

Milton Keynes University Hospital New Hospital Programme Strategic Outline Case: Executive Summary

8th January 2024

WORK IN PROGRESS





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1) Introduction



Purpose and structure

This document provides a summary of the latest draft Milton Keynes University Hospital (MKUH) NHP Strategic Outline Case (SOC).

The purpose of this SOC is to reaffirm the need for the MKUH NHP (established through the 2020 SOC) and to confirm the 'preferred way forward' (which in this case is the 'Do Minimum' option). Approval of the SOC will allow, through NHP funding, development of the programme to the next stage, which is the Outline Business Case (OBC).

The SOC follows HMT's Green Book and five case model. It also aligns with the NHS England Fundamental Criteria checklist and the new NHP SOC template (including mandatory appendices) that was released by the NHP team on 15th December 2023.¹

This draft version of the SOC Executive Summary remains WORK IN PROGRESS until approval of the content of the SOC by the Trust Board (planned for 11th January 2024).

¹ Given the need to submit the MKUH SOC in mid-January 2024 it has been agreed that the NHP SOC template will be used as guidance, but full compliance is not possible in all cases.



STRATEGIC CASE

Describes the case for change, together with the supporting investment objectives for the project, the scope / service requirements and the expected benefits and risks.

ECONOMIC CASE

Presents the short-listed options and identification of a 'preferred way forward' as well as benefits, risks and costs assessed to date.

COMMERCIAL CASE

Outlines the design development status and the Trust's proposed approach to procurement, planning approvals and design development.

FINANCIAL CASE

Assesses the impact of the programme on the financial position of the Trust and affirms that the programme is affordable in capital and revenue terms.

MANAGEMENT CASE

Summarises the arrangements that have been put in place to ensure effective delivery of the programme and sets out the key milestones.

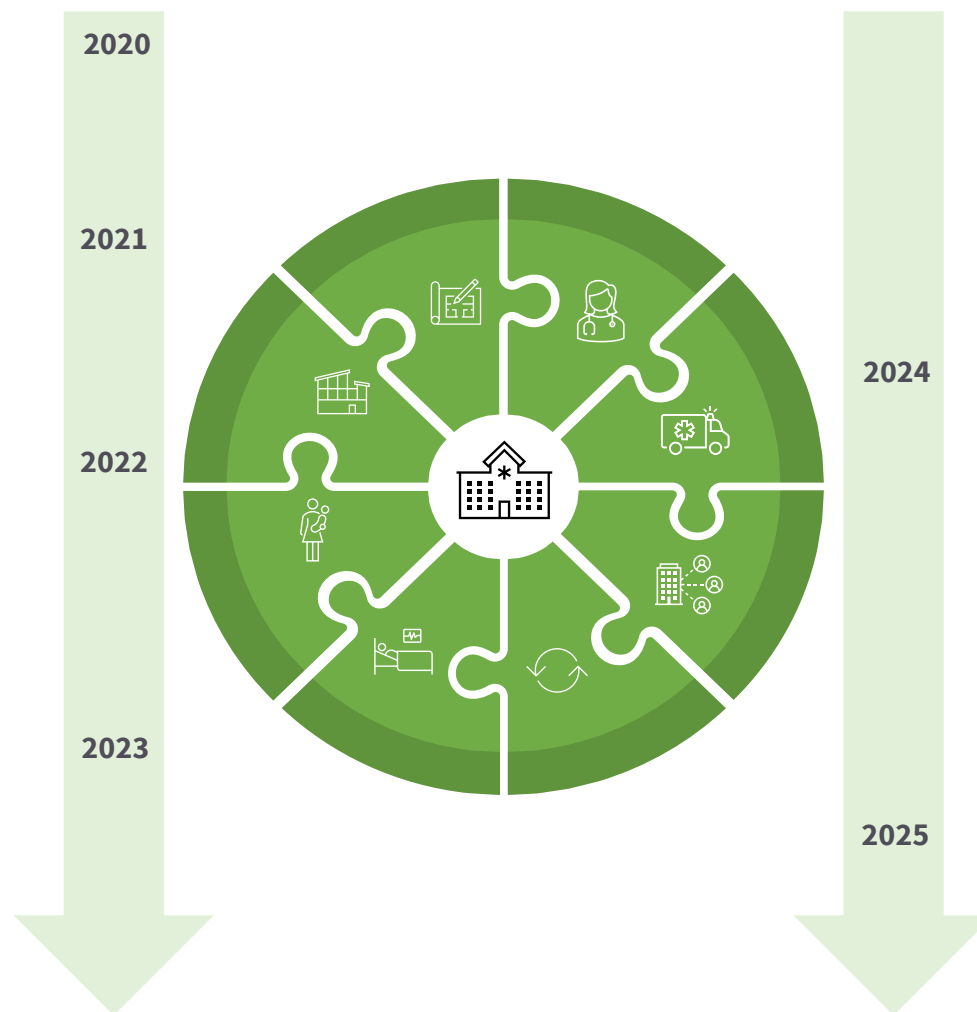
Background

In **November 2020**, the draft SOC for the MKUH New Hospital Programme (previously HIP) was approved by the Trust Board, with support from the Milton Keynes CCG and the BLMK ICS, and submitted to NHSEI for review. Responses to feedback from NHSE/DHSC were completed in **April 2021**

The Trust reviewed its SOC options in **early 2022** and moved from a two-site option to a single-site option as its preferred scheme.

The preferred way forward is a single-site option which will consist of a dedicated women's and children's centre and elective surgical centre in a single new building adjacent to the existing Treatment Centre.

In **August 2023**, the Trust completed the NHP data collection exercise, which involved submitting a cost plan for a scheme (Option 1) that could be delivered within the Trust's NHP funding allocation – this is the 'Do Minimum' option for which this SOC has been developed.



The Trust also provided a delivery plan for the MKUH NHP scheme at that stage; it included current status, details of appointed project team and an outline of the key next steps required to progress the business case.

Applications have been made for NHP funding for three enabling works schemes: a Short Form Business Case (SFBC) has been approved for the HV Supply scheme and SFBCs for the multi-storey car park and Imaging Centre will be submitted in **early 2024**.

As requested by the NHP team, the Trust is submitting this 'refreshed' version of its SOC in **January 2024**, as a precursor to commencing work on the OBC.

The Trust has demonstrated that it is ready to proceed to development of an Outline Business Case (OBC) and that it will be in a position to commence construction of its main scheme by the **end of 2025**, subject to specified conditions, including the availability of NHP funding to progress the scheme.



NHP alignment

The figure below shows how the relevant latest draft NHP Hospital 2.0 Principles (released on 15th December 2023) have been applied to the brief and initial design for Do Minimum option (to the extent that is feasible given that the principles remain subject to refined guidance).

Optimised healthcare infrastructure

C.2: Care provided within single rooms

Applied: inpatient wards have 100% single rooms

Optimised healthcare infrastructure

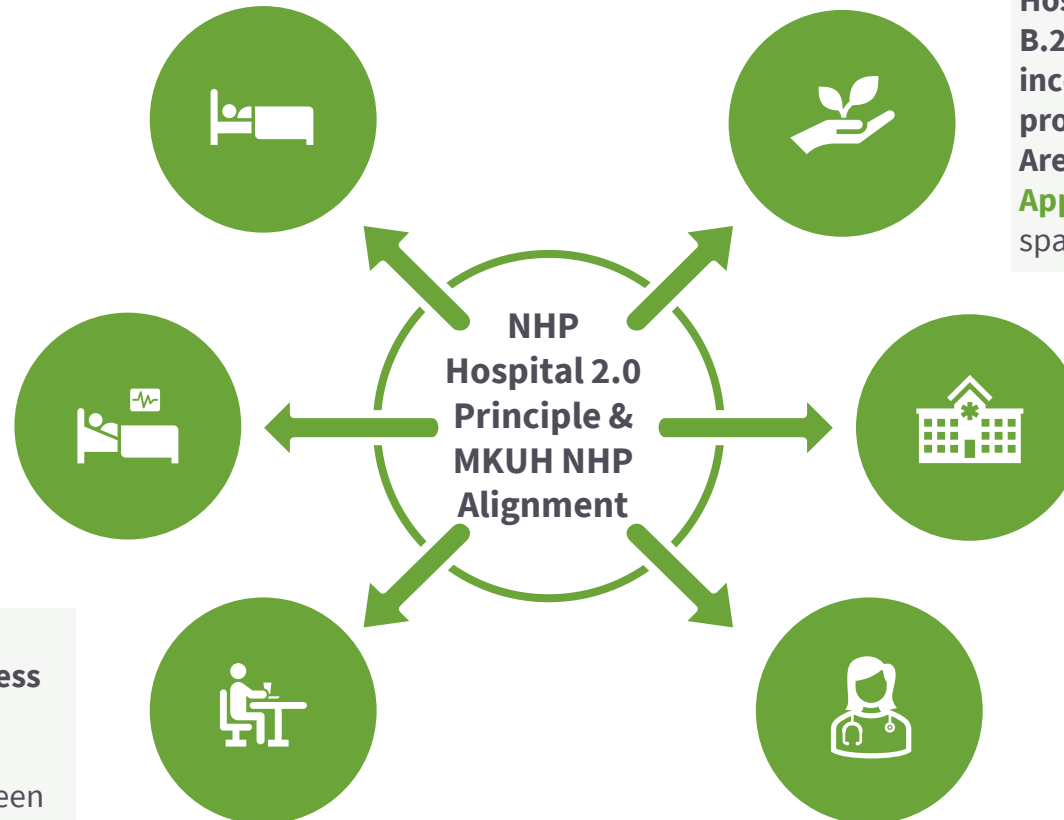
C.2: Care provided within 32 bed wards

Not applied: proposed ward size is 24 beds as this number aligns best with the projected capacity requirements for the specialist maternity and paediatric wards

Optimised healthcare infrastructure

C.6: Office space should be optimised, with less than 10% of total office accommodation embedded within departments.

