

Building blocks for the future: an integrated approach to health, care and housing on the Isles of Scilly



SHAPING
OUR FUTURE

Cornwall and The Isles of Scilly
Health and Social Care Partnership

A bid to OPE Wave 7

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1. Executive Summary

Bid requirements	£250,000 to support 50% of costs of development of a full business case for an integrated health, housing and care solution for the Isles of Scilly to build on Outline Business Case developed through Wave 5 OPE funding	
Match Funding	£250,000 from Shaping our Future partners primarily Cornwall Partnership Foundation Trust and the Council of the Isles of Scilly	
Timescales		
Phase 3 – Full Business Case Production	FBC completion	December 2019
	FBC sign off	March 2020
Phase 4 – Procurement and Contract Execution	Procurement of design and construction team	June 2020
Phase 5 – Construction, Commissioning and Handover	Construction commences	July 2020
	Construction completes	December 2021
	Commissioning	February 2022
	Handover	March 2022
Outputs		
Capital Receipts	£2,000,000	
Ha land	2.5	
Housing Units	52-62	
Reduced Running Costs	£2,439,000.00 (1-10 years)	
Jobs	144-159	
Partnership Working	12 partners	
New Services	9	

- 1.1** The Council of the Isles of Scilly has a track record of working with partners to develop innovative solutions to overcome some of the numerous challenges to a sustainable future for the islands – its geographical isolation, ageing population and limited resources in terms of human capital, affordable housing and financial leverage.
- 1.2** This has been demonstrated in a variety of initiatives including the Smart Islands programme. Working with a number of partners, including Hitachi, the Council has developed an interconnected series of projects which aim to solve many of the infrastructure projects associated with living in a remote island community. It also presents a market opportunity for the development of a multi-utility model for the provision of decentralised energy generation, development of a smart electricity grid, localised waste and sewage management and the electrification of heat and transport. This will all be underpinned by a new business model represented in a Community Interest Company (known as the IOS Community Venture) who will own and manage the multi-utility assets, develop income streams to manage the installed assets and share profits with the local community.
- 1.3** The last remaining building block for the islands sustainability is the development of a sustainable and integrated model for health and social care and the housing required to support that model. While the issues facing the islands are exaggerated by our geographical isolation, they do reflect the national picture that existing models of health and social care were not designed or resourced to meet the needs of a population which is living longer with increasingly complex needs and the fundamental workforce challenges evident in the health and social care sector.
- 1.4** Therefore the ask from OPE is to part fund a Full Business Case that not only addresses local challenges in the delivery of health and social care but also adds value to national initiatives in addressing similar challenges. The OPE 7 bid is to part-fund the business case for an integrated single health and social care service, with appropriate estate, IT/digital solution, workforce and associated key worker housing. The remainder of the funding for the business case will be sourced from key local stakeholders (see letter of support from partner organisations).
- 1.5** It will enable the development of a sustainable new model of care that will be an early blueprint in demonstrating the core principles of the Five Year Forward View and Shaping our Future (the Cornwall and the Isles of Scilly Sustainable Transformation Plan) i.e. ‘The current health and social care system needs reform and we must seize the moment. We must put more focus and resources into preventing ill health, keeping people in their homes and communities and adapting services for a growing, ageing and technology enabled population’.

1.6 The full business case will demonstrate the value of:

- An innovative use of public estate and technology to incorporate urgent care, primary care, community health and adult social care services releasing ageing estate and brownfield sites to be reused for housing
- An evidence-based frailty and falls pathway that increases the number of people who age well and minimises admission to residential and acute services
- An affordable housing model that supports a skilled and sustainable workforce for the future and overcomes the significant national issues (that are particularly serious on the islands) in the recruitment and retention of the health and social care workforce
- Innovative housing construction methods linked to the Smart Islands' delivery of sustainable energy models, embodying modern methods of construction such as prefabrication, modular construction and integration of Building Information Modelling.
- Partnership working that transforms local communities and improves services.

1.7 In addition to enabling major service transformation, the following OPE objectives will be met through the project:

- The generation of land for housing and delivery of key worker accommodation
- Creation of economic growth (jobs) during pre-construction and construction phases
- Provision of better, fully integrated public services for users and patients benefit
- Generation of capital receipts through disposal of assets and reduction in backlog maintenance.

1.8 In integrating housing, health and care, this project addresses the Government's Ageing Grand Challenge. The Government's White Paper 'Fixing our Broken Housing Market acknowledges that' ...offering older people a better choice of accommodation can help them to live independently for longer, improve their quality of life and free up more family homes for other buyers. We recognise that ensuring the right and adequate housing for older people can reduce costs to the social care and health systems. To build a sustainable care and support system, our vision must incorporate the wider networks of support and services which help older people to live independently, including the crucial role of housing and the interaction with other public services". There is a well-recognised shortage of housing on the islands, which needs to be addressed as a barrier to independent living and the recruitment of health and social care staff. But also, in the longer term we know that good-quality housing is also likely to lead to better health through its indirect impact on other factors including improved outcomes in early years, better employment prospects and strong community resilience and wellbeing, which are all associated with good health (Buck and Gregory 2013). This diagram describes the holistic nature of our project in addressing the wider determinants of a healthy population.



Holistic planning for a healthy population

2. Vision and context

2.1 Located 28 miles south west of Cornwall, the five inhabited and 150 uninhabited islands of the Isles of Scilly are designated a Conservation Area, Area of Outstanding Natural Beauty (AONB), Heritage Coast and include 27 areas of Special Scientific Interest. Within the UK, the Council of the Isles of Scilly is a unique unitary authority with responsibility for a wide range of statutory duties including; operating the island's airport, providing waste services, water, sewerage, Children's and Adult's Social Care including 100% of residential and domiciliary care services (Park House) and education. Service delivery is challenging and proportionately more costly given the geographic isolation, dispersion of individual inhabited island communities, very low Council Tax and Business Rates base, ageing population, additional legislative burdens (the islands had been left outside of much UK and EU legislation, but due to infraction issues for the UK Government services are now required to be more compliant) and has some of the highest fuel poverty levels and lowest wages in the UK. This OPE bid represents the Council's ambition to develop future proof solutions to ensure the sustainability of the community.

- 2.1** The delivery of health and social care services are a particular issue. The Isles of Scilly has one of the most rapidly ageing populations in the country with the proportion of the current Isles of Scilly population that is aged 65 or older is equivalent to that projected for England and Wales in 2059: the planning and delivery issues currently facing those responsible for health and care in the islands will not face much of the mainland for another 40 years or more. There is also a concern about ensuring that there is a workforce to look after those older people requiring care: the number of people aged between 30 and 64 living on the islands is projected to fall by more than 25% over the next 20 years. Set 28 miles off the coast of the mainland of Cornwall, there are obvious challenges to ensuring that people have choice and control over the delivery of services that meet their needs.
- 2.2** The vision for the health, social care and wellbeing system on the Isles of Scilly is for a seamless service that supports people to live meaningful, independent lives as part of their local community. They want to remain on the islands - for life, where safe to do so - and to be supported, treated and cared for as close to home as possible. Health and social care policy increasingly seeks to support people to remain more independent and to have greater control over their lives. Promoting and working towards the well-being and wellbeing agenda by adopting a joined-up approach will achieve greater improvements and efficiencies in local health and care economies.
- 2.3** The Isles of Scilly is also one of the most deprived areas of the country in terms of access to housing and services. Housing is a huge issue facing the community of the Isles of Scilly; there is a lack of affordable, suitable housing available for sale or rent and the existing housing stock is often damp, poorly insulated and too small. This lack of housing impacts on our ability to recruit and retain skilled workers, especially those in the care profession on the islands leading to an increased reliance on agency staff and the associated costs of doing so. Our unusual housing market and the predominance of 2nd homes (the highest for any Authority in the UK) has led to a housing market similar in price to that of London but with some of the lowest wages in the UK.
- 2.4** The current model of care needs to transform to meet these future challenges. The island-based providers have a quality of interaction and professional relationships that would be envied across the country. The CloS has been working with health and third sector partners on an operational and strategic level to integrate services in the best interests of service users. There is an established Multi-Disciplinary Team in place which meets daily, a Clinical Forum model to inform service delivery and an Integration Team which informs issues such as Better Care Fund investment and the islands' contribution to the strategic direction of health commissioning. Housing availability and affordability for staff and their families is also a significant issue for the islands. Whilst there are a

small number of rooms available at the hospital site for NHS workers, this accommodation is not appropriate for anyone wishing to take a permanent post and settle on the islands with their families and is in poor condition.

2.5 The estate (the physical structures) needs to complement and facilitate this joint approach to care and treatment to maximise resources both in terms of workforce and revenue. It provides a significant opportunity to develop a population based, whole system commissioning model that is sustainable and promotes the best possible outcomes for the islands' population. This will also alleviate recruitment and retention issues and release the current Park House, Carn Thomas, Old Town and hospital sites for housing, which is currently the fundamental barrier to recruitment and retention for both Adult Social Care and health providers and a significant enabler to population health and wellbeing.

2.6 In addition there are limited housing options for older and/or disabled adults. National research shows that appropriate housing can minimise the need for health and social care services and this project aims to look at the viability of small scale 'extra care' accommodation as part of the overarching health and social care estate. Postponing entry into residential care by one year could reduce non-core costs by £26,000 per person or £15,500 if a move to extra care housing. One UK housing association found that 10% of their 1,200 sheltered residents would require residential care if sheltered housing wasn't available. The cost to the taxpayer of residential care for these notional 120 people would be £2m. Some studies have estimated that almost a third of residential care placements could be avoided if alternative housing choices were available locally. Extra care housing residents' unplanned hospital admissions reduced from 8-14 days to 1-2 days, compared to the community residents. Additionally, over a 12-month period, total NHS costs (including GP visits, practice and district nurse visits and hospital appointments and admissions) reduce by 38% for extra care residents. Routine GP appointments for extra care residents fell by 46% after a year.

2.7 The full business case will develop an integrated estates solution that encompasses a new model of care for adult social care, community health services, the third sector, urgent care, primary care, mental health services and acute services with housing to support the right people to run those services and housing that enables older people to remain living independently at home.

2.8 Outline description of FBC

Purpose and overall aim

The FBC will set out an affordable healthcare solution which will deliver the benefits associated with the provision of high-quality care and services and ongoing value for money through an appropriate estates solution. The purpose of the FBC submission is

to secure approval for the provision of a modern, fit for purpose integrated health and social care facility on St Mary's. The preferred option will replace unsuitable service accommodation and re-provide health and care services currently located in St Mary's Community Hospital and Park House Care Home. The full business case will develop an integrated estates solution that encompasses a new model of care for adult social care, community health services, the third sector, urgent care, primary care, mental health services and acute services with housing to support the right people to run those services and housing that enables older people to remain living independently at home.

The FBC will confirm the design and commercial solution and prove it represents the best value solution for delivering the requirements of the integrated health and social care system on the islands, within the project affordability limits. The FBC will also demonstrate that the appropriate contractual, commercial and management arrangements are in place to deliver the project successfully. It updates the OBC and documents the outcomes of the procurement discussions.

