

From the Secretary of State for Health



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28 OCT 2004

*Gen Royal Highness*

Thank you very much for your letter of 23 August. I must apologise for the delay in replying. I understand your concerns about the potential disruption that a transfer of the land at Cherry Knowle to the Office of the Deputy Prime Minister may have on the 'Enquiry by Design' initiative. However, I should like to reassure you that we are keen to ensure this project moves ahead. Furthermore, as you know, the Office of the Deputy Prime Minister is a stakeholder at Cherry Knowle and has an interest in seeing the process brought to a successful conclusion.

The case for a major capital redevelopment, which includes Cherry Knowle, submitted by the South of Tyne & Wearside Mental Health NHS Trust has now been approved. The next step will be for the Trust to work up its plans in sufficient detail to identify clearly the land it requires for its new scheme, including any enabling works. This, together with details of how the project will be funded, will be the key elements to be covered in the next stage of the assessment and on which the Trust is currently working. My officials will be meeting with the Trust on 22 October to help them take this work forward.

I was very impressed by the work we saw at South of Tyne & Wearside Mental Health NHS Trust in January, and we are trialling two further projects, on a Primary Care and Acute site at Newquay and North Merseyside respectively.

The 'Enquiry by Design' at Newquay will take place on 25-29 October. It will incorporate the Central Cornwall Primary Care Trust in the master plan for the Newquay Growth Area, which includes the redevelopment of the community hospital. The 'Enquiry by Design' at North Merseyside will take place on 6-10 December. It will bring key stakeholders together including Aintree Hospitals NHS Trust to articulate a vision for the redevelopment or re-provision of Alder Hey Hospital, the Royal Liverpool University Hospital at Aintree and the provision of community based mental health facilities, collectively estimated at £1.2 billion of investment.

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I have asked my officials to take all possible steps to speed up matters in respect to Cherry Knowle, and to let me have a further update shortly. At that point I will write to you again.

I have the honour to remain Sir, your Royal Highness's most humble and obedient servant.

*Yours ever*  
*John*  
JOHN REID

From the Secretary of State for Health



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13 JAN 2005

*Yvonne Royal Hughes*

I wrote to you on 8 October 2004 about the joint initiative between the Prince's Foundation, NHS Estates and the NHS on Enquiry by Design, and in particular, progress on the Cherry Knowle site. I thought the New Year presented a good opportunity to bring you up-to-date with progress.

Since I approved the Strategic Outline Case for a major capital redevelopment at Cherry Knowle in July 2004, the South of Tyne & Wearside Mental Health Trust has been developing the next stage in the decision-making process, namely a more detailed Outline Business Case. As part of this, they will be clarifying their site requirements within the wider strategy developed at the Enquiry by Design in November 2003, and my officials are continuing to provide them with assistance.

As you know, part of the Cherry Knowle site is included in the transfer of land to the Office of the Deputy Prime Minister to assist in the Government's Sustainable Communities programme. This programme has a strong synergy with the Enquiry by Design approach. I understand that the Cherry Knowle redevelopment can incorporate hospital facilities, provide homes for key workers and become a thriving, vibrant, sustainable community. The Enquiry by Design initiative is therefore playing a major part in achieving something of considerable value and benefit to the local community.

To support the Trust in the preparation of this Business Case, a meeting is taking place later this month including the NHS Trust, the Strategic Health Authority, NHS Estates and the Office of the Deputy Prime Minister, along with colleagues from the Prince's Foundation. We very much welcome the Foundation's continuing involvement in this important project.

*From the Secretary of State for Health*



I am also delighted to say that progress is also being made on the two additional Enquiries by Design. That in Liverpool will now take place in early April and will assist in the strategic planning required to reconfigure and redevelop the whole health economy of North Merseyside. A major Enquiry by Design is in the early stages of planning, to take place in the summer, and will assist the Primary Care Trusts for Merton, Sutton and Mid-Surrey to determine the new arrangements for healthcare provision in those boroughs. As you can see, these are both substantial undertakings and I believe that the Enquiry by Design approach piloted at Cherry Knowle will provide the right foundations for building the best solutions with community-wide involvement.

