

## 1. EXECUTIVE SUMMARY

This Full Business Case (FBC) sets out progress with the development of an Academy in Gloucestershire. This will support the achievement of the vision for education, training and lifelong learning shared by the Gloucestershire health community and the Avon Gloucestershire and Wiltshire WDC. This FBC seeks approval for investment.

It covers:

- The strategic context in Gloucestershire.
- Progress to date and further proposals to support the achievement of this vision.
- The rationale for phasing the investment programme and for the first phase of investment in substantive physical facilities being the development of physical facilities in Cheltenham.
- The investment proposal, associated capital and revenue costs and sources of funds.

In accepting the Gloucestershire Clinical Academy OBC in September the WDC board required resolution in the FBC of the following issues:

| Issue   | Resolution  | Page           |
|---|---|----------------|
| A clear profile of revenue expenditure against income over time.  | Section 12 of the FBC details anticipated revenue expenditure against income. Initial revenue is naturally high as there are no economies of scale in staff appointments and underutilisation of physical resources in Cheltenham. These are detailed in Appendix G   | 25<br>57       |
| A detailed risk assessment and management plan in relation to the provision of education facilities on the Gloucester site(s), which are needed to support the additional medical students, but not included in the current proposal. | Section 10 details the proposed short term development strategy for the Gloucestershire Royal site, and a temporary provision for the September 2004 intake of students.<br><br>This approach is fundamentally different from the OBC submission, in that additional temporary physical facilities are to be made available, rather than displacing existing staff training from Redwood House to the new Academy building in Cheltenham. Appendix D & E detail the schedule of accommodation and plans respectively. | 18<br>40<br>43 |
| If UWE is to be involved, details of the proposed partnership arrangements.   | UWE is not currently in a position to commit capital to a Clinical Academy development on the Gloucestershire Royal site. There will be no partnership arrangement in the short term for the transfer of Nursing Training from Hartpury to Gloucestershire Royal.   |                |
| The implications for the Academy, if one of the partner organisations achieves Foundation status.   | Gloucestershire Hospitals NHS Trust is currently in the consultation stage of its application to become a Foundation Trust. The Trust has undertaken to identify the Clinical Academy as a protected asset if it becomes a Foundation Trust. This is detailed in Section 9.<br><br>As and when other Trusts in Gloucestershire seek Foundation Trust status, similar conditions will be sought in their constitution.   | 17             |

There is a strong commitment to education, training, research and lifelong learning in Gloucestershire amongst health, social care and academic partners. These partners have come together through the vehicle of a Steering Committee to jointly co-create the infrastructure (organisational, staffing and physical) to support the provision of education, training and lifelong learning of all staff in the Gloucestershire health community, building on existing activities and partnership working. The broad concept is of a multi-professional educational entity embracing a local college of teachers, forming constituent parts of the University of Bristol Medical School and working in partnership with the NHSU and Higher Education Institutions (HEI) to deliver high quality, inclusive education and promote lifelong learning to support the delivery of high quality patient care. The Gloucestershire health community is clear in its view that the academy is a concept for the delivery and support of multi-disciplinary training and is not just a building. Accordingly, the health community is making good progress with working in partnership to deliver the aims of the Academy despite severely limited financial resources.

The values the health community will promote in pursuing this development are:

- Accessibility
- Inclusion
- Shared learning
- Partnership and team based learning
- Lifelong learning
- Inter-professional learning
- Responsiveness

The Academy purpose is: -

- Delivery of undergraduate teaching programmes.
- Delivery of basic skills and vocational training.
- Provision of lifelong learning for all staff.
- Development of the learning infrastructure and the learning environment including research opportunities.
- Promotion of strategic alliances between stakeholders and the encouragement of collaborative working.
- Creation of a wide, supportive social environment for all using the Academy.

The Academy will promote the sharing of learning resources within Gloucestershire, thereby ensuring access to learning opportunities for all partners, avoiding duplication and securing economies of scale. The Academy will promote a shared learning experience and multi-disciplinary training and development opportunities. It will provide the support to develop and equip staff with the skills they need to support improvements in patient care and take advantage of wider career opportunities to realise their potential. It is expected that the Academy will enhance local clinical research and development activity and recruitment and retention. The Academy will build on existing education and training delivery in county.