Applied: minimal office accommodation has been included in the clinical departments – the majority of required office accommodation is provided elsewhere on the site



Hospitals for now and for the future

B.2: Sufficient plant space should be provided to incorporate Net Zero Carbon technologies, providing a minimum 20% of Gross Departmental Area and a preferred target of 23%

Applied: GDA has been uplifted by 21% for plant space in the briefed Schedule of Accommodation

Built efficiently; Built, operated and maintained to last

D1: Scheme achieves a minimum score of 70% using the P23 MMC toolkit.

Applied: the scheme is estimated to achieve the target of 70% delivery through MMC

Optimised healthcare infrastructure C.6: Staff specific facilities, including welfare spaces are provided on each floor or dedicated within departments/wards – 6% of Gross Departmental Area is allocated to staff support accommodation

Applied: staff welfare space is c6% of GDA



2) Strategic Case

SOC Content:

Strategic Context

Existing Arrangements

Case for change

Investment objectives

Demand and capacity modelling

Scope and service requirements

Benefits case

Strategic risks

Dependencies and constraints

Consultation, engagement and support



Investment objectives

The Trust has established a draft set of investment objectives for its NHP programme. These investment objectives for the MKUH NHP programme are clearly aligned to the Trust's strategic objectives, particularly in relation to improving patient safety, patient experience and clinical effectiveness, developing a robust and sustainable future and making the best use of the estate.

- 1 To provide the additional physical capacity required to deliver all inpatient services to manage a population growth of circa 70% [tbc] by 2037, and beyond, taking into account changes in demographic profiles and population health needs. [Effectiveness]
- 2 To expand and improve maternity, neonatal and paediatric facilities, to accommodate up to 6,000 deliveries by XXXX [year to be confirmed] and associated projected increases in neonatal and paediatric admissions, whilst ensuring compliance with all relevant national standards for maternity, neonatal and children's services. [Effectiveness/Compliance]
- 3 To reconfigure inpatient facilities to ensure segregation of planned and unplanned care pathways, strengthen operational resilience and accommodate medium-term activity growth of 20% [tbc] by 2030. [Effectiveness]
- 4 To enhance the quality of healthcare facilities for patients and staff and improve the 'patient experience' [measured by improvements of xxx% on xxx% of patient survey feedback data metrics]. [Effectiveness]
- 5 To enhance staff wellbeing and reduce turnover in designated staff groups [measure/metrics to be agreed]. [Effectiveness]
- 6 To improve the long-term physical condition, fitness for purpose, future flexibility and sustainability of the MKUH estate through reducing critical backlog maintenance at the MKUH site by 2030, achieving a minimum rating of "category B" on all elements of the NHS Six-Facet Survey by 2030 and delivering net zero carbon on all new buildings by 2030. [Compliance]
- 7 To create the infrastructure needed to maximise the use of new digital/technological solutions to facilitate innovation, enable the implementation of new models of care and achieve HIMSS level 7 by 2025 [tbc].



Case for change

The case for the MKUH NHP, as reflected in the investment objectives, is based on two key drivers: the need to provide additional capacity to meet the future demand arising from the projected population growth and the need to improve the quality of facilities for maternity and children's services.

Meet projected demand of a growing local population



- Milton Keynes population size increased by 15.3% from around 248,800 in 2011 to **287,000** in 2021.
- By 2035, the population is forecast to have increased by c.35% to **369,000**.
- The Milton Keynes City Council Strategy for 2050 sets out the vision for the future growth of Milton Keynes. It defines seven 'big ambitions' to set out the vision for this growth. Its aim is to grow by a steady population increase to around **410,000** people living in the borough by 2050.
- Projected population growth is driven by the planned housing growth, with **2,900** new homes per year being built.
- The number of people aged 85 and over is projected to double by 2035. There will be higher than average growth in the number of adults aged 65 and over and in the number of children and young people aged 10-19 years old.
- The MKUH NHP scheme will work to provide the increased healthcare demand of this forecasted population growth.

Improve maternity, neonatal and paediatric facilities

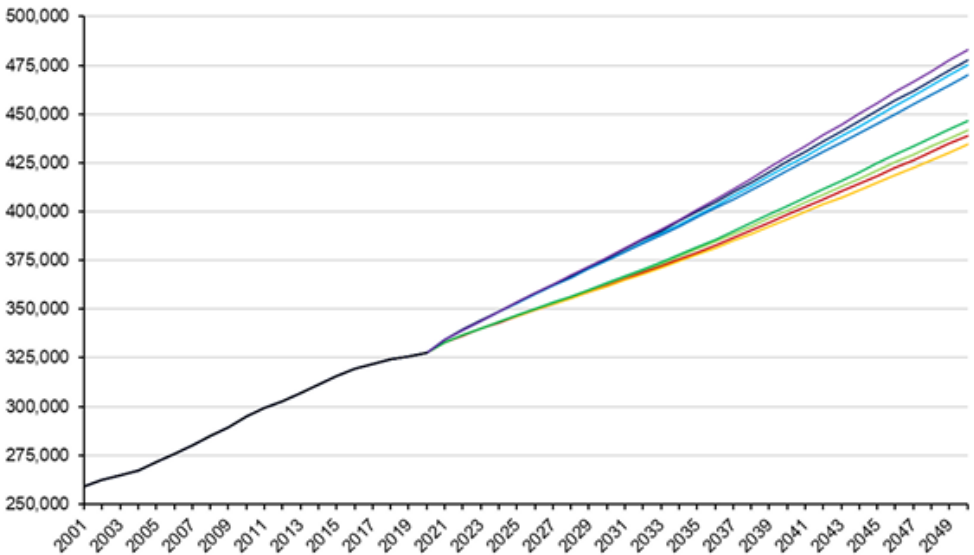


- Whilst the majority of the Trust's estate is in relatively good condition, the quality of some of the facilities, particularly for maternity, neonatal and children's services, is significantly lower than is required to meet the minimum national standards.
- For example:
 - There is no dedicated Midwifery-Led Unit, which reduces choice for women giving birth.
 - The obstetric theatres can only be accessed across a main hospital thoroughfare, which can be a distressing experience for women required to have sections/interventions.
 - The Neonatal Unit does not comply with current space standards and concerns have been raised regarding the impact on service delivery and especially the risk of infection.
 - The proportion of single rooms on the children's wards is very low.
- The maternity and children's spaces will be built to the correct space standards, consist of 100% single bed wards, a dedicated midwifery-led unit and improved clinical adjacencies. This will all lead to improvements in service delivery and patient and workforce experience.

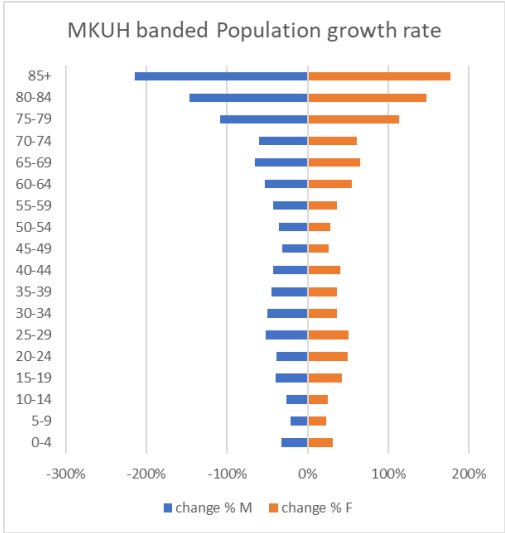
Demand and capacity modelling

As noted, the case for the new facility at the MKUH is based on the need to meet the future demand for healthcare that will be driven by the extensive planned population growth in the area. The diagrams below summarise the Trust’s population growth analysis.

