with the CEDAR team as the Project develops to ensure that needs are met and that any changes during the course of the project are assessed for equality impact .

11. CLINICAL QUALITY

This section describes the clinical rationale behind the options for the programme including the involvement of staff and patients, PLACE scores, patient experience and other involvement by teams.

11.1 Design and buildings - Purpose of building, suitability, layout

Part of the Trust's estate strategy is to group inpatient specialities onto single sites wherever possible i.e.

- Adult Acute Inpatient Care – St Georges Park, St Nicholas Hospital, Hopewood Park
- Neuro Disability and Rehabilitation - Walkergate Park
- Older Peoples Inpatient Care – St Georges Park, Monkwearmouth Hospital, CAV Newcastle
- Children's Acute and secure services Inpatient Care – Ferndene Prudhoe
- Adult Secure services – Northgate Hospital

This model allows the organisation to form concentrated groups of clinical staff with transferable specialist skill sets that can offer support across sites that contain anything between five and 15 wards depending upon the size of the site.

Proposed New Build Integrated adult Medium Secure Facility Northgate

Six wards will provide a 74 bed medium secure standard facility for adults that meets the national MSU environmental standards and which facilitates the integration of learning disability and mental health secure services. The new unit will also enable service expansion through the development of new secure personality disorder services and increase the number of mental health beds. This will also support access for those people currently in prison awaiting assessment and treatment, which are identified gaps in the New care Model secure pathway linked to the National review of Secure Services.

Proposed Re-provided Newcastle and Gateshead Adult Acute Inpatient Services

The Trust will re-provide 68 adult acute admission beds and associated services into existing upgraded environments at Bamburgh Clinic and Bede Ward on the St Nicholas hospital site that meet the national standards for acute inpatient facilities. The new environments will facilitate the integration of Newcastle and Gateshead acute services onto a single site, as per the Deciding Together, Delivering Together public consultation.

Proposed Re-provided Adult Low Secure and Hospital Rehabilitation Facilities Northgate

We will re-provide 42 low secure and hospital rehabilitation mental health and learning disability beds into existing and/or upgraded environments at Tyne and Tweed wards on the Northgate hospital site that meet the current national standards

for low secure facilities. The current environments will facilitate the integration of mental health and learning disability services onto a single site.

Proposed redeveloped wards at Ferndene, Prudhoe to provide all CYPS Inpatient Facilities

Fourteen medium secure learning disability and mental health beds will be provided, alongside a reduced number of low secure learning disability beds, general admission beds and PICU.

NOTE: Any minor derogations from specific standards are recorded in appendix I derogation schedule.

11.2 Use of facility

CYPS Secure Services

The proposed redeveloped Ferndene facility will have a significantly positive impact upon the quality of care delivered due to the fact that the building design will be developed around young people who present with highly complex needs and high risk behaviours.

The current “team around the child” clinical model is proving very successful and entails small groups of clinical staff working very closely with individual young people throughout the duration of their stay as opposed to a more generalised ward team approach.

This model allows the development of closer therapeutic relationships and highly individualised packages of care. The current wards at Alnwood, St Nicholas Hospital however are based upon a very traditional Nightingale footprint over two floors which does not support the “team around the child” clinical model.

The redeveloped facility will be more conducive to individual therapy and nursing intervention whereby individuals who struggle to interact with others or who present a risk to other patients on the ward will have increased access to safe individual therapeutic space via increased numbers of small lounge/therapy areas and a variety of outdoor space options.

Reviews of the service have highlighted a direct correlation between the use of restraint and other restrictive interventions (the use of mechanical restraint equipment (MRE) and seclusion) and the environmental limitations of Alnwood. The current design of Alnwood cannot be structurally overcome and so this risk will continue until the building can be vacated. This has been logged on the Trust’s list of potential risks. These risks lead to significant additional requirements for staffing resources.

Co-location with other CYPS services will also present opportunities to introduce shared facilities (in a programmed way) and operational contingency plans.

Adult Medium Secure Services

The new facility at Northgate will significantly improve the quality of care delivered by addressing current environmental issues including first floor accommodation, no en-suites, and poor recreational facilities. On the Northgate site there are also a range of buildings in current use which date back to the 1960's and beyond. As such, despite being maintained they are no longer fit for purpose and are unable to be adapted to meet the required needs of patients or the standards outlined in the quality network.

This programme proposes an increase in mental health service provision contrasting to the reduction programme for learning disability services. The Trust currently has limited provision for patients with personality disorders with many being admitted into learning disability or mental health beds or placed out of area in other specialist beds. The NHS England mental health Service Review has identified the need for 19 male, medium secure PD beds to meet the demands of the future originating population, and an increase of 22 male, medium secure beds across the ICS footprint which is reflected in this business case.

The new build secure services facility will provide the physical health care facilities to ensure holistic patient needs are addressed reducing demand on acute services wherever possible. There will be a radical upgrade in our approach to ill health prevention and secondary prevention extended to health promotion and the encouragement of personal responsibility through co-produced recovery plans.

The combined site will assist in implementing the CQC action plan to embrace the Greenlight Toolkit across all adult services. Access to services and shared learning between learning disability and mental health staff will be improved to effectively support people with autism and people with learning disabilities to gain equal access to mental health services.

Adult Low Secure and Hospital Rehabilitation Services

The Tweed ward on the Northgate site will be further upgraded at a later date (outside of OBC) as it is a currently compliant building. This future scheme will significantly improve the quality of care delivered by addressing all of the current environmental issues including no en-suite provision.

There will be the additional benefits of access to some of the shared facilities within the new build medium secure facility such as recreational / sports areas and physical health care services.

Newcastle and Gateshead Adult Acute Services

Adult Acute Inpatient Services for Newcastle and Gateshead are currently provided from two separate general hospital sites, neither of which are owned or operated by the Trust.

It is widely recognised by all stakeholders involved with these services that the

current isolated facilities are not viable in the long term. Environments are not fit for purpose - no en-suite provision, poor outdoor access, poor layout, significant backlog and on-going maintenance requirements. The proposed re-provision will address all of these environmental issues.

