Strategic outline case for investment in our hospitals 2020–2030

November 2017
The SOC describes the different scenarios the Trust has modelled to create a clinically and financially viable future
Our current performance is strong - this is a sound basis for looking at our future

In the past 12 months:

- We kept a firm grip on our finances and drove down our spend on agency staff.
- Welcome to the world! 4,828 babies were born in our care.
- We spent £16.7 million on maintaining our buildings and buying new equipment.

- 54,419 patients had elective surgery with us – from hip replacements to cataract surgery.
- 95.3% patients seen within 4 hours.
- Our 1,000th dialysis patient recently joined our care.
- We saw a record-breaking 913,583 patients.
- A&E
We propose that our commitments until 2020 will be maintained until the changes outlined in the SOC are implemented.

Both Epsom Hospital and St Helier Hospital will continue to provide 24/7 care across A&E, maternity and inpatient children’s services.

St Helier Hospital will provide specialist and emergency care, such as acute surgery for the sickest patients.

Epsom Hospital will expand its range of planned care.
Case for change
There are three major elements of our case for change

1. Clinical viability

2. Estates functionality

3. Financial viability
Clinical viability - providing care for the sickest patients across two acute sites is increasingly difficult and even harder to meet the NHS’ aspirations for a seven day service

- Meeting these standards across two acute sites means we need c. 52 more consultants - a 22% increase
- Due to shortages in available consultants we will continue to struggle to recruit to these additional posts
- We will need additional middle grade and junior doctors to staff rotas
- We struggle to recruit to these posts and rely on temporary staff; in the three months from Feb to April 2016, we spent over £2.1m on temporary medical staffing
Estates challenges - over 80% of the estate is not functionally suitable for modern healthcare delivery

Insufficient bed spacing at St Helier

Improved bed spacing at purpose-built SWLEOC
Estate challenges - to bring the acute facilities at St Helier up to standard will require £398 million

Funding already secured £190m

Additional funding required £208m
Financial viability – we are currently spending c. £37m more annually than we receive in funding
And if we carry on with the same service configuration we will have a deficit of £40m each year by 2025

The deficit is growing by c. £1m each year
We cannot sustain the delivery of acute services at two sites in perpetuity

- We will not be able to meet the required seven day clinical quality standards
- We will not have an estate that is fit for purpose
- We will have an ever increasing deficit that prevents us from investing in the staffing and buildings
Proposed clinical model
85% of patients treated at Epsom and St Helier will see no change to where they receive their care – but will be cared for in improved buildings.

- Local A&E – urgent and emergency care open 24/7
- Outpatients and diagnostics
- Elderly care services and inpatient beds
- Antenatal and postnatal care
- Elective procedures
- South West London Elective Orthopaedic Centre (Epsom Hospital)
- Renal dialysis (St Helier Hospital)
At the same time as keeping all of that care local, we want a single specialist acute facility so that we can provide the best possible care for our sickest and most at-risk patients (15% of our patients).

- Inpatient paediatrics
- Major A&E
- Babies born in hospital
- Complex emergency medicine
- Critical care
- Emergency surgery and trauma

Critical Care and Emergency Surgery / Trauma already consolidated at St Helier
Engagement
We engaged on three scenarios to deliver this clinical model

<table>
<thead>
<tr>
<th>Potential scenario</th>
<th>Epsom Hospital</th>
<th>St Helier Hospital</th>
<th>Sutton Hospital and the Royal Marsden – co-located</th>
</tr>
</thead>
</table>
| 1 Both Epsom and St Helier delivering a full range of local services with a new specialist acute facility based at Epsom. | ![Diagram](image)
| 2 Both Epsom and St Helier delivering a full range of local services with a new specialist acute facility based at St Helier. | ![Diagram](image)
| 3 Both Epsom and St Helier delivering a full range of local services and a new specialist acute facility (operating from a shared location) with the Royal Marsden at Sutton being where the centralised acute service is based. | ![Diagram](image)

Legend:
- local hospital services
- new specialist acute facility
- specialist cancer hospital

Co-located
Over 13 weeks we engaged extensively with the local communities

“tCI is happy to confirm that your pre-engagement work so far – leading to your Pre-engagement Report – has met tCI’s criteria for best-practice pre-consultation”

The Consultation Institute (tCI)

We hosted four ‘Talk and Tour’ events
We held 31 staff briefing sessions
We worked with Healthwatch Merton, Sutton and Surrey
We contacted:
• Seven MPs and six Councils
• 28 residents’ associations and local groups
• 360 GPs and practice
• 39 libraries
• 420 Patient First members
• Religious groups, LGBT groups, schools and colleges and carer forums
c. 25,000 people actively took part in the engagement with a reach of c. 200,000 in our catchment

- Attended 47 local meetings and events meeting with over 2,000 people
- Held 31 drop in sessions and meetings internally reaching over 2,500 staff
- 11,977 people visited our website page on 2020-2030
- 6,310 people viewed our video
- 441 people signed to support
- 1,059 individual questionnaires were completed

We received widespread media coverage (one Evening Standard article reached c. 7 million people alone)
Twitter reached 133,800 people just in June
Sutton, Epsom and Wimbledon Guardians reached over 187,000 readers
89% agree with our aim to provide as much care as possible from our existing hospital sites

- **941** people answered yes.
- **19** people answered no.
- **16** people said that they either did not know or they needed more information.
- **Two** people stated that they wanted no change.
- **34** people answered N/A.
- **40** people made general comments.
- **Seven** people said that they wanted just one hospital site.
79.8% agree that we have made the case that we will improve patient care by bringing together our services for our sickest or most at-risk patients onto a new specialist acute facility on one site.