Strategic case

The FBC further examines the service and workforce strategy underpinning the project as well as strategies at both a national and local level. The FBC concentrates on the delivery of health and social care services but also responds to a range of national strategies that support our projects aims and vision.

Economic case

The FBC revisits the preferred option identified through the OBC and validates the assessment outcome reached at OBC stage, through analysis of more detailed design information and tendered costs.

Commercial case

The FBC includes the detailed design solution and procurement of tendered costs and confirms the procurement route to deliver the best value for money through the preferred option.

Financial case

The FBC updates the costs presented as part of the OBC to reflect the final tender and the agreed service models, including workforce implications. The FBC sets out the affordability analysis for all partner organisations.

Management case

The FBC further builds on the OBC and describes the project governance, resourcing and reporting structures that are in place to ensure project delivery.

Procurement of FBC

The FBC includes the following key aspects:

1. Coordinating and authoring the FBC
2. Detailed architectural design
3. Gaining planning consent from Local Planning Authority
4. Tendering the capital works and securing tender return

In order to complete the FBC the services of specialist consultants e.g. architects, surveyors and health planners will be required as will all the usual planning related supporting evidence. The Isles of Scilly Programme Board will ensure that all appointments are competitively tendered in line with NHS organisations and Council SFI's to ensure best value for money. The tendering process will be managed by the project manager and overseen by the Programme Board.

Timescales

It is anticipated that the FBC will take 6-7 months to produce, followed by an approval period of 3-4 months.

Cost

It is estimated that the cost of the FBC will be £500,000, this is 6.67% of the estimated capital value of the project and is in line with expectations based on experience of the Programme Board. Soundings have also been taken from NHSI and NHSE and it is considered this sum is sufficient to deliver an FBC. Expert advice has been sought as to whether the FBC could be undertaken in stages to limit cost exposure, but this is not considered by industry experts to be possible – an FBC must be completed in one go. However, it can, of course, be stopped or significantly curtailed should circumstances change and a terminal project risk be identified (for example, some adverse planning related information).

2.9 What comes after the FBC?

Following the completion and approval of the FBC the procurement of the preferred solution will be undertaken, followed by completion of contractual documentation with the preferred bidder. It is the intention that the OBC and FBC will be used as supporting evidence to ensure the project is prioritised highly by Cornwall STP in its bidding for Wave 5 NHS capital funding. This process is likely to be underway during the second half of 2019 and the once it has completed the project procurement can commence.

3. Programme Plan

3.1 OPE ask

£250k is requested to part fund production of an HMT Green book compliant Full Business Case. The purpose of the FBC is to refine the OBC and record the findings of the subsequent procurement activities; together with the recommendation for an affordable solution which continues to optimise value for money, and detailed arrangements for the successful delivery of the project.

The FBC will determine and detail funding and procurement routes. Without OPE investment the programme is unlikely to proceed due to limited financial resources and capacity available to the Council of the Isles of Scilly and partners. The Council of the Isles of Scilly recognises the importance of an element of the bid being funded through a sustainable grant.

Due to the £300-400k structural deficit (which is substantial for a small island community, for context the total Adult Social Care budget is £1million) in its revenue budget for 2019/20 and the revenue implications of an ambitious housing stock improvement plan, the Council is unable to commit to the OPE terms of a sustainable loan being repayable over 3 years. However, the partnership recognises the importance of loan funding comprising a proportion of any OPE award and consequently proposes that 10% of any successful funding award would be an interest free loan that is repayable over five years rather than three.

The project will be match funded by Shaping our Future partners – primarily the Council of the Isles of Scilly and Cornwall Partnership Foundation Trust. A letter of support is attached at Appendix A.

3.2 Summary of outputs

The proposal is to develop an integrated health, care and housing solution for the islands. The following table outlines outputs for the project and also summarises the additional benefits that have been identified since the award of the OBC funding as part of the OPE Wave 5 application.

Wave 5 1-5 years	6-10 years	Wave 7 1-10 years	Additionality	Narrative
Funding				
£253,000 requested from OPE £170,000 received from OPE (expended /ear marked by CIOS)		£250,000	The Wave 5 bid was never explicitly intended to fund an OBC, however in consultation with funders the decision was made to reallocate funds to develop programme capacity and produce an HMT Green Book compliant OBC. The Wave 7 bid, if successful, will fund an FBC.	The shortfall of £83k from Wave 5 was met through providers (ASC and health). diverting resources.
Capital Receipts				
£469,053.00		£2,000,000	£1, 530, 947	The increase in capital receipts is due to additional sites being identified for housing on the Carn Thomas site and in Old Town.
Ha Land Release				
1.05		2.5	1.45	Ha not supplied in Wave 5 bid but increased due to additional site identification
Housing Units				
20		52-62	32-42	Increased as follows; <ul style="list-style-type: none"> • 30 homes at OT • 6 at Park House • 6 on old hospital site • 10-20 at CT (depending on type and tenure) Funding has also been secured from the LGA Housing Advisors Programme to support development of the recently adopted housing programme
Reduced Running Costs				
£748,301 .76	£1,588, 683.34	1-10 years £2,439,000.00	Increase of £102,000.00	The efficiency due to reduced running costs has increased
Jobs				
35		144-159	109-124	Increased – <ul style="list-style-type: none"> • H&SC estate – 25 jobs construction, 11 jobs design • Homes – 1.5 workers per home (These jobs do not represent key worker posts so will not have attached housing requirements. Temporary housing will be supplied as required) <ul style="list-style-type: none"> • Service delivery – 30 This represents the ongoing FTE requirement of the integrated service model based on current estimates and linked need for key worker housing

Wave 5 1-5 years	6-10 years	Wave 7 1-10 years	Additionality	Narrative
Partnership Working				
6	12	6 new partners added		<ul style="list-style-type: none"> • SoF <ul style="list-style-type: none"> ○ Transformation Board ○ Estates ○ IT and Digital • Ministry of Defence • NHSI (Andy Collier) • C1C (Ken Jones) • RCHT • Voluntary Sector <ul style="list-style-type: none"> ○ League of Friends ○ Memory Cafe • Healthwatch IoS • St Marys Health Centre Trustees • CPFT Mental Health Services (previously just Community Health Services) • NHS PS • SWAST
New Services				
2	9	7 new integrated pathways and services		<p>Identified at this stage following initial Service Strategy workshops:</p> <ul style="list-style-type: none"> • Frailty assessment and support • Social Prescribing • Enhanced MIU • Intermediate Care • Step/Step down beds • Reablement • Single point of access • Nursing Care <p>Mental Health Assessment and Therapies</p>

Isles of Scilly revenue savings for OPE 7 Bid

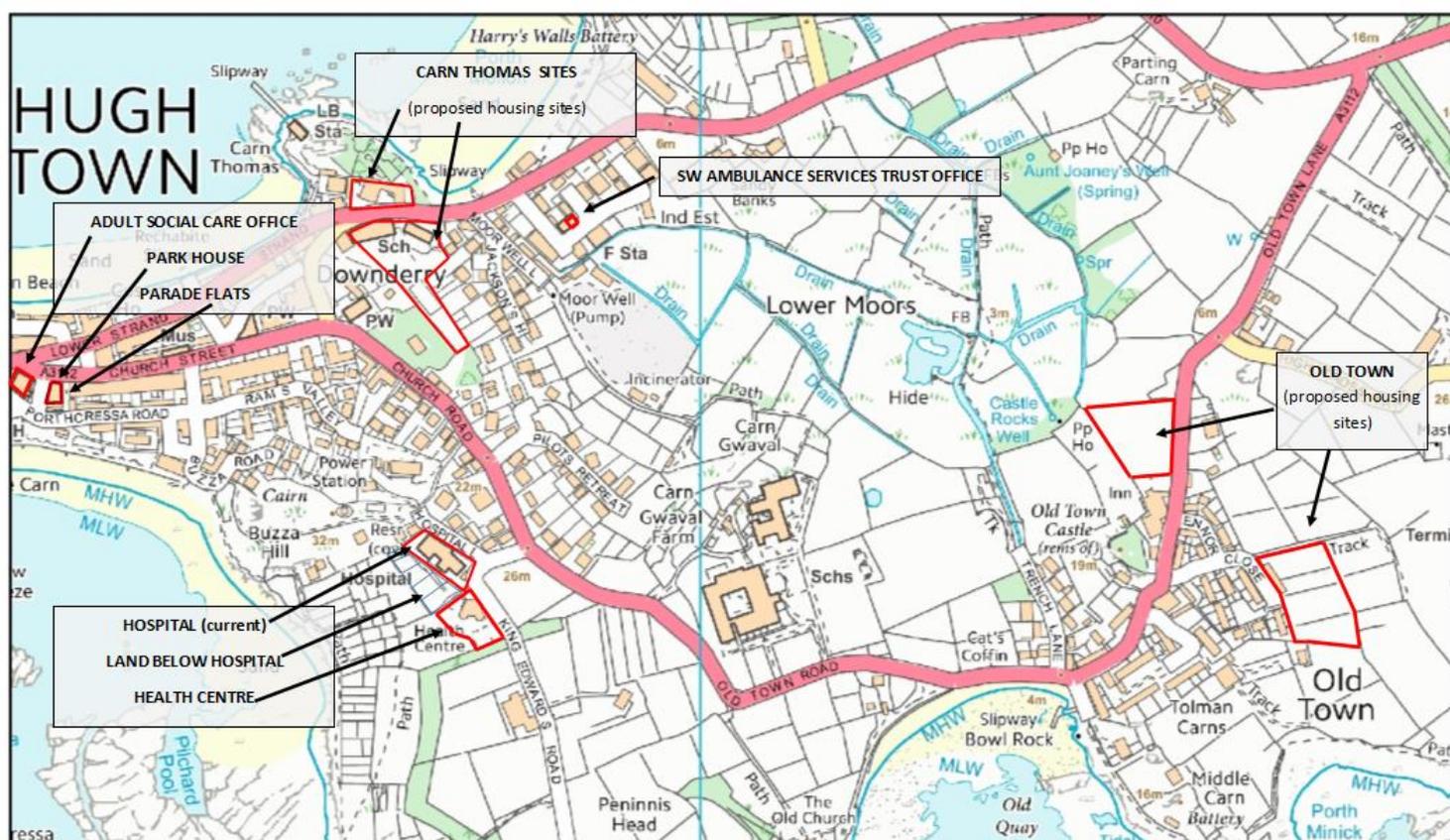
N.B. This table gives further detail on RRCs. For the purposes of this exercise an estimate has been made that a built solution will have an estates revenue impact of 10% per annum of capital value i.e. £7.5m capital project will have total pa revenue cost of £750k pa. This is akin to a LIFT solution. It is anticipated that this will be reduced significantly if PDC can be secured.

