

## 1. BACKGROUND

The trust was founded in 2001, in part to retain the beds in Cranleigh Village Hospital, and since the closure of those beds in 2006 CVHT has focused on their replacement. From inception, the over-riding objective of the Trustees has been to provide Cranleigh and the surrounding area with improved healthcare facilities that restore free beds to the community.

The broader objective of the Trust can be summarised as being the relief of sickness and the protection and preservation of public health by the provision of appropriate facilities whether in the form of a hospital, a nursing home, a health centre or an outpatient clinic.

This document demonstrates how and why the Trustees have decided upon the proposed solution that will meet the Trust's objective, taking into account the needs of the Community as advised by the Health consultees, set in the context of complying with clinical governance requirements and affordability.

### 1.1 Some key CVHT events since 2000

The overall project life of the Trust can be split into four principal periods as follows:

**2000-06** - Dominated by major fund-raising activities organised by groups in Cranleigh and local communities. In 2004 Waverley BC granted Outline Planning Permission for a new Hospital and Health Centre at Knowle Lane, proposals that reflected the communities' hopes and expectations. In 2005 the Primary Care Trust (now NHS Surrey) announced their intentions to close all 14 beds in Cranleigh Village Hospital. This uncertainty continued through to late 2006, when the beds were closed, and led eventually to the local medical practice deciding to build a separate Health Centre.

**2007-10** - On-going changes, particularly in the NHS's structure, caused virtual stagnation following the closure of the Cranleigh Village Hospital. CVHT pursued a successful Judicial Review in the High Court of the PCT's decision to close the beds. Then through a Mediation process with the PCT it enabled them to pursue the construction of a new health facility at Knowle Lane. Subsequently Cranleigh Parish Council did a land-swap (with what is now the Bruce Mackenzie Field) for the Knowle Lane site and transferred the latter site to CVHT. This was formally completed in 2010.

Unsuccessful attempts were made to engage commercial operators, firstly Assura PLC and then Wilky Group, but neither resulted in creating the right balance of public benefit, clinical governance and financial sustainability.

**2011-14** - A valuable period resulting from CVHT's closer liaison with Royal Surrey County Hospital (RSCH) regarding their keen interest in providing significant diagnostic and palliative care facilities in Cranleigh. CVHT funded a Feasibility Study with respect to optimising the use of Cranleigh Village Hospital, and constructing a palliative care unit on its Knowle Lane site.

2015-17 (on-going) - Strong benefits have been gained from the formation of a Healthcare Consultation Group which aimed at creating greater cohesion in the respective attempts to meet healthcare needs in Cranleigh and surrounding areas. Major progress was made towards achieving the Trust's objectives by the signing in 2017 of a Heads of Terms agreement with leading care-provider, HC-One, as our selected partner to facilitate the provision of the Community Beds.

This partner-choice by CVHT was based both on recommendations from RSCH and on HC-One's excellent record as one of UK's largest independent carehome operators with a reputation for providing high quality care in both private and public sectors. The Heads of Terms, which sets out the principles that will enable the delivery of 20 Community Beds (alongside 60 open-market care-home beds), will be fully formalised in the Development Agreement and Lease for the Care Home.

A further significant benefit from the Healthcare Consultation dialogue was CVHT's decision to plan a 26-unit accommodation block for local healthcare workers and so greatly facilitate the appointment and retention of health-based staff, not only at Knowle Lane, but also in RSCH's planned improved diagnostic and outpatient unit on the CVH site.

## **1.2 Evolution of the Project**

### **Primary aspirations**

In 2004 Waverley BC gave Outline Planning Permission for a proposed new Hospital and Health Centre at Knowle Lane. These proposals captured the essence of the community hopes and expectations. However, a change of heart by health chiefs regarding the future of Milford Hospital had implications for the proposals and in 2005 the Primary Care Trust (now NHS Surrey) announced their intentions to close all 14 beds in Cranleigh Village Hospital. This uncertainty continued through to late 2006, when the beds were closed, and it led eventually to the local medical practice deciding to build a separate Health Centre.

### **Period of uncertainty**

The complexity of developing an effective healthcare strategy for Waverley's four hospitals (namely Cranleigh, Milford, Haslemere and Farnham) was further exacerbated by on-going NHS changes. This inevitably led to, at one point, Cranleigh being given the stark choice of either beds or better outpatient services, both options involving the redevelopment of the existing hospital and health centre sites. Eventually, CVHT pursued a successful High Court Mediation process in 2010 that enabled CVHT to pursue the proposals for a new health facility at Knowle Lane.

### **Notional stand-alone Community Bed unit**

In the evaluation of potential options for creating new healthcare facilities, CVHT addressed the potential for creating a 'stand-alone' community bed unit, i.e. one that effectively mirrored that within the now-closed Cranleigh Village Hospital bed unit. Using current-day costs, and recognising essential pragmatic factors regarding 'support infrastructure on a new site', This

highlighted the financial impracticality of a such a healthcare option, that is quite apart from clinical governance factors which the Healthcare Consultees told us would be impossible to support.

