

REPORT TO: Health Policy & Performance Board

DATE: 8 March 2011

REPORTING OFFICER: Strategic Director, Adults & Community

SUBJECT: The Cheshire and Merseyside Treatment Centre

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

To inform Health Policy & Performance Board (PPB) on future options for the Cheshire and Merseyside Treatment Centre (CMTC).

2.0 RECOMMENDATION: That the Board

- (1) note the contents of the report and the work that is ongoing in regard to the options appraisal for the Cheshire and Merseyside Treatment Centre building.**

3.0 SUPPORTING INFORMATION

3.1 Background

- 3.2 Since June 2006 InterHealth Care Services (UK) Ltd (part of the InterHealth Canada group) has been providing orthopaedic surgery from The Cheshire and Merseyside Treatment Centre on the Halton Hospital site in Runcorn. These services have been delivered as part of a five year fixed term contract, known as the GC5W contract. These services have been used by all eight Primary Care Trusts (PCTs) in Cheshire and Merseyside.
- 3.3 This contract ends on 31 May 2011. For the last fifteen months, under the guidance and supervision of NHS Western Cheshire and the Department of Health, NHS Halton and St Helens and other Cheshire and Merseyside PCTs have been preparing for the closure of this contract, seeking to minimise service disruptions and ensure patient continuity of care.
- 3.4 The CMTC as currently configured has 44 inpatients beds, 12 day case beds, 4 theatres, outpatient facilities, therapy facilities and a diagnostics suite that include CT, MRI and ultrasound. This equipment will be retained as part of the transfer of the asset to NHS Halton and St Helens. The premises must be retained as a health care facility. The land on which the asset is located is the property of Warrington and Halton NHS Foundation Trust and the building has 55 years remaining on a 60 year lease.

3.5 InterHealth Care Services (UK) Ltd is fully engaged in the process to close this contract. They are aware that they need to slow down and eventually cease service provision by 31 May 2011. They are also aware that they need to vacate the building by this time.

4.0 **Service Provision**

4.1 Cheshire and Merseyside PCTs have been legally obliged to undertake an Any Willing Provider (AWP) accreditation process to secure future provision for the activity that has been delivered as part of this contract. Simply this has involved all PCTs stipulating their requirements in terms of projected activity levels, pricing and quality standards and inviting providers in the NHS and independent sector to demonstrate that they are able to meet these standards. This will ensure service continuity.

5.0 **The Building**

5.1 On 1 June 2011 the ownership of the building and the physical assets therein will transfer to NHS Halton and St Helens from the Secretary of State for Health. NHS Halton and St Helens have three options in regard to the CMTC:

- *Divest* – sell the building on the open market;
- *Lease* – seek through a procurement process an organisation that is willing to take on a lease for the building; and
- *Utilise* – use the asset for local health care provision, if costs including capital charges, depreciation and running costs can be recouped.

5.2 Working with Runcorn Practice Based Commissioning Consortium, NHS Halton and St Helens will be engaging an independent commissioning support organisation that, within no more than 28 working days, will be able to review the viability of these three options. A business case to support an options appraisal for the NHS Halton and St Helens Board will be delivered from this work. We intend to engage with Halton Borough Council as part of this process. A decision from the NHS Halton and St Helens Board is expected in April 2011.

6.0 **POLICY IMPLICATIONS**

6.1 The utilisation option, if viable, provides significant opportunities for partnership working with Halton Borough Council and Runcorn Consortium. Supports development of GP led commissioning.

7.0 **FINANCIAL/RESOURCE IMPLICATIONS**

- 7.1 There are financial implications for NHS Halton and St Helens in all the options proposed in this paper. A decision on options will be guided by use of resource considerations.

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 Children and Young People in Halton

None identified

8.2 Employment, Learning and Skills in Halton

None identified

8.3 A Healthy Halton

Potential to deliver services closer to Runcorn population.

8.4 A Safer Halton

None identified

8.5 Halton's Urban Renewal

None identified

9.0 RISK ANALYSIS

Financial – to be addressed in business case.

Political – MPs will be briefed, Halton Borough Council are engaged. Department of Health and SHA also part of work.

Clinical – if utilisation is pursued only accredited and suitable providers will be engaged.

Patients and public – potential for a building remaining vacant for a considerable period of time.

10.0 EQUALITY AND DIVERSITY ISSUES

- 10.1 A full Equality Impact Assessment will be produced and updated as part of the work.

11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Contact Officer

Simon Banks – Operational Director, Planned Care, NHS Halton and St Helens