Item	Capital cost saving £	Revenue effect pa £	Comments
Services / workforce			
Reduction in non-urgent outpatients' travel costs (patients and escorts) through transporting patients to mainland		-170,000.00	1,000 trips a year at £170 a flight (83 people a month)
Reduction in urgent care fly off		-98,000.00	£7,000 a flight X 14 per annum
Reduction in secondary care costs in terms of bed nights in acute hospital		-100,000.00	Based on 100 bed nights per patient at £1,000 per night in acute bed
Reduction in secondary care costs through avoidance of escalation e.g. early stroke interventions early intervention minimises lifelong system costs to NHS		-100,000.00	FBC will determine this, estimate figure included
Efficiencies in back office delivery		-25,000.00	
Better prevention services delivered through project and self-management of conditions leading to system wide savings		-25,000.00	
Reduction in admission to residential / nursing care due to greater levels of home care services		-50,000.00	
Estates			
Avoidance of St Mary's backlog maintenance investment	-635,000.00	-34,925.00	Based on a revenue cost of capital at 5.5% per annum
Avoidance of Park House backlog maintenance investment	-250,000.00	-8,750.00	Based on a revenue cost of capital at 3.5% per annum
Avoidance of Parade Flats backlog maintenance investment	-150,000.00	-5,250.00	Based on a revenue cost of capital at 3.5% per annum
Reduction in energy costs through efficient design and construction		-40,000.00	
Revenue costs at St Mary's		-197,000.00	
Revenue costs at Park House / Parade Flats		-40,000.00	
Recurrent revenue costs associated with estates solution (including costs of capital, soft and hard Facilities Management)		750,000.00	
Housing			
Income stream from housing		-100,000.00	
TOTAL REVENUE IMPACT PA		-243,925.00	
The above projected over a 10-year period		-2,439,250.00	

3.3 Sites

The sites included are:

Site	Landowner
Carn Thomas	Council of the Isles of Scilly/Duchy of Cornwall (both sides of road)
Old Town	Duchy of Cornwall
Land below current hospital	Duchy of Cornwall
Current Hospital	NHS Property Services
Park House/Parade Flats	Council of the Isles of Scilly
Adult Social Care offices/Town Hall	Council of the Isles of Scilly
SWAST offices/Porthmellon	Council of the Isles of Scilly
St Mary's Health Centre	St Mary's Health Centre Trustees



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0 200 400 metres

Town Hall, The Parade,
St Mary's, Isles of Scilly, TR21 0LW

Council of the
ISLES OF SCILLY

3.4 Description of programme

The Isles of Scilly are unique but have challenges facing the health and social care sector that are commonly experienced in the wider NHS. The One Public Estate initiative has provided the opportunity to assess the challenges being faced on the Islands in relation to estates and service provision and to help develop solutions.

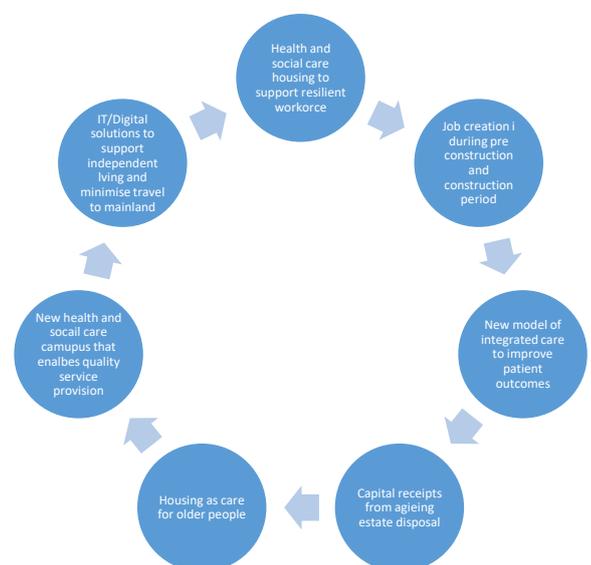
The Council of the Isles of Scilly and the NHS are committed through the Shaping Our Future STP to develop an integrated health and social care service offering for the Islands. This integrated service will require a transformed estate to enable delivery and to build sustainable service and estates provision for the future. Doing nothing is not an option – system wide change is required due to several drivers for change including workforce recruitment and retention challenges and the fact that the existing estate is not suitable for the delivery of modern health and social care.

The existing health and social care estate on the Islands is owned by the NHS and the Council of the Isles of Scilly. It is not suitable for the delivery of modern health and social care services in terms of functionality and condition and is not aligned to integrated care provision. The backlog maintenance liability of the estate is in excess of £900k with critical infrastructure in the hospital requiring urgent replacement.

There are several options that need to be investigated as to the future provision of estate in line with service reconfiguration plans, including the option of constructing a new building(s) providing integrated health and social care, with separate accommodation for staff. The options, which are not inexhaustible, are outlined in the Project Initiation Document/Strategic Outline Case which is an appendix to this report. A detailed options appraisal in line with the HMT Green Book methodology is already underway and will form part of the Outline Business Case currently funded by OPE and due for completion in May 2019.

A fractured housing market on the Islands means that the recruitment and retention of health and social care staff is a growing problem. Housing is in limited supply and prices are the highest in the South West. Any proposed estates solution must take into account these issues and offer a workable solution, as a sustainable health and social care system is entirely dependent on staff recruitment and retention.

The programme has a series of interlinked workstreams to provide a future proof sustainable set of solutions for the islands health and social care system:



3.5 Drivers for change

The key drivers for change on the Islands are:

- **Workforce challenges in terms of recruitment and retention of health and social care staff due to a limited and inaccessible housing market.** The national issue round adult social care workforce recruitment is compounded locally by underemployment on the islands. However, a finite population and the demands for staff in the tourism sector make recruitment of staff a particular challenge. Additionally, the shortage of affordable housing in particular means relocating to the islands is not usually an option. In March 2017 significant recruitment issues in the islands' care workforce reached a critical point with over 250 vacant care hours which seemed likely to precipitate market failure due to the high proven likelihood of unsafe care. These have since been mitigated through a range of measures and stability has been brought to the care market including increased pay, training programme and identification of a limited number of affordable homes. Vacancies in the care team continue to be a challenge and access to homes is a key barrier to recruitment.
- **An existing estate that is below standard in terms of functionality, condition and quality, the estate is not suitable for the delivery of modern health and social care.**
- **A move to integrate health and social care services on the islands and the requirement for the estate to act as an enabler to this.**
- **An ageing population with more complex health and social care needs, putting increased pressure on services and estate on the islands.**
- **A need to achieve financial sustainability of service delivery and estates infrastructure revenue costs.**

3.6 The existing public sector estate

The public sector owned estate on the Islands is primarily split between that owned by the NHS and that owned by the Council of the IOS. The estate is a critical enabler to the integration of health and social care services and the delivery of new models of care. The existing estate is not functionally suitable, nor in an appropriate condition to facilitate the sustainable delivery of modern integrated care on the Islands, therefore a fundamental change is necessary.

St Mary's Hospital

NHS Property Services Limited own St Mary's Hospital which was originally built in the 1920's, with several extensions being added over the years. The site covers 0.66 acres and the gross internal floor area of the building is 860m². Services are provided by Cornwall Partnership Foundation Trust, Royal Cornwall Hospital Trust and Brighter Dental including:



- Minor Injuries Unit (MIU)
- Maternity
- X-ray
- Outpatient Clinics
- Safe place for those experiencing mental health crisis until conveyance to the mainland can be organised
- Dental services
- Meals on Wheels (commissioned by Council of the Isles of Scilly)
- Community Health Services including outpatient clinics
- In-patient services (acute, rehab/step-down, end-of-life-care)
- Day cases: (IV infusions)
- In patient and home detox
- Staff accommodation (not in usable condition)

In terms of costs the annual estates and facilities management revenue costs including rent, facilities management and service charges are £197,000. Backlog maintenance liability is estimated at £635k (including a potential new boiler), with for example an urgent capital investment of £250k required in financial year 2018/2019 to pay for boiler replacement and category 1 works (asbestos/remedial and fire compartmentation). The ageing nature of the current estate means backlog maintenance costs are forecast to increase over time and fall outside a planned preventative maintenance regime.



Isles of Scilly Health Centre

Primary care services, pharmacy and optometry are delivered from the Isles of Scilly Health centre. It is a purpose-built facility constructed in 1998 and is in good condition. It is owned by a Charitable Trust who lease the building to the GP practice. The health centre also hosts/delivers specialist services:

- Ante Natal support
- Asthma Clinic
- Child Health Surveillance
- COPD (Chronic Obstructive Pulmonary Disease)
- Coronary Heart Disease
- Improving Access to Psychological Therapies (IAPT)
- Diabetes
- Drug and Alcohol Abuse
- Minor Surgery
- Mental Health Services
- Travel Clinic
- Rehab Physio
- Enhanced Level 2 Sexual Health Services

The Health Centre is conveniently situated near the hospital. It needs some adaptations to meet CQC requirements and given the growth and importance of primary care services there are opportunities to participate in the integration benefits offered by this project.

Council of the IOS estate

The Council is committed to transforming its corporate estate so that it is efficient, financially sustainable and fit for purpose.

Park House Residential Home

Park House provides residential care for up to 12 residents. The building is not designed for the current and future nursing needs of the Islands and has limitations as a residential care home, given the increased levels of complexity of need.

In terms of costs the annual estates and facilities management revenue costs including rent, facilities management and service charges are £40,000 per annum approximately. Backlog maintenance liability is estimated at £170,000.



Parade Flats

A shared entrance with Park House serves as access to 8 self-contained bed sits which form part of the same complex.

The rental income from parade flats is approximately £30,000 per annum. There is no planned refurbishment of the flats, however they are in a poor state of repair and to bring them up to current standards would be in the region of £100,000 plus. The flats have been identified as suitable for investment as part of the smart energy island project, consequently they are likely to have home energy management systems put in place.

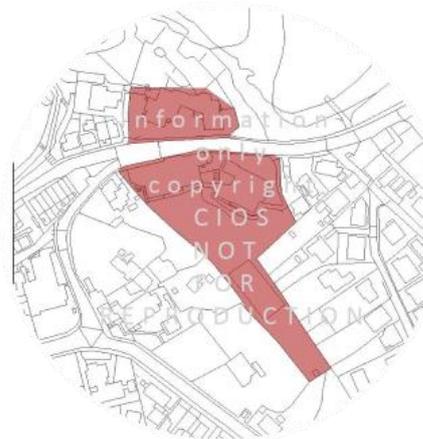
Porthmellon Enterprise Centre (SWAST occupation related only)



The Porthmellon Enterprise Centre is a suite of modern multi-functional offices occupied by a range of tenants including SWAST. The SWAST office has access to a shared reception and kitchen facility. Following recent service redesign workshops, strong indications from staff and management are that co-location with other health staff would be of benefit and offer opportunities for integrated working (e.g. paramedic support in MIU) and improved service resilience. Therefore, it is intended to locate these staff in the proposed facility with other health and social care staff to ensure integrated working.

