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Strategic Planning and Environment Overview and Scrutiny Committee

Report for:	Strategic Planning and Environment Overview and Scrutiny Committee
Title of report:	Hemel Health Campus
Date:	15th July 2024
Report on behalf of:	Councillor Sheron Wilkie, Portfolio Holder for Place
Part:	I
If Part II, reason:	
Appendices:	Appendix 1 – Internal Project Board Governance Appendix 2 – Draft Project Initiation Document
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	HWE ICB – Hertfordshire and West Essex Integrated Care Board WHTH - West Hertfordshire Teaching Hospitals NHS Trust

Report Author / Responsible Officer

Diane Southam – Assistant Director Place Community and Enterprise



Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All wards
Purpose of the report:	1. To provide an update on the Hemel Health Campus project
Recommendation (s) to the decision maker (s):	1. That Members note the report and provide any comments to Cabinet

Period for post policy/project review:	N/A
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1. Background

- 1.1. The Council, (DBC), Hertfordshire and West Essex Integrated Care Board, (HWE ICB) and West Hertfordshire Teaching Hospitals NHS Trust, (WHTH) have collectively, as the main partners, identified Market Square in Hemel Hempstead Town Centre as the potential location for a new Health Campus.
- 1.2. To support the development of plans the partners jointly funded an initial high level feasibility study, prepared by Turner and Townsend during 2023 who were appointed through the DBC commissioning process.
- 1.3. WHTH then commissioned architecture firm BDP to provide design support to the project and to provide illustrative designs based on indicative space requirements.
- 1.4. This work demonstrated that Market Square was of adequate size and a good location to pursue as a town centre option.
- 1.5. The three partners have confirmed ongoing support for building on the Turner and Townsend report and the Leader announced this at Full Council on 15th November 2023 with a subsequent joint press release.

2. Current Position

- 2.1. In order to develop a Strategic Outline Business Case for all partners to take through their respective governance approvals, a more detailed feasibility study will need to be undertaken, building on the Turner and Townsend commission.
- 2.2. To enable this, a PID has been developed jointly by the partners and is attached at Appendix 2 to this report.
- 2.3. The Council's governance process will be through the established Project Management Office (PMO) process and an internal Project Board will be established. The proposed Project Board is attached at Appendix 1 to this report and will report to the Capital Programme Board.
- 2.4. A detailed project plan will be developed by the partners, and this will include appropriate gateways for approvals to move through the process. This will help mitigate potential abortive costs.

3. Health Facilities in the High Street

- 3.1. There are a number of reports and studies identifying the benefits of health facilities being located in high streets and town centre that support the recommended approach to the Health Campus project including:

3.1.1. Local Government Association ' Shopping for Health'

3.1.1.1. *Building health into the high street has multiple benefits. It can play an important role in addressing health inequalities, offer much-needed additional capacity for health service delivery and attract more people into their local high street, while encouraging healthier lifestyles. Not only would more people visit and use high streets, the types, ethos and diversity would change. Those who may not use high streets regularly to shop would, for example, use them to attend health services, making more vibrant community spaces.*

3.1.1.2. *As high streets tend to be at the centre of public transport networks, this can make a wide range of health services more accessible to people and, importantly, increase their engagement and effectiveness.*

3.1.2. NHS Confederation ' Health on the High Street'

3.1.2.1. *"We have a generational opportunity not only to rethink what NHS services could more effectively be delivered on the high street, but to sustainably embed them at the heart of a diverse new community offer."* - Michael Wood, Head of Health Economic Partnerships, NHS Confederation

3.1.2.2. *"Health and wellbeing are central to community life and a new vision of a civic, more community-centred high street must have health services at its heart and promote healthy living."* - Ailbhe McNabola, Head of Research and Policy, Power to Change

3.1.3. The Grimsey Review 2

3.1.3.1. *There is a need for all towns to develop plans that are business-like and focused on transforming the place into a complete community hub incorporating **health**, housing, arts, education, entertainment, leisure, business/office space, as well as some shops, while developing a unique selling proposition (USP).*

