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Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	25 November 2021	Agenda Item	3.5
Report Title	Theatre Development – Neath Port Talbot Orthopaedics and Singleton Ophthalmology		
Report Author	Darren Griffiths, Director of Finance and Performance		
Report Sponsor	Darren Griffiths, Director of Finance and Performance		
Presented by	Darren Griffiths, Director of Finance and Performance		
Freedom of Information	Open		
Purpose of the Report	<p>The Board has previously been updated on plans to expand theatres at Neath Port Talbot Hospital (NPTH) and Singleton Hospital for Orthopaedics and Ophthalmology respectively.</p> <p>The Health Board has been able to secure capital funding to progress with these plans which will increase capacity, reduces elective waiting times and move services to a sustainable footing. The Board will also receive a revenue allocation in 2022/23 to support the developments.</p> <p>The paper updates the Board on work completed to date and seeks approval to proceed with both developments.</p>		
Key Issues	<ul style="list-style-type: none"> • Elective access times for patients have increased during the pandemic and the Health Board is aware waiting times for the population we serve are unacceptable • In order to improve access times business cases have been developed to increase theatre capacity for Orthopaedic and Ophthalmology services. These are the two specialities with the highest number of patients waiting and account for 24.8% of the total Health Board waiting list • Capital funding has been secured from Welsh Government (WG) to complete the ground works for the Orthopaedic development at NPTH and to purchase the Theatre for Singleton Hospital • The ongoing revenue running costs of this increased capacity will need to be a first call against recurrent revenue funding notified to the Health Board by WG • Previously a Strategic Outline Case (SOC) had been submitted to WG for the Orthopaedic development and this had received WG endorsement. This SOC was for a major capital build and would require significant 		

	<p>capital funds and protracted timescales to achieve completion</p> <ul style="list-style-type: none"> • The revised case for Orthopaedics at NPTH brings modular theatres to site in financial year 2022/23 which will be leased • The benefits to patients of both developments in terms of increased capacity are significant and further detail is included in this paper • Whilst the preliminary focus has been on Orthopaedics and Ophthalmology, the Health Board has been increasing capacity for surgery for all other specialties. Service moves have commenced through locating more surgery from Morriston at Singleton Hospital and NPTH whilst also increasing the number of theatre lists across the Singleton Hospital and NPTH sites • Additional capacity has also been sourced from the independent sector and through insourcing to utilise all opportunities to increase capacity and begin to recover waiting times for our population. • The receipt of capital funds and the commitment of future revenue expenditure to run these developments are matters for Board approval 			
Specific Action Required <i>(please choose one only)</i>	Information	Discussion	Assurance	Approval
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the receipt of capital funding • Note the allocation of future recurrent revenue funding to support the running costs of these facilities • Note the move from the Orthopaedic SOC to the more expedient modular theatre model • Approve the establishment of the additional theatres at NPTH and Singleton Hospitals 			

THEATRE DEVELOPMENT – NEATH PORT TALBOT ORTHOPAEDICS AND SINGLETON OPHTHALMOLOGY

1. INTRODUCTION

The Board has previously been updated on plans to expand theatres at Neath Port Talbot Hospital (NPTH) and Singleton Hospital for Orthopaedics and Ophthalmology respectively.

The Health Board has been able to secure capital funding to progress with these plans which will increase capacity, reduces elective waiting times and move services to a sustainable footing. The Board will also receive a revenue allocation in 2022/23 to support the developments.

The paper updates the Board on work completed to date and seeks approval to proceed with both developments.

2. BACKGROUND

NPTH Orthopaedics Development

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

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

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

The total Orthopaedic waiting list accounts for 13.6% of all patients waiting across the Health Board. In order to improve access times, the Health Board previously submitted a Strategic Outline Case (SOC) to WG for the Orthopaedic development and this had received WG endorsement. This SOC was for a major capital build and would require significant capital funds and protracted timescales to achieve completion.

Whilst the Health Board was developing a contingency plan to increase Orthopaedic capacity during any approved theatre build, it became apparent that a service model where modular theatres could be leased and provided directly to

site, could establish the theatres considerably more swiftly than a major build and would negate the need for a significant capital allocation. The table below provides a summary of the key aspects of this scheme.