The Trust has been served notice to vacate the former Newcastle General (Campus for Ageing and Vitality) site by March 2022, with the option of a further maximum extension of two years. The site will then be redeveloped by Newcastle University to create a proposed world leading centre for ageing research. Clearly this accelerates the need to find a new facility.

A public consultation on the future of these services was undertaken in 2016 which concluded that all acute mental health beds should be concentrated within the boundaries of Newcastle and specifically on the St Nicholas hospital site. This is part of the CCG's wider 'Deciding Together, Delivering Together' strategy that underpins not only inpatient care but how services will also be delivered in the community.

Co-location of acute inpatient services onto a single site realises significant savings across the Newcastle Gateshead footprint through economies of scale and shared resources, enabling investment in community services in line with the agreed commissioning strategy of Newcastle Gateshead CCG.

The single site model will also reduce identified clinical risks and improve quality through:

- Significantly reduced risks associated with the move to single floor facilities as opposed to multi floor facilities
- Significantly improved access to outdoor space for patients, particularly patients deemed as high risk
- Improved staff emergency response systems, whereby the numbers of specially trained mental health staff numbers within the immediate vicinity of each ward are increased
- Improved cross working and integration of clinical staff from the Newcastle and Gateshead areas

11.3 Access requirements

The developed design provides for inclusive access and is compliant with BS 8300 2018 Parts 1 and 2. The access statement was issued with the full planning submission. Early consultation with the Trust's Equality and Diversity team has been undertaken when developing the access strategy.

There are two secure DDA compliant entrances into both the adult and CYPS medium secure facilities: an adult/CYPS pedestrian entrance and a vehicular entrance for patient transportation and facilities management. The entrances are supported via 24 hour receptions and scanning/search facilities for added security.

The vehicular entrances are airlock arrangements controlled via dedicated security offices. These areas have facilities which support a secure stop and search procedure as well as a goods holding area which leads into a 'sterile' area of the site. Once patients are within the secure perimeter each individual ward will have its own entrance controlled via the ward office.

Staff using the adult facility will have two options upon entry. They can either progress through scanning to the secure area of the building or can enter open plan office arrangements with associated staff and conference room facilities. Visitors will progress through scanning and can use dedicated visitor rooms with child-friendly facilities and/or tribunal suites.

Appropriate parking provision is located at the front of the main entrances to all three facilities in the form of ambulant, disabled, drop off and electric charging bays as well as a planned bus stop for a public bus service at Northgate. A clear and concise site-wide wayfinding strategy will be implemented at Northgate using a mixture of appropriate static and electric signage supported by a defined artwork strategy that will assist all visitors and users find their way around the facility.

11.4 Patient space

With regards to space standards for both public and clinical provisions the developed design is generally in compliance with the following documents:

- Health Building Note 00-01 General Design Guidance 2014.
- Facilities for CYPS mental health services 03-02 2017 (Ferndene)
- Adult mental health units 03-01 2013

Where guidance conflicts, or reuse of existing premises imposes constraints the derogation schedule highlights and records any decision implemented by the Trust.

11.5 Impact of estates derogation on clinical care

It is envisaged that there will be no negative impact on clinical care with regards to Estates derogations. All derogations that have been applied to the approved design are supported by the Programme Team which includes the Clinical Directors for both adult and CYPS and have been signed off by the CEDAR Programme Board. A copy of the compliance and derogations schedule is included in appendix I.

11.6 Impact of clinical adjacencies in scheme design

Healthcare planning is being delivered in-house by the Capital and Planning Team who over the previous 12 years have amassed an extensive knowledge base with regards to delivering mental health facilities of various differing service requirements. This function is supported where necessary by Healthcare Planner Caroline Mulholland through her appointment by SRM. The attached approved floor plans showing clinical / non-clinical adjacencies have been developed via a comprehensive engagement strategy that has included clinical, estates, facilities,

IPC, patient safety, Occupational Therapists and materials management input. The developed design allows for a safe and secure service to be delivered in-line with a robust and appropriate support services strategy.

11.7 Accommodation for carers and parents

Overnight accommodation for relatives and visitors will be provided on the Northgate hospital site via the refurbishment of one of the existing buildings. It is envisaged that this facility could be booked for anyone visiting a patient on any of the wards on the site. Visitor's accommodation at Ferndene will be provided at local hotels by prior arrangement.

11.8 Involvement of staff and patients in design

Integrated Secure Site Development

A number of clinical and operational staff engagement events took place over October and November 2018 whereby a representative group of staff from secure services took part in initial masterplan table top design exercises. This involved small groups of clinical staff working together using magnetic building shapes to help design the Northgate site.

As a result of the engagement events the design team were able to develop draft master plans which formed the basis upon which follow up clinical planning and design groups have been focussed. A number of engagement sessions have taken place where the staff have had the opportunity to provide feedback on the proposed plans.

The operational heads and service user/carer leads have also facilitated a number of workshops for service users and their families with regards to the proposals and feedback from these events has been taken back into the planning and design groups.

The general arrangement plans are now signed off and approved by the clinical teams. A series of further design workshops will be undertaken with wider groups of service users after the COVID-19 lockdown is concluded.

An intranet site has been established which includes programme information for staff, frequently asked questions, plans and an email address for staff who would prefer to provide discreet feedback and comments on the design.

Drop in information sessions have taken place with local residents, allowing them to review the proposed plans and provide feedback on the proposals.

Adult Acute Service Re-provision

Similar staff engagement events took place in November 2018 with representatives from the Newcastle and Gateshead Adult Acute Services to consider key design issues for the re-design of the Bamburgh Clinic and Bede Ward. These events have once again been followed up by regular workshops involving staff with the purpose of refining plans in line with clinical need and service models.

CYPS Service Re-provision

Following the decision to further develop the preferred option of relocating CYPS Medium Secure Services to the Ferndene site a number of CYPS specific clinical workshops took place which examined service configurations, outline design plans and new integrated service models. These workshops helped facilitate a consensus view amongst service leads which allowed the design team to develop initial floor plans.

