

**Manchester City Council
Report for Information**

Report to: Health Scrutiny Committee – 21 July 2020

Subject: North Manchester General Hospital update

Report of: Peter Blythin, Group Executive Director of Workforce and Corporate Business, Manchester University NHS Foundation Trust and Ed Dyson, Executive Director of Strategy, Manchester Health and Care Commissioning

Summary

This paper provides an update on progress in relation to delivering the future strategy for North Manchester General Hospital (NMGH), including the planned acquisition of NMGH by Manchester University NHS Foundation Trust (MFT) as part of a Single Hospital Service in Manchester; the delivery of the wider site strategy (or 'proposition'); and the Health Infrastructure Plan capital redevelopment of the site.

Recommendations

Health Scrutiny Committee is asked to note the report and support the strategic direction of the programme.

Wards Affected: This primarily affects wards in North and East Manchester and neighbouring boroughs.

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The NMGH site redevelopment presents an opportunity to provide modern health and care estate which is delivered in line with the city's zero-carbon target.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Stimulating local regeneration and economic renewal is a fundamental principle of the future strategy for NMGH. The delivery of economic and social benefits is a core part of the strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Stimulating local regeneration and economic renewal is a fundamental principle of the future strategy for NMGH. The delivery of economic and social benefits is a core part of the strategy.

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Proposition for the future of NMGH was founded on the principle of addressing inequalities and improving outcomes for local people. This remains – and is even more important – following the COVID-19 pandemic.
A liveable and low carbon city: a destination of choice to live, visit, work	The NMGH site redevelopment presents an opportunity to provide modern health and care estate which provides assets for local communities and is delivered in line with the city’s zero-carbon target.
A connected city: world class infrastructure and connectivity to drive growth	NMGH has been included on the national Health Infrastructure Plan, which would provide significant capital investment for the site redevelopment. Digital innovation and physical connectivity of the site are key parts of the strategy.

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Background documents (available for public inspection):

None

1.0 Introduction

- 1.1 This paper provides an update on progress in relation to delivering the future strategy for North Manchester General Hospital (NMGH), including the planned acquisition of NMGH by Manchester University NHS Foundation Trust (MFT) as part of a Single Hospital Service in Manchester; the delivery of the wider site strategy (or 'proposition'); and the national Health Infrastructure Plan capital redevelopment of the site.

2.0 Background

- 2.1 NMGH is of strategic importance in Manchester. It forms a key part of the plans to deliver a Single Hospital Service in the city and to deliver high quality integrated health and care services. NMGH is also an important anchor institution, with a role to play in its local community which goes beyond the delivery of health and care services.
- 2.2 The future strategy for NMGH identifies the site as a location for significant investment in health infrastructure which is intended both to improve the quality of health and care provision and to stimulate local regeneration. In doing so, the intention is to advance people's health outcomes through improvements in services and – importantly – in the wider determinants of health, which cannot be delivered through health and care services alone.
- 2.3 The impact of COVID-19, in particular, the role it has played in exacerbating inequalities, has reiterated the importance of delivering the future strategy for NMGH. This paper provides an update on progress.

3.0 Development of a Single Hospital Service

3.1 Interim arrangements for 2020/21

- 3.1.1 On 1st April 2020, revised arrangements for the management of PAHT came into effect. On this date an independent Board of Directors for PAHT was re-established and revised management agreements were put in place with MFT and Salford Royal NHS Foundation Trust (SRFT). Consequently, the management of NMGH transferred from SRFT to MFT. It is expected that these arrangements will remain in place until a formal transaction process is completed.
- 3.1.2 The principal objectives of the PAHT Board in 2020/21 are to oversee;
- 1) The two management agreements between PAHT and MFT and SRFT.
 - 2) The disaggregation and acquisition processes resulting in the eventual dissolution of PAHT.
- 3.1.3 A revised hospital leadership team at NMGH, led by Chief Executive Dena Marshall, formally took up post on 1st April 2020. Under the management agreement, MFT now holds responsibility for all clinical services that were previously managed by the North Manchester Care Organisation (NMGH and

the services run out of NMGH). These include most services delivered on the NMGH site and some services provided on other PAHT sites e.g. Breast Surgery and Oral and Maxillofacial surgery.

- 3.1.4 The management arrangements adopted at 1st April made limited changes to the structures that had been in place previously, and this was appropriate to minimise disruption at the point when the management agreement came in to effect. There had always been an ambition to utilise MFT's Managed Clinical Services (MCS) to provide the most effective leadership to services such as Obstetrics, Paediatrics and Critical Care on the NMGH site. The circumstances of the COVID-19 Pandemic meant that NMGH had to make early calls for support from MFT group resources, and this has accelerated the development of plans and working relationships. As such, the MCS model was implemented across NMGH from 1st July 2020. Specifically, St Mary's Hospital and the Royal Manchester Children's Hospital (RMCH) now provide leadership to Women's and Children's services respectively, and Clinical and Scientific Services provide leadership to Critical Care, Anaesthesia and Therapies.
- 3.1.5 It was initially agreed that the Executive Chief Delivery Officer at SRFT would continue to hold the role of Accountable Emergency Officer (AEO) for the NMGH site. However, given the system wide response required to manage COVID-19 it was latterly agreed that the AEO role for NMGH would transfer to the Chief Operating Officer at MFT. MFT has also been able to support the NMGH response to COVID-19 in several areas including; provision of Personal Protective Equipment (PPE), support to the NMGH Intensive Care Unit, provision of clinical equipment and input from RMCH for children with life limiting conditions.