4. Project Benefits – Section 4 of PID

- 4.1. The strategic drivers and benefits are set out in Section 4 of the PID and summarised below
These include the wider economic, place making and benefits of having the Health Campus in the town centre to highlight why the council should be supporting the project with its resources including funding.
- 4.2. Healthcare provision in more modern, fit for purpose infrastructure
- 4.3. Consistency with the HWE Integrated Care Strategy, WHTH's Clinical Brief and wider Redevelopment Programme as well as strategies for individual provider Trusts.
- 4.4. Improvements to health and wellbeing of Dacorum residents through easily accessible co-located health services
- 4.5. Improved healthcare infrastructure that will increase footfall, to act as a catalyst for further regeneration of Town Centre environment
- 4.6. Increased footfall into the town centre will support local businesses and economic recovery
- 4.7. Potential for wider strategic benefits for the Borough, through inclusion of residential and commercial units that could support housing need and financial sustainability. This will provide much needed homes in the town centre and support the case for improvements to the night time economy.
- 4.8. Bringing underused public held land back into use, bettering the healthcare infrastructure than that which exists at the current hospital site, and improvements to connectivity and the public realm at a key and strategic town centre site
- 4.9. Disposal of land for (probable) housing development in Hemel Hempstead

5. Strategic Outline Business Case – Sections 3 of PID

- 5.1. The next stage of feasibility will inform the Strategic Outline Business Case, which is the first stage in the development of a Full Business Case. The outputs and outcomes of this next stage are shown in Section 3 of the PID and summarised below:
- 5.2. Outputs
 - 5.2.1. Establishment of strategic and delivery boards
 - 5.2.2. Completed Options Appraisal – to include
 - 5.2.2.1. List of services to be accommodated within each identified option
 - 5.2.2.2. Cost Review
 - 5.2.2.3. Funding and Cashflow Strategy

- 5.2.2.4. Delivery Model Options
- 5.2.3. High level spatial planning exercise
- 5.2.4. Land reviews and valuations
- 5.2.5. Land Assembly Strategy as required and appropriate
- 5.2.6. Establishment of Project Plan, Risk Log, Communications Plan, Quality Plan and Project Controls, for inclusion within the Strategic Outline Case
- 5.2.7. Completed Strategic Outline Case

5.3. Outcomes

- 5.3.1. Approval of Strategic Outline Case by all partners
- 5.3.2. Agreement of preferred way forward for scope of scheme and funding/delivery
- 5.3.3. Confirmation of capital and revenue funding arrangements for preferred way forward
- 5.3.4. Confirmation of anticipated delivery model and roles and responsibilities of key partners for further business case development and project delivery
- 5.3.5. Agreement to proceed to next stage of Project (Outline Business Case development)

6. Whole Project – Section 3 of PID

6.1. While the PID is primarily centred on the delivery of the next stage of feasibility, it does reflect on the high levels outputs and outcomes from the delivery of the whole project. These are shown in Section 3 of the PID and summarised below.

6.2. Outputs

- 6.2.1. Secured funding for full project delivery
- 6.2.2. Purchase of any privately-owned property required to deliver the project
- 6.2.3. Disposal of surplus assets with sale receipts reinvested locally
- 6.2.4. Successful relocation of services from existing facilities

6.3. Outcomes

- 6.3.1. Construction of new fit-for-purpose healthcare facility
- 6.3.2. Business/retail floorspace created
- 6.3.3. Creation of new place within Hemel Town Centre, including improvement to the public realm and overall appearance of the town centre

7. Project Scope

7.1. The project scope for the next stage of works is set out in Section 5 of the PID. This identifies the work to be undertaken building on the Turner and Townsend commission to inform and support the development of the business case. The scope is summarised below:

7.2. The key purpose of the Strategic Outline Case is to:

- 7.2.1. establish the strategic context for the spending proposal
- 7.2.2. evidence the case for change
- 7.2.3. establish the preferred way forward based on a range of options

7.3. The detail of the Strategic Outline Case will include:

- 7.3.1. Collation and detailed review of the current and future projected activity numbers for all services and patient groups
- 7.3.2. Land valuation exercises for both current hospital site and Market Square
- 7.3.3. Consideration of finance options
- 7.3.4. Long and short list of options, identifying the preferred way forward in Hemel Hempstead.
- 7.3.5. Consideration of implementation options.