Current provision of training and education facilities within the NHS in Gloucestershire, are limited. Existing facilities offer no scope to meet the planned expansion in education and training activities, nor are they capable of meeting the wider objectives of the Academy concept. They are currently used to capacity, indeed there is evidence to indicate that demand currently exceeds capacity by a significant margin. These facilities will however form part of the overall infrastructure to support education and training in Gloucestershire.

In taking these proposals forward the health organisations in Gloucestershire are clear that the development of physical infrastructure must be phased given resource constraints and that the priority must be the facilities required to support the medical academy from 2004 as the students begin their placement in Gloucestershire. Revenue and capital funding has been earmarked by the WDC and the Hospitals Trust to facilitate this first phase of development. The Hospitals Trust has already invested £840,000 of its available capital to meet the costs of site purchase for the facility in Cheltenham.

The local health community remains committed to progressing the wider aspects of the development of the Academy and a project plan is in place to facilitate this under the direction of the Steering Committee.

An analysis of the options for the provision of the physical facilities within the fixed envelop of the currently available funds whilst maintaining the flexibility to meet the full vision for the Academy, has demonstrated that the preferred option is:

- The re-development of the former Fire Service offices and workshops adjacent to Cheltenham General Hospital (CGH).
- Minimal investment in the vacated ward 23, on the GRH site to provide training rooms and administrative base, plus a skills lab and additional tutorial rooms in the Tower Block, prior to a substantive development planned for GRH in 2005/06 to meet the needs of the September 2005 student intake.
- To seek an external partner to provide and operate the required residential accommodation.

The total capital cost of these proposals is £4,731,500 to be funded by £2,187,000 from the WDC and £2,544,500 from Gloucestershire Hospitals NHS Trust (of which £840,000 has already been deployed in site acquisition costs).

The Hospitals Trust has committed £1.5m in its forward capital programme to expand the facilities at GRH to meet the needs of student numbers in 2005/06. This investment is not dependent on the Hospitals Trust becoming a Foundation Trust. Furthermore, the financial freedoms afforded Foundation Trusts may offer scope to assist other partners in the Gloucestershire Academy with funding the necessary investment.

The £2,285,100 pay and non pay revenue cost associated with the development of a Gloucestershire Clinical Academy to meet the needs of the medical students can be met within the available funds.

The Scheme programme is as follows:

- Design team appointed October 2003.
- Tender construction works for Cheltenham December 2003.
- Gloucestershire Trusts FBC approval January 2003.
- WDC FBC approval January 2003.
- Start on site Cheltenham February 2004.
- Completion Cheltenham August 2004.

There is a fixed timeframe of September 2004 for the achievement of the development to support the first intake of 40 medical students. The Capital Project Group accept the proposed timescale for Cheltenham is tight and are negotiating 4 week contingency with a local educational provider, in case of construction delays. The development of the Clinical Skills Lab at Gloucester has already started, and the training rooms in the Tower Block and vacated Ward 23 are scheduled to commence on completion of the Site Redevelopment. Although delay is anticipated to this programme, completion will still be well in advance of the date required for CA needs.

## **Recommendation**

The Gloucestershire health community has worked hard to identify a pragmatic way forward given the limited capital funds, timescales for the arrival of the medical students and the constraints associated with the site development options at both GRH and CGH. This has led the health community to the firm view that the proposals set out in this FBC represent the **only**

option available to meet the needs of the medical students by 2004 and maintain the flexibility to meet the wider vision for the academy in the future.

It is recommended that the FBC is approved, allowing the scheme construction contract to be awarded and start on site in February 2004.

## 11. CAPITAL COSTS

The costs of the preferred option have been estimated as follows:

|   | <b>CAPITAL COST</b>   |
|---|-----------------------|
| Land acquisition (Cheltenham)                   | £840,000              |
| Construction costs - Cheltenham<br>- Gloucester | £1,730,003<br>£45,000 |
| VAT @17.5%                                      | £310,626              |
| Fees (incl. Planning) @10%                      | £177,500              |
| Equipment                                       | £123,404              |
| VAT on equipment                                | £21,596               |
| <b>Total</b>                                    | <b>£3,248,129</b>     |

The WDC has indicated that it has access to £8.3m SIFT capital for investment in the development of clinical academies. Discussions at the finance sub-group of the WDC Clinical Academies Project Board have indicated that the share of this capital resource available to the Gloucestershire health community to support medical education will be £2.187m. Gloucestershire Hospitals NHS Trust has already incurred the land acquisition costs of £840,000 and has committed the shortfall of £204,500 from its forward capital programme. Thus the total capital contribution from the Trust to which it is committed through this FBC is £1,044,500 of which £840,000 has already been expended. Further investment of £1.5m capital is planned for the further development on the GRH site and is accounted for in the revenue assumptions (see section 13).