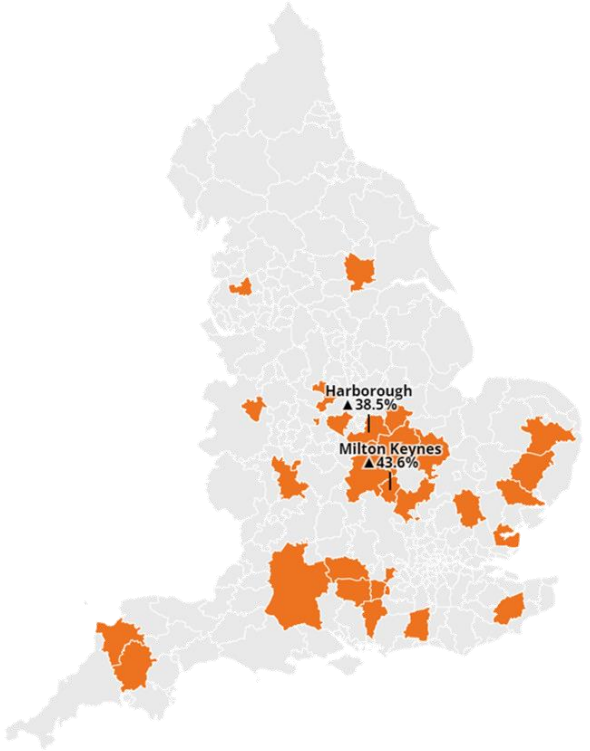
Figure 4.1: Total Population Growth in the MKUH Catchment



Scenario	Fertility	Life Expectancy	HRRs	Housing Growth
2	Increasing	Improving	Fixed at 2032	1,940dpa
5	Fixed	Improving	Fixed at 2032	1,940dpa
8	Fixed	Fixed	Fixed at 2032	1,940dpa
11	Increasing	Fixed	Fixed at 2032	1,940dpa
14	Increasing	Improving	Fixed at 2032	2,440dpa
17	Fixed	Improving	Fixed at 2032	2,440dpa
20	Fixed	Fixed	Fixed at 2032	2,440dpa
23	Increasing	Fixed	Fixed at 2032	2,440dpa



Average age of population:
 2019 37.9
 2050 41.1
 Change +3.2

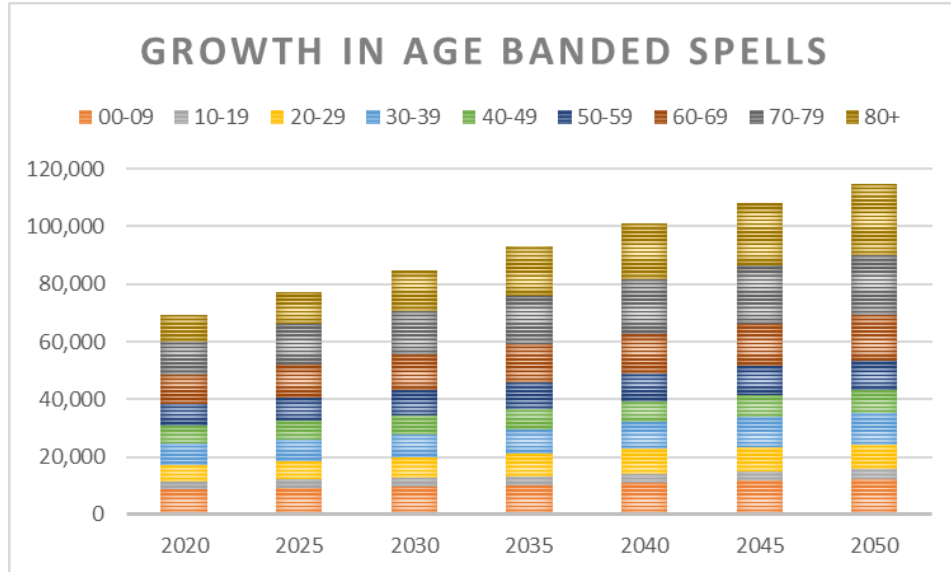


MK has seen the largest over 65 population growth in England (UK Census 2021)

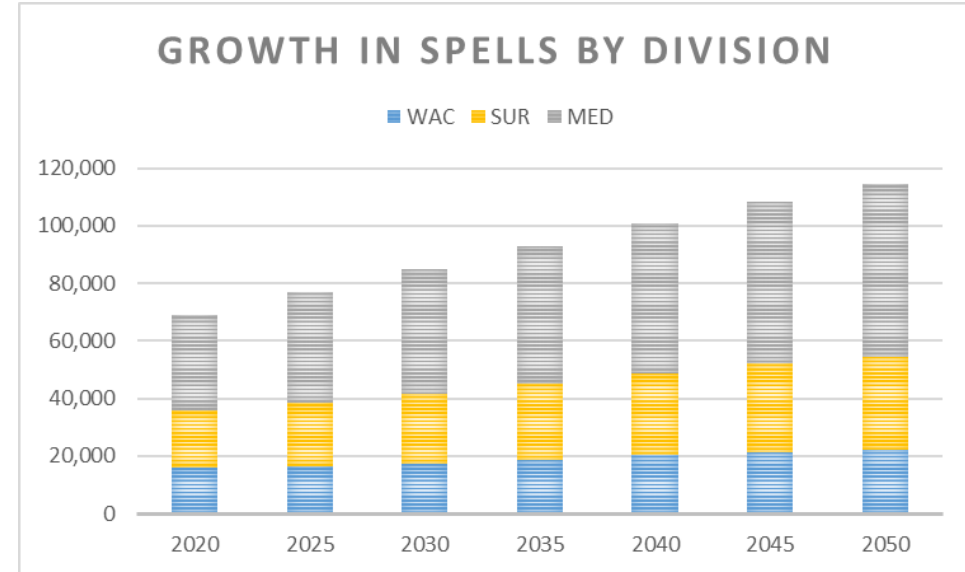
Demand and capacity modelling

The demand and capacity modelling undertaken by the Trust incorporates the latest data trends on local population, birth forecasts and capacity requirements to meet future activity demands. The outputs are summarised in the following tables.

Activity growth – Inpatients



age	2020	2025	2030	2035	2040	2045	2050
00-09	8,908	9,032	9,472	10,190	11,086	11,837	12,259
10-19	2,607	3,036	3,100	3,026	3,058	3,240	3,494
20-29	5,660	6,383	7,056	8,114	8,531	8,427	8,572
30-39	7,502	7,569	7,988	8,333	9,312	10,448	10,719
40-49	6,049	6,521	6,800	6,899	7,171	7,397	8,052
50-59	7,703	8,213	8,638	9,271	9,804	10,039	10,396
60-69	9,890	11,141	12,379	13,139	13,761	14,814	15,759
70-79	11,795	14,102	14,959	16,936	18,955	20,089	20,929
80+	9,042	11,167	14,547	17,023	19,197	21,821	24,504
Grand Total	69,155	77,165	84,939	92,933	100,875	108,112	114,684



Division	2020	2025	2030	2035	2040	2045	2050
MED	33,489	38,429	43,105	47,706	52,042	56,111	60,131
SUR	19,877	22,275	24,508	26,606	28,619	30,575	32,429
WAC	15,788	16,461	17,325	18,621	20,215	21,426	22,124
Grand Total	69,155	77,165	84,939	92,933	100,875	108,112	114,684
	100%	112%	123%	134%	146%	156%	166%

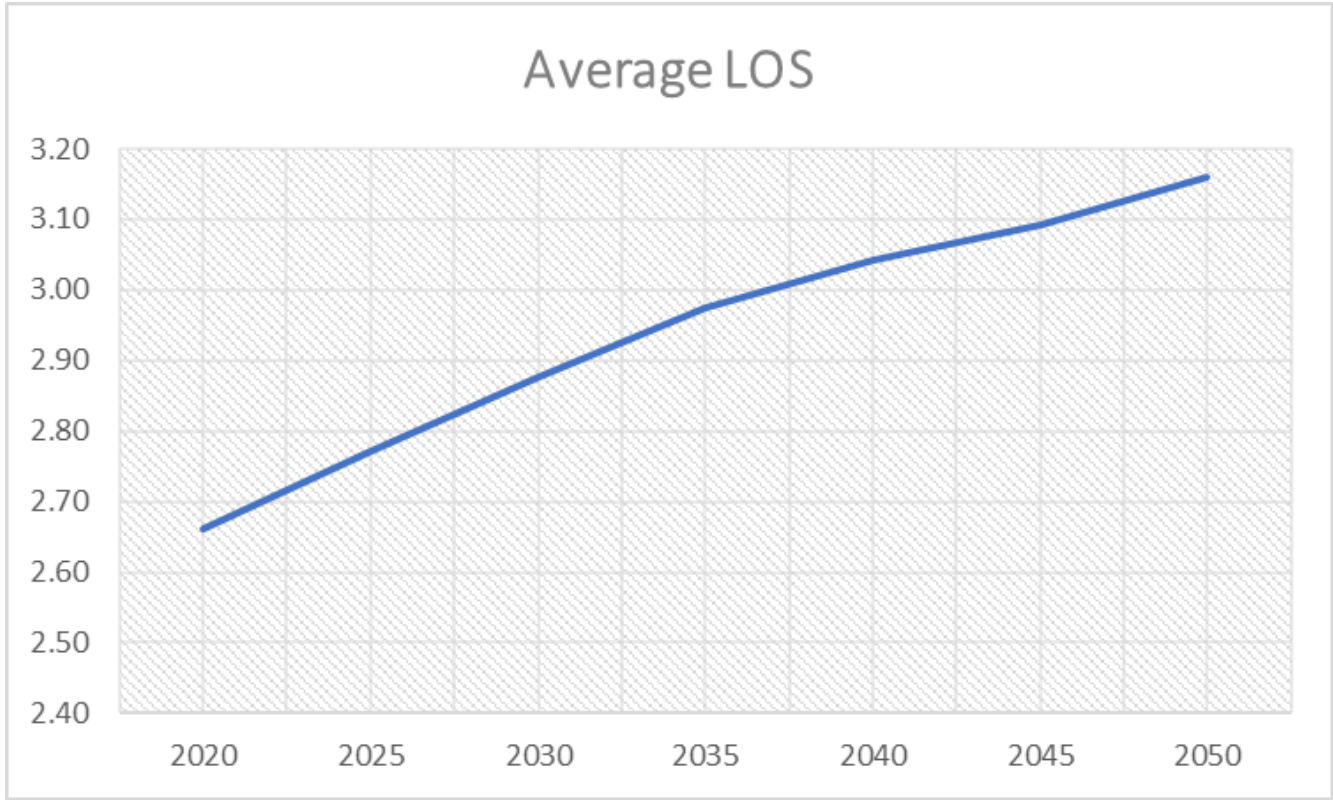
Demand and capacity modelling

Demand growth – Overnight bed days

2020-21	ALOS
00-09	1.56
10-19	1.15
20-29	1.57
30-39	1.58
40-49	1.81
50-59	1.69
60-69	2.20
70-79	3.34
80+	6.76
All	2.66