The estimated construction cost would be in the region of £6.5 - £8M, a figure that is well in excess of CVHT's current liquid assets. To bridge that very significant cost gap, CVHT would not be able to realise the high 'book value' of the Knowle Lane site (quoted in 2017 at about £2.6Million), as that value could only materialise through the sale of the site or by offering a partnership to a care-home operator that wished to provide beds for private use. Indeed it is only through having a site which through generosity of local benefactors and Cranleigh Parish Council providing the land that we can subsidise the current proposals and achieve the 20 Community Beds being proposed.

### **Current Proposals**

The current proposals (which are fully endorsed by NHS and SCC (see 2.1 'Joint Support Statement') represent not only the only practical option for meeting CVHT's objectives but it will also achieve an excellent result for patient care. The proposed partnership with HC-One will ensure that the significant, effective land value of the site can be fully utilised in achieving our objective. Not only will the 20-bed unit be debt-free, but CVHT will in addition receive some £1M from HC-One as a premium for the lease on the Care Home, which amount will be used to part fund the proposed healthcare worker accommodation unit.

Further benefits of the 20-bed wing are outlined in Display Panel 3.

## **2.0 Liaison with Local Healthcare Bodies**

CVHT's current plans have been greatly informed by the strong relationships developed over recent years with a range of local healthcare bodies whose representatives regularly attended meetings with CVHT, which we have dubbed our Healthcare Consultation Group.

These constructive discussions have enabled the development of a more robust and coherent strategy for restoring and enhancing our community health services. So, not only is CVHT now better able to provide the 20 Community Beds, but our Knowle Lane healthcare plans complement RSCH's strong desire to create a centre of excellence for diagnostics on the Cranleigh Village Hospital site.

## **2.1 Joint Support Statement from Guildford & Waverley Clinical Commissioning Group & Surrey County Council**

NHS Guildford & Waverley Clinical Commissioning Group (CCG) and Surrey County Council (SCC) have been working closely with Cranleigh Village Hospital Trust (CVHT) and the Royal Surrey County Hospital (RSCH) for the last three years, to identify and develop a cost effective option for meeting the needs of the local population for nursing home beds. This proposal will provide 20 community beds for the use of the CCG and SCC. These beds will increase health and social care capacity for the local community.

We are aware that although there are a high number of nursing home beds in some parts of Waverley, the eastern parts of the borough, particularly around the Cranleigh area, have very low numbers. Demand on health and social care is increasing as people live longer. We wish to have more community beds, to meet these continuing health needs, and provide affordable nursing home provision for SCC funded residents, whose requirements are best met in a nursing home environment on a long term basis.

The proposals from CVHT do not require any capital funding from the CCG or SCC. Funding of these community beds will be subject to the normal contractual procurement processes for both the NHS (CCG) and local authority (SCC), and this will continue during the planning application process.

The provision of these joint NHS and Social Care community beds will enable residents to remain within their local community. It is our intention to try and allocate these beds, where possible, to residents living in the relevant eastern villages, ensuring that residents will be close to friends and family, whilst reducing journeys for visits. The specific uses for the NHS beds will be determined over the next 18 months, as part of a wider planned review of community beds by Guildford & Waverley CCG.

Both the CCG and SCC will work with HC-One, to ensure that people receive the appropriate care they need. All provision will be subject to normal governance processes, in terms of assessment and allocation of beds.

We particularly welcome CVHT's proposals to provide key-worker staff accommodation. This will have significant benefits for the project, particularly in the staffing of both the nursing home, and proposed enhanced outpatient and diagnostic services in Cranleigh Village Hospital. This proposal will impact positively on the recruitment and retention of staff.

### **Support Statement from Royal Surrey County Hospital**

The Royal Surrey County Hospital has been working with Cranleigh Village Hospital Trust (CVHT), Guildford & Waverley Clinical Commissioning Group (CCG) and Surrey County Council (SCC) with regards to plans for developing NHS community beds in Cranleigh.

The RSCH Trust is supportive of the plans. We see this as an opportunity to be able to transfer patients out of hospital sooner, when they are ready for discharge into a community bed, hopefully closer to home. This in turn will also support the hospital's ability to manage its patient flow, especially at times of increased pressure across the system. We welcome the initiative to provide local patients with high quality care outside of an acute setting.

