

| | | |
|--|-----------------------------|-----------------|
| 12 September 2018 | | ITEM: 11 |
| Cabinet | | |
| Integrated Medical Centres: Delivering high quality health provision for Thurrock | | |
| Wards and communities affected: All | Key Decision: Key | |
| Report of: Cllr Halden, Portfolio Holder Health and Education / Cllr Mark Coxshall, Portfolio Holder Regeneration | | |
| Accountable Assistant Director: Detlev Munster, Assistant Director Property, Regeneration and Development | | |
| Accountable Director: Steve Cox, Corporate Director, Place. Roger Harris, Corporate Director Adults, Housing and Health | | |
| This report is: Public | | |

Executive Summary

It is well evidenced that some areas of Thurrock have poor access to quality health care provision. The Council and partners in the health sector have been working together to develop a new model of care that will see services delivered via an integrated model and delivered from modern, high quality premises able to attract the best staff. Four brand new Integrated Medical Centres (IMCs) are proposed with the intention of locating services in the heart of the communities that they serve and bringing more health care services under one roof to improve and simplify pathways for patients.

The decision taken by the July meeting of the Joint Clinical Commissioning Group (CCG) Committee to close Orsett Hospital and re-locate services into the community further supports the need to develop IMCs in a timely manner.

This report updates Members on progress of all four IMCs and gives particular detail on the delivery of the Tilbury and Chadwell IMC which the Council is leading on. Members are asked to support the recommendations which will take the project into the next stage of delivery.

1. Recommendation(s)

Cabinet is asked to:

- 1.1. Authorise officers to tender the building contract for the Tilbury and Chadwell Integrated Medical Centre; and**
- 1.2. Give delegated authority to the Corporate Director Place in consultation with the Corporate Director Adults, Housing and Health, the Director of Finance and IT and the relevant Portfolio Holders, to award the building contract for the Tilbury Integrated Medical Centre subject to tender returns being in line with an agreed business plan based on the principles within this report.**
- 1.3. Give delegated authority to the Corporate Director of Adults, Housing and Health to appoint a Council officer representative to the proposed People's Panel.**
- 1.4. Agree to support the development of a Masterplan for the Thurrock Hospital site in conjunction with NHS partners.**
- 1.5. Support the development of a Phase 2 IMC programme which will include integrating mental health provision within the proposed IMC's and moving further acute activity from hospital provision into community based services.**

2. Introduction and Background

- 2.1. Members will be aware that the quality of health provision in several areas of the Borough falls below the standards that the Council and NHS partners would like to see delivered. The Council, with its NHS partners, have an exciting opportunity to address this and improve the health and well-being of the population of Thurrock by moving from outdated facilities and fragmented services, improving the capacity and capability of primary, community and mental health care and delivering an integrated health, social care and community/third sector care model with Thurrock's residents at its heart.
- 2.2. To this end the Council entered into a Memorandum of Understanding (May 2017) with Basildon and Thurrock Hospitals NHS Foundation Trust (BTUH), Essex Partnership University NHS Foundation Trust (EPUT), North East London NHS Foundation Trust (NELFT), and Thurrock Clinical Commissioning Group (the CCG). This ensured that our strategy locally evolved from the broad concept of Integrated Healthy Living Centre's into a firm commitment to deliver four new Integrated Medical Centres (IMCs) in Thurrock.
- 2.3. The IMCs will serve local populations and will be located in:
 - Tilbury - to primarily serve Tilbury and Chadwell;
 - Corringham – to primarily serve Stanford and Corringham;
 - Grays – to primarily serve Grays but also to act as a Central Hub for the whole of Thurrock; and

