

Sandwell and West Birmingham Hospitals NHS Trust
Midland Metropolitan Hospital Project
Outline Business Case

Appendix 12a CCG Support Letters

8th January 2014

Toby Lewis
Chief Executive
Sandwell & West Birmingham Hospitals
Birmingham City Hospital
Dudley Road
Birmingham
West Midlands
B18 7QH

Dear Toby,

RE: Midland Metropolitan Hospital

We are writing to confirm the CCG Governing Body's support for the Trust's configuration proposals, specifically the business case for the Midland Metropolitan Hospital and associated investments on other sites. These proposals are consistent with our strategy of shifting resource to prevention and primary and community services, reducing dependence on secondary care. This is supported by public consultation in 2006 - refreshed by re-engagement in 2011.

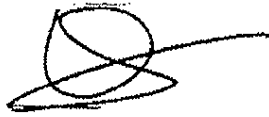
We recognise the activity trajectories, which reflect substantial demand side change. The trajectories and resultant financial values are reflected in our future financial forecasts, taking account of central funding notifications for CCG allocations in future years, and subject to the achievement of our QIPP challenge. This specifically includes our foreseeable Integrated Better Care Fund submission due this year. We recognise the Trust's growth forecast and confirm that our planning assumptions are consistent with this. The Trust's model seeks to repatriate some acute work for local people from other DGHs, as well as to diversify their out of hospital work, taking advantage of their integrated care capability and intermediate care capacity. There is no reason this would be solely for our CCG over the longer term.

From a sustainability point of view, we believe the scheme to be essential to that transformation with its rationalisation of acute care and increased provision in the community to improve quality and sustain safety. Of course, we cannot guarantee a level of income or activity to any provider.

The Trust has demonstrated scheme affordability with the inclusion of £100m public dividend capital. We note that the Trust's ten year LTFM illustrates a CsRR of 3. The commissioner recognises that maintaining this rating demands substantial expenditure cuts and substantial workforce redesign and reductions. It will also require the provider to improve its EBITDA surplus in order to continue to operate as a low risk foundation trust.

Through the Right Care, Right Here partnership we will work alongside the Trust to support them in the execution of the business case plan. In particular we will keep the bed reduction trajectory under review and join the Trust in a formal public review of supply sufficiency in 2017. For that sufficiency to be maintained in the decade after opening we agree that a major change in the health status of our population is required.

Yours Sincerely,

A handwritten signature consisting of a circle with a horizontal line passing through it, and a long horizontal stroke extending to the right.

Dr Nick Harding
Chair

A handwritten signature in cursive script that reads "Andy Williams".

Andy Williams
Accountable Officer

cc.

Giles Tinsley (NHS TRUST DEVELOPMENT AUTHORITY) giles.tinsley@nhs.net



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142 Hagley Road
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Tel: 0121 255 0554

10 January 2014

Toby Lewis
Chief Executive
Sandwell & West Birmingham Hospitals NHS Trust
City Hospital
Dudley Road
Birmingham B18 7QH

Dear Toby

I am writing to offer our continued support for the development of a single acute site in the Midland Metropolitan Hospital. The Trust recognises that the exact nature of that acute service will be kept under review over coming years as patterns of specialist care change. For example, there is currently a region-wide examination of stroke services. Undoubtedly the next five years will see further change in emergency medical care configuration across other parts of Birmingham which will have to take account of the recent Keogh report into urgent care. This may result in some specialist services becoming more aggregated. However, it is likely that a centre for urgent care will still be needed for the local population. We note that that site was purchased by public funds and is now to be developed.

The Trust's proposals see care transfer into the community, which we welcome. We look forward to working with the organisation to examine what further outpatient care can be delivered in primary care and community settings, and we note that the building proposal does not assume centralisation of clinics into a single location. There is a significant transfer of the bed base from acute to intermediate care. This is consistent with our expectations of the direction of travel, although clearly the provider landscape will be commissioned through a formal procurement route.

The Trust continues to engage actively in the development of integrated care for both adults and children. And we note the reliance of the business case on our success in delivering the performance indicators implied within the Better Care Fund.

Yours sincerely

Gavin Ralston
Chair



**Birmingham South Central
Clinical Commissioning Group**

Thursday 9th January 2014

Toby Lewis
Chief Executive
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Dear Toby

Re: Midland Metropolitan Hospital

I am writing to confirm the continued support of Birmingham South Central CCG Governing Body to the development of the Midland Metropolitan Hospital in Smethwick as part of the wider strategic plans of Sandwell & West Birmingham NHS Trust.

The CCG is strongly supportive of the intention to provide a greater range of services within community settings, and of the move to create acute services which offer specialist expertise on seven day a week basis. Ensuring services of the highest level of quality and safety for our patients is a key priority for the CCG, and the concentration of expertise on the new site, in premises more fit for purpose, will contribute to that ambition. We recognise the Trust's commitment to maintain local access to outpatient care which is another priority for the CCG.

Whilst we are not a major commissioner of services from Sandwell & West Birmingham NHS Trust, we do have a number of practices that have significant patient flows to you. We are not able, however, to offer any guarantees in respect of future patient flows or income levels for the Trust and our support is based on the assumption that the affordability of the new development has been clearly demonstrated within your detailed business plans.

On behalf of the CCG, I look forward to working with you in future to ensure that our residents have access to the highest quality of services in the years ahead.

Yours sincerely

Dr Andrew Coward

Chair
NHS Birmingham South Central

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