845 people answered yes, with 42 people said yes, ‘as long as the site is at …

73 people answered no.

63 people said they did not know or they need more information.

Nine people said that wanted both sites to stay as they are.

44 people said N/A.

24 people left general comments.

One person wanted one hospital site.
4.7% thought we should consider any other scenarios and provided their ideas

- **149** people answered yes, and 50 of those proposed different scenarios.
- **446** people answered no.
- **88** people said that they preferred one of the scenarios we had presented.
- **71** people said they didn’t know or they needed more information.
- **189** said N/A.
- **Eight** people responded that they wanted no change.
- **Four** people said they thought we should have a single site.
- **104** people left general comments which did not relate to the question but will be used to guide the development of any options.
50 people proposed different scenarios which can be grouped into six main themes

• Build a new super hospital
• Close one or both hospitals
• Acute facilities on both or all three sites
• Separating Epsom and St Helier or merging with another trust
• Rebuild St Helier Hospital
• Change services or location
37 stakeholders responded broadly in favour of the proposed clinical model

**Trust staff:** All 36 senior nurses and over 240 consultants signed a public letter of support.

“We believe that the Epsom and St Helier team is better together, and that we should continue to work as one team, one trust.

“We support the proposal to make our buildings fit for purpose and develop a single, state-of-the-art facility to care for our sickest patients”

**Trade unions / Staffside partnership representatives:**
A joint letter of support was received from

- The Royal College of Nursing
- Chartered Society of Physiotherapists
- UNISON
- Society of Radiographers
- British and Irish Orthoptic Society
- Royal College of Midwives
- British Medical Association
37 Stakeholders responded broadly in favour of the proposed clinical model

Local authorities:
- Epsom and Ewell Borough Council
- London Borough of Sutton
- Mole Valley District Council
- Reigate and Banstead Borough Council

Local MPs:
- Sir Paul Beresford MP for Mole Valley
- Crispin Blunt MP for Reigate
- Tom Brake MP for Carshalton and Wallington
- Stephen Hammond MP for Wimbledon, Raynes Park, Morden and Motspur Park
- Paul Scully MP for Sutton and Cheam

Epsom and Ewell Liberal Democrats
37 Stakeholders responded broadly in favour of the proposed clinical model

12 residents’ associations:

Standing Committee of Residents’ Associations in a joint letter with residents’ associations in Epsom and Ewell:

- Ewell Village
- Ewell Downs
- Stamford Ward
- Ashtead
- Epsom Town
- Nonsuch
- College Ward
- West Ewell and Ruxley

- Belmont and South Cheam Residents’ Association and Belmont, South Sutton and South Cheam Neighbourhood Forum
- Bookham Residents’ Association
- Cobham and Downside Residents’ Association
- Shanklin Village Residents’ Association
37 Stakeholders responded broadly in favour of the proposed clinical model

The Royal Marsden Hospital NHS Foundation Trust

South West London acute hospital trusts:
- Kingston Hospital NHS Foundation Trust
- Croydon Health Services NHS Trust
- St George’s University Hospitals NHS Foundation Trust

Surrey Heartlands Health and Care Partnership Transformation Board (STP)
One stakeholder responded broadly neutral of the proposed clinical model

“Surrey County Council supports Epsom and St Helier University Hospital NHS Trust’s need to engage with Surrey residents on the quality and sustainability of their local health services.”

Surrey County Council
18 stakeholders responded not in favour of the proposed clinical model

Those responding not in favour include

• London Borough of Merton and 13 of its councillors
• Central Medical Practice
• Dr Rosena Allin-Khan, MP for Tooting
• Carshalton and Wallington Labour Party
• Siobhain McDonagh, MP for Mitcham and Morden

One stakeholders does not think that it is the appropriate time to be undertaking this work or raised additional concerns

• Chris Grayling, MP for Epsom
We received 23 petitions from local groups and 193 letters from people campaigning not to shut services at St Helier Hospital

• 15 from local groups signed by 2,855 people to keep services at St Helier
• Seven from Morden primary schools signed by 566 people to keep services at St Helier
• One general petition where 1,573 people responded against closure of services at St Helier and to build the new hospital at St Helier organised by the Labour Party in Merton
Key themes of the main issues raised were: access, deprivation / health inequalities; and impact on other hospitals

- There were over 400 mentions of transport in response received
- 18 people mentioned deprivation and health inequalities as being critical to determining the location of an acute hospital in their responses
- 32 of the letters we received mentioned families and children
- Two councillors and one MP wrote to highlight health issues
- Over 50 people included comments about the impact on other hospitals
Other issues raised