Carn Thomas site

The site was formerly occupied by the secondary school which has now relocated to a new site at Carn Gwaval, the school buildings have been demolished and the site cleared.



The site has been identified within the SHLAA as suitable for redevelopment for housing purposes. It is a challenging site for redevelopment due to site levels, exposure, shape and topography with steeply sloping land running to the south. However, it is within the defined settlement boundary and is well positioned related to existing buildings. The upper slope has far reaching views. Visually it is a sensitive focal point on the Island which would require a high-quality design for any proposed development. It lies within both the AONB and Conservation Area. The combined site area (with the former primary school) is stated as 0.6 hectares (1.48 acres) in the SHLAA.



Adult Social Care Offices

The safeguarding, assessment, planning and review team are currently based in the ground floor of the Town Hall of the Council of the Isles of Scilly. Again, co-location with the system is desirable to improve service user outcomes, joint working and in releasing public sector office space to free up other public estate.

Duchy of Cornwall Sites

Old Town Sites

These sites are considered both available and achievable in the Draft Local Plan and as such are likely to be deliverable as housing sites as infill in a current housing settlement. The sites are in a sustainable location and could help support service improvements and facilities in Old Town with proximity to an already vibrant community, the school on St Mary's and other amenities.



3.7 Housing supply and demand

The housing problem is complex but essentially reflects a housing market that is in crisis where housing demand is not met by the housing supply. Known challenges include:

- **Supply**- the current demand exceeds supply, people are waiting for homes. We currently have 55 households (108 people) waiting on the housing register for a home and 23 households (49 people) on the transfer register wanting to move home.
- **Economic sustainability** – the need for key worker accommodation is essential to support the future sustainability of the islands. The lack of accommodation is acting as a constraint on investment and economic growth.
- **Quality of the housing stock** - The existing housing stock is not of the highest quality and this is reflected in one of the highest levels of fuel poverty in the country.
- **Size of homes** -The primary need is for 1 and 2 bedroomed homes and this is not reflected in the current Council housing stock.

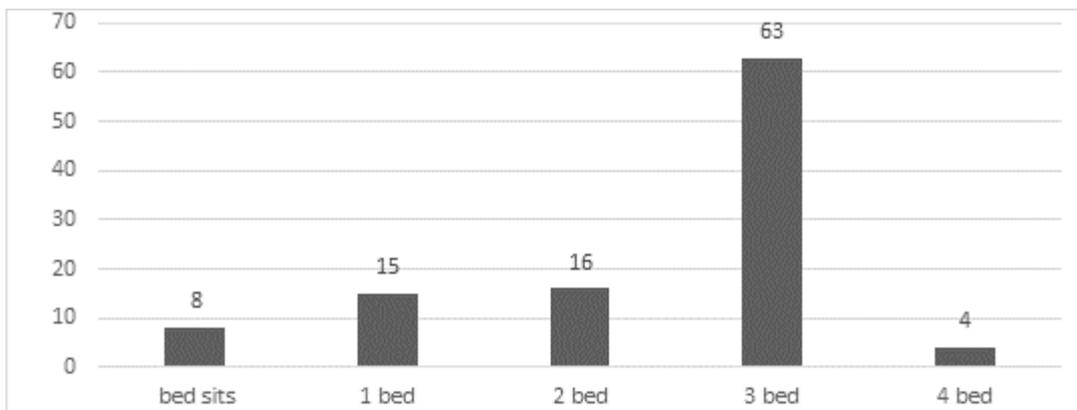


Figure 1. Current housing stock

- **Ageing population** - as the population ages the need for adaptable, flexible, smart homes allowing independent living will increase.
- **Build your own** - there are 28 individuals registered on the self and custom build register awaiting an opportunity to build their own home.
- **Housing Choice** - there is a lack of choice for those in the housing market in terms of size, cost, quality and tenure.
- **Delivery rates** - the market is not delivering at a rate that meets current and future housing demand. Over the last 5 years 27 homes have been completed, only 9 of which were affordable. At the current rate of build using the trends from the last 5 years it will take over 30 years to meet current affordable housing demand.

Barriers to Delivery

There are a range of known barriers to delivery including:

- Capacity to Deliver: lack of house builders and contractors, registered providers, economies of scale = programme approach
- High build costs including freight: Affects cost and timescale, viability, affordability, deliverability, poor value for money.
- Lack availability
- Quality of build
- Lack of good practice examples
- Environmental and planning constraints, including local opposition
- Land ownership
- Mortgageability
- Skill and expertise across whole process, from design to completion
- Low wages: sustainability of jobs and income to pay a mortgage
- Lack of affordable delivery models, e.g. custom build; equity share



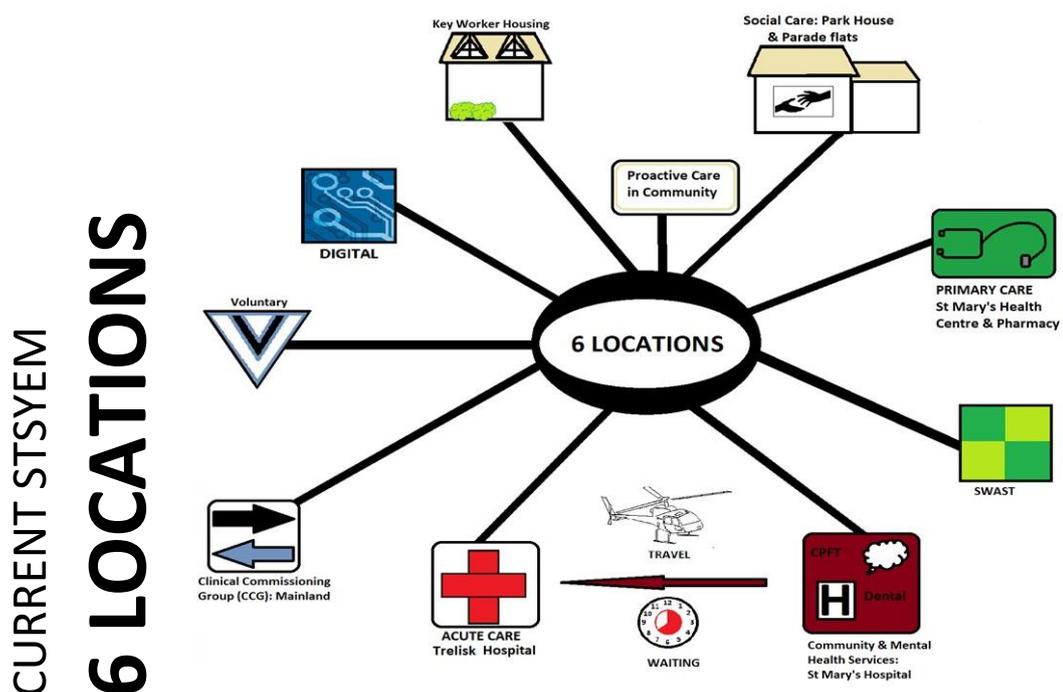
There are several key roles the Council can play to overcome these barriers to delivery including:

- Commission the delivery of homes on land within Council ownership
- Acquire land for development
- Releasing small Council owned plots for self-builders
- De-risking the process
- Local Plan policies that enable development.

Neither the pace, amount, size and tenure of current affordable housing delivery meets the community's needs. To address this problem the proposal is that the Council be more proactive in the housing market. It is neither possible (nor desirable) for the Council to deliver all the homes required on the islands, but the Council can act as a catalyst by supporting others and where appropriate lead on delivery to instigate the building of new affordable housing over the next 5 years.

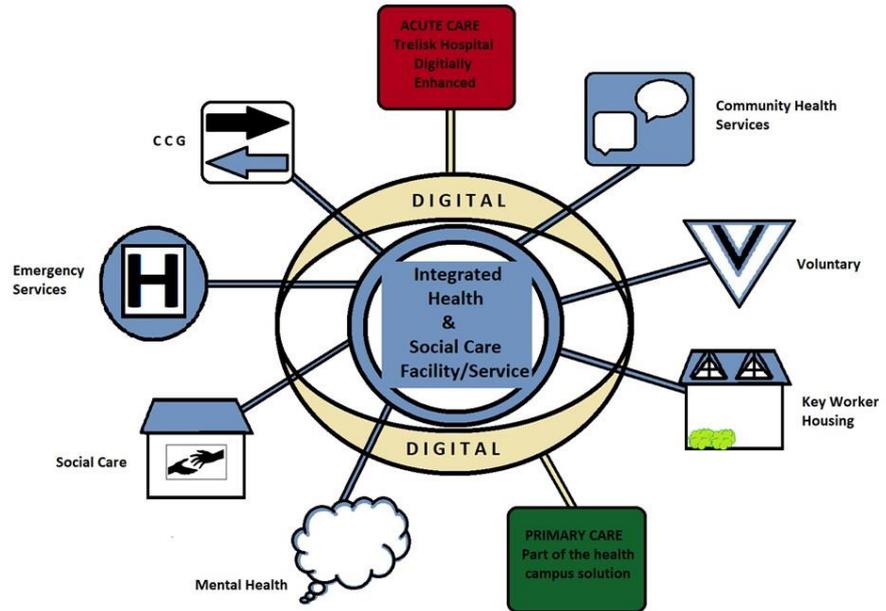
3.8 Systems Thinking

This project aims to model innovative thinking in rationalising the complexity of the health and social care market – these diagrams describe the potential model of care which provides a place commissioned health and social care system that minimises the number of front doors (and therefore estate) that people enter to get the support they need. It utilises technology to access services and ensures that people get the right support at the right time as early as possible to prevent escalation in needs. Technology also has a critical role in ensuring, that by utilising telemedicine, patients can be treated appropriately on the Islands wherever possible with mainland transfers only occurring where that is really necessary



FUTURE STSYEM

3 LOCATIONS



3.9 Modern Methods of Construction

Our ambition is to use modern methods of construction i.e. prefabrication of modular components which means more of the building is built in the controlled environment of a factory and then bought to site and assembled. It's good for reducing the construction period on site and can lead to better quality of systems. We are realistic given our geographical isolation that we may struggle to get large modular components to site and then get a big enough crane onto the island to assemble them. Therefore, we are planning discussions with the Ministry of Defence to look into the potential to utilise their heavy lift aviation or amphibious capabilities – this demonstrates innovative cross government co-operation. As part of the OBC, discussions are underway with Kier regarding a range of MMC options.