2020-21	ALOS
MED	3.62
SUR	1.84
WAC	1.65
All	2.66

Note: LOS increase due to increased proportion of older age cohorts

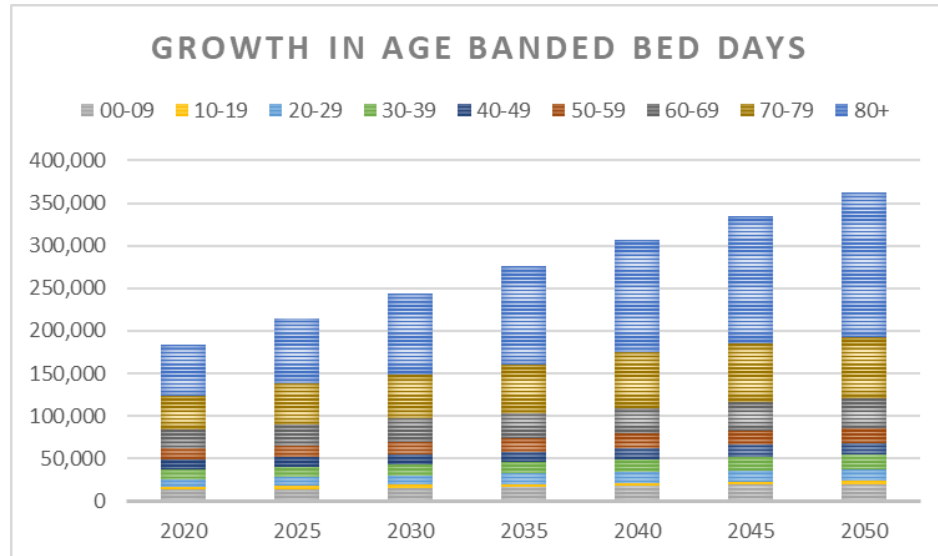


	2020	2025	2030	2035	2040	2045	2050
ALOS	2.66	2.77	2.88	2.98	3.04	3.09	3.16

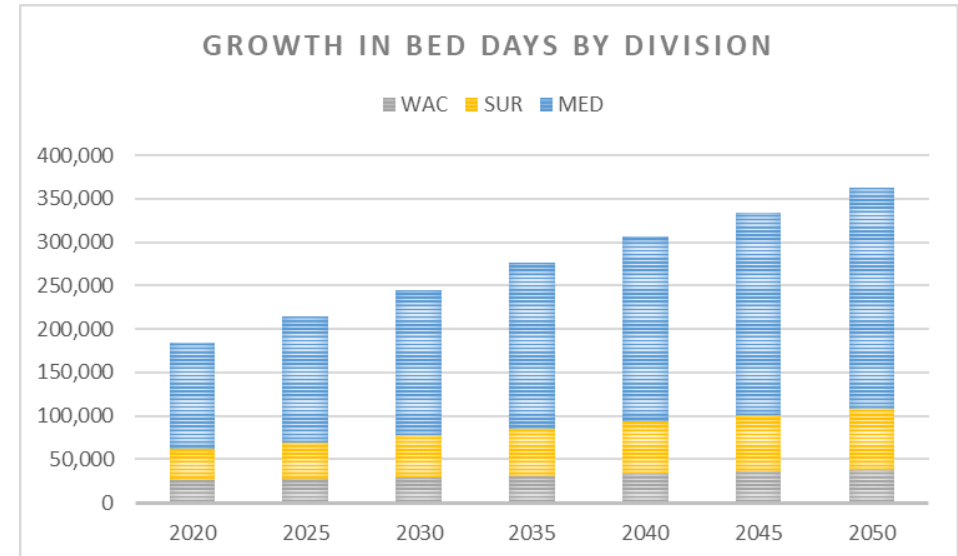


Demand and capacity modelling

Demand growth – Overnight bed days



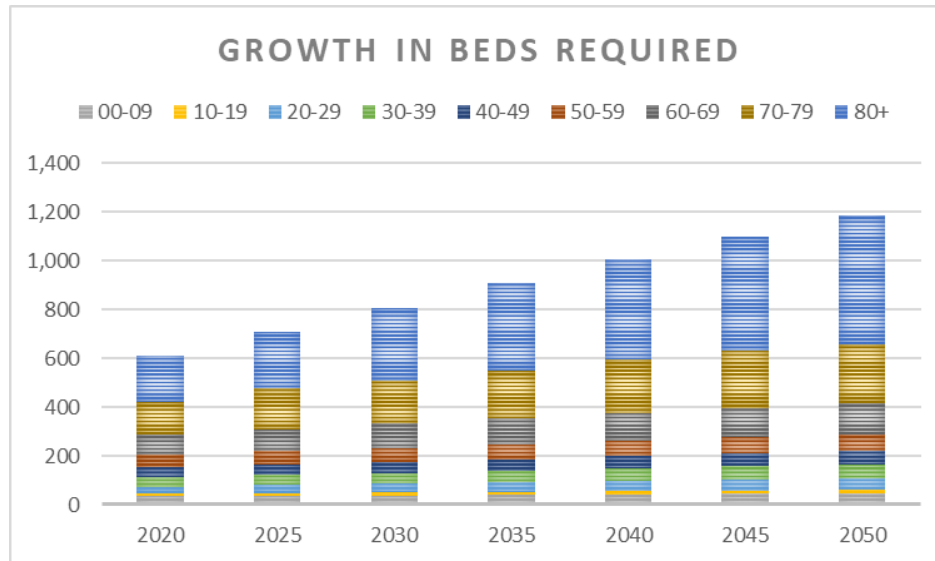
age	2020	2025	2030	2035	2040	2045	2050
00-09	13,935	14,341	15,123	16,311	17,762	18,908	19,504
10-19	3,000	3,550	3,671	3,573	3,587	3,793	4,086
20-29	8,868	9,982	11,024	12,728	13,390	13,197	13,421
30-39	11,884	11,987	12,656	13,212	14,788	16,560	16,982
40-49	10,953	11,831	12,310	12,478	13,058	13,467	14,551
50-59	13,012	13,934	14,663	15,690	16,647	17,045	17,648
60-69	21,779	24,490	27,308	29,014	30,358	32,584	34,850
70-79	39,439	48,874	51,103	57,713	64,903	69,167	71,810
80+	61,116	74,956	96,442	115,764	132,463	149,653	169,424
Grand Total	183,985	213,943	244,301	276,484	306,955	334,375	362,276



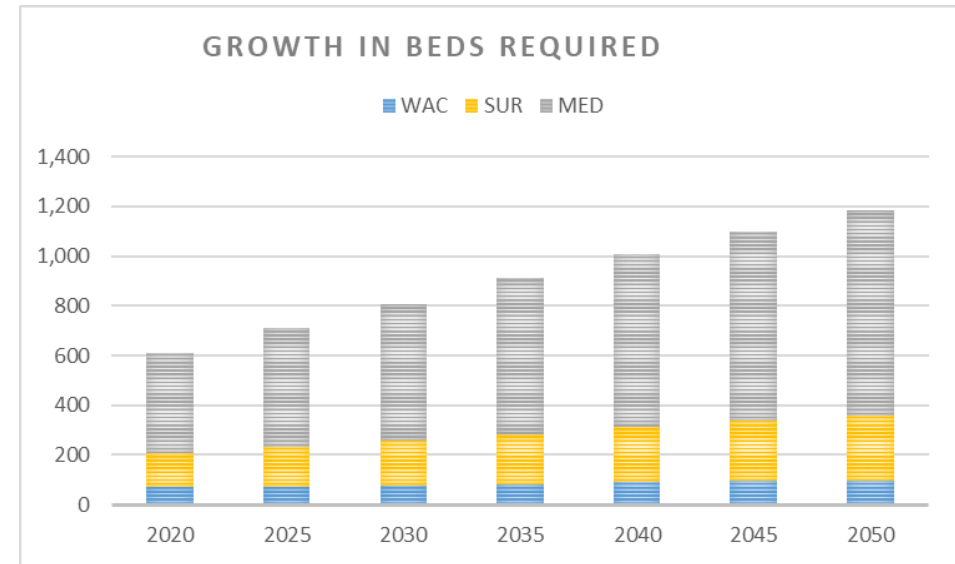
Division	2020	2025	2030	2035	2040	2045	2050
MED	121,279	144,076	167,048	190,957	212,928	233,113	254,523
SUR	36,635	42,525	48,382	54,430	60,183	65,395	70,793
WAC	26,072	27,343	28,871	31,097	33,844	35,868	36,959
Grand Total	183,985	213,943	244,301	276,484	306,955	334,375	362,276
	100%	116%	133%	150%	167%	182%	197%

