

East Kent Clinical Transformation Programme

Briefing for Joint Health Overview and Scrutiny Committee members

Purpose of briefing

This briefing provides an update on the next steps to transform acute services in East Kent. Last Autumn the Trust submitted an expression of interest for £460 million capital investment to the new hospitals programme, seeking vital and long overdue investment in our hospitals for the long term. A decision on the long-listed schemes is expected soon. A successful bid is essential before the NHS can consult on options to transform how our services are delivered in future. In the meantime, we are undertaking due diligence with the construction industry to further test the viability and deliverability of both options. This exploratory process is an important piece of work that will provide an additional assurance test before consultation gets underway

Pre-Consultation Business Case

The Pre-Consultation Business Case (PCBC) for the East Kent Transformation Programme has been supported by local NHS organisations and our regulator, NHS England and NHS Improvement (NHSEI). The PCBC outlines East Kent Hospitals University NHS Foundation Trust's clinical strategy, which can be delivered through one of two possible estates solutions:

- Option 1 – Two site Emergency Care model with A&E departments at William Harvey Hospital (WHH) in Ashford and Queen Elizabeth The Queen Mother Hospital (QEQM) in Margate. WHH would become the Major Emergency Centre for east Kent with specialist services co-located there. This option would require building works to be undertaken to accommodate the clinical service requirements and address the estates backlog requirements at WHH and QEQM . In addition, building and refurbishment works would also be required at the Kent and Canterbury Hospital (K&C) in Canterbury.
- Option 2 – One site Emergency Care model with K&C as the Major Emergency Centre for east Kent. This option would require a new hospital extension to be built on land adjacent to the existing Kent and Canterbury Hospital owned by the Canterbury City Council (CCC) and Kent County Council (KCC). The shell and core of the new hospital extension would be funded and provided by a private developer. The NHS would then complete the fit-out of the shell and core to complete the hospital. Further building and refurbishment work would also be undertaken at WHH and QEQM.

In October 2021 an application for capital was made to the Department for Health and Social Care New Hospitals Programme and we await feedback. In parallel we also need to ensure that both options are viable, financially feasible and deliverable before finalising the PCBC and commencing a public consultation for the proposed changes.

Due diligence and soft market testing exercise

The process to more robustly test the options requires engagement with the construction industry who to review the viability, financial feasibility and deliverability of the two estates options.

The Trust and its legal advisers developed a financial and commercial due diligence and soft market testing exercise based on the formal Public Contract Regulations procurement process. The exercise is an iterative one and will depend on the level of interest and the credibility of this interest. The approach for the exercise was approved through the governance processes of the Trust's Board and NHS Kent and Medway CCG's Governing Body. Other relevant stakeholders have also been notified of the process including KCC, CCC and the Trust's Council of Governors.

In February, NHSEI also confirmed its support for the pre-consultation financial and commercial due diligence and soft market testing exercise to be undertaken and therefore the process commenced late March. This work is due to complete by July 2022.

Expression of Interest for the Health Infrastructure Plan

In July 2021, the Department of Health and Social Care (DoHSC) invited expressions of interests (EOI) from mental health, community and acute NHS trusts who wish to be considered for inclusion in the next wave of the Government's Health Infrastructure Plan (HIP).

In October 2021, the Trust submitted an EOI for around £460m of Treasury capital to enable the East Kent Transformation Programme to be delivered. The EOI will form one part of the first stage of the Government's selection process for the HIP. It will be combined with evidence from existing national datasets (official data, signed off by provider chief executives) as well as discussions with regional and local NHS leaders.

It was initially thought that the Department of Health and Social Care (DHSC) would inform trusts of the outcome of this first stage of the selection process by the end of December 2021. However, this has been delayed due to the COVID pandemic. At the time of compiling this briefing, we are still waiting to hear whether our application has been successful in being placed on a longlist of proposals to continue to the next stage.

We believe the DHSC is aiming to make the final decision on the next eight hospitals to form part of the national programme by the end of 2022.

Next Steps

- The financial and commercial due diligence and soft market testing exercise is due to continue to run through to the end of July.
- We wait to hear from the DHSC to see if our Expression of Interest to be one of the latest eight schemes under the Government's Health Infrastructure Plan.

- We will continue to engage with key stakeholders (including Councillors and MPs) to gain awareness, understanding and support for investment in local services.

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