Capital expenditure for the developments due to take place in 2004 is detailed in Forms FB1, FB2, FB3 and FB4 (see Appendix F).

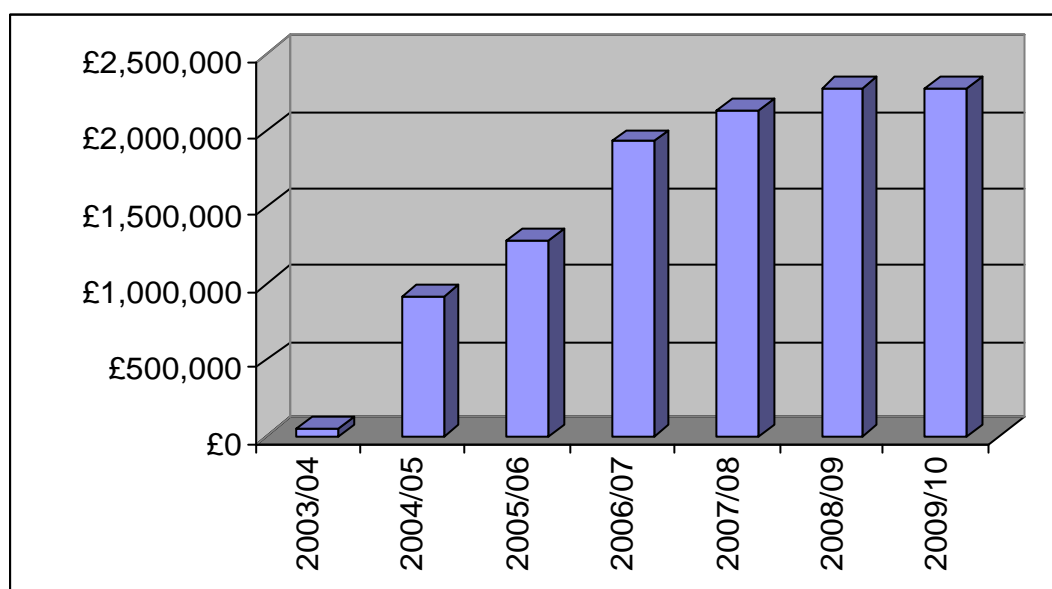
Fee expenditure to January 2004, to take the scheme to Tender stage is estimated as £113,000.

## 12. REVENUE COSTS

The revenue costs for the medical element of the clinical academy have been assessed in some detail as a result of the bid in conjunction with the Bristol University Medical School to the Joint Implementation Group in December 2000 for the expansion of medical student numbers. Although the original bids to the Joint Implementation Group (JIG) for East Gloucestershire NHS Trust and Gloucestershire Royal NHS Trust (Gloucestershire Hospitals NHS Trust from 1<sup>st</sup> April 2002) were done independently, the approaches adopted were consistent and consequently can be combined easily without compromising the content.

A detailed breakdown of the projected revenue costs is attached as Appendix G. The revenue costs include pay costs for all medical staff, nursing staff, clinical support staff, clerical staff and librarians. The non-pay costs include accommodation and travel, clinical support, IT and teaching aids, academy running costs and general overheads. The non-medical staffing elements included within the original bids to the JIG were those associated with the teaching of medical students.

### Projected Annual Revenue Costs



The projected revenue costs shown have been constrained within the anticipated income associated with the expansion of the medical students and demonstrate that the costs associated with the developments outlined in this FBC, and the further investment of £1.5m at GRH to meet the needs of the medical students can be met within the available funds.

Work is yet to be undertaken to develop a better understanding of the financial implications of delivering the wider functions of the clinical academy and the provision for nursing and AHP training in due course. Further developments beyond those outlined in this FBC unless supported by appropriate funding, would be untenable i.e. increased capital scheme content and related capital charges will require appropriate funding as would further revenue costs associated with the expansion of teaching and training activity.