Demand and capacity modelling

Bed capacity requirement



age	2020	2025	2030	2035	2040	2045	2050
00-09	34	35	36	39	43	46	47
10-19	10	12	12	12	12	13	14
20-29	30	33	37	43	45	44	45
30-39	41	41	44	46	51	57	59
40-49	41	44	46	46	48	50	54
50-59	51	54	57	61	65	67	69
60-69	80	90	100	107	112	120	128
70-79	134	165	173	196	220	234	244
80+	191	234	301	361	412	466	527
Grand Total	611	709	807	910	1,008	1,096	1,186



Division	2020	2025	2030	2035	2040	2045	2050
MED	402	476	549	625	695	760	827
SUR	139	160	181	202	222	241	260
WAC	70	73	77	83	91	96	99
Grand Total	611	709	807	910	1,008	1,096	1,186
	100%	116%	132%	149%	165%	179%	194%

Assumptions: 92% occupancy. Bed usage: DC 5/7, ELE 6/7, NEL 7/7. LOS is per patient level data and 0.5 per DC. Note at July 2022 611 beds, baseline tbc. Modelling adjustment factor of 1.9% applied to allow for spells admissions and discharges occurring on same day not captured in SUS level data.

Scope and service requirements

The proposal for the MKUH NHP is to create a Women and Children’s Unit and elective surgical capacity. These new facilities will allow some of our poorest estate to be vacated and provide enhanced fit for purpose facilities that support our future growth in activity. The new facilities enable us over several years to invest in the existing estate and create medical capacity in the right areas.

Scope of the MKUH New Hospital Project

New Women & Children’s and Elective Surgery Facility

- Elective Surgery Inpatient Beds
- Surgical Outpatients and Procedure Rooms
- Maternity Inpatient Beds
- Delivery Suite
- Obstetric Theatres
- Maternity Outpatients & Antenatal Assessment
- Neonatal Unit
- Paediatric Inpatient Beds
- Paediatric Outpatients
- Staff Support/Wellbeing Space
- Non-Clinical Support Space
- Critical Care Unit (not included in Do Minimum option)
- Theatres (not included in Do Minimum option)
- Paediatric Assessment Unit (not included in Do Minimum option)

Refurbished Day Surgery Unit

New Imaging Centre

Additional Multi-Storey Car Park

Additional HV Supply

Schedule of Accommodation Summary

Facility/Department	Area (m ²)
New Build	
Main Entrance	396
Surgical Inpatient Wards	2,139
Surgical Outpatients	760
Maternity Inpatient Wards	2,139
Delivery Unit	1,466
Obstetric Theatres	632
Antenatal Assessment Unit	338
Maternity Outpatients	681
Bereavement Suite	79
Neonatal Unit	1,356
Paediatric Inpatient Wards	2,288
Paediatric Outpatients	684
Staff Support	722
Facilities Management	538
Total Departmental Area	14,216
Communication space	1,422
Plant space	2,985
New Build Gross Internal Area	18,623
Treatment Centre Refurbishment	720
Imaging Centre	1,736
TOTAL GROSS INTERNAL AREA	21,079

Benefits case

An initial assessment of the key benefits that the Trust expects to achieve through the NHP is summarised below (the benefits have been categorised in line with Green Book definitions):

Benefit Drivers	Benefits	Category
Creating new inpatient capacity to meet future demand	Improved health outcomes from neonatal services for increased population	Societal
	Improved health outcomes from antenatal services for increased population	Societal
	Reduced travel out of area for women in Milton Keynes wanting access to midwifery-led birthing	Societal
Provision of 100% single patient rooms in new block	Reduced perinatal anxiety and / or depression from improvements in care	Societal
	Reduced stress and anxiety for children from increased confidentiality on wards	Societal
	Enhanced privacy and dignity for patients	Unmonetisable
	Decreased risk of hospital acquired infection for patients	Societal
	Managing single room in a demand-based way rather than a whole ward	Unmonetisable



Benefits case

Benefit Drivers	Benefits	Category
Sustainability measures	Carbon savings from energy efficiency measures on site	Societal
Improvements in clinical adjacencies by co-locating essential services	Clinical adjacencies leading to workflow efficiencies	Non-Cash Releasing
New build creating supportive workplace environment for clinical operations	Increased staff retention and ease in recruitment	Cash Releasing
	Facilities that accommodate virtual outpatient appointments	Unmonetisable
Designs to support provision of care (including surgery, paediatrics, maternity)	Reduced volumes of elective surgical activity sub-contracted to the private sector	Cash Releasing
	Improved learning / education environment for paediatrics patients	Unmonetisable
	Improved mother-baby bonding	Unmonetisable



Strategic risks

A Risk Register has been produced for the MKUH NHP Programme. The below are the highest scoring risks (score ≥16) at SOC stage.

ID	Risk	Explanation of probability and impact values	Total Risks by Category / RAG Rating
A07	Lack of and/or change to standardised design guidance, MMC standards and legislation from NHSE	Inability to define scope within the programme and unable to provide a robust briefing to the design team	Design 4 15 2 Construction 1 17 2 Operating 0 14 0 Revenue 3 4 0 Other 1 14 0
A11	Site/space constraint for desired design size of new build if H2.0 space standards are implemented	Risk of descoping as size is not what is required for the building to function	
A13	Change in building and site infrastructure design required due to external influences specific to NHS	Likely changes to design guidance resulting from Covid-19, NZC targets, etc.	
A16	Incorrect programmatic timeline estimates	Timeline estimate has significant cost impact	
B20	Market conditions - increase in inflation and labour/material costs makes the scheme unaffordable	Construction inflation due to changing economic climate causing increased costs for the programme	
E01	Changes in the allocation of resources for the provision of health care	Given uncertainty regarding payment by results, block contracts etc, assume this needs to be considered as a high risk	
E02	Changes in the volume for patient services, including unknown choice-based demand	Uncertainty relating to population projections, hospital activity rates and proportion of local demand that would come to MKUH	
E04	Unexpected changes in the epidemiology of the people in the catchment area	Uncertainty relating to age profile and health needs of projected population growth	
J03	The national commercial strategy is not able to deliver a procurement approach that meets the scheme requirements	NHP commercial framework is to be formalised	



Consultation, engagement and support

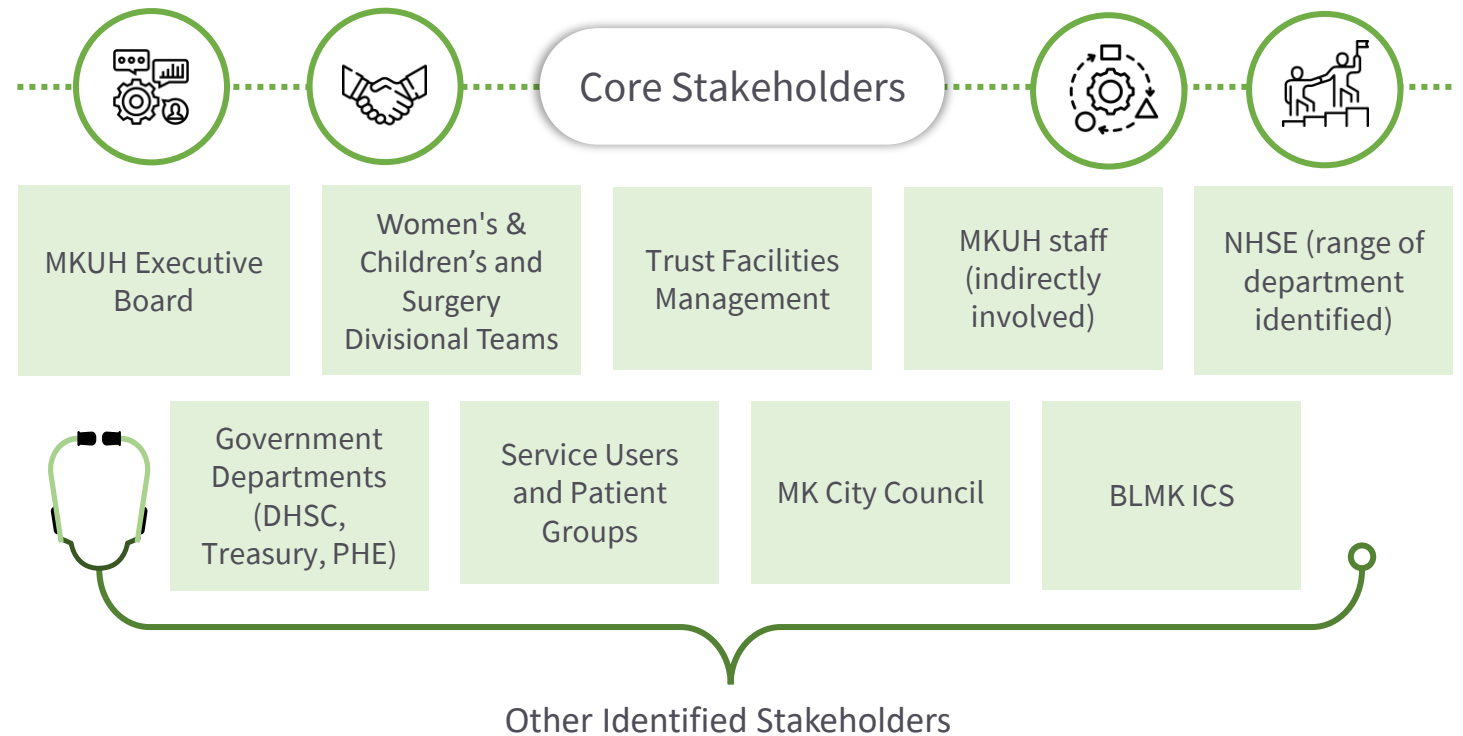
The Trust can confirm that there is no requirement for public consultation in relation to the MKUH NHP as it does not involve any reconfiguration of services. This conclusion is fully supported by the BLMK ICB.