- Which services will be in the specialist acute site and what will be kept local and the evidence of why this change will improve outcomes
- Concern over what will happen to the sites where the acute facility is not located in the long term
- Need for assurance that this is for NHS patients not private patients
- Where the money is going to come from to build the new acute facility and how much it will cost to borrow this money
- The process of how a decision will be made
- The timescale to get permission to build and what will happen to the sites and services in the short term.
Technical analysis
We are broadly expecting to have a similar number of beds to now

<table>
<thead>
<tr>
<th></th>
<th>Acute facilities on two sites</th>
<th>Epsom primary</th>
<th>St Helier primary</th>
<th>Sutton primary with The Royal Marsden</th>
</tr>
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<tbody>
<tr>
<td>Number of beds at the Trust</td>
<td>1,026 beds</td>
<td>834 beds</td>
<td>914 beds</td>
<td>1,012 beds</td>
</tr>
<tr>
<td>Beds required at neighbouring hospitals</td>
<td>0 beds</td>
<td>158 beds</td>
<td>80 beds</td>
<td>10 beds</td>
</tr>
<tr>
<td>Total</td>
<td>1,026 beds</td>
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Capital requirement (currently unfunded) ranges from £208 to £444 million. This is £129 and £236 million more than maintaining two acute sites.

We have used Department of Health methodology to calculate the cost of the new building and refurbishment on each site.

We have looked at patient flows to other providers and made allowance for capital that they would need in each of the scenarios.

The model assumes funding borrowed at 3% - we have modelled PF2 and this is significantly more expensive.
Moving to a single acute facility will save between £37 million and £57 million every year

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Financial benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>Reducing reliance on agency staff</td>
</tr>
<tr>
<td>Technology</td>
<td>Implementing digital technologies</td>
</tr>
<tr>
<td>Buildings that are fit for purpose</td>
<td>Reduced costs of maintaining and operating the estate</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Reducing length of stay</td>
</tr>
<tr>
<td>Complex and private services</td>
<td>Increase Trust income from private patients by c 1%</td>
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A further £8m of savings would be realised from the benefits of co-location with The Royal Marsden.
Bringing acute services together into a new specialist acute facility significantly reduces the Trust’s annual deficit by at least £36 million.
The scenarios
Continue with two acute sites scenario (this does not deliver clinical and financial viability)
At Epsom Hospital the new facility would be located at the front of the hospital.
At St Helier Hospital the new facility would be located at the back of the hospital with a new multi-storey car park built on the current visitors car park.
Sutton primary (co-located with The Royal Marsden)

At Sutton the new facility would be co-located with The Royal Marsden on land owned by Epsom and St Helier and The Royal Marsden.

Note: the red colour indicates Royal Marsden buildings.
Conclusions
**We cannot continue running acute services on two sites**

We will not be able to meet all of the clinical standards expected of us.

We will continue to be clinically and financially unviable and will not have the appropriate buildings to deliver 21st century healthcare.

This is not an option we believe is acceptable for our patients and our staff.
Our proposed clinical model makes us clinically and financially viable

In each of the consolidation of the six acute services scenarios we have sufficient workforce to deliver all the required clinical standards.

The absolute difference between any of the scenarios and the maintain two acute sites scenario is significant but the relative benefit between the three scenarios is relatively small.

Significant capital investment is required in each of the scenarios of between £377 and £444 million.

There is not a preferred scenario which can be identified at this stage.
# Overall financial summary

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<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epsom and St Helier</td>
<td>208</td>
<td>291</td>
<td>356</td>
</tr>
<tr>
<td>Other hospitals</td>
<td>0</td>
<td>86</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total capital investment required</strong></td>
<td>£208 million</td>
<td>£377 million</td>
<td>£396 million</td>
</tr>
<tr>
<td><strong>Return on investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHS</td>
<td>n/a</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Trust’s financial position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025-26</td>
<td>(£40 million) deficit</td>
<td>(£4 million) deficit</td>
<td>(£4 million) deficit</td>
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</table>
Further work is needed with commissioners to enable preferred option(s) to be consulted on

Commissioners will need to work with stakeholders and the public to determine the non-financial criteria that should be used to evaluate the scenarios in future using the information already provided.

This needs to include the themes picked up in the engagement
- Access
- Deprivation and Health Inequalities
- Impact on other hospitals.
# Timeline for next steps

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicative timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement to proceed</td>
<td>December 2017</td>
</tr>
<tr>
<td>Pre-consultation / outline business case completed (if required)</td>
<td>June 2018</td>
</tr>
<tr>
<td>Public consultation (if required)</td>
<td>Summer/autumn 2018</td>
</tr>
<tr>
<td>Decision on outcome of public consultation</td>
<td>Spring 2019</td>
</tr>
</tbody>
</table>

If the Trust was to proceed with developing new facilities, it is initially envisaged that these could be open in 2024-26. This would be subject to an intense period of work including developing planning permissions and producing a full business case.
Thank You

How to contact us
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