- Purfleet – to primarily serve Purfleet, Aveley and South Ockendon.
- 2.4. The Council has been working with the CCG and service providers to develop the concept of Integrated Medical Centres (IMCs) which will provide an integrated model of care, in high quality premises located in the communities that they serve. The IMCs, will be crucial to the introduction of the New Model of Care as presented by the Director of Public Health, including the new Primary Care offer, Well-Being Teams and Technology Enabled Care.
- 2.5. In July 2018, following public consultation, the Joint Committee of the 5 Clinical Commissioning Groups in mid and south Essex gave approval to implement proposals for moving services currently provided at Orsett Hospital, including out-patients, tests and scans, to the four new IMCs in Thurrock. The work to develop the IMC concept undertaken to date is capable of being adapted to ensure that capacity is available to support this additional requirement at the four IMCs already proposed. It is however clear that the successful delivery of the IMCs is now even more critical.
- 2.6. The NHS locally has been very clear in its stance following the July 2018 decision over Orsett. The CCG and BTUH have issued a “Top 10 Facts” commitment :
- Our services will move to four new, modern integrated medical centres across Thurrock in Corringham, Tilbury, Purfleet and Grays.
 - These centres will bring health, social and community care together.
 - For patients in Basildon and Brentwood services will be provided in new and existing health centres such as Brentwood Community Hospital.
 - We will make sure all four centres are up and running fully before finally closing Orsett Hospital.
 - We are not stopping any of the services we provide.
 - Our staff will continue to work for the NHS and we do not expect any job losses.
 - These centres will mean more investment in your local services, not less.
 - A “People’s Panel” of local patients and residents will help to plan how the changes happen. Your local independent Healthwatch group will organise this.
 - Services will move from Orsett Hospital into these centres over the next two to three years.
 - We will then sell Orsett Hospital and the money will come back into your local NHS.
- 2.7. The IMC programme is being developed through a Collaborative Programme Board meeting monthly and attended by the NHS colleagues, service providers and Council representatives including the Corporate Director Adults, Housing and Health, Regeneration and Legal and Finance as required.

- 2.8. In July 2017 Cabinet gave approval for the Council to lead on the delivery of the Tilbury and Chadwell IMC, to procure a design team and to receive a future report on the Purfleet IMC. This report provides an update on the Tilbury and Chadwell IMC and requests approvals that will enable the project to continue to progress. It also highlights the current status of the three other IMCs.
- 2.9. Further discussions have been taking place with health partners over the future provision of community mental health services to improve their accessibility. The recent Mental Health Peer Review was clear that, where possible, mental health provision should be integrated into the proposed IMCs and officers are now planning to see how this can be implemented.

3. Issues, Options and Analysis of Options

IMC Decision Making Timeline:

- 3.1. Due to the number of partners included in the IMC programme there is a number of decision making gateways to be navigated. The CCG Joint Committee at its meeting on 6 July agreed a range of proposals in relation to acute hospital re-configuration including the closure of Orsett Hospital. The table below shows the proposed timetable for decision making and when the IMCs can then progress to construction.

| Gateway | Reason | Date |
|--|---|---------------------------|
| CCG Joint Committee | Approved closure of Orsett hospital but only when IMCs are open and no clinical services will move outside of Thurrock that serve Thurrock residents. | 6 th July 2018 |
| Thurrock Council Cabinet | To approve the ongoing role of the Council in delivering the Tilbury and Chadwell IMC | Sept 2018 |
| Outline Business Case to BTUH Board | To secure approval for the location of services, BTUH's role and financial business plan | Oct 2018 |
| OBC to CCG | To secure approval for location of services commissioned by the CCG and the role of the CCG in ongoing risk share | Oct 2018 |
| Primary Care OBC to NHS England Capital Investment Oversight Group | To secure NHS approval of the change to service provision required to locate primary care services in the IMCs | Oct 2018 |
| FBC to all above Boards/Groups | To secure final approval for the location of services and any cost implications associated with the change | Spring 2019 |

OBC = Outline Business Case

FBC = Full Business Case

Delivery of the IMC Programme

3.2 Introduction and proposed People's Panel

There has been extensive planning and consultation over the delivery and the content of the proposed Integrated Medical Centres and we are now very much in delivery mode and the individual descriptions below reflect that. A People's Panel is being established to oversee the detailed delivery programme and this is being established with the help of Thurrock Healthwatch. This will also look at what services are best delivered from which IMC.

Tilbury and Chadwell IMC

- 3.3. The aspiration to deliver four IMCs in 2020/21 remains challenging, however, since the Council took the decision to lead on the delivery of the Tilbury and Chadwell IMC on the site of the Community Resource Centre in Tilbury (site plan attached at Appendix 1) work has progressed significantly.
- 3.4. The Council, CCG and service providers have worked collaboratively to develop a schedule of accommodation that can be provided at Tilbury and Chadwell IMC. This accommodation schedule fully subscribes to the integrated vision and includes provision for:
- Multi-functional consult exam rooms;
 - therapy rooms;
 - treatment rooms;
 - interview rooms;
 - group rooms;
 - phlebotomy bay;
 - mobile imaging docking bay;
 - shared workspace;
 - library;
 - community hub; and
 - public access meeting rooms.
- 3.5. The suite of flexible clinical rooms enables multiple services to make use of the space meaning patients can access multiple services in a single Centre. The community elements such as the library and community hub have a key role to play in addressing the wider determinants of health. This is supported by shared workspace which will allow staff from council departments and other services to be based at the centre on a flexible basis bringing the delivery of public services into the community and creating better opportunities for joined up working across professions.
- 3.6. Following a competitive tender process Pick Everard were appointed as designers in October 2017. Design work has reached RIBA Stage 2 with the

designers having produced an outline design and cost plan. More detailed design work has recently commenced with a view to developing and consulting on a full planning application in autumn of this year.