We have developed a communications and engagement strategy for the MKUH NHP to provide an overview of our objectives, the key messages we want to convey, what the communications team will deliver and how we will effectively involve stakeholders throughout the programme.

The strategy will be supported by a communications and engagement plan, which will be an evolving and regularly reviewed document, detailing the ways in which we will deliver the objectives of the strategy.

We have identified a list of stakeholders who will all be actively involved in the development of our programme, as shown.

Formal engagement of the core external stakeholders is principally achieved through the Strategic Partnership Board (see Management Case).



- Local GP Practices
- Family Support Charities and Groups
- Hospital Governors & Membership
- Local Community
- Faith and Culture Charity and Group
- Patient Experience
- Local, Regional and National Media
- EDI Networks
- Suppliers/ Contractors
- Healthcare Organisation (Kings Fund and Royal Colleges)
- Patient Transport Services
- Local Government (MPs, Councillors, Local Parish/ Ward Councils)
- Third-party Site Users (Emergency Services, SCAS, Urgent Care)
- CQC
- Healthwatch
- GP Practices
- Volunteers
- Trade Unions



3) Economic Case

SOC Content:

Critical Success Factors

Options long-list

Options short-list

Costs

Benefits

Risks

Value for Money analysis

Cost reconciliation

Preferred Way Forward



Critical Success Factors

The Trust initially identified its Critical Success Factors (CSFs) for the NHP programme, reflecting the agreed investment objectives, through engagement with the lead clinicians and other key stakeholders in 2020. The CSFs were identified using the categories set out in the HMT Green Book. The CSFs have been reviewed to reflect changes in the Trust’s requirements since 2020 – the revised version is shown below.

Category	Description
Strategic fit and business need	<ul style="list-style-type: none"> ▪ Provide additional capacity to accommodate the projected growth in adult inpatient, critical care, maternity, neonatal, paediatric and imaging activity. ▪ Enable service transformation, patient safety, performance improvement, delivery of new models of care and implementation of the Trust’s digital strategy. ▪ Enhance the patient, carer and staff experience through provision of high quality services in the best possible built environment. ▪ Deliver an estate that is functionally suitable, adaptable, environmentally sustainable [net zero carbon on new buildings] and compliant with statutory and regulatory requirements.
Supplier capacity and capability	<ul style="list-style-type: none"> ▪ Facilitate the application of Modern Methods of Construction in the delivery of new healthcare facilities.
Potential affordability	<ul style="list-style-type: none"> ▪ Make best use of the available capital in relation to NHP funding and other sources of capital funding for the Trust and the BLMK ICS. ▪ Maintain current revenue cost of delivering patient care at MKUH relative to the size of the local population (i.e. average cost per patient)
Potential achievability	<ul style="list-style-type: none"> ▪ Demonstrate achievability in terms of planning constraints, stakeholder consent, operational disruption, Trust resources and support of the BLMK ICS and other key stakeholders.

Options short-list

The option short-list that was identified in 2020 has been reviewed and revised to reflect changes in the Trust’s requirements and site development strategy since that time. The updated options short-list below.

The Trust is aware that the draft NHP SOC template states that all options short-lists should include an option that has a capital cost that is within the NHP funding envelope for each scheme, recognising that this may not be the ‘preferred way forward’ in all cases. When the Trust submitted its ‘Option 1’ for the Target Cost Model exercise in August 2023, it noted that this represented the minimum additional capacity the Trust would need to meet projected future demand (the ‘priority’ investment objective). Therefore, the ‘affordable within the NHP capital funding envelope’ option that the NHP requires to be on the short-list constitute the ‘do minimum’ option in this SOC.

0) Business As Usual (BAU)	1) Do Minimum	2) Preferred Way Forward	4) Do Maximum
<ul style="list-style-type: none"> Backlog maintenance and essential minor works Works required to accommodate incremental activity growth (i.e. development of Oak Wards) 	As BAU plus: <ul style="list-style-type: none"> New Women & Children’s and Surgery Block Refurbished Day Surgery Unit (in Treatment Centre) New Imaging Centre HV supply Multi-storey car park 	As Do Minimum plus additional scope/capacity in the New Women & Children’s and Surgery Block, i.e. <ul style="list-style-type: none"> Critical Care Unit Theatres Paediatric Assessment Unit Additional inpatient beds Additional delivery rooms Additional outpatient rooms 	As Preferred Way Forward plus refurbishment of vacated wards/departments (post completion of new block) – potential use includes <ul style="list-style-type: none"> Adult inpatient beds Outpatient clinic rooms Endoscopy expansion Midwifery-led unit (if required)
GIA ¹ = 2,600m ² [for Oak Wards ²]	GIA = c28,000m ² [+ Oak Wards]	GIA = c40,000m ²	GIA = c45,000m ²

¹ GIA is costed area, not the briefed area ² Oak Wards are included in all options

Value for money analysis

The economic appraisal undertaken for the SOC in 2020 used the Comprehensive Investment Appraisal (CIA) Model, applying guidance received at the time from an economic advisor at the DHSC and NHSE staff. As the model was only released in 2019, its application to major capital schemes had been limited and there was some ambiguity as to the extent to which it needed to be applied in the SOC, given that the HMT Green Book indicates that the economic appraisal should be undertaken at the OBC stage.

The approach taken in the SOC was agreed with the NHSE/DHSC teams on the basis that the CIA Model would be applied in full for the OBC.

Given that the Trust is refreshing the previously submitted SOC, we have replicated the approach to the economic appraisal that was previously undertaken. The requirement in the NHSE business case checklist remains that “there should be an indicative cost, benefit and risk appraisal performed on the four options” in the SOC and that “it is accepted that this will need further development at OBC stage”, so it is presumed that the approach taken in this SOC is acceptable.

The Trust’s approach to benefits and risk quantification for the SOC is summarised in the panel. We will work with the NHP team to agree what further work, if any, is needed on the value for money analysis prior to development of the OBC.

Benefits Quantification

- We have made an initial classification of the expected benefits following the CIA model approach
- We have updated the 2020 preliminary quantification of selected societal benefits, to enable completion of an indicative CIA model
- A full quantification of all expected benefits for each short-listed option will be undertaken for the Outline Business Case

Risk Quantification

- We have produced a risk register for the MKUH NHP and made an initial assessment of the probability and impact (on cost, time and quality) of each risk for the Do Minimum option, using the CIA model risk log structure
- For the previous SOC, the costs of each option were risk-adjusted to reflect the cost of the alternative capacity provision that would be needed elsewhere in the system to meet the forecast population growth if the Trust did not develop the planned new facilities – we have updated these risk costs for the refreshed SOC
- The quantification of all risks, for all short-listed options, will be undertaken for the Outline Business Case



Preferred way forward

The Trust's 'preferred way forward' remains the 'full' new build scheme as described in the option short-list (i.e. the 'Option 3' that was submitted for the NHP data collection exercise in August 2023).

Given that the estimated capital cost of the 'preferred way forward' exceeds the Trust's current allocation of NHP capital funding, and the Trust is not expected to be able to bridge the funding gap from other sources, the SOC proposes that the Trust takes forward the 'Do Minimum' option, i.e. the 'affordable preferred way forward' within the NHP funding envelope (Option 1 in the August 2023 NHP data collection exercise).

The Trust has identified mitigations, including capital works to the existing estate, to address the capacity shortfall that will arise from proceeding with the 'Do Minimum' option – these are explained in the panel.

Should additional capital funding be made available, from the NHP or any other source, we may revise our proposed scheme to include some or all of the capacity currently included within the 'preferred way forward' option.

Both the 'Do Minimum' and the 'preferred way forward' options will be tested at the Outline Business Case, in line with the Green Book and NHSE business case guidance.

Do Minimum Option: Scope Reduction Mitigations

- Refurbish the existing 2 emergency and 2 obstetric theatres and recovery bed area
- Move to three session day to increase activity in existing theatres
- Move theatre activity out of acute theatre environments, e.g. into procedure rooms
- Provide L1 enhanced care on inpatient wards to mitigate loss of additional critical care capacity
- If the birth rate increases, incorporate a midwifery-led unit within the refurbished estate
- Convert estate adjacent to the Emergency Department to create a Paediatric Assessment Unit
- Utilise the new Community Diagnostics Centre and Urology Investigation Unit for specialist outpatient consultations
- Integrate vacated maternity outpatients' rooms into business-as-usual capital programme





4) Commercial Case

SOC Content:

Procurement strategy

Procurement timelines

MKUH Masterplan

Planning approvals

Design development

Derogation of Standards

Design Quality

Technical requirements

Site selection and feasibility

Modern Methods of Construction

Government Construction Strategy

Net Zero Carbon & Sustainability

BREEAM







Procurement strategy

A new contractor framework is being established for the NHP at national level. It is anticipated that procurement will be completed in mid-2025. Given the Trust's intention (supported by the NHP team) to achieve start on site for the main scheme at the earliest realistic opportunity, i.e. in December 2025, it will not be able to utilise the new NHP contractor framework (as there will be insufficient time to complete the Stage 4 design and agree a GMP).