The clinical planning and design groups continue to meet fortnightly and are attended by clinical and operational representatives from both adult and CYPS services. The purpose of these groups is to refine the designs in line with clinical need and the clinical service models, and continually progress the design in developing higher levels of detail.

The general arrangement plans and 1:50 detailed layouts are all currently signed off and approved by clinicians (RIBA stage 4).

This was achieved by the design team working alongside service user representative groups from adult and CYPS services who were tasked with developing key design features and providing a reference group that the existing planning and design groups could feed into.

Building on the positive experience from the planning and design of Ferndene in 2011, the Trust is keen to involve the children and young people from Alnwood and Ferndene in this process. The colours, ward name and artwork were all influenced by the involvement of the young people. A series of design workshops will be undertaken with the children and young people after the COVID-19 lockdown is concluded.

11.9 Patient led assessment of the care environment (PLACE) scores

The proposed scheme will improve the organisation's patient-led assessment of the care environment (PLACE) ratings through:

Improving privacy, dignity and wellbeing

- Provision of en-suite facilities to the majority of services that currently do not have them
- Increased levels of quiet, chill out and sensory room facilities
- Improved de-escalation facilities

- Improved reception and search environments
- Introduction of multi faith rooms and visitor facilities
- Improved seclusion facilities
- Improved access to individual dining facilities.

Improved access to internal and external therapeutic space

- Increased levels of safe outdoor areas including individual outdoor space
- Increased chill out and sensory room areas
- Increased numbers of smaller communal/social areas
- Increased access to sports/gym facilities.

Improving general condition and appearance

- New furniture and fittings
- Utilisation of themed art throughout facilities
- Improved lighting
- Improved soundproofing and acoustics
- Improved environmental temperature control.

11.10 IT system integration, particularly relating to patient quality and safety

CNTW is a digital leader in Mental Health. The Trust was awarded NHS England Global Digital Exemplar status in 2017, reflecting its advanced use of information and technology.

The organisation uses a full electronic patient record which has been in place for over eight years and has deployed mobile working equipment to over 3,000 staff. This provides 24/7 access to the patient's record securely from anywhere and has enabled the development of innovative clinical services to better support patients in hospital, at home and in the community. The trust has also put significant resource into digitising its wards. The full Electronic Patient Record solution is available to inpatient services and supports continuity of care between hospital and community services. All wards are covered with WiFi to support access to information around the hospital, we utilise advanced dashboard reports and "at a glance" boards to help manage the care of patients and the flow through our services. We have deployed advanced drug dispensing cabinets to many of our wards to improve the safety and efficiency of dispensing medication and are planning to go-live with ePrescribing in the coming months. To enable our patients to keep in touch whilst in our inpatient units we have deployed inpatient internet access system, which allocates Internet access with varying degrees of restriction based on clinical risk assessment which is entered into the Electronic Patient Record. This has enabled the trust to deploy this service for use by all, including detained patients.

The Trust Board of Directors approved a new digital strategy in 2017, and building on delivery to date sets out an ambitious digital strategy which aims to:

- Digitally empower patients – enabling patients who prefer to use technology to view their records, amend their personal data, complete assessments, access online information, support/therapy and provide feedback on the services they receive
- Digitally enable clinicians – enabling them to do their jobs in more flexible and innovative ways, and giving them more time to spend with patients
- Digitally Equip Services – increased use of technology will enable us to operate more flexibly and efficiently.

In keeping with this strategy, the proposed new unit would be linked to the Trust's wider network (and to the wider NHS via a HSCN link) and will utilise the Trust's electronic patient record and associated developments described above. The Trust's telephony system would also be deployed to the unit. The Trust's informatics department has significant experience of managing and commissioning new hospital sites and providing support 24/7 and has in the past implemented similar technology at St George's Park, Walkergate Park, Ferndene and Hopewood Park as well as many other smaller developments.

11.11 Engagement of clinical leaders, front line clinical and non-clinical staff, and other key stakeholders

During October and November 2018, clinical and operational staff from adult and CYPS secure services attended initial masterplan table top design exercises to help design the site.

The design team were then able to develop draft master plans which formed the basis for follow up clinical planning and design groups which are held fortnightly. The designs have been refined to higher levels of detail in line with clinical need and the clinical service models. The general arrangement plans and 1:50 detailed layouts have now been signed off and approved by the clinical teams.

11.12 Stake holder engagement

"Service users and carers should be at the heart of everything the Trust does and getting this right is the single most important thing that can be done to achieve the strategic ambitions" – The Trust five year strategy, 2017:

- Wherever possible service users and carers collaboratively work together with staff in the design, delivery and development of services
- Service users, carers and staff work together to make sure that the Trust is able to deliver and develop services that are safe, effective, caring, responsive and well-led

- Service users, carers and families being listened to, feeling valued, sharing views, coming to a mutual understanding, making decisions together and working together to implement solutions and developments
- Service users, carers and staff work together to make sure that the people we employ share our values and have the skills that are required of them to do what is needed and to develop our work.

Initial engagements events have been held at Northgate Hospital for staff, patients, carers, friends and families. The first event in April 2019 was held for Bede, Tweed, Tyne and the Kenneth Day Unit. Initial plans were discussed and attendees received a presentation about the CEDAR project. Initial feedback was gathered and will influence the development of the new hospital.

- Bi-monthly events have been held with the Recovery College
- Monthly 'speak easy' events are being facilitated within the secure CBU for all disciplines of staff
- As the project progresses other wards and departments have been included
- Senior members of the CBU held regular meetings with teams to review and sign off the building plans
- Patients are included in the planning meetings for the departments and the Recovery College
- Quarterly carer's events are held where they engage in relation to service delivery and improvements, giving carers the opportunity to share their views on the new service design
- A scale model and display information detailing the planned Northgate scheme is sited in Northgate reception for patients, staff, carers and members of the public to view. This was also used for Trust board of Directors updates.