- 3.7. A CABE design workshop to review the outline plans was held in May 2018. The report from this session has provided some useful feedback, in particular how the ethos of the building can be translated into the external space around it to continue the theme of healthy living. The panel recognised the clear potential for the building to have a positive impact on the urban fabric of Tilbury and the vitality of the Town Centre with the report suggesting that the scheme had the potential to be award winning and encouraging the Council and design team to set high aspirations to create a lasting benefit to the area.
- 3.8. Whilst the design team is currently directly appointed by the Council it is envisaged that the contract for the capital development will be procured on a design and build basis and the design team will ultimately be novated to the contractor. This will keep consistency within the professional team whilst providing price certainty on the capital works and ensuring that risk is transferred to the contractor wherever possible.
- 3.9. The design and build contract will be procured via the NHS Procure22 framework and let on a phased basis with contractors initially being asked to do a discrete package of work to develop cost certainty (culminating in a guaranteed maximum price for the scheme). This information is a prerequisite to the Outline Business Case for the NHS. Phasing the contractor commission ensures that this information can be provided in a timely manner whilst limiting the financial exposure to the Council should the required approval not ultimately be secured.
- 3.10. Alongside the design work a number of surveys have taken place on site to assess the ground conditions, ecology, acoustics etc. and inform the development of the initial cost plan. Early survey work has established the particular ground conditions on the site and allowed early pricing of abnormalities which are a key risk to development in Tilbury.
- 3.11. The next stage of work will further refine the design of the IMC and cost plan and prepare the planning application.
- 3.12. The previous Cabinet report highlighted the intention for the Council to use prudential borrowing to fund the capital cost of the Tilbury IMC and to secure the borrowing against the income stream generated from the building's lease to a third party. The Council is committed to supporting the IMCs and the principles of the borrowing would therefore be set to provide the maximum level of affordability for the Centre. It is proposed that no interest would be levied against the capital amount beyond that which the Council itself would be charged to access the borrowing and that the borrowing would be repaid over a period of 30 years. The IMC is not intended to provide a financial return to the Council but that lease and rental income should cover the borrowing costs.

- 3.13. The new model of service provision intended to be delivered from the IMCs is focussed on integration of services across provider boundaries. With the exception of the primary care area (which has a distinct funding mechanism), providers will not have dedicated rooms that may stand empty outside of set clinic hours, rather rooms will be multifunctional and therefore interchangeable across services. Maximising the use of the space and limiting void time will support the affordability of the Centre for providers and reinforce the integration of services but it will also require a move away from a typical head lease/sub lease arrangement as services taking the sub leases will not have defined square metre areas on which to base sub lease valuations. Whilst the Council in its role as landlord will have the protection of a standard head lease the Council will also be an occupier of the centre and so has an interest in how the sub lease arrangements will also work.
- 3.14. Providers are currently working together to establish a set of finance principles which seek to share the risk and rewards created as a result of actual occupancy levels when the IMCs are operational and reflecting this principle of shared space. The shared approach to risk incentivises all partners to maintain utilisation of the Centres and provides reassurance to the Council (as landlord and the organisation contributing the full capital funding to the Tilbury and Chadwell IMC) that the risk of non-repayment of the borrowing is mitigated as far as possible.
- 3.15. These broad principles are accepted by all partners in the emerging Thurrock Integrated Care Alliance (TICA). TICA is the overall umbrella group established by all NHS partners and the Council locally to take forward our integrated health and care agenda. An agreement to define these principles is currently being drafted and once agreed in final form will be the basis of the financial structure across all four IMC's.
- 3.16. Basildon and Thurrock University Hospital (BTUH) have stated that they would like to become the head leaseholder for his facility. Now that the cost plan has been produced and a proposed head leaseholder has been identified the Council and BTUH can assess affordability and start to develop Heads of Terms on an Agreement to Lease. An Agreement to Lease will be required before the main building contract is awarded to minimise the financial risk to the Council.
- 3.17. As highlighted in the previous report to Cabinet and supported by the CABE design review there is a clear regeneration benefit to bringing increased footfall to the centre of Tilbury, revitalising the Civic Square and acting as a benchmark for design quality. To this end the brief to the design team has been to ensure the building works in terms of the functionality of the centre but also makes a positive contribution to the urban fabric of the area. This high quality design ambition will come at a cost premium which is over and above what service providers need to operate a functional centre. The current cost plan includes for this premium but it is noted that pursuing this strategy of quality design could make the IMC unaffordable to providers taking