The Trust will therefore be considering options for procurement routes through the range of national frameworks available. Potential frameworks that will be considered include:



The selected framework will need to represent the timeliest procurement route that delivers value for money. In selecting the preferred route, the Trust will look to meet the following criteria:

- 01** Identify the right balance of risk share between the trust and the supply chain. 
- 02** Select framework rates and fees which are deemed affordable and suitable for the required services and goods. 
- 03** Select a framework which can procure the full range of required services and provides access to sufficient capacity to deliver the scheme. 
- 04** Select a framework with agreement from NHP. 

Potential procurement routes will continue to be explored as an early OBC stage activity, in discussion with NHP. The aim is to appoint a contractor for RIBA 3 design development (through a PCSA) by summer 2024.

MKUH Masterplan

The proposed MKUH NHP schemes are set within the context of a robust masterplan for the site, which takes account of short, medium and long-term service and estate needs.

The diagram provides snapshots in time to show what projected and planned developments will be complete at the end of the calendar years leading up to the construction of the Women's, Children's and Surgical building.

Different categories of development work are shown; strategic planned projects, work to improve building condition / address energy performance and work to clear the site for the Women's, Children's and Surgical building.

The Trust has also considered further developments of the site beyond completion of the MKUH NHP – details are provided within the Trust's Estate Strategy (which is appended to the SOC).

Key

- Freehold: MKHFT
- Freehold: NHSPS
- Proposed by end 2024
- Proposed by end 2025
- Proposed by end 2026
- Proposed by end 2028
- Proposed by end 2029
- Proposed by end 2030



Technical requirements

Net Zero Carbon

MKUH is committed to achieving the national NHS ambition, set out in 'Delivering a net zero national health service' (DHSC, October 2020), of becoming net carbon zero, both for the emissions we control and those we influence indirectly.

The Trust's Green Plan outlines our ambition to be net carbon zero for the emissions that we control by 2030, ensuring that we provide a sustainable service for all our patients now and in the future.

The MKUH NHP development will be delivered in line with the new NHS Net Zero Carbon (NZC) standard. Capital carbon and operational carbon limits have been set for the MKUH NHP, along with performance targets for building services.

The carbon limits and performance values are reflected with the design and specifications. Any design changes relevant to space types or floor area will be reported to the NZC Co-Ordinator, in line with the standard, and any changes to the carbon limits or building performance targets will be calculated.

The Trust plans to refine its solutions for delivering NZC on the NHP schemes through the OBC stage.

Modern Methods of Construction

The application of Modern Methods of Construction (MMC) is a key component of the Government's construction strategy and is a fundamental principle of the NHP, both at scheme and programmatic level. We are committed to maximising the application of MMC on the MKUH NHP.

The design for the new Women, Children's and Surgical Block is at an early stage of development, but a preliminary assessment has been made of the scope for using MMC. At this SOC stage, our expectation is that we will be able to comply with the emerging NHP Hospital 2.0 principle of achieving a score of at least 70% [tbc] on the MMC assessment (using the P23 toolkit as required). An updated analysis will be undertaken for the Outline Business Case.

In the early stages of the OBC design process, our design optioneering will include proposals for MMC solutions that suit the developing architectural, structural and MEP designs, allowing the comparison against more traditional construction methods. This will allow key metrics such as cost, programme and health and safety to be considered, in conjunction with the NHP MMC assessment requirements, to allow a detailed MMC strategy to be developed for the MKUH NHP.





5) Financial Case

SOC Content:

Financial appraisal

Financial assumptions

Capital affordability

Enabling and early works

Revenue affordability

Capital Departmental Expenditure Limit

Other financial considerations

Accounting treatment





6) Management Case

SOC Content:

Programme management arrangements

Business continuity

Programme/project management resources

Benefits realisation

Programme plan

Risk management

Enabling and Early Works

Risks and mitigations

Workforce transformation

Post project evaluation

Digital transformation

Assurance and approvals

Stakeholder engagement



Programme management arrangements

The Trust adopts a robust management approach for all its major strategic programmes and capital projects. It is intended that the “agile project management” methodology will be adopted for the MKUH NHP going forward.

The Trust’s Redevelopment Board is the key decision-making body for the programme and approves relevant documentation within the scope of its delegated powers. It provides leadership, strategic direction and oversight of the MKUH NHP, holding the Programme Director and Programme Team to account to ensure the programme meets its objectives.

The MKUH NHP Strategic Partnerships Board acts as a vehicle for system-wide engagement and oversight of the MKUH NHP Programme. The MKUH NHP Strategic Partnerships Board includes representatives from the local health and care system, local council and NHP/DHSC representatives (NHP Project Lead) as required. Representatives are responsible for reviewing and socialising plans within their respective organisations and providing input to plans to ensure system alignment and support of the MKUH NHP plans.

A dedicated NHP Project Lead is supporting the delivery of the MKUH scheme. The Trust and NHP Project Lead have agreed attendance at project meetings and project boards. The NHP Project Lead escalates risks and issues on behalf of the Trust to the NHP Delivery Directorate.

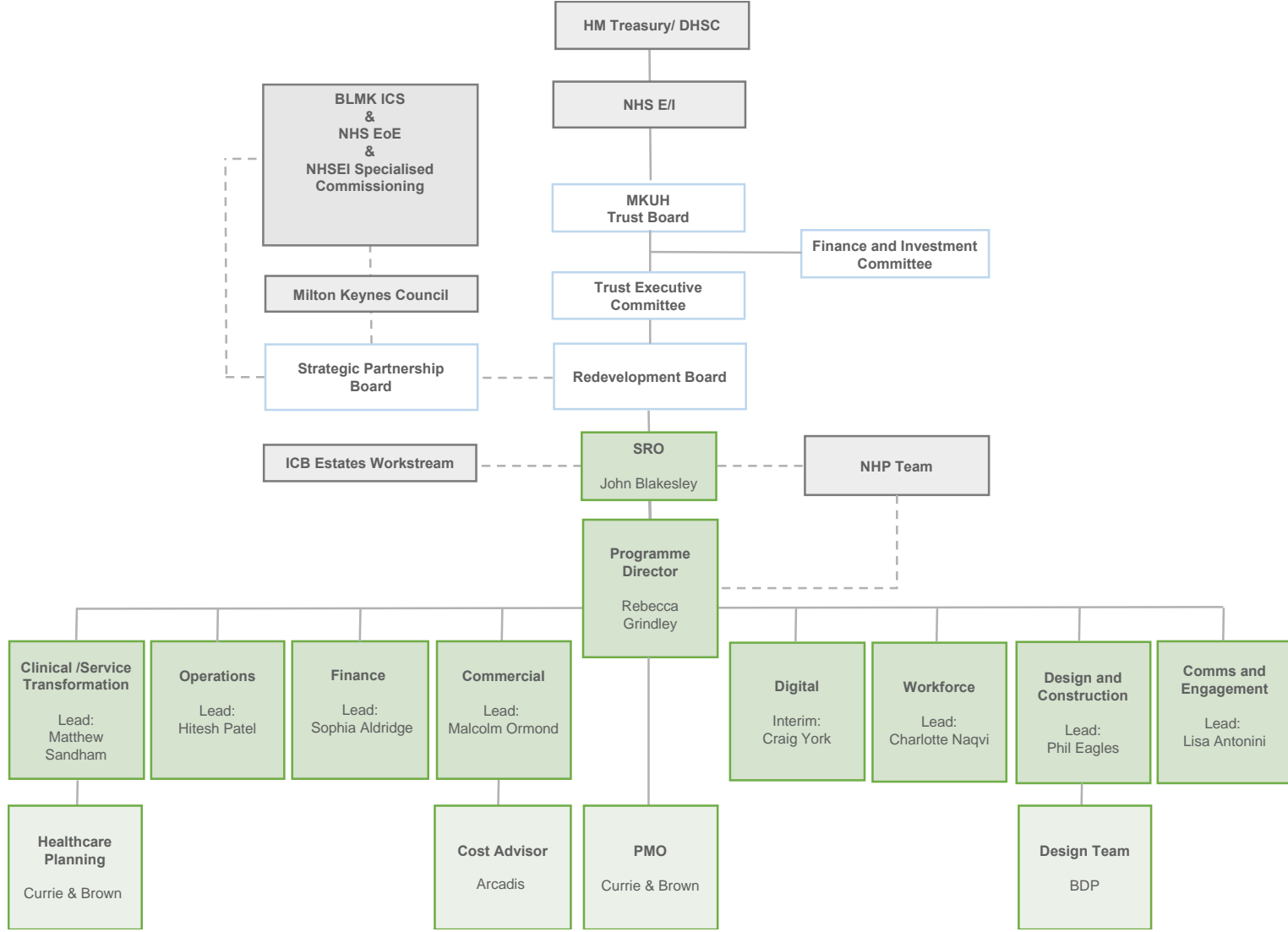
The Trust will follow NHP standardised reporting from scheme level to programme level. Formal reporting for the scheme will be implemented at the start of the OBC stage and will reflect reporting requirements aligned to NHP objectives.