A CYPS service user involvement design group with support from the Skills for People organisation will be taking place after the COVID-19 lockdown is concluded. Skills for People worked alongside young people in developing the designs for the original award winning Ferndene development and feedback from the young people who were involved at the time was so positive that the CYPS team requested that a similar approach was taken for this scheme.

11.13 Clinical leadership, engagement and over sight

The Trust has maintained dynamic dialogue with NHS England throughout business case development to consider which aspects and to what extent S242 of the NHS Act 2006 applies to the distinct aspects of this FBC.

The reprovision of acute adult mental health inpatient facilities at Newcastle upon Tyne (Bamburgh Clinic) was subject to extensive public consultation; led, organised and reported upon by Newcastle City Council and Gateshead Council. Badged 'Deciding Together, Delivering Together' (the future of mental health inpatient

services), this process met and in many aspects exceeded the duties and responsibilities set out in S242 of the Act.

The proposals at both Ferndene Children's Hospital and new medium secure facilities at Northgate Hospital are commissioned and managed as regional and national services, with NHS England acting as lead commissioner. The Trust's view, shared by NHSE colleagues is that public consultation obligations as set out in S242 have not been required; as commissioning, demand and provision (by volume) is not significantly changed by these proposals. That said, the Programme Team have attended relevant Local Authority Health and Welfare Overview and Scrutiny Committees (OSC) to provide information and share data; thereby allowing local scrutiny. The Northumberland OSC welcomed these opportunities and gave its unanimous support for the developments in the County.

Simultaneously, the Programme Team have facilitated a variety of Public Engagement events: local residents information sessions, County Council awareness events, Parish Council awareness events and leaflet drops, etc.

11.14 Interface with community partners

The Trust is outward-looking and well-known for its partnership working with a broad range of partners, both locally, nationally, and internationally; a major facet in its 'Outstanding' status. In this programme, it has involved Local Authorities in Newcastle, Gateshead and Northumberland in its decision making. The initiative 'Deciding Together, Delivering Together' concluded, following extensive consultation, that all acute mental health inpatient services for Newcastle and Gateshead would eventually be located at the St Nicholas Hospital site. The Trust has well-established pathways to engage with and involve service users and their carers in plans and comments about the services it provides. This is ongoing, especially concerning the development of a new adult medium secure campus and the Ferndene CYPS facility. Dialogue is also ongoing with Morpeth Town Council and Hebron Parish Council, in describing and welcoming comment on the provision of services at the Northgate Hospital site.

Open events with local residents have been held, along with leaflet drops to keep the community surrounding Northgate hospital informed of the scheme. A similar process has been undertaken at Ferndene, with information sharing with local residents, presentations to and dialogue with the minor authority, Prudhoe Town Council and County Council Elected Members.

11.15 Quality, safety and affordability

Quality

The scheme will significantly improve the quality of care for patients through the provision of state of the art inpatient environments that will aid recovery by:

- Increasing dedicated therapeutic space

- Improving access to therapeutic outdoor space
- Improving access to exercise/gym facilities
- Providing en suite facilities to every patient
- Improving environmental temperature control
- Improving indoor lighting
- Improving soundproofing and acoustics
- Improving furniture, fittings and access to modern technology
- Increased de-escalation and chill out space.

The scheme will support the delivery of new care models and ways of working which are proven to aid recovery and enhance patient experience by:

- Providing services nearer to home which will allow more frequent visits from family and friends
- Moving away from large communal areas to smaller quieter personal lounge areas for people who have difficulties in socialising with others, which will help in the reduction and management of violent and aggressive incidents
- Creating a critical mass of highly specialised clinical staff within the immediate vicinity which will enhance quality of care through improved training and access to specialised clinical supervision
- Creating the ability to adjust bed numbers for specialities through swing beds whereby increases and decreases in demand can be managed more effectively
- Increasing the ability to provide highly bespoke packages of care via flexible environments and increased range of expertise and skills available.

Safety

The scheme will significantly improve patient and staff safety by:

- Improving de-escalation and seclusion space
- Improving CCTV coverage and staff alarm systems
- Increasing access to a wider range of meaningful therapeutic activity which reduces stress, anxiety and frustration which can lead to violent and aggressive incidents
- Providing single storey accommodation which improves fire safety, observation and reduces the need to utilise mechanical restraint in order to move patients up and down stairs during incidents
- Critical mass of staff within the immediate vicinity will significantly improve incident response times.

Affordability

The scheme will create financial efficiencies through:

- Economies of scale that will reduce service cost replication
- The ability to increase income through repatriation and bespoke care packages acquired through spot purchase

- Reduced expenditure associated with property rental paid to other NHS Trusts.

11.16 Patient experience

The quality of the environment will have a significant impact on the patient experience. Having access to purpose built activities facilities will allow the development of recreational, vocation and therapeutic services which will be up to date. Technological approaches can be developed with the Recovery College, Education and Art and other services to support real life experiences.

Patient involvement through co-production - patients will feel empowered and have increased ownership of the services under development and effective consideration can be made of their lived experience. The Trust values the contribution patients can make by listening to their ideas and views, and this will help improve the services delivered.

The Trust has engaged with service users and meet with them on a quarterly basis to explore and draw upon their experiences to ensure that their views of current service provision and how the Trust continues to improve are captured. Patients complete PREOMS and this enables the Trust to identify their level of "Hope in Recovery" based upon their experiences of care / environment standards.

11.17 Patient safety, design and flow

The designs generally comply with relevant MSU guidance in terms of environmental aspects including safety (Executive Summary Best practice guidance 2007, Best practice guidance specification for Adult Medium Secure Services 2007, DoH MSU Environmental Design Guide Adult Medium Secure Services 2011 and QNFMHS Standards for Medium Secure Services 2014). The Trust's Patient Safety Team have also been engaged throughout the design and build process. Minor derogations are recorded in appendix I.