on the head or sub leases if the requirement is for the rental stream to pay off the full capital cost. The Council will be asked to consider making a financial investment into the scheme (rather than looking to value engineer the building or extend the loan term) to ensure that the regeneration objectives are delivered as well as the health objectives. The level of this potential investment will be determined via the detailed discussions with BTUH in their role as proposed head leaseholder and will be confirmed before the main building contract is awarded.

Stanford and Corringham IMC

- 3.18. The delivery of the Stanford and Corringham IMC, on the site of 105 The Sorrells, Stanford Le Hope, is being led and funded by NELFT. Planning consent for the IMC was secured in 2016 and amended in 2018 to extend the proposed opening hours.
- 3.19. A decision on the Business Case for the development is expected to be taken by the NELFT Board in autumn 2018. With an estimated build period of 15 months, it is anticipated that the IMC could be operational from late 2020.

Purfleet and South Ockendon IMC

- 3.20. It is intended that the Purfleet and South Ockendon IMC will be delivered as part of the wider Purfleet Centre regeneration scheme. An outline planning application which includes medical facilities was submitted in December 2017 and is expected to go to planning committee later this year. The Purfleet IMC is part of the wider Phase 1 development proposal submitted by PCRL and reflects how key this is to the whole project.
- 3.21. Purfleet Centre Regeneration Ltd (PCRL), the appointed developer for the scheme is committed to assisting with the delivery of the IMC as part of the development. The schedule of accommodation is being finalised with partners and detailed design work will then commence (commissioned by PCRL). The funding strategy for this IMC is still to be finalised. Delivery of this IMC is expected to be in 2021.

Grays IMC

- 3.22. Thurrock Community Hospital has been designated as the new IMC for Grays and is the only IMC which will be predominantly a refurbishment of an existing healthcare facility rather than a new-build development. The site is owned by EPUT which leases part of the site to NELFT and third sector providers. The site has 19 separate buildings with over half of the buildings vacant or underutilised which means the estate is inefficient in use and offers an opportunity to reconfigure and redesign to improve delivery.
- 3.23. The Council is committed to support EPUT with some Master Planning for the site, and has recently agreed a specification with EPUT and partners for this Master Planning exercise. Quotes are being obtained from suitable agencies

to undertake this work. As the only site already built, Thurrock Community Hospital offers the opportunity to renovate and redesign facilities to accommodate services, with the potential to bring services on line in a shorter time frame.

- 3.24. The CCG is also in consultation with relevant primary care providers to try and ensure that there is a significant primary care service on site because until recently it was going to be the only IMC without GP services at its core. These discussions are ongoing but health colleagues are confident of a positive outcome.

Integrated Medical Centres (Phase 2)

- 3.25. The Council is currently procuring the Design Team for the 21st Century Residential Facility on the White Acre/Dilkes Wood site on Daiglen Drive in South Ockendon. This is not an IMC but is a related project which will improve the health provision in Thurrock.
- 3.26. As reported to Cabinet in December 2017, the South Ockendon Health Centre on an adjacent site on Darenth Lane is currently occupied by a single handed GP Practice, a branch surgery of an Aveley Practice, and a range of other clinical services including Health Visitors and dentists. Health partners have confirmed the building is no longer fit for purpose, and they see potential benefits in redeveloping the site to create a new health centre which could bring together other surgeries from the local area, and to equip it with a fuller range of primary care facilities. A further report, with detailed funding and development proposals for the construction of the new Residential Facility, together with the initial proposals for a new health centre, will be brought to Cabinet for approval in December 2018.
- 3.27. Officers and the Chair of the HWB Board have been in discussions with officers from BTUH and the CCG to agree the next stages of this programme and ensure that we see this as a long term development leading to stronger primary and community services and more services moving out of an acute hospital setting where appropriate. Collins House will continue to be part of this – we already have step down beds and interim beds at Collins House to support hospital discharge and we see Collins House and the new residential development at Whiteacres as being key alternatives to un-necessary stays in acute hospital beds.
- 3.28. As stated above we are reviewing current mental health services with our main provider EPUT and CCG commissioners. We are very keen that mental health services are also part of the IMC programme and this will be assessed as part of the ongoing discussions about the exact content and core delivery from each IMC.