3.10 Timescales

	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
PHASE 1 - SERVICE STRATEGY DESIGN & BID PROCUREMENT (WAVE 5 FUNDED)														
PID PRODUCTION - OCT 18														
SERVICE STRATEGY DESIGN - CONCLUDE NOV 18														
PID APPROVAL WITHIN LOCAL SYSTEM - NOV - DEC 16														
PID REVIEW BY NHSE PAU - END JAN 19														
OBC BRIEF PRODUCTION - COMMENCE OCT 18														
PHASE 2 - OUTLINE BUSINESS CASE PRODUCTION (WAVE 5 FUNDED)														
OBC PRODUCTION - NOV 18 END MAR 19														
OBC SIGN OFF - MAY 19														
WAVE 5 STP CAPITAL BID - JUNE/JULY 19														
PHASE 3 - FULL BUSINESS CASE PRODUCTION (WAVE 7)														
FBC PRODUCTION - JUNE 19 DEC 19 (DEPENDS ON PBC APPROVAL)														
FBC SIGN OFF - MAR 20														
PHASE 4 - PROCUREMENT AND CONTRACT EXECUTION														
PROCUREMENT OF DESIGN AND CONSTRUCTION TEAM - JUNE 20														
PHASE 5 - CONSTRUCTION, COMMISSIONING AND HANDOVER														
CONSTRUCTION COMMENCES - JUL 20, COMPLETES - DEC 21														
COMMISSIONING - JAN/FEB 22														
HANDOVER - MAR 22														

Wave 5 funded			
	Task	Completion date	Status
Phase 1 – Service Strategy Design and PID/SOC Production	PID Production	October 2018	Completed
	Service Strategy Design	January 2018	Commenced
	PID approval within local system	November – December 2018	Underway. Approved by Scrutiny Committee of Council of the Isles of Scilly
	PID review by NHSE PAU	January 2019	
	OBC brief production	October 2018	Commenced
Phase 2 – Outline Business Case Production	OBC production	March 2019	Commenced
	OBC sign off	May 2019	
	Preparation of Wave STP Capital bid	June/July 2019 subject to announcements	

Wave 7 funding		
	Task	Completion date
Phase 3 – Full Business Case Production	FBC production	December 2019
	FBC sign off	March 2020
Phase 4 – Procurement and Contract Execution	Procurement of design and construction team	June 2020

STP Capital/Alternative Capital funding		
	Task	Completion date
Phase 5 – Construction, Commissioning and Handover	Construction commences	July 2020
	Construction completes	December 2021
	Commissioning	February 2022
	Handover	March 2022

Please find a detailed task list at Appendix B

3.11 Market testing and research

As part of the Council’s commitment to working with partners and to seeking innovative ways to address challenges such as its geographical isolation, ageing population and limited resources in terms of human capital, affordable housing and financial leverage, the programme board have been in close consultation with the delivery teams from the following island programmes;

- **Barra**, Outer Hebrides, Health and Social Care Hub (Outline Business Case approved April 2018)
- Mignot Memorial Hospital, St Anne, **Alderney**, Channel Islands (22 bed hospital – 14 continuing care/8 medical) built 2008 for a population of 2,300
- **Orkney** – Replacement Rural General Hospital and Healthcare Facilities (FBC August 2016), currently under construction
- **Badenoch & Strathespey and Skye, Lochalsh and South West Ross** - Modernisation of Community and Hospital Services (OBC November 2017)
- Five Islands School, **St Marys, Isles of Scilly** (built in 2011 at a cost of £15m)

Where possible lessons learnt, best practice, benefits realisation, financial modelling and whole system efficiencies will be extrapolated from the above programmes to the IoS H&SC programme. Further engagement and sharing of OBC's and FBCs. pending a successful OPE award, is planned as part of any next steps.

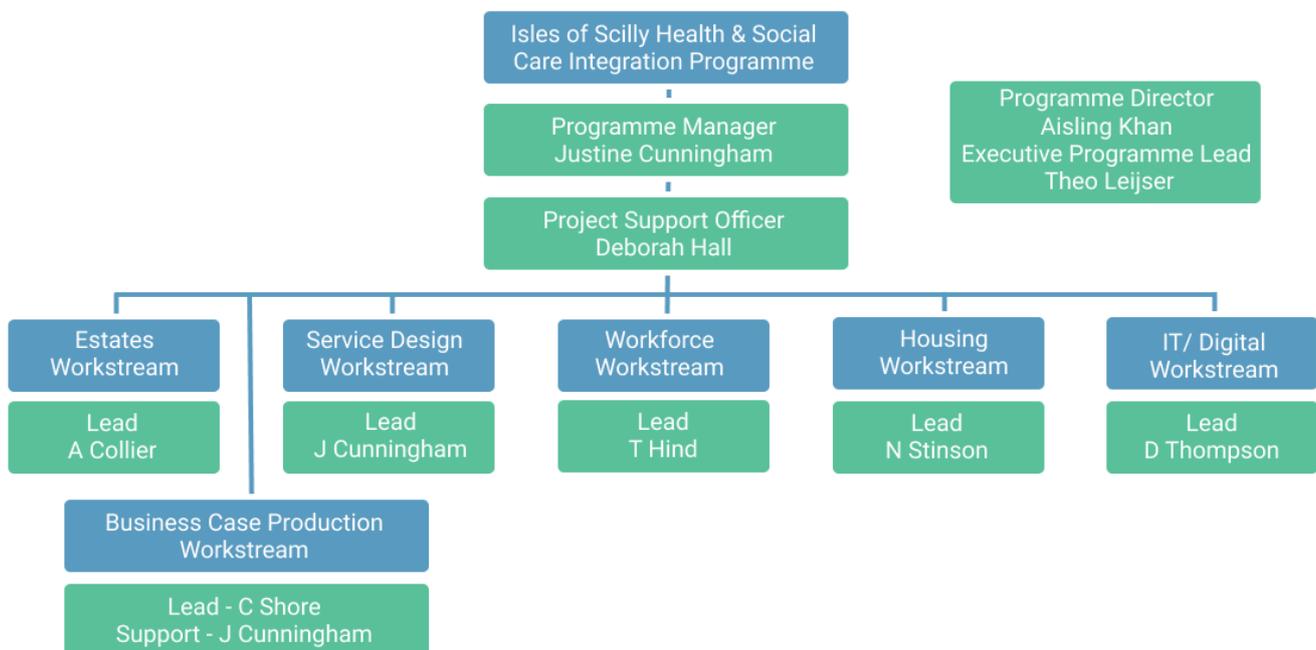
4. Partnership and Governance

4.1 Progress to date

This programme has been supported through the OPE programme as follows and the following achieved:

- **Phase 1** - Options appraisal by Council of the Isles of Scilly to identify sustainable option for future model for frail elderly – single estate and service model recommended
- **Phase 2** – Outline Business Case to be developed by May 2019 as part of an HMT Green Book compliant business case process. Currently the Project Initiation Document/Strategic Outline Business Case is being circulated amongst local partners for endorsement, prior to submission to NHSE Project Appraisal Unit for review and comment. It has already been approved by the Council of the Isles of Scilly Scrutiny Committee. Please find the PID and cover report at Appendix C.

Governance and partnership buy in has been established and project management and estate expertise secured:



Terms of reference for the programme board are attached at Appendix D.



The programme asks for a robust methodology which ensures effective use of public capital. Following submission of this bid the partnership will proceed with completion of the Outline Business Case and submit a bid for STP capital funding in the summer. Service redesign has already commenced with an Integrated Management Team in place focussing on single point of access, shared records and patient flow. A service redesign workshop to design the new model of care has taken place with front line staff in community health, mental health, adult social care, ambulance, voluntary sector and primary care.

Ends
November 2018

Appendix A Letter of Support



To whom it may concern

Our organisations recognise that this project represents a unique opportunity to create an integrated and sustainable health, housing and social care model in line with core Shaping our Future principles.

Following the successful endorsement of the PID and subject to a convincing OBC, our organisations will consider the match funding and sustainable grant element to support the development of a Full Business Case compliant with Green Book Treasury standards. This will obviously go through the governance arrangements of our respective organisations.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Theo Leijser', written over a light blue horizontal line.

Theo Leijser
Chief Executive
Council of the Isles of Scilly

A handwritten signature in blue ink, appearing to read 'Phil Confue', written over a light blue horizontal line.

Phil Confue
Chief Executive
Cornwall Partnership Foundation Trust

Appendix B Detailed FBC Task List

	No	ACTIVITY
Planning	1	Planning meeting
	2	Project meetings - assume fortnightly
	3	Planning, information gathering & agreement of programme
	4	Agree approval process with NHSE/I
OBC Development		Strategic Case
	5	Re-confirm case for change as set out in SOC and develop where necessary
	6	Confirm proposed service model and clinical engagement
	7	Document strategic drivers including STP Strategy / CCG Neighbourhood Model
	8	Develop and agree activity projections - obtain CCG/NHS England commissioner support
	9	Agree project objectives with all parties
	10	Develop benefits realisation plan with input from all partners. Quantify benefits
	11	Describe stakeholder engagement and clinical leadership in service model development
	12	Develop and agree functional content of [Health and Wellbeing Centre]
	13	Identify any public consultation requirements
	14	Identify impact on other organisations requiring action
		Economic Case
	14	Identify and develop long list of site/estate options (to meet requirement)
	15	Shortlist options against critical success factors
	16	Undertake non-financial appraisal of shortlisted options against weighted benefit criteria
	17	Obtain cost of options for financial option appraisal (capital and revenue) - and complete GEM as required
	18	Undertake sensitivity analysis
	19	Identify preferred option (VFM)
		Commercial Case
	20	Undertake procurement option appraisal. Document in OBC
	21	Describe town planning programme and constraints of preferred option - assume obtain from planning adviser
	22	Describe land transaction / commercial approach
	23	Document how the facility will work commercially - financing, ownership, rental streams.
	24	Set out high level agreed contractual arrangements between parties
		Financial Case
	25	Set out capital funding approach
	26	Document affordability position of each partner - impact on I&E
	27	Obtain letters of support
		Management Case
	28	Document project management / governance arrangements
	29	Agree and document programme for delivery
	30	Identify dependencies, constraints and assumptions
	31	Document stakeholder engagement / communications plan
	32	Develop resource strategy
33	Develop risk management plan	
34	OBC and appendices finalised for organisations approval	
OBC / FBC Approvals	35	Approval by participating organisations in OBC
	36	NHS England approval process
	37	NHS Improvement review
	38	Respond to comments as required. Approval timescales to be confirmed
	39	Strategic Case
	40	Economic Case
	41	Commercial Case
	42	Financial Case
	43	Management Case
	44	FBC submitted for approvals
Health Planning		Capacity Planning
	39	Review data received
	40	Client meetings - Agree activity levels, efficiencies and ALOS with clients (assume up to 4 meetings)
	41	Populate tool and produce report
	42	Meeting - present results to project team and incorporate comments
		Operational Policy and Schedule of Accommodation
	43	Client meetings - develop service model (assume up to 4 meetings)
	44	Review clinical strategy information
	45	Develop operational policy document
	46	Facilitate stakeholder engagement meetings to inform operational policy. Assume up to 7 meetings.
	47	Draft schedule of accommodation
	48	Meeting - present schedule of accommodation to project team and incorporate comments
	49	Finalise operational policy document to inform design
		1:500 Design Development
	50	Design reviews with architect
	51	Client meeting (assume 2 meetings) to review 1:500s
	52	Design review incorporating comments
		1:200 Design Development
	53	Design reviews with architect
	54	Client meetings (assume 4 different client groups therefore 4 meetings)
	56	Design review incorporating comments
	57	Client meetings (assume 4 different client groups therefore 4 meetings)
	58	Design review incorporating comments
59	1:200 sign off (assume 1 meeting with all stakeholders)	
	1:50 Design Development	
61	Design reviews with architect	
62	Client meetings (assume 4 different client groups therefore 4 meetings)	
63	Design review incorporating comments	
64	Client meetings (assume 4 different client groups therefore 4 meetings)	
65	Design review incorporating comments	
66	1:50 sign off (assume 1 meeting with all stakeholders)	
	Secure full planning consent	