11.18 Pharmacist involvement

The Trust pharmacy team operates an 'in house' medicines supply service across the entire Trust, using leading edge pharmacy technologies including telepharmacy and ward based automated medicine cabinets (Omnicell). They deliver clinical pharmacy services to all inpatient wards and offer medicine reconciliation, medication reviews, prescribing and discharge planning.

In 2017 the Trust implemented the Omnicell Vandebrink Blistering machine, cutting edge automated dispensing technology which with a single operator allows compliance aids to be dispensed at a rate of 40 trays per hour and it self-checks the final product in a controlled drug security check.

Departmental pharmacy representatives will be co-opted onto the planning and design working group, providing advice and support to the design team. The Trust's lead pharmacist has been identified for final plan approval.

11.19 Carer's requirements

The Trust promotes the Triangle of Care national initiative, which is a therapeutic alliance between service users, carers and professionals. It also uses the carer support and involvement in secure mental health services toolkit, which helps provide clear information on how carers of people in secure services should be engaged with and supported. Their aim is to promote safety, recovery and wellbeing by including and supporting carers through listening, sharing and learning from each other.

The 'getting to know you' process is followed within all areas. This tool identifies carer's needs and allows services to be signposted to carers to ensure they receive the support they require. Services develop individualised carer care plans to ensure they can be supported to visit their loved ones.

Engagement events held with carers, friends and family will ensure facilities are appropriate to meet the needs of all people. The development of carer's and visitor's centres will be undertaken in collaboration with carers to ensure all areas and needs are considered.

All wards and departments have carer's champions who will ensure carers receive the support they require.

The Patient Information Centre will be used to ensure any information developed can be adjusted to meet the needs of individuals.

11.20 Business continuity

The programme associated with the scheme has been developed in a way that does not impact upon business continuity during the build period and therefore major incident and emergency planning arrangements will remain in situ until service transfer into the new facilities has occurred.

11.21 Workforce - National drivers

There are a number of factors associated with the proposed scheme that will have an impact upon the staffing teams:

The movement of services from one site to another

The proposed schemes involve the transfer of large numbers of clinical staff from one site to another which is subject to consultation as per the Trust HR Framework. There may be small numbers of staff who are unable to make this transition and may need to be redeployed into other Trust services. The Trust has a proven track record

in managing staff consultations and upskilling and redeploying staff to ensure no redundancies occur whilst maintaining its skilled workforce.

Closer working between specialities

The new models of service associated with the proposed schemes will entail much closer working between learning disability and mental health staff. In some instances there will be a number of learning disability staff working directly into mental health wards.

There are many transferable skills amongst speciality teams; however there are a number of training and development needs identified as part of this model development. Operational and workforce leads have worked in partnership to create appropriate staff training and development programmes that will help equip staff who are subject to transfer into areas that are not in line with their core speciality or who are working across specialities as part of a shared service.

A general awareness and skill development programme will be delivered to all clinical staff working into the services within the scope of CEDAR.

Training and awareness sessions will also be developed for staff where new working procedures or protocols are introduced as part of CEDAR.

The workforce plans associated with the proposed programme have been developed in line with current national drivers for workforce.

Seven day services

The majority of staff such as ancillary, nursing and medical teams linked to CEDAR already provide a seven day service. There are currently plans to extend working hours of other elements of the wider multi-disciplinary team based upon patient needs.

Safer nursing care tool, safer staffing tool and NICE guidance

The Trust works in line with national guidance such as safer nursing care tool, safer staffing tool, NICE guidance and Lord Carter recommendations with regards to the number of staff required to provide high quality and safe services. Staff-to-patient ratios are linked to the minimum safe staff numbers or, in some cases, the level of funded staffing establishments outlined in bespoke additionally commissioned packages of support. Staffing establishments and Carter data are used to ensure that there is a safe staff/patient ratio over the seven day/24 hr period. These are reviewed twice weekly by the senior team to ensure compliance is maintained. Staffing ratios can be increased beyond baseline numbers in line with the Trust policy for observation and engagement when required to maintain safety. There is also a site response system in place which provides rapid additional staffing resources in the case of emergency medical or security situations.

Technology advance and utilisation

In 2017, the Trust was chosen by NHS England to be a ‘Global Digital Exemplar’.

The aim is to improve patient services by developing technological advancements including at a 'glance' boards.

As well as improving services for patients, the Trust will also share their knowledge and expertise to the wider NHS in order to reduce future implementation time and costs for similar systems elsewhere to assist with improving services and becoming more efficient.

Francis report and response from the government's hard truths report

Following the publication of the Francis and Hard Truths report the Trust has continued to adopt the recommendations of the Lord Carter report. The Trust and Clinical Business Units have developed robust workforce plans which are linked to the Safer Staffing requirements for inpatient settings. The Trust maintains high quality care and delivers individual and safe services to the patient population. Values Based Recruitment underpins the recruitment process for staff joining the organisation and through the collective leadership model the Trust values are embedded.

Reviews take place to ensure that the ward manager and Clinical Team Lead have the right staff delivering care. The services adhere to Trust key lines of enquiry as outlined by the CQC to ensure services are effective. The Trust was rated as 'Outstanding' by the CQC.

Learning from the staff survey

Trust staff are invited to participate in the NHS staff survey every year between September and December. They are asked to comment on topics such as quality of care, health and wellbeing, staff recognition, equality, diversity and inclusion and quality of appraisals. From this engagement with staff, Trust wide and locality action plans are developed. These actions are used to develop locality specific initiatives and to inform Trust wide initiatives such as retention, career progression and talent management. The environmental themes arising from the services within the scope of the scheme have been taken into account.

Appraisal and pay progression – opportunity for improving workforce and rewarding success

The appraisal process within the Trust is currently being updated in line with the national Agenda for Change contract refresh. The process will complement the Trust approach to talent management, which is currently being developed. Career development pathways and opportunities are offered in a fair and transparent way.

Weekend workforce and mortality

The Trust follows Relational Security Protocols that enable safe delivery and effective care which minimises risk to both Trust and NHS England standards.