Proposal	Orthopaedic Theatre Development at Neath Port Talbot Hospital
Proposal Description	Commission additional three Orthopaedic theatres at Neath Port Talbot Hospital to create an Orthopaedic and Spinal Surgery centre for Swansea Bay and the region. A limited amount of surgical work will remain at Morriston hospital where complexity of surgery requires possible critical care cover etc. The theatres will be modular theatres and will be leased over a lifespan of 10 to 15 years. Discussions underway to determine timescales and option of possible purchase in future.
Source of Funding – Cap	Welsh Government <ul style="list-style-type: none"> £2.311m building and works over 2021/22 and 2022/23 £3.617m equipment
Source of Funding - Rev	Welsh Government <ul style="list-style-type: none"> £21.6m share of recurring national £170m COVID recovery funding Revenue cost for staffing, lease and consumables estimated to be a maximum of £20.09gm – services to transfer from Morriston will net this off
Procurement Route	The enabling works which includes moving the existing services and pour the concrete slab with new drainage will be procured through the PFI Project Co who will tender the works. The theatre modules will be procured through a direct award using the NHS Shared Business Services Framework and will be leased for between 10 and 15 years.
Benefits	1,200 additional orthopaedic cases per annum per theatre. Current design is for 3 theatres and this is being finalised.
Timescales	Theatre units possibly manufactured and delivered in Quarter 3 2022.
Risks	<ul style="list-style-type: none"> Planning approval. Contact made with NPT Local Authority Planners who are aware of this application and will advise on any planning issues. Planning application to be issued by December 2021. Availability of building materials could be a risk and impact on cost and programme.
Other	This lease route negates the need for capital business cases and reduces effective timescales by approximately 2 ½ years whilst also negating the need for significant capital investment
WG Approval Required	Not required for the PFI contract as already provided through the award of COVID recovery funding. Will be required for the lease of the modular units.
Board requirement	Yes – approval to award contract

The Board has been allocated £5.9m in capital in 2021/22 to complete the ground works and purchase the necessary medical equipment to equip the theatres. Revenue funding would need to be prioritised against the recurrent revenue funding notified to the Health Board by WG.

Discussions are currently underway with potential suppliers of modular theatres to explore the exact contractual model and duration but the current working principle is that the agreement will be for 10 to 15 years. The conclusion of this process will enable a full financial assessment to be made of the cost of securing the theatres.

Modelling work is also currently underway to consider the impact of increasing outpatient and diagnostic activity will have on the number of theatre procedures that will need to be carried out each year. Given the scale of the waiting list it is anticipated that the waiting list backlog will be cleared in 2 to 3 years and the sustainability of the service will be achieved at that point.

The table below highlights some of the main risks of this development and the current mitigation.

Risk	Mitigation
Availability of workforce	Recruit early to workforce model and potentially insource capacity as recruitment beds in
Supply chain delays	Place order as early as possible to secure supply chain

Risk	Mitigation
Revenue funding	Prioritise this development against the recurrent revenue funding to be allocated to the Health Board WG from 2022/23
Planning consent	Early engagement with NPT Local Authority planning colleagues and transparent discussion – already commenced

Singleton Hospital Ophthalmology Development

The Health Board's vision for Singleton Hospital is to become the centre of excellence for planned healthcare, women's health, cancer care and diagnostic tests and the elective surgical centre for delivering the high number of routine operations which do not need critical care. Singleton Hospital houses the Health Board's Ophthalmology service and provides a wide range of services from the site. As with Orthopaedics above waiting times in Ophthalmology have increased through the pandemic after making significant improvements prior to it. Ophthalmology accounts for 11.3% of all patients waiting.

Further, constructive discussions have been held with our neighbouring Health Board, Hywel Dda University Health Board regarding the development of a regional Ophthalmology model with surgical sites across the region and a flexible workforce working across the region.

Both Health Boards have successfully attracted capital funds from WG in 2021/22. Hywel Dda University Health Board will develop existing facilities to increase Ophthalmology capacity and Swansea Bay University Health Board will commission a further additional day theatre to be constructed adjacent to the existing Day Surgery Unit at Singleton Hospital. This will make the facility a three theatre facility. Set out below is a summary table for the development.