Appendix C PID and Covering Report



SUMMARY REPORT		
Board/Cabinet: SoF ICP Mobilisation Group & CFT PFI Committee	Date 16/11/2018	Appendix - Yes
Title of report	Isles of Scilly Health & Social Care Integration Programme PID	
Workstream	SoF Estates	
Service Lead	Service lead – Tryphaena Doyle	
SRO	Karl Simkins, SoF CFO	
Author(s)	Justin Cunningham, IoS Programme Manager	
Purpose of report	To inform partners about the Health & Adult Social Care Integration project that is underway on the Isles of Scilly and to request endorsement of the attached Project Initiation Document (PID) so that work on the Outline Business Case (OBC) can commence with full support from all key stakeholders.	
Recommendation	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1) The PID be supported and endorsed so that project team can commence the development of the OBC. 2) Partners approve the use a ‘form of words’ detailed at the end of the Executive Summary of this paper to be incorporated into Scilly Isles OPE 7 funding bid. The OPE 7 bid is seeking funding to support development of a Full Business Case (FBC) (<i>following all relevant approvals of the OBC</i>). 	
Engagement and Consultation Undertaken to Date	<p>The PID has to date been supported by :-</p> <ul style="list-style-type: none"> • RCHT (E McCarthy and James Foss) • NHSPS • The Council of the Isles of Scilly • SoF Strategic Estates Group 	

Executive Summary

Introduction

The Council of the Isles of Scilly and the NHS are committed to developing an improved and integrated health and social care service offering for the Islands. Currently the services are

provided separately from St Mary's Community Hospital (MIU, community and mental health services), St Mary's Health Centre (primary care) and Park House Residential Home (adult social care) in an estate of variable quality and condition. SWAST currently operate out of Porthmellon Enterprise Centre.

The programme has been initiated to develop an option appraisal for a sustainable model of care on the IoS with an estates solution, supported by key worker housing.

In balancing priorities between service and estate needs, the programme has sought to ensure service needs are the key driver with a significant focus on workforce which remains a serious challenge on the islands. The programme also recognises that there is an estates imperative which needs to be addressed.

Development of Case

A PID has been prepared that details the proposed process for developing an Outline Business Case by end March 2019. Funding for the OBC has been secured via wave 5 of the One Public Estate (OPE) programme and will therefore not be a cost to the local system. The OPE funds are held by the Council of the Isles of Scilly.

The Head of the Project Appraisal Unit in NHS England (Robert Gregory) has advised that it is appropriate to move straight from PID to OBC as under current business case requirements, the process for capital bids under £15m is PID, OBC, FBC. There is no requirement to complete a Strategic Outline Case. The PID is not requesting approval or commitment to any capital or revenue funding at this stage of development, but is solely seeking support for the commencement of the Scilly Isles project OBC.

The OBC will identify and develop an option appraisal around possible future service transformation, potential benefits (non-financial and financial) by property changes. This will help ensure the Scilly Isles are well prepared for preparation of a Wave 5 STP capital bid which it is anticipated will take place in summer 2019.

Strategic Need

The principle of case for change is based on the need to develop a fully integrated model that delivers safe, effective and person-centred care by consolidating health and social care and ambulance services within suitable facilities in order to a number of key drivers for change on the Islands and to address:

- workforce challenges of health and care staff due to a limited and inaccessible housing market;
- provide modern fit-for-purpose facilities that enable safe ways of working, and improve health and social care user experience;
- provide a sustainable service and optimising integrated working;
- responding to changing needs of an ageing population located on the islands;
- optimise the use of digital technologies to support local care and reduce unnecessary patient/client travel.

Context of PID

The PID contains a long-list of 11 possible options. However, these will quickly be reduced to a short-list of around 3 to 4 options and only these will be subjected to appropriate financial assessment. The filtering process will be helped by the outputs of two service design workshops that were held on the islands on the 7th and 8th of November 2018. In all likelihood the shortlisted

options will include key worker housing, and either the development of the current community hospital or construction of a new facility either on the existing hospital site or on Duchy land adjacent.

Initial Cost Estimate Basis of PID

The PID gives an early indication of capital build costs for £5,200sqm. These were extrapolated and uplifted from mainland costs for a community setting of £3,500-4,000 (capital excl VAT, incl professional fees optimism bias and contingency), and an acute setting of £4,000-4,500 and reflect the unique accessibility challenges of building on the Isles. These per sqm costs generate a capital cost of c£7.5m for 1,450sqm facility on St Marys.

These indicative figures do nonetheless need to be treated with caution. The OBC for an equivalent project on the Isle of Barra in the Outer Hebrides, which was approved in April 2018, quoted £15.9m capital cost (excl VAT) for a 2,329sqm building at a per m2 cost of £6,868. Applying the above figures from Barra to the IoS facility would increase capital costs from c£7.5m to c£10m.

Capital costs, revenue baseline costs and financial consequences for identified options and development of possible future service transformation will be investigated and determined through the development of the OBC. The OBC will consider a range of ways of reducing costs and designing an efficient facility, including modern methods of construction (modular) and requesting support from the Ministry of Defence under the OPE programme to help with logistics of material movements.

Scilly Isles OPE 7 funding bid ‘Supporting Statement’

The Scilly Isles Programme Board is currently in the process of applying to OPE for additional funds to finance the production of a FBC which would take place between April and December 2019. The proposed request for OPE 7 bidding round is for £250,000 and we have been advised that indications of matched funding will significantly help our bid. Consequently it is proposed that the bid document will include the following support paragraph.

“Cornwall IoS STP is highly supportive of the Scilly Isles integration project and is looking forward to the completion of a robust OBC by end March 2019. Assuming the OBC succeeds in identifying a viable and financially affordable option, then STP partners will look favourably at partnering with the OPE programme and providing matched assistance for completing the FBC. This decision will be taken in April 2019 following completion of the OBC”

Development of Business Case

The OBC (and anticipated FBC) will be funded from the OPE funding grant and will identify a potentially viable development scheme including the associated site(s) and a detailed business case in accordance with HM Treasury ‘Green Book’ guidance.

Interdependencies with other work streams	The project team will work particularly closely with the Digital, Workforce and Programme work streams inc Outpatient teams
Financial implications	None at this stage as OBC funding provided by One Public Estate Programme and held by Council of IoS.
Key Risks	The main risk at this stage is the risk of doing nothing which may lead to reduction of services on the islands due to workforce issues.

	It is important to complete the OBC so that a preferred way forward can be identified and shared.
Sources of evidence in support of proposals	Detailed PID is attached for information.
Equality and Diversity Statement	An Equality Impact Assessment will be produced as part of the OBC.
Communications requirements	Staff on the islands are already fully aware of the project and participated in two service design workshops last week. Public consultation will be entered into at the appropriate stage as per requirements.

<p>NHS England Project Initiation Document</p>	
<p>TITLE OF SCHEME</p>	<p>Isles of Scilly Health and Social Care Integration Programme</p>
<p>SPONSORING NHS ORGANISATION (S)</p>	<p>Sponsor 1: NHS Kernow Clinical Commissioning Group</p> <p>Sponsor 2: Cornwall Partnership NHS Foundation Trust</p> <p>N.B. This is a joint NHS – Social care project, hence the Council of the Isles of Scilly are also a joint sponsor.</p>
<p>CONTACT DETAILS</p>	<p>Executive Programme Leads Senior Responsible Owner Theo Leisjer Chief Executive Council of the Isles of Scilly Theo.Leisjer@scilly.gov.uk Karl Simkins Director of Finance Shaping Our Future Karl.Simkins@nhs.net Programme Director Aisling Khan Director Adult Social Care Isles of Scilly Aisling.Khan@scilly.gov.uk 07553 656868 Programme Manager Justin Cunningham justin@jccconsultants.co.uk 0770597025 STP Estates SRO Karl Simkins 07768 554 398 karl.simkins@nhs.net</p>
<p>BRIEF SCHEME DESCRIPTION</p>	<p>Include description of: (a) Location.</p> <p>The programme concerns the delivery of clinically and financially sustainable health and social care services across the Isles of Scilly.</p> <p>At present health and social care services are provided from four main buildings that are included within the scope of this project and are located on the island of St Mary's: -</p> <ul style="list-style-type: none"> • St Mary's Community Hospital (NHS Property Services)

	<p>owned)</p> <ul style="list-style-type: none"> • Park House Residential Home (Council of iOS owned) • St Mary's Health Centre (Primary Care) (Board of Trustees) • The Parade Flats (Linked to Park House Residential Home) (Council of iOS) <p>The project scope includes the off-islands of St Agnes, Tresco, Bryher, St Martin's and St Agnes in terms of service provision as well as St Mary's, although no health / social care estate is provided on these islands.</p> <p>SWAST FT are tenants within a multi-functional space (the Portmellon Enterprise Centre owned by Council of iOS). The Porthmellon Enterprise Centre is outside of the remit of this programme.</p> <p>(b) Scope.</p> <p><u>Service integration and improvement</u> The Council of the Isles of Scilly and the NHS are committed to developing an integrated health and social care service offering for the Islands. Currently the services are offered separately from St Mary's Community Hospital (community and mental health services), St Mary's Health Centre (primary care) and Park House Residential Home (adult social care). Therefore, a workstream of the integration programme is dedicated to service improvement / redesign.</p> <p>The programme will consider a sustainable model of care and estate which minimises the need to travel and supports people to remain as close to home as possible, whilst living as independently as possible. This will include analysis of:</p> <ul style="list-style-type: none"> • how many specialist mainland-based appointments could be seen either on island or via telemedicine • what is the most cost effective, telemedicine aside, way for RCHT (Cornwall's acute trust) to provide OP appointments • what in-patient elective care (number, type and future IT, digital and equipment feasibility) currently on the mainland, or the islands, could be provided as outpatient-based community activity on islands? This will include x ray and day case procedures • what in-patient non-elective care (number, type and future IT, digital and equipment feasibility), both on the mainland or on the islands, could be provided as outpatient-based community activity on islands? • what needs to be in place to prevent people needing urgent and emergency care • what needs to be in place for when people do need urgent and emergency care (both on the island and mainland)?
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- in terms of public health, what needs to be in place to enable people to stay well and self manage their health and wellbeing?

Aligned with the above the programme will seek to identify how Adult Social Care (ASC) services including residential and community care and third sector services will be integrated with health services.

Workforce redesign

In order to facilitate service integration and to address key challenges a workforce redesign will be required. This is led by the workforce workstream. Staff recruitment and retention is a major challenge on the islands and developing a sustainable workforce strategy is critical to the overall success of the project.