3.2 Delivering the Transactions

- 3.2.1 MFT is working to achieve key transaction processes and deliver the NMGH acquisition by April 2021. SRFT has described an aspiration to deliver their element of the PAHT transaction three months earlier in January 2021.
- 3.2.2 Governance is in place to manage the transaction and disaggregation activities. The most significant disaggregation work streams relate to Clinical Services and Corporate Services. In both of these areas 'Safe Transition Plans' are being developed, and these set out for each individual service area, the arrangements for how services, patient pathways, staff, contracts, equipment etc. will be disaggregated and aligned to the appropriate acquiring organisation.
- 3.2.3 Colleagues within NMGH and MFT have started to scope and plan the activities that will be required to integrate NMGH formally into the MFT group at the point of acquisition, and these will be set out in a Post-Transaction Implementation Plan.
- 3.2.4 A Heads of Terms document will be established in advance of the proposed transactions, to confirm a shared view of how the transactions will be

structured. This is due to be in place by the end of July 2020, to provide a firm basis from which to carry forward the rest of the transaction activities.

4.0 The future of NMGH: a healthcare-led approach to civic regeneration

4.1 *The Future of the NMGH Site: A healthcare-led approach to civic regeneration* (also known as 'the proposition') was developed in the summer and autumn of 2019. This set out how the capital redevelopment of the NMGH site could provide improved health and care facilities, act as a catalyst for local regeneration and support improved health outcomes for local people.

4.2 This was instrumental in ensuring that NMGH was included as one of the hospitals to benefit from significant investment through the national Health Infrastructure Plan (HIP) programme, which was announced in the autumn of 2019. The proposition has also formed the basis for the strategic thinking of key statutory organisations since its development.

4.3 A significant programme of work is now in place to deliver the strategy set out in the proposition and to support the development of the capital business case for the HIP programme. Key aspects of this include, but are not limited to:

- Master planning
- Regeneration and economic benefits
- Service model development
- Design and construction
- Communication and Engagement
- Business case development

4.4 Along with the nearby Northern Gateway housing development, the capital redevelopment of the NMGH site is a significant opportunity for investment and renewal in North Manchester. A Strategic Regeneration Framework (SRF) is in its early stages of development. This will set out the blueprint for the redevelopment of the hospital site over the next 15 years. It proposes:

- A **new acute hospital** providing modern, best-in-class healthcare facilities; embracing integration, innovation and technology.
- A **modern mental health hospital** offering a high-quality and effective care environment.
- A **wellbeing hub** to deliver integrated community-based care and wellbeing services, responding to the specific needs of the local population. This will become a destination for the local community through the variety of service it offers, combined with meeting spaces and a community café.
- A **learning hub** to support training for healthcare staff and to maximise employment opportunities for the local community.

- A new **residential community** focused on keeping people well at home. The housing will be diverse and could include key worker accommodation, social housing, stepdown care, and extra care.
 - New **high-quality commercial space** to support small and medium businesses, particularly in the healthcare and life sciences sector. This space will support and inspire innovation and enable businesses to locate and expand in North Manchester, benefiting local employment.
 - A **village green**. This will be a high quality outdoor space, acting as a focal point for the Campus, and a vital connection to the local neighbourhood.
- 4.5 Significant engagement will take place with staff, the local community, service users and key stakeholders to support and inform this work over the coming months and years. This will include elected members, the Health and Wellbeing Board and Health Scrutiny Committee. The Strategic Regeneration Framework provides us with a good opportunity to continue this work - raising awareness in the local community and beyond, and gathering further insight to build on what we have learnt from our initial community engagement work. The plans for each of the elements of the site will similarly be informed through discussions with a range of stakeholders, including service users, VCSE organisations and local communities.
- 4.6 It is recognised that there have been significant changes in the operating environment in recent months, including the on-going response to COVID-19, the learning that has arisen from the pandemic response, changes to the economic outlook, and the city's recovery plans. The negative effects of COVID-19, in areas such as health, employment and education, will be most significantly felt in communities like those to be found in North Manchester. It is therefore all the more important that the ambition for the future of the NMGH site is realised.
- 4.7 Key messages from the proposition are being updated and incorporated into a number of key documents in the coming months, to ensure that the impact of the pandemic is taken account of in the future plans for the site. These will include the social and economic benefit plans; the SRF; and the outline business case for the HIP programme.
- 4.8 Good progress is being made in relation to the HIP business case development. Key milestones include:
- A Strategic Outline Case was submitted on 31st January 2020 and was recommended for endorsement and approval to proceed to outline business case stage by the NHS England / Improvement and DHSC Joint Investment Committee on 30 April 2020.
 - An Enabling Plan was submitted on 30th March 2020. Part of this has been approved, with the remainder to be considered in the near future.

- The programme is working to submit an outline business case in January 2021. This has moved from November 2020 due to the impact of the COVID-19 pandemic on the original timetable.

4.9 The Joint Investment Committee also provided specific feedback which challenged the Strategic Outline Case in terms of the cost envelope, requesting an option that would fall within the original cost envelope from the 2018 masterplan (£450m). The Strategic Outline Case preferred option totalled £576m (with IM&T and Backlog Maintenance as linked but separate cases). There is an imperative to address the cost envelope challenge in order to successfully progress the business case. MFT is now working with partners to define the scope for the next stage of design that responds to the Committee's feedback.

5.0 Recommendations

5.1 Health Scrutiny Committee is asked to note the report and support the strategic direction of the North Manchester programme.