Secure services have a rolling training programme to ensure compliance with the secure continuing professional development for staff. The Quality / Accountability Framework is used to show performance and this is reviewed within the Trust on a

regular basis. Due to the current COVID-19 pandemic and these unprecedented times, staff are unable to deliver or attend training. During the recovery phase the Trust will look to deliver training to meet the performance expectations. The figures for the year to April 2020 are shown on table 54 below.

Training	Frequency	Compliance	Current
Relational Security	Annual	97%	97%
Risk of Harm to Others	Once Only	97%	94.1%
Security Training	Annual	88.2%	84.7%
Suicide Prevention	3 yearly	80%	86.8%
Search Training	3 yearly	84%	72.3%
Prevent Training	Once Only	99.7%	94.8%
Leave Training	3 yearly	94.5%	90.0%
Observation and Engagement	3 yearly	97.5%	92.1%

Table 54– Training, frequency, compliance

Attraction and retention of staff

The Trust has a highly experienced workforce with vast levels of expertise across secure services which it would seek to retain to support these proposals. The Trust has already started engagement with staff across both of its current secure sites. This existing resource gives the Trust a huge advantage in being able to realise the opportunities for integrated secure service provision to provide a world class service offered within the ICS footprint.

The Trust was part of NHSI Direct Retention Support programme and received positive feedback throughout the process – work continues to embed this work. The Trust places a significant emphasis on the quality of staff experience and runs a number of health and wellbeing campaigns specifically for staff and in some instances their families. Career development, including the use of the apprentice levy to support career pathways and build upon the skills of the workforce are a key priority in supporting the future workforce and retaining current staff knowledge and experience. Equality, diversity and inclusivity are at the centre of all Trust workforce initiatives.

Our outline planning approval for new housing includes provision of affordable housing units. After detailed analysis by Northumberland County council and the Trust HR team these will be available to all eligible residents, and not reserved specifically for staff.

Evidence of national benchmarking and use of workforce analytical tools to meet current and future delivery

Recommendations from the Lord Carter report are embedded into the Trust.

Training and development in new ways of working

The Trust has developed an apprenticeship business plan. The apprentices continue to become embedded and are expanding across several career development pathways including nursing, leadership and management.

The Training Academy has been supporting Creating Capacity to Care. Work is ongoing to explore international ventures, including the provision of bespoke clinical packages in India as part of developing links with Asia.

There are 79 staff currently enrolled onto the registered nurse degree apprenticeship. The July 2020 recruitment process has been paused at the moment due to COVID-19.

In March 2019, five nurses from the Trust began their Advanced Clinical Practitioner Programme with the University of Sunderland.

Work is currently in progress to develop the Advanced Practice across professions to include non-medical prescribing, non-medical approved clinician, and the advanced clinical practitioner at master's level which includes non-medical prescribing and approved clinician roles where appropriate. The Academy is also progressing opportunities for band two and three staff to develop relevant skills for career progression in the future.

11.22 Sustainability - Demand and capacity modelling for lifetime of scheme

Adult Secure Services Mental Health

The NHS England Mental Health Services Review (MHSR) undertaken in 2017 identified the North East needed to create 66 secure mental health and personality disorder beds to meet projected demand for our future originating population. With an ambition to reduce this by 5% this equated to a need to commission 54 local beds to ensure North East patients can be treated within the North East footprint (Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and Tees, Esk and Wear Valleys Foundation NHS Trust). This can only be achieved by developing local capacity and capability to manage a varied and diverse patient group.

The North East currently has limited provision for patients with Personality Disorders with many being admitted into learning disability, mental health beds or placed out of area in other specialist beds. The NHS England MHSR identified the need for 19 male, medium secure, personality disorder beds within the North East. The Trust will deliver 12 of these beds within the new build facility at Northgate.

The NHS England MHSR also identified the need for an increase of 28 male, medium secure, mental health beds. The Trust will deliver 13 of these beds in the new build facility at Northgate.

As at Tuesday 31 March 2020 there are four patients waiting to step-down from High Secure Hospitals, there are five new patients waiting to be admitted from prison, and a further 19 in male, medium secure, out of area placements (15 of these could potentially be returned to local services if capacity and capability were expanded).

It has been confirmed by the New Care Model Partnership Board that the proposed bed model is in line with the NCM Strategy, and is also in line with the NHS England Mental Health Secure Services Review which in turn meets the needs of the ICS population.

The new build will significantly reduce the number of patients requiring secure care being placed in out of area facilities. As at Tuesday 31 March 2020 there are a total of 44 North East and Cumbria patients who require secure care who are placed out of area. 41 of these patients are placed in units that are over an hour's drive away (greater than 60 miles), making it incredibly difficult to maintain healthy and therapeutic contact with family and friends. The maximum distance from home for a North East patient is currently 227 miles. The benefit of reducing travel by caring for patients closer to home ensures that they can maintain links with friends and family, thus aiding recovery. The new build at Northgate and redevelopment at Ferndene option proposed in Section 4.2 - Preferred Option will be an enabler to this.

As part of the NCM process to repatriate people as close to home as possible, out of area placements are routinely reviewed and, where and when appropriate, care will be transferred back to the Trust or Tees, Esk and Wear Valleys Foundation NHS Trust ensuring that the additional costs of funding the private care return to the NCMs, to then be reinvested in care delivery.

Number of placements with private providers (Non-NHS) are outlined in table 55 below:

St Andrews Healthcare	6
Elysium Healthcare	5
Partnerships in Care	25
St George Healthcare Group	1
Cygnet Health Care	7

Table 55 – Private providers

Since October 2017, through NCM processes, 35 people have been discharged or brought back into local services, of these 14 have been repatriated back into local Secure Services. The provision of new services and streamlined pathways will

reduce the need for people to receive care from outside the NCM footprint. In turn, this will enable effective use of the £12m previously used to fund these placements, thus strengthening the financial stability and provision of services delivered by Secure Care.