4. Reasons for Recommendations

- 4.1. Delivery of the IMC programme is essential to securing high quality health outcomes for Thurrock residents. The Council has agreed to take the lead on the delivery of the Tilbury and Chadwell IMC and has already committed funding to the initial design phase. Further approvals are now required to allow this project to progress to the next stage.
- 4.2. The tender for the capital works will be in excess of the £750,000 threshold that can be approved by Directors and therefore requires a Cabinet decision. This tender is expected to be issued later this year.
- 4.3. Approval to delegate the award of the construction contract is requested to ensure that the delivery programme of the IMC is maintained and new premises delivered as soon as possible.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1. This report will be presented to Planning Transport and Regeneration Overview and Scrutiny Committee on the 11 September and Health Overview and Scrutiny on the 6 September and a verbal update on comments will be provided to Cabinet at the meeting.
- 5.2. The Tilbury IMC has undergone a pre-application consultation with the Local Planning Authority and a CABE design workshop.
- 5.3. Further consultation on the specifics of the IMCs will be undertaken as part of the planning process. For Tilbury and Chadwell IMC this is programmed for autumn 2018.
- 5.4. It is understood that Health Watch will be organising a People's Panel to gain public input into the development of all four IMCs.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1. The IMC programme supports all three subsections of the 'People' element of the Council's corporate vision and priorities.
- 6.2. The programme also supports the four principles stated in the Thurrock Health and Wellbeing Strategy 2016-2021 and has a specific reference under 'Goal 4 Quality care, centred around the person' of the same strategy.
- 6.3. The Council is committed to an MoU with partners to secure the delivery of four IMCs in Thurrock. The approvals recommended in this report will assist the Council in meeting its obligations under this MoU.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Director of Finance and IT

There are clear financial implications to the content of this report with the intention to use prudential borrowing to fund the capital cost of the Tilbury and Chadwell IMC. Income from leases and rentals should cover the council's cost of capital making the scheme cost neutral. The risk sharing approach to the operation of the centre reduces the risk to the Council and the necessary due diligence would be undertaken on the financial standing of the proposed head leaseholder prior to entering into the lease. Should the leaseholder default on the loan repayments the Council would retain the freehold of the asset which could be used for another purpose.

It is noted that an element of financial support may be required to ensure that a high quality building is developed. Should this be required provision will need to be made in the Capital Programme.

7.2 Legal

Implications verified by: **Benita Edwards**
Interim Deputy Head of Law

It is proposed that the contractor be procured using the NHS Procure 22 framework. That procedure shall ensure that the tender process is carried out in a fair and transparent way and that it complies with the Public Contract Regulations 2015 as well as the Council's Contract Procedures Rules. Accordingly, in approving this report, the Council shall be acting lawfully.

The report notes that an Agreement to Lease and Head Lease will be required to deliver the Tilbury and Chadwell IMC. A report or reports seeking approval for entry into an Agreement for Lease and authority to grant one or more leases shall be tabled in due course. The Council's internal Legal and Assets teams will provide support on ensuring that the required agreements adequately protect the Council's position.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Communities and Engagement Manager

The IMC programme is crucial in addressing the health inequalities currently experienced in some areas of the Borough. All buildings developed as part of

the programme will need to comply with equalities legislation and pay attention to the particular needs of the visitors to the centre a high proportion of whom are likely to be vulnerable.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

The development of the Tilbury IMC will allow staff from several Council departments to work in the community that they serve improving public access to vital services.

There is a clear health benefit to pursuing this programme of work.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Cabinet Report: 12 July 2017, Integrated Medical Centre Delivery Plan - Phase 1.
<https://democracy.thurrock.gov.uk/documents/s12467/Integrated%20Medical%20Centre%20Delivery%20Plan%20Phase%201%20Decision%201104436.pdf>

9. Appendices to the report

- Tilbury IMC site plan

Report Author:

Rebecca Ellsmore

Programmes and Projects Manager

Place