8. Governance – Section 8 of PID

- 8.1. The joint project governance is set out in Section 8 of the PID. In addition to this, it is recognised that all partners will have their own governance approval processes and these are set out in Appendix 3 to the PID.
- 8.2. Council governance will be through established PMO process and an internal Project Board will be established and is set out in Appendix 1.
- 8.3. A joint governance structure will be established and full details are set out in the PID. These consist of the following:
 - 8.3.1. Executive Sponsor Group – will meet at each gateway approval AND at least 6 monthly.
 - 8.3.2. Executive Joint Board – will meet at least quarterly
 - 8.3.3. Joint Strategic Board – will meet monthly
 - 8.3.4. Joint Project Board – will meet fortnightly
 - 8.3.5. Joint Project Delivery Team – will meet weekly
- 8.4. It should be noted that meetings will only be held if appropriate and necessary to ensure the project is progressing
- 8.5. ICB and WHTH will be project leads for procurement and recruitment but all partners will contribute to the preparation of procurement briefs and job description.

9. Risks – Section 7 of PID

- 9.1. High level risks are set out in Appendix 4 to the PID.
- 9.2. A detailed risk register will be developed as the project is progressed.
- 9.3. A key risk to be identified through our governance approvals is that the expenditure could be abortive if the project doesn't progress to delivery.
- 9.4. To mitigate this, the detailed project plan will include gateway approvals to enable the partners to agree to the next stage of work throughout this next stage. This will need to be reflected in the procurement briefs and consultant appointments.
- 9.5. Another key risk is the resource capacity of partners to take the project forward. To mitigate this, the costs include the appointment of a Project Manager dedicated to delivering this next stage of works.

10. Financial Implications – Section 6 of PID

- 10.1. It has been agreed that the three main partners will jointly fund the next stage of works and this is what is being recommended through partner's governance approval processes.
- 10.2. The estimated costs for the next stage of works is £500,000. This has been provided by health partners based on other projects. However it needs to be recognised that the detailed briefs and scope of works for the commissioning process have to be developed and are subject to the outcomes of the procurement exercise.
- 10.3. This is an estimated figure, to cover externally sourced expertise such as (but not limited to):
 - 10.3.1. Project Manager
 - 10.3.2. Design Team
 - 10.3.3. Town planning consultants
 - 10.3.4. Valuation advisers
 - 10.3.5. Constructions cost consultants

10.3.6. Health planners

10.3.7. Business case and financial expertise

10.3.8. Communications and engagement

10.4. The Council's share of this estimate is £167,000.

10.5. It is recommended that a contingency element is added to this to mitigate the need to seek further funding approvals if required and so it is recommended that approval is sought for £200,000.

10.6. It is recommended this is funded from Dacorum Development Reserve.

10.7. Once the Strategic Business Case is complete, continuing to the next stages will require further funding and the Strategic Outline Business Case will set out proposals for this as part of the funding and delivery options

11. Next Steps

11.1. The next steps will be

11.1.1. Health and Wellbeing Committee - 18th July 2024

11.1.2. Cabinet – 23rd July 2024

11.2. To note, health partners' governance timetable means the Cabinet report may be able to reflect their approvals to the PID and funding or a verbal update will be given.

11.3. The Joint Project Board, supported by the Joint Strategic Board will progress the procurement briefs and job description for the Project Manager while approval processes are in train to avoid wasted time

12. Options

12.1. **Agree to the approach and recommendations as set out in the reports** – this will enable the project to progress, for the Council to be an equal partner in shaping the outcomes of the work. This will ensure full consideration is given to the broader benefits of the scheme to support the delivery of the Council's Place agenda and objectives. This option is **recommended**.

12.2. **Not agreeing to the approach and recommendations set out in the report** – This could result in the Health Campus not progressing in the town centre or, if it does proceed, would limit the scope to influence the outcomes. Given that the Council is also the owner of the Market Square, its extensive involvement in the project is considered essential. As such this option is **not recommended**.