Proposal	Additional Ophthalmology Theatre – Singleton
Proposal Description	Commission through capital funding an additional day theatre at Singleton Hospital Day Surgery Unit to increase Ophthalmology Day Surgery capacity by 3,500 day cases per annum
Source of Funding – Cap	Welsh Government <ul style="list-style-type: none"> £1.586m building and works £0.626m equipment
Source of Funding - Rev	Welsh Government <ul style="list-style-type: none"> £21.6m share of recurring national £170m COVID recovery funding £4.8m between Swansea Bay and Hywel Dda – details being finalised
Procurement Route	Purchase the modular theatre through a direct award of contract to Modular Co theatre providers through procurement framework. Modular Co have a unit ready to despatch for installation adjacent to and connected to the existing Singleton Day Surgery Unit
Benefits	3,500 additional day surgery cases per annum.
Timescales	To be completed in 2021/22
Risks	<ul style="list-style-type: none"> Planning permission. Early discussions with Swansea Local planning authority indicated approval of the planning application through delegated officer powers saving 3 months on full planning committee meetings. Availability of workforce Supply chain of theatres
Other	Swansea Bay element of the regional Ophthalmology plan with Hywel Dda developing further facilities in the Amman Valley.
WG Approval Required	Not required as funding provided as an agreed recovery scheme
Board requirement	Yes – approval to award contract for purchase of the modular theatre.

The Board has been allocated £2.2m in capital in 2021/22 to complete the purchase of the theatre and to purchase the necessary medical equipment to equip the theatres. Revenue funding would need to be prioritised against the recurrent revenue funding notified to the Health Board by WG.

Modelling work is also currently underway to consider the impact of increasing outpatient and diagnostic activity will have on the number of theatre procedures that will need to be carried out each year. Given the scale of the waiting list it is anticipated that the waiting list backlog will be cleared in 2 years and the sustainability of the service will be achieved at that point. The Health Board has commissioned additional Ophthalmology capacity in 2021/22 to begin to address the numbers waiting.

The table below highlights some of the main risks of this development and the current mitigation.

Risk	Mitigation
Availability of workforce	Recruit early to workforce model and potentially insource capacity as recruitment beds in
Supply chain delays	Place order as early as possible to secure supply chain
Revenue funding	Prioritise this development against the recurrent revenue funding to be allocated to the Health Board WG from 2022/23
Planning consent	Early engagement with Swansea Local Authority planning colleagues and transparent discussion – already commenced

3. GOVERNANCE AND RISK

The risks and mitigations of these proposals are set out above.

Further Welsh Government approval is not required as the allocation of funding indicates approval. Given the material sums and the strategic nature of the changes, Health Board approval is required to place orders and commence the work necessary to deliver these two important developments.

Proposed routes for procurement, as advised by the Health Board's Head of Procurement are set out in the summary tables above.

Further contractual approvals may be required if the Health Board's plan to recruit workforce to sufficient numbers will need to be supplemented by an insourcing contract.

4. FINANCIAL IMPACT

Both of these developments have capital and revenue funding requirements. The tables below set these out at a high level. Detailed work is underway to refine the revenue costs in particular and a further explanation on this is provided below.

Orthopaedics			
	2021/22	2022/23	2023/24
	£m	£m	£m
Revenue	-	Max 15.750	Max 21.000
Capital – works	2.311	-	-
Capital - Equipment	3.617	-	-

Note: Orthopaedic revenue costs included are a maximum figure. Length of lease, final workforce and theatre model and the scale of service to transfer from Morriston Hospital (already funded) will reduce costs.

Ophthalmology			
	2021/22	2022/23	2023/24
	£m	£m	£m
Revenue	-	1.725	2.300
Capital – Works & Purchase	£1.586	-	-
Capital - Equipment	£0.626	-	-

Capital funding has been allocated for 2021/22 only and any slippage would need to be accommodated from local discretionary capital in 2022/23 if there is overrun on the programme of work.

5. RECOMMENDATION

Members are asked to:

- **Note** the receipt of capital funding
- **Note** the allocation of future recurrent revenue funding to support the running costs of these facilities
- **Note** the move from the Orthopaedic SOC to the more expedient modular theatre model
- **Approve** the establishment of the additional theatres at NPTH and Singleton Hospitals

Governance and Assurance		
Link to Enabling Objectives (please choose)	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input checked="" type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
Improved access for Orthopaedics and Ophthalmology will improve quality, safety and experience and will move the Health Board to a more sustainable service model.		
Financial Implications		
Set out in the paper.		
Legal Implications (including equality and diversity assessment)		
There are no legal implications to highlight.		
Staffing Implications		
The units will need to be staffed and it is the Health Board's intention to attract a substantive workforce. This recruitment will commence once approval to proceed and operational timelines are known.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
<p>The following wellbeing goals will be met as a consequence of this initiative:</p> <ul style="list-style-type: none"> • A Resilient Wales • A Healthier Wales • A More Equal Wales • A Wales of Cohesive Communities • A Globally Responsible Wales 		
Report History	The Health Board previously received a report setting out the strategic elements of these developments	
Appendices	none	