### **Support Statement from Cranleigh Village Hospital League of Friends**

The League of Friends supports the development of community healthcare services and new facilities both at Knowle Lane and the Village Hospital. I am personally delighted that NHS beds will be returning to Cranleigh. **Dianne Davies, Chairman, Cranleigh League of Friends**

### 3.0 Q&A's put to CVHT in the Planning Process

- **Why is the proposal not a “hospital”?**

The original aim of the community was, essentially, to replace the ‘lost hospital beds’ when the NHS closed Cranleigh Village Hospital’s beds (in 2006). It has been consistently stated by the Healthcare Stakeholders during our consultation process that a “stand-alone” provision of 14 beds (i.e. as had existed in Cranleigh Village Hospital) is not either financially or clinically viable. Now those ‘lost beds’ will be replaced when a 20-Community Bed unit will be opened on the Knowle Lane site as part of an integrated care home.

- **How has CVHT’s money been spent so far?**

The adjacent summary details of monies received and spent by CVHT since its formation are supported by a full series of annual financial reports presented at CVHT’s AGMs over the years. Decisions were necessarily made over the years by the respective Trust Boards to maintain a presence at Oliver House, pursue legal matters, and bring forward proposals needing planning and design, for example.

- **Why does CVHT need a partner to provide a 20-bed unit?**

The creation and operation of a ‘20-bed’ stand-alone unit is neither practical nor clinically acceptable. Indeed, even if it were clinically acceptable, the construction costs would be in the region of £ 6.5 - 8.0M (including key infrastructure and support facilities such as offices, consulting rooms, kitchen, wash-room, toilets and reception area). Neither the NHS or SCC have funding for this type of project in this location.

In contrast, our long-term leasehold arrangement with HC-One enables CVHT to not only receive a ‘fully-serviced’ 20-bed unit but, in addition, receive from HC-One £1M in cash as a premium; this money will go towards the construction costs of the planned 26-unit health worker accommodation block.

- **Who will pay for these Community Beds?**

The beds will be funded under existing budgets for community healthcare by the NHS and SCC. The charge rates that will be applied will be much less than the rates charged by HC-One for ‘private beds’ in the adjoining care home. This preferential rate has resulted from CVHT’s negotiations with HC-One, and this rate could, if necessary, be subsidised by CVHT from rental income received from the proposed health-worker accommodation block.

- **Are there financial risks to CVHT in partnering HC-One?**

Having commissioned rigorous assessments, and taken legal advice about the structure of the transaction, also considering possible future scenarios, we believe that CVHT will not carry any material financial risk from this partnership, not least because CVHT will not be providing any funding towards the construction of the 20-beds (or, indeed, any of the care home facilities).

In the unlikely event (whether in the short, medium or long terms) of some financial or other problems arising in connection with the construction or management of the Care Home, CVHT

will continue to retain the freehold of the building and the site. These matters are protected in the Heads of Terms.

- **Who will own the Knowle Lane Site?**

CVHT will retain the site's freehold in perpetuity.

- **Who will control the use of the 20 Community Beds?**

Essentially, the occupancy of beds will be determined by the NHS and Surrey County Council (see separate Joint Statement by NHS and SCC). As per their respective current policies, these bodies will, where possible, maximise the occupancy level with local residents so that they will be closer to their families. This will have the combined benefit of making visiting more convenient and reducing the amount of travel to the RSCH in Guildford.

- **Responsibility for nursing and medical care?**

Routine care and nursing needs will be provided by HC-One staff, i.e. effectively the 20 beds will be under the building's overall care and nursing regime. Medical needs will be determined through liaison between the NHS Commissioners, RSCH and SCC. Out-of-hours medical cover will be arranged by HC-One.

#### **4.0 Summary of Benefits of 20 Community Beds**

- This unit will increase health and social care capacity for the local community through nursing beds supported and funded by the NHS and SCC; there are relatively few nursing home beds in Cranleigh area when compared with the rest of Waverley.
- NHS and SCC will dovetail with HC-one to ensure appropriate care, with all health provision being subject to normal governance processes.
- Beds will, as a priority, be allocated to local residents requiring nursing care, thus helping ensure proximity to family and friends, and ease journey times.
- Specific uses of the NHS beds will evolve over the next 18 months, whilst Guildford and Waverley CCG conduct a wider planned review of community beds.
- Bed proposals require no capital funding by either the NHS or SCC.
- Operational funding of the beds will be subject to normal contractual procurement processes for both CCG and SCC.
- Bed-users, and their visitors, will have full access to communal facilities within the contiguous care home.
- The Community Bed provision is in very close proximity to Cranleigh Medical Practice, and Cranleigh Village Hospital, thereby achieving the Trust's original objective of integrated health care facilities for Cranleigh

## **5.0 Long-term role of CVHT**

On completion of the overall Knowle Lane development, CVHT will act as landlord for the overall site in perpetuity. We will be responsible for maintaining the staff accommodation and overseeing the use of the 20 Community Beds in line with the protocols agreed with the NHS and SCC.

Cranleigh League of Friends will be invited to take a relevant interest in any community-beds in terms, for example, providing patient comfort and support, such as they had done for many years with the beds in the original Village Hospital.