Estates solution

In order to enable service integration several possible options for future estates configuration have been identified and will be analysed through the business case process: -

Option 1 - Do Minimum – maintain status quo, which includes making necessary investments to maintain statutory and legal compliance.

Option 2 – Extend and refurbish St Mary's Hospital so that services relocated there from Park House and Parade Flats, which are sold. Option to include sufficient staff accommodation at hospital site.

Option 3 – Extend and refurbish St Mary's Hospital so that services relocated there from Park House and Parade Flats which is converted to key worker accommodation.

Option 4 - Extend and refurbish St Mary's Hospital to include GP services in addition to services transferred from Park House and Parade Flats which are sold. Option to include sufficient staff accommodation.

Option 5 – Extend and refurbish St Mary's Hospital to include GP services and services transferred from Park House and Parade Flats which is converted to key worker accommodation.

Option 6 - Build new facility for combined health and social care on alternative site adjacent to the GP surgery with staff accommodation. Dispose of Park House, Parade Flats and St Mary's community hospital. GP surgery remains on existing site.

Option 7 - Build new facility for combined health and social

	<p>care on alternative site adjacent to existing GP surgery with staff accommodation and to include GP services. Dispose of Park House, Parade Flats and St Mary's community hospital.</p> <p>Option 8 - Demolish St Mary's community hospital and build new combined health and social care facility on the site with staff accommodation. Dispose of Park House and Parade Flats. GP surgery site retained.</p> <p>Option 9 - Demolish St Mary's community hospital and build new combined health and social care facility on the site with staff accommodation and GP services. Dispose of Park House and Parade Flats</p> <p>Option 10 - Refurbish / extend Park House to provide combined health and social care bedded unit with staff accommodation. Relocate outpatient services and MIU to GP surgery and dispose of St Mary's community hospital</p> <p>Option 11 – Build new social care facility on alternative site adjacent to the GP surgery, with staff accommodation. Dispose of Park House and Parade Flats. St Mary's community hospital and GP surgery remains as is in operation.</p> <p>A summary of all the options is shown below.</p> <p><u>Key worker housing provision</u></p> <p>Housing is a key component of the islands infrastructure and is needed to support essential services. Recruitment of key workers within the public sector is dependent on suitable accommodation being available throughout the year. This has acted as a constraint on all parts of the public sector but is felt most acutely within health and social care, particularly amongst staff on the lower salary bandings.</p> <p>The recruitment and retention of staff at Park House is a good example of the pressure being experienced on the Islands. Due to significant workforce supply issues the residential service on the Isles of Scilly nearly closed in Spring 2017.</p> <p>Through the housing workstream the integration programme aims to provide a solution to health and social care key worker housing challenges on the islands.</p> <p><u>IT / Digital workstream</u></p> <p>Improving the use of IT and digital solutions is seen as a key enabler to service change which would improve patient's experiences and outcomes. The need to travel to the mainland for healthcare services could in many cases be prevented by better use of digital technology. This would also enable revenue savings for the NHS and Isles of Scilly Council and would improve patient experiences and outcomes. Through the IT/Digital workstream of the integration programme solutions are being worked up.</p>
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	<p><u>Integration with Cornwall's Shaping Our Future STP</u></p> <p>Integration with the Cornwall Shaping Our Future STP is strong with established links to core workstreams and regular co-ordination events in place. The integration programme has been enabled via One Public Estate funding.</p> <p>This programme aims to provide a solution to the system wide change required. There are several drivers for change including workforce recruitment and retention challenges, plus the fact that the existing estate is not suitable for the delivery of modern health and social care.</p> <p>In terms of backlog maintenance, the liability for Park House is estimated at £170,000. For Parade Flats, whilst there is no planned refurbishment, they are in a poor state of repair. To bring them up to current standards would be in the region of £100,000 plus.</p> <p>For the NHS Property Services Limited owned St Mary's hospital, backlog maintenance liability is estimated at £635k (including a potential new boiler). There is an urgent capital investment of £250k required in financial year 2018/2019 to pay for boiler replacement and category 1 works (asbestos/remedial and fire compartmentation).</p> <p>Park House was inspected in October 2018 by the CQC and received a 'Good' rating for all aspects. The GP surgery was last inspected in November 2017 and received an 'Outstanding' rating. St Mary's Hospital has not been inspected since 2016 when it received a rating of 'Good'.</p> <p>(c) Objectives and benefits.</p> <p>Objectives</p> <p>To quantify levels of need and capacity for integrated social care and health services adult population. This will be based on population projections that meet the requirements of government legislation and promote the best outcomes for people.</p> <p>To develop a workable integrated service design for health and adult social care that is clinically and financially sustainable and aligns to the 6 key strategic service themes of the Shaping Our Future Cornwall STP.</p> <p>To provide a costed revenue analysis of options for service delivery taking into account the particular geographical, social and workforce contexts of the Isles of Scilly, including but not limited to: residential care, nursing care, respite, rehabilitation, re-ablement, day care, early intervention, rapid response and home care.</p>
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	<p>To provide the outline capital and revenue requirements for future infrastructure and resources to support those models of care and service delivery, and to examine options for meeting that requirement.</p> <p>To ensure that maximum opportunity is taken in relation to the use and application of new technologies and innovations in relation to services, infrastructure, systems and workforce.</p> <p>Benefits</p> <p>Achievement of the objectives will enable the improvement of the Island's health and care system through integration. This will allow all services to be delivered with a clear focus on personalised services as close to home as possible, with better patient experience and outcomes.</p> <p>The programme provides an opportunity to test out a new model of care, designed on a remote community's needs, providing a precedent for similar communities in England.</p> <p>Integration of services will make optimum use of funds, staff, buildings and technology, which will create a sustainable service for the future.</p> <p>(d) wider stakeholders and their interest e.g. potential occupants</p> <ul style="list-style-type: none"> Council of the Isles of Scilly NHS Kernow CCG Community First Cornwall (C1C) Cornwall Foundation Trust (CFT) Royal Cornwall Hospitals Trust (RCHT) Kernow Health Community Interest Company (Kernow CIC) NHS Property Services Duchy of Cornwall GP Community and workforce South Western Ambulance Service
<p>STRATEGIC NEED</p>	<p>The key drivers for change on the Islands are: -</p> <p>Workforce challenges in terms of recruitment and retention of health and social care staff due to a limited and inaccessible housing market.</p> <p>An existing estate that is below standard in terms of functionality, condition and quality. The estates are not suitable for the delivery of modern health and social care. The backlog maintenance figures above show large capital expenditure is required to bring the estate up to standard.</p> <p>A move to integrate health and social care services on the islands and</p>

	<p>the requirement for the estate to act as an enabler to this. An ageing population with more complex health and social care needs, putting increased pressure on services and estate on the islands.</p> <p>The Isles of Scilly has one of the most rapidly ageing populations in the country. The proportion of the current Isles of Scilly population that is aged 65 or older is equivalent to that projected for England and Wales in 2059: the planning and delivery issues currently facing those responsible for health and care in the islands will not face much of the mainland for another 40 years or more.</p> <p>This challenge is only going to become more acute. Currently 25.8% of the local population is aged 65 or over – the same proportion as Japan, recognised as the country with the highest proportion of older people in the world. In ten years' time this is projected to rise to 29.5% and by 2036 to 32.3% - in other words, nearly one in three of the islands' population will be 65 or older.</p> <p>A need to achieve financial sustainability of service delivery and estates infrastructure revenue costs.</p> <p>The requirement driven through the STP to improve patient experience and outcomes.</p> <p>Due to a combination of the above issues the residential home came close to closing in spring 2017 as staff could not be retained to enable continued operation. A solution was found by drawing on existing resources within the Isles of Scilly Council. However, this solution is temporary and cannot continue indefinitely.</p> <p>The outcomes of the STP Wave 3 Co-production report (from the co-production workshop held on 26 April 2018), which aims to develop options for new place-based models of health and care across Cornwall and Isles of Scilly, identified the following priorities;</p> <ul style="list-style-type: none"> • The need for additional funding and where it will come from. • The benefits of co-locating health champions to further develop community services. • Communication to make people on the islands better aware of the services available to them. • Links between RCHT and island services – recommendation for a liaison function based at RCHT to help and inform people from the islands (more outpatients than discharge) • Recognition that the care market is not viable, due to low numbers, for private companies. • The need for initiatives to reduce alcohol consumption and smoking. • Transport – both for stretchers, but more importantly the provision of the escorting to the mainland.
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<p>CONSISTENCY WITH COMMISSIONING AND ESTATES PLANS</p>	<p><u>Consistency with Shaping Our Future strategic plans</u></p> <p>The programme aligns to the 6 key strategic service themes of the Shaping Our Future STP as follows;</p> <ol style="list-style-type: none"> 1. Prevention and self-management of long-term conditions. <ol style="list-style-type: none"> a. Better support and opportunities for people with mental health and long-term conditions. b. More affordable housing and insulated homes to keep people warm and well c. Targeted lifestyle advice and information for people to self-care and manage their own health. 2. Care coordinated to support independent living and managed care for people needing more help. <ol style="list-style-type: none"> a. More focus and resources in primary, community and social care – including the voluntary and carers sector. b. Create community teams and hubs with care professionals working together, coordinated by GPs. c. Prioritise care for older people and stop unnecessary visits or stays in hospital. 3. Rapid response and intensive support in a crisis. <ol style="list-style-type: none"> a. Joined up NHS 111 and out of hours service using clinical expertise more effectively. 4. Sustainability of primary care. <ol style="list-style-type: none"> a. Reduce spend on administrative and support teams with shared teams where possible. b. Buy goods and services in a more efficient way in keeping with national guidelines. c. Join up our approach to developing technology and sharing information. d. Co-ordinate our approach to recruitment and workforce development. e. Rationalise our estate to make best use of the sites we have and releasing money where we can for direct patients care. 5. Pathway redesign. <ol style="list-style-type: none"> a. Review and redesign pathways of care and specialised services focussing on those where we perform poorly or can make the most difference. b. Early and effective intervention on conditions such as diabetes, heart disease, stroke, cancer, joint problems and dementia – including better use of technology c. Single, joined up therapy service focused on those conditions where we can make the most difference. 6. Transformation of outpatients. <ol style="list-style-type: none"> a. Provider reform that will focus on joining up teams to deliver outstanding services b. Look at commissioner reform and planning services at a local level to meet specific population
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	<p>needs.</p> <p><u>Consistency with strategic estates plan</u></p> <p>STP Estates Strategy The programme is fully aligned with the STP estates strategy in terms of: -</p> <ul style="list-style-type: none"> • Enabling service changes driven by the SOF • Providing a sustainable clinical service through sustainable estate and enabling moving to a financially sustainable position • Looking to divest of unsuitable estate and invest in modern, functional and fit for purpose estate • Maximise disposal proceeds and reinvest locally • Provision of flexible, multi-use estate that facilitates care as close to home • Enables integration of health and social care services • Tackling backlog maintenance legacy issues • Flexible space in local communities that support more services and diagnostics being provided closer to home, and allow for the optimal co-location of health, care and wellbeing services, multi-disciplinary teams and shared enabling services • Achieving greater efficiencies in the estate. <p><u>Requirement for public consultation</u> It is anticipated that public consultation will be required. Whilst this programme is one of service improvement, which does not normally require public consultation, given the size of the community on the Isles, any changes will have a significant impact on service delivery and the health estate, hence the need for some form of consultation.</p> <p><u>Requirement for planning permission.</u> Likelihood is that planning permission at various stages will be required.</p>										
<p>COST ESTIMATES (Inc. VAT)</p>	<table border="1"> <thead> <tr> <th></th> <th>19/20</th> <th>20/21</th> <th>21/22</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total Capital Cost:</td> <td>£500k</td> <td>£5,000k</td> <td>£2,000k</td> <td>£7,500k</td> </tr> </tbody> </table> <p>Above figures assume build costs of £5,200 per m2 and that a 1,450 square metre facility would be required, thus costing £7.5 million to deliver. Build costs are much higher on the islands than the mainland due to logistical and geographical constraints.</p> <p>Net Recurrent Revenue Impact: TBC Estimated lifecycle costs: TBC</p>		19/20	20/21	21/22	Total	Total Capital Cost:	£500k	£5,000k	£2,000k	£7,500k
	19/20	20/21	21/22	Total							
Total Capital Cost:	£500k	£5,000k	£2,000k	£7,500k							