The Trust has recently undertaken a “Scheme Organisational Readiness Diagnostic” with the NHP team’s organisational development advisors. The draft report noted that “MKUH overall demonstrates a good level of organisational readiness and there is clear alignment around the scheme’s direction. The scheme team would benefit from codifying and bringing forward plans which can be rapidly activated, including future-state governance arrangements and to respond to recommended areas for development.” The Trust will review the outputs from the diagnostic and incorporate any agreed measures into its programme management arrangements for the OBC stage onwards.



Programme management arrangements

MKUH NHP Governance Structure



Programme management resources

The Senior Responsible Officer is John Blakesley, Deputy Chief Executive.

The Programme Director is Rebecca Grindley.

The Trust has a full core internal programme team in place, covering the key functions and activities identified in the NHP Scheme Organisation Design principles.

NHP Identified Function	MKUH Lead
SRO	John Blakesley, Deputy CEO
Programme Director	Rebecca Grindley
Clinical / Service Transformation	Matthew Sandham
Operations	Hitesh Patel
Finance	Sophia Aldridge
Commercial	Malcolm Ormond
Digital / IT	Craig York (interim)
Workforce / People	Charlotte Naqvi
Design & Construction	Phil Eagles
Communications & Engagement	Lisa Antonini
PMO Lead	Martin Clark (Currie & Brown)

The core internal programme team has been supplemented at SOC stage by input from the following specialist advisors:

Role	Company
Cost Consultant	Arcadis
Multidisciplinary Design Team	BDP
PMO	Currie & Brown
Healthcare Planner	Currie & Brown
Business Case Development	Currie & Brown

All advisors have been procured competitively, using frameworks where appropriate, and the Trust intends to retain the advisory team for the OBC.

The Trust will need to engage additional external specialists for the development of the OBC, including:

- Town planning advisor
- Equipment advisor
- Fire consultant
- Social value advisor

The Trust is forecasting a budget requirement for the OBC stage in the region of c£4.3m (excluding VAT)



Programme plan

The current proposed timeline for the MKUH NHP is shown below.

Key Milestone	2023				2024				2025				2026				2027				2028			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Enabling Works																								
Enabling Works Business Cases Approvals				█																				
HV Supply Upgrade					█	█	█	█	█	█	█													
MSCP Construction					█	█	█	█	█	█														
Imaging Centre Construction								█	█	█	█	█												
Main Scheme																								
SOC Refresh				█	█																			
OBC Development and Approval					█	█	█	█																
Main Scheme Contractor Procurement							█	█																
FBC Development and Approval									█	█	█	█												
Main Works Construction													█	█	█	█	█	█	█	█	█	█	█	



Programme plan

The planned key milestones are as follows:

Milestone	Date
Enabling Works	
All Enabling Works Business Cases Approvals	Spring 2024
Start HV Supply Upgrade	November 2023
Start MSCP Construction	March 2024
Start Imaging Centre Construction	June 2024
MSCP Completed	May 2025
HV Supply Upgrade Completed	September 2025
Imaging Centre Completed	November 2025
Main Scheme	
Appointment of Main Scheme Contractor (for PCSA)	September 2024
OBC Submission	November 2024
National Approval of OBC	January 2025
FBC Submission	July 2025
National Approval of FBC	September 2025
Contract Agreement with Main Scheme Contractor	November 2025
Start on Site	December 2025
Main Works Completion / Go Live	August 2028

The current programme plan reflects the following key assumptions:

- Funding is available and business case approval is given for all enabling works to commence by the milestones shown
- Funding is available to enable the OBC for the main scheme to be completed by Autumn 2024
- The designs can be developed independently of Hospital 2.0, as it is not due to be released until May 2024
- The scheme can be delivered through existing frameworks, i.e. there is no requirement to delay procurement until the NHP contractor framework is in place (scheduled for mid-2025)
- Procurement of a contractor to support the RIBA Stage 3 design can be undertaken in advance of OBC approval (to meet the NHP requirement for the OBC to be based on RIBA Stage 3)
- Capital funding for the scheme will be available from NHP
- National business case approvals periods will be up to 4 months as advised
- Enabling works can be completed by Autumn 2025 to enable the main scheme to start on site in December 2025





7) Next Steps



Finalising the SOC/commencing the OBC

The key milestones for submitting the SOC and commencing work on the OBC (in parallel to the SOC review/approvals process are as shown:

Final draft SOC issued to Redevelopment Board , Finance & Investment Committee and Trust Board	▶	8 th January 2024
Redevelopment Board to review final draft SOC	▶	9 th January 2024
Finance & Investment Committee to review final draft SOC	▶	9 th January 2024
'Deep Dive' workshop to be held with NHP team	▶	10 th January 2024
Trust Board to review final draft SOC and authorise submission to NHP and NHSE	▶	11 th January 2024
Trust to submit SOC to NHP and NHS England for review and approval	▶	w/c 15 th January 2024
Revise the SOC to respond to NHP/NHSE feedback if required	▶	January – March 2024
Develop detailed plan for producing the OBC	▶	February – March 2024
Commence update and further development of the brief (with clinical teams)	▶	February – March 2024
Commence development of the RIBA Stage 2 design	▶	February – March 2024





MKVIEW



Appendices

a) 1:500 Layouts

b) Financial Modelling Information





a) **1:500 Layouts**





North Arrow

Red Line Boundary

Level 2



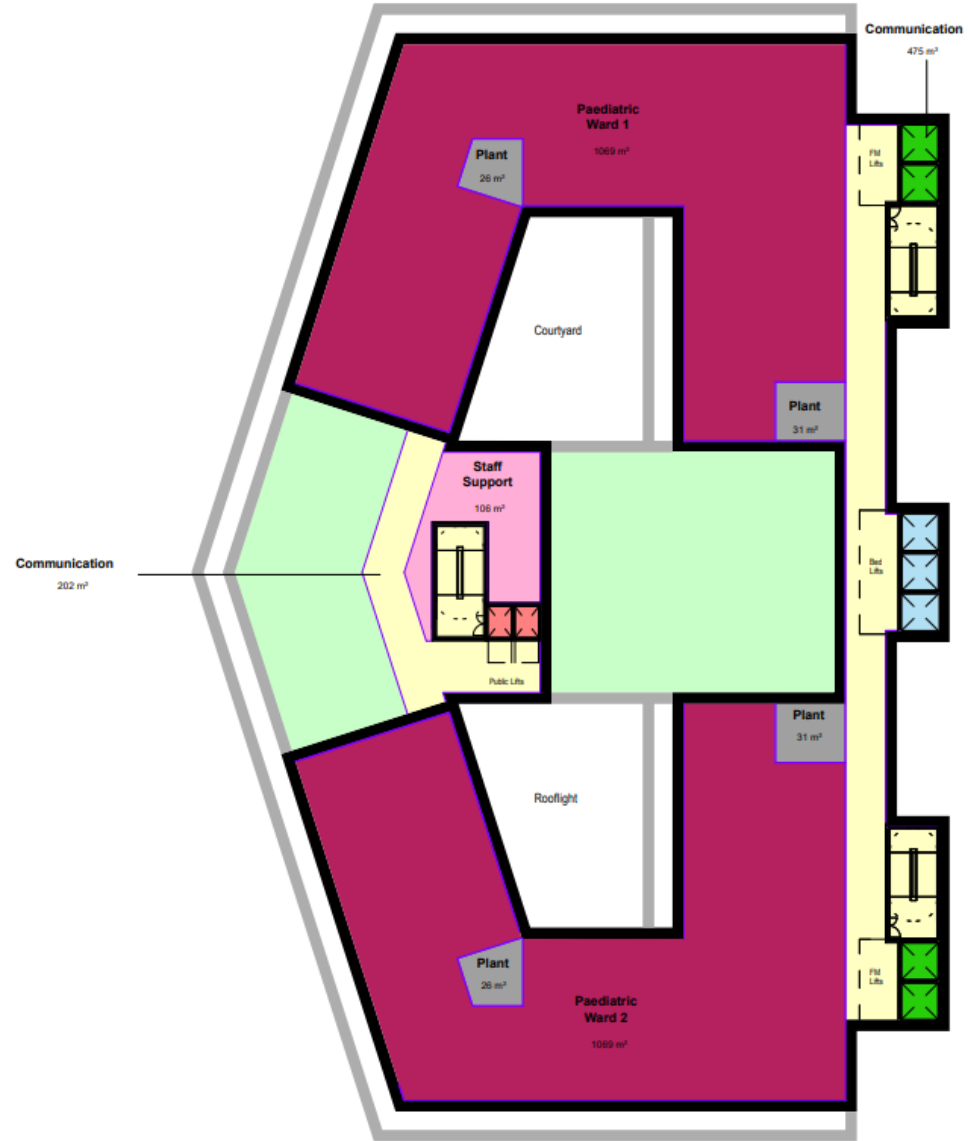
Level 3



Level 4



Level 5



Level 6



Level 7



Level 8