As at Tuesday 31 March 2020 the number of people currently on the waiting lists for Trust services are shown in table 56 below:

Ward	Number of patients on ward waiting lists
Tyne MH (Low Secure, formerly Bede)	3
Cuthbert (Medium Secure)	1 (repatriation)
Aidan (Acute Medium Secure)	3 (2 in prison, 1 high secure)
Oswin (Medium Secure PD)	7

Table 56 – Waiting lists

The Trust is currently unable to meet the requirements (14 days) in relation to identifying secure beds for prisoners (currently four prisoners are on the waiting list, two have been waiting over two months for a bed). There is a five bedded low secure ward available for those people currently in prison in Middlesbrough at Tees, Esk and Wear Valleys Foundation NHS Trust however there are no dedicated facilities for medium secure services for people currently in prison. There will always be a demand for beds due to the concentrating effect that prisons have, however the preferred option outlined would offer significant improvement to provision of secure care and the flow of patients through the pathway.

The proposed changes to meet expected demand are shown in table 57 below:

Service	**Beds @ 1/4/18**	**Beds @ 1/4/19**	**Proposed Beds**	**Change**
Medium Secure (Male)	25	25	28	+3
Medium Secure MH/PD (Male)	0	0	10	+10
Medium Secure PD (Male)	0	0	12	+12
Medium Secure Personality Disorder OPD	16	16	12	-4
Low Secure (Male)	14	14	18	+4
Adult Secure – MH	55	55	80	+25

Table 57 – Proposed changes

Adult Secure Services Learning Disabilities

The Transforming Care Programme will result in the number of locally commissioned learning disability beds within the Trust being reduced to 33 (11 Medium Secure, 11 Low Secure and 11 Rehab). There will also be one other bed on each of the secure units for non-NHS England contracts, namely those involving Scottish and Irish patients and a spot purchase rehab bed for non local CCG's. These reductions are prescribed by DHSC. Within this reduction, there is also a need to repatriate a number of service users as part of the New Care Models programme. At the start of 2018 there were 10 patients who were included as part of the TCP cohort, one of

these were repatriated during 2018/19 and three during 2019/20 however due to increased demand and lack of local bed capacity a further two medium secure learning disability placements were sought in 2019/20. The ambition is to either repatriate or discharge all of the remaining eight patients as soon as possible.

It is planned to achieve the reduction in beds through bolstering community services, with the main focus on further developing community teams to meet the needs of those in the community to prevent admission or support a speedy discharge if a bed based admission is required. The proposed changes to meet future anticipated demand are shown in table 58 below:

Service	Beds @ 1/4/18	Beds @ 1/4/19	Proposed Beds	Change
Medium Secure (Male)	24	18	12	-12
Low Secure (Male)	24	15	12	-12
Hospital Rehab	24	13	12	-12
Adult Secure – Learning Disability	**72**	**46**	**36**	**-36**

Table 58 – Proposed changes

CYPS Secure Services

The Trust currently provides 14 CYPS medium secure beds at Alnwood which are accessed via the national secure network system and commissioned by NHS England. The Alnwood facility is located on the St Nicholas hospital site and is spread over three floors comprising of two seven bedded mixed gender wards. Alnwood has widely known issues with its environment which makes future delivery of services from the current facility unviable. Alnwood is in an old, Victorian style building. It lacks therapeutic space both externally and internally around the building. The therapeutic milieu of the unit is further compromised due to a lack of space for provision of individual de-escalation/chill out areas for the young people, a lack of natural light and the layout of the building with three flights of stairs with a number of long corridors.

The environmental restrictions of the current Alnwood footprint are also a significant contributing factor to high staffing levels/costs to maintain patient and staff safety in the building (to support observations, escorted movement around the building etc).

This is augmented by CYPS community services provided by the Trust through the Kolvin Service. This enables the Trust to offer a full CYPS pathway, which the Trust has recently augmented through successful bids for NHS England funding through initiatives such as CYPS and Secure Stairs (a framework which promotes a collaborative multi-agency approach to working with young people), ensuring that local authority staff achieve an understanding of specific presentations/diagnosis. This framework applies to local authority secure accommodation throughout the country and is commissioned by NHS England. While beneficial to service users and families, this holistic approach also enables the development and sustainability of the secure CYPS workforce across the Trust.

Provision of the right environment in the redeveloped Ferndene unit will reduce staffing requirements and support a financially sustainable service. The flexibility in bed provision and scope for income generation also supports delivery of a financially sustainable service. Alnwood staff have a degree of skill and resilience not readily found in other organisations, equipping the service with the ability to admit difficult and complex cases with the potential to generate income for the Trust through care packages.

A range of NHS England funded work-stream initiatives have been established in order to identify and address the mental health needs of young people within the secure estate in England from 2017-18. This includes the development of services within the Trust (secure stairs framework/CYPS).

It is anticipated that these initiatives will have a dual impact, both addressing the mental health needs of young people within non NHS mental health settings, and identifying the need for more young people to require admissions to NHS mental health secure settings.

A recent NHS England review of the MSU National Network for Young People (2018) established that the reduction in the use of MSU beds over the past three years was primarily due to a range of issues (including commissioning/environmental/practice), the consequence of which being that the MSU network is now struggling to meet demand for placements. As such, the following areas need to be addressed:

- Young people with eating disorders
- A limit on the capacity of the network to admit female patients (particularly in London and the South East)
- Young people with autism
- The role of CYPS in identifying mental health needs in the non- secure estate and the likely impact that this may lead to an increase in requests for assessment for admission.

The Alnwood capacity over the last 12 months (April 2019 to March 2020; accurate as of Wednesday 15 April 2020) is below. Please note the following information takes into account unavailable beds for clinical reasons such as long terms segregation.

- 32 weeks no capacity on Ashby
- 27 weeks no capacity on Lennox).