ANTICIPATED CAPITAL SOURCES	<ul style="list-style-type: none"> ▪ NHS England (STP Capital) £7,000k <p>Note that STP Capital is not yet secured. It is envisaged that the completed OBC will be used to support a request for STP capital funding</p> <ul style="list-style-type: none"> ▪ NHS Property Services Ltd NIL ▪ Community Health Partnerships/LIFTCo NIL ▪ One Public Estate £200k ▪ FBC funding (source TBC) £300k ▪ Total £7,500k
REVENUE AFFORDABILITY	<p>Net Recurrent Revenue Impact: £TBC - current estimates indicate a revenue affordability gap is likely, even with the sale of assets to offset capital requirements. However service and travel efficiencies along with income generation possibilities through housing are expected to close this gap and the objective is to secure at least a cost neutral position.</p>
ESTIMATED PROJECT DEVELOPMENT COSTS (Inc. VAT)	<p>Already incurred by Project Sponsor(s) £90k <i>(OPE funding which has been committed to date)</i> Further estimate to achieve OBC/Stage 1 LIFT approval (funding secured via OPE already) £80k Further estimate to achieve FBC/Stage 2 LIFT approval (funding not secured yet but subject to further finding applications) £500k</p>
PROPOSED PROCUREMENT STRATEGY	<p><u>PHASE 1 – SERVICE STRATEGY DESIGN AND PID PRODUCTION</u> PID production Oct 18 Service Strategy Design conclude Nov 18 PID approval within local system Nov – Dec 18 PID review by NHSE PAU end Dec 18 OBC brief production commence Oct 18</p> <p><u>PHASE 2 – OUTLINE BUSINESS CASE PRODUCTION</u> OBC production Nov 18 End Mar 19 OBC sign off May 19 Wave 5 bid June 19</p> <p><u>PHASE 3 – FULL BUSINESS CASE PRODUCTION</u> FBC production Apr 19 Dec19 FBC sign off Mar 20</p> <p><u>PHASE 4 – PROCUREMENT AND CONTRACT EXECUTION</u> Procurement of design and construction team June 20</p> <p><u>PHASE 5 – CONSTRUCTION, COMMISSIONING AND HANDOVER</u> Construction commences July 20 Construction completes December 21 Commissioning Jan – Feb 22 Handover – March 22</p>
KEY RISKS	<ul style="list-style-type: none"> • The development of an integrated health and social care

	<p>service model will not be straightforward and will require key stakeholders to embrace a new way of working which will involve considerable change, including referral pathways, workforce training and greater use of IT and digital facilities.</p> <ul style="list-style-type: none"> • Capital and revenue constraints in terms of service provision and estates solutions – the availability of public capital is very limited, and any capital borrowing will bring with it associated revenue cost implications, which themselves must be affordable to the local system. • Planning restrictions around the Carn Thomas site due to visibility from other parts of the island, particularly in respect of the elevated portion of the site will require an intelligent design solution and negotiation with the planning authority and public buy in. Hence disposal proceeds may not be delivered in time to support the funding of any new health and social care facility. • Any estates solution must have flexibility in the design in order to allow for service evolution. • Seasonal fluctuations due to increased demand for services in holiday season need to be understood and appropriate allowance made in any service and estates model. • Transport cost issues – the cost of transporting patients, staff and residents to and from the Islands must be considered as part of any solution. • Abnormally high build costs of housing and health / social care facilities due to the remote location of the Islands. Modern methods of construction (MMC) such as modular build will be considered as part of the process.
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ENDORSED BY:		
SPONSOR ORG 1 CHIEF OFFICER	Organisation	NHS Kernow Clinical Commissioning Group
	Name	Jackie Pendleton
	Signature	
	Date	
SPONSOR ORG 2 CHIEF OFFICER	Organisation	Cornwall Partnership NHS Foundation Trust
	Name	Phil Confue
	Signature	
	Date	
SPONSOR ORG 3 CHIEF OFFICER	Organisation	Council of the Isles of Scilly
	Name	Theo Leisjer
	Signature	
	Date	
NHS ENGLAND REGIONAL	Region	

DIRECTOR OF FINANCE	Name	
	Signature	
	Date	

PRIORITISATION (For regional use only)	
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Appendix D Programme Board Terms of Reference

TERMS OF REFERENCE FOR THE ISLES OF SCILLY INTEGRATED HEALTH AND SOCIAL CARE PROGRAMME BOARD

BACKGROUND

The aim of the Isles of Scilly Integrated Health and Social Care Programme Board Group is to facilitate improved and efficient services through better collaborative use and management of resource and property.

The vision for health and social care services on the Isles of Scilly is to ensure that people are enabled to live well and independently for as long as possible as close to home as possible. We are particularly committed to the provision of on-island nursing and residential care.

There is a strong spirit of partnership working on the Isles of Scilly both on a strategic and partnership level and this Board seeks to drive further collaboration to create sustainable services and a fit for purpose estate solution for our island community. The Board recognises the challenges and opportunities posed by a small and geographically isolated health and care system and is keen to pursue innovative ideas to enable the sustainable delivery of services into the future.

The Board will manage the One Public Estate project and the delivery of Shaping our Future for the Isles of Scilly.

MEMBERSHIP

Council of the Isles of Scilly

Cornwall Partnership Foundation Trust

Royal Cornwall Hospital Trust

South West Ambulance Service Trust

Helston Medical Centre

NHS Kernow

St Mary's Health Centre Trustees

Voluntary Sector

GOVERNANCE

The Programme Board will report to the Isles of Scilly Health and Wellbeing Board and the Shaping our Future Programme governance. Minutes from meetings will go Full Council of the Isles of Scilly for information and oversight.

Representatives on the group will have delegated authority from their organisations to make decisions on behalf of that organisation after consultation with appropriate departments and decision making committees/boards within those organisations.

The group will nominate a chair from within its membership.

Any four members of the group including the chair will comprise a quorum. Members may send a substitute if they are unable to attend. Decisions in respect of specific schemes will only be made if all partners involved in that project are present.

FREQUENCY OF MEETINGS

The group will meet every month initially to enable the development of the estate and service business model. The frequency can be changed to suit the changing workload.

PRINCIPLES

The following principles apply to our partnership;

- Mutuality** understanding our common purpose with mutual benefit for each partner;
- Commitment** we will commit resources to the mutual endeavour;
- Clarity** we are clear about who is doing what;
- Openness** we are prepared to raise issues concerning the quality of the working relationship;
- Added value** we can quantify the added value of doing this together rather than doing it alone.
- Fairness** we will not seek to profit from each other.

AIMS AND OBJECTIVES

The objectives of working together to design service and estate solutions for the Isles of Scilly are:

- To design and implement defining a sustainable service and estate model for the island population based on the principles of Shaping our Future (see Appendix A)

- To explore opportunities for shared locations and services that improve service delivery
- To improve service delivery and service user outcomes through the coordination and co- location of our services where appropriate.
- To share good practice.
- To reduce the carbon footprint of public sector premises.
- To ensure the availability of accurate, reliable and up to date data on services and property and its performance to define service and property needs and on which to base resource and asset management and capital investment decisions.
- To invest capital across the asset base to optimise its effectiveness.
- To reduce the overall operating costs of our assets over the long term.
- To develop a set of financial principles to determine the allocation of costs and savings



HEALTH AND CARE PLAN ON A PAGE

The current health and social care system needs reform and we must seize the moment. We must put more focus and resources into preventing ill health, keeping people in their homes or communities and adapting services for a growing, ageing and technology enabled population.

We also need to provide services within the resources we have available. In the next five years, based on evidence and local feedback, we recommend focusing on six themes or priorities each with identified priority actions.

Priority actions on prevention



- Starting young and acting early on the root causes of poor health.
- Better support and opportunities for people with mental health problems and long term conditions.
- More affordable housing and insulated homes to keep people warm and well.
- Supporting active communities to make the most of our environment.
- Targeted lifestyle advice and information for people to self-care and manage their own health.

Priority actions on redesigning pathways of care



- Review and redesign pathways of care and specialised services focusing on those where we perform poorly or can make the most difference.
- Early and effective intervention on conditions such as diabetes, heart disease, stroke, cancer, joint problems and dementia - including better use of technology.
- Single, joined up therapy service focused on those conditions where we can make the most difference.
- Reduce the number of out of county mental health placements.

Priority actions on community care



- More focus and resources in primary, community and social care – including the voluntary and carers sector.
- Create community teams and hubs with care professionals working together, co-ordinated by GPs.
- Prioritise care for older people and stop unnecessary visits or stays in hospital.
- Act early to prevent illness or manage conditions using technology whenever possible.
- Provide more housing with care and support to enable independent living.

Priority actions on productivity and efficiency



- Reduce spend on administrative and support teams with shared teams where possible.
- Buy goods and services in a more efficient way in keeping with national guidelines.
- Join up our approach to developing technology and sharing information.
- Co-ordinate our approach to recruitment and workforce development.
- Rationalise our estate to make best use of the sites we have and releasing money where we can for direct patient care.

Priority actions on urgent care



- Joined up NHS 111 and out of hours service using clinical expertise more effectively.
- Smartly placed Urgent Care Centres that offer better services on fewer sites.
- Change the way we work at the front door of Emergency Departments with more partnership working and services that either prevent arrival in the first place or enable faster access to the right care professional or location.

Priority actions on system reform



- Provider reform that will focus on joining up teams to deliver outstanding services.
- Look at commissioner reform and planning services at a local level to meet specific population needs.