A number of requests for assessment to admit to the service are increasingly being made from outside the NHS, due to a lack of provision of these services outside England (see figures later in this section). It is anticipated that demand for medium secure beds for young people is likely to rise given:

- Initiatives across England to identify and address mental health needs across the Non-NHS secure estate for young people

- A requirement for the current medium secure unit's national network to expand the scope of the need of young people that are eligible to be admitted more generally
- Continued lack of medium secure service provision for young people outside of England particularly in relation to the specialism of young people with a learning disability.

Given a) the overall rise in demand in CYPS's admissions of all types, both nationally and locally (with lower average lengths of stay), and b) an increased level of service provision being available in identifying assessment and treatment needs of young people in Secure Children's Homes and Youth Offender Institutes, it is anticipated that bed demand for CYPS medium secure beds will rise (from a historically low base).

Alnwood is only one of two CYPS medium secure units nationally that has a learning disability specialist provision and only one of two units that admits female patients. This demonstrates that it has a degree of specialism that will continue to attract admissions not only from outside the North East and Cumbria regions but also outside of England.

It is anticipated that overall bed occupancy at Alnwood for English patients will rise to within a recommended range of 75 - 85% bed occupancy (approximately 12 of 14 beds). Furthermore it is anticipated, based on recent and known future demand, a further one - two patients from outside of England will need care at Alnwood. There is no current secure provision for CYPS outside of England. As a consequence of this Alnwood has over the last 10 years admitted a number of people from Scotland, Wales and Northern Ireland. The figures for the last three years are shown in table 59 below:-

	Scotland	Northern Ireland	Wales
2016-17			
Ashby	2		
2017-18			
Ashby	1		
Lennox		2	
2018-19			
Lennox		3	1
2019-20			
Ashby			1
Lennox		3	

Table 59 – CYPS admissions

Alnwood has a reputation of improving outcomes for these young people and returning them to their home areas.

Adult Acute Inpatient services across Newcastle and Gateshead

The Trust serves a very challenging demographic and is at the heart of the North East, one of the most challenging areas in the UK in terms of health and other inequalities. As a post-industrial region there are well-known issues within the population, including higher than average rates of drug and alcohol abuse, lower than average life expectancy, and significant levels of violent and destructive crime. The picture is complicated by extreme degrees of local inequality: a number of boroughs and wards contain both the highest and the lowest indicators of multiple deprivation (in England terms, according to 2013 IMD statistics) side by side. The prevalence of mental disorder, particularly where secure treatment is needed, is therefore expected to be significantly greater than in many other areas.

The reduction in adult acute mental health beds is planned as part of the consultation and delivery planning for Newcastle and Gateshead, and contingency plans are in place to manage any variation in expected levels of demand over the next four years.

Reconciliation of Demand/Capacity, Workforce and Costs

Table 60 provides a reconciliation of the movements in demand/capacity, workforce and costs from the current (19/20) position to the proposed position in the preferred option. In terms of demand this correlates to the proposed bed numbers which reflects the Transforming Care Programme requirement for learning disability beds and the outcome of National Service Reviews and New Care Model requirements for mental health beds. In terms of the figures in the table the reduction in learning disability adult secure beds results in a proportionately high reduction in workforce as a result of the current provision being provided over five units which reduces to three in the new model.

Table 60 is currently subject to staff consultation and will be inserted following consultation.

11.23 Learning and continuous improvement - Arrangements for evaluation of lessons learnt and opportunities for continuous improvement

The Trust recognises that evaluation is important both through the life of a programme and post completion, in order to learn lessons that could apply to future capital programmes / projects.

With regard to ongoing evaluation of the CEDAR programme, the CEDAR Programme Board has a responsibility to ensure that the programme is managed effectively, including evaluating and seeking assurances on all aspects of the programme. The Programme Board, during the construction and operational commissioning phases, will continue to fulfil this responsibility.

With regard to post programme evaluation, it is important that the lessons learned from previous capital schemes are taken on board for the CEDAR programme. A

detailed post programme evaluation of the CEDAR programme will also be undertaken. This will consist of an evaluation of performance against:

- The programme objectives, also including financial management, timescale, and quality of build
- The delivery of the benefits envisaged in this Business Case. This will be based upon the benefit criteria used to assess the options and a set of clinically relevant indicators which will be developed in conjunction with the wider Trust Transforming Services programme.

12. CONCLUSION

The CEDAR programme will deliver a multi-faceted and highly interdependent solution to:

1. The development of integrated adult mental health and learning disability secure services (at Northgate Hospital)
2. The re-provision of Newcastle and Gateshead adult inpatient services (at St Nicholas Hospital)
3. The re-provision of CYPS medium secure inpatient services (at the Ferndene unit).

The Trust has secured Full Planning Approval for all three sites. Our Principal Supply Chain partner, Sir Robert McAlpine is currently undertaking enabling works (whilst fully complying with government guidance associated with COVID-19) to allow an early start on site, if business case approval is granted.

It responds to the outputs from detailed public consultation and national and regional care model initiatives including:

1. NHS England New Care Models for Adult Secure Services
2. Transforming Care for people with Learning Disabilities
3. Newcastle and Gateshead Deciding Together, Delivering Together Programme
4. NHS England National CYPS Medium Secure Services review
5. NHS Five Year Forward View.

The programme embraces the need to vacate isolated sites for other health development, rationalise the CNTW estate to generate sites for housing and seek all potential efficiencies deliverable through co location of complimentary services. The housing site at Northgate has also been granted outline planning approval and will be remarketed for sale in late 2022/early 2023.

The Trust has considered a number of options, and responded to recent downward trends in the provision of Learning Disability beds to formulate an optimal proposal that fully utilises existing vacant space and minimises construction costs. We have agreed a Guaranteed Maximum Price (GMP) with SRM and are fully prepared to immediately implement CEDAR. We have successfully managed the programme through the difficult early months of the COVID-19 outbreak and this FBC is still being submitted on time.

This programme will ensure the future sustainability of our CQC outstanding rated services and delivers on local, regional and national plans.

Our core values as an 'outstanding' rated Trust are interwoven into everything we do, and the CEDAR programme provides the infrastructure our teams need to continue to deliver high quality care, with compassion, respect, honesty and transparency.