I have asked my officials to continue to keep me informed of progress, and I will write to you again in due course to provide a further update.

*You are*  
*John*  
JOHN REID

DEPT  
FEB 2005  
CORRESPONDENCE  
PRIVATE OFFICE CC12

CLARENCE HOUSE

300 P05011397

24th February, 2005

*Dear Tom*

Thank you so much for your letters of 8<sup>th</sup> October and 13<sup>th</sup> January in response to my concerns about progress in redeveloping the site of Cherry Knowle Hospital in Sunderland. I have hesitated to bother you too much on this issue, and on the wider one of the disposal of one hundred N.H.S. hospital sites, but I feel now is the time to return to the fray!

It is now over a year since we visited the site together to look at the work undertaken by my Foundation and other key partners at the "Enquiry by Design" held in November 2003. You were, I think, enthusiastic about the holistic and integrated nature of the plan produced to drive forward an N.H.S.-led regeneration of not just the Cherry Knowle site, but the entire village of Ryhope.

I hope you will forgive my persistence on this issue but, despite your helpful updates, the log-jam to which I referred in my letter of last August shows little sign of alleviation and it saddens me greatly to think that the immense progress and collective enthusiasm gathered twelve months ago is now in danger of being lost.

The continuing hiatus seems to be due in no small part to the protracted negotiations being undertaken as part of the residual estate transfer to the O.D.P.M. I am sure that the issues surrounding the transfer must be incredibly complex and fraught with all kinds legal and financial questions. However, the project seems to have made no real progress in the last year in addressing any of the key outputs contained within the Strategic Framework Plan produced by the EbD.

A vital feature of that plan was that it should be capable of delivery by the N.H.S. as custodian of the overall vision. It is this principle that made the EbD plan such an innovative one and also one which has pointed the way to so many other N.H.S. Trusts during the last twelve months. As I wrote in my previous letter, I can't help thinking that transferring this task to another Government Department

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risks the introduction of further complexities and delays and will inevitably undermine the health vision as other priorities take precedence over time.

I would be so grateful for your thoughts about this situation, and particularly whether there is any prospect of the site remaining within the remit of the N.H.S. in the hands of the local South of Tyne and Wearside N.H.S. Trust? Alternatively, is there any way of ensuring that the transfer of the site to English Partnerships is accompanied by a commitment to go forward with the mixed-use, integrated plan that emerged with such promise from the EbD? I am concerned that an estate transfer might result in the splitting of the hospital site from other development sites in a way that would undermine the overall vision we have worked so hard together to achieve.

Meanwhile, I do appreciate your kind words about my Foundation for the Built Environment and the contribution it has been able to make in this field. When back in November 2001 I shared a platform with the then Secretary of State at a conference co-hosted by N.H.S. Estates and my Foundation, I was pleased to launch what I think has been a very positive collaboration in promoting an integrated approach to design quality in healthcare buildings and the way we treat redundant hospitals. Cherry Knowle was, of course, one of five national pilot projects and I gather that the N.H.S. has encouragingly referred to the work done at the EbD there as a model for best practice. I am confident that valuable lessons will be distilled from the further testing of the model in North Merseyside which will have wider applicability to other brownfield sites. We are, however, faced with a potentially problematic discontinuity as N.H.S. Estates is wound up in a few months' time...

Please forgive me, therefore, for repeating my growing anxiety that those responsible for the N.H.S.'s residual estates in future will be able to maintain the links that have been forged with the Foundation and take advantage not only of its enquiry methods, but also its growing network of practitioners with practical experience of making these developments work. I would be so glad of your reassurance that connections will not be lost as personnel and responsibilities change in the coming months? I would also be glad to know about the progress of the masterplanning for the sites which are to be transferred: could there be scope here for a broader partnership with my Foundation?

I think you will know by now – to your cost! – that these are matters about which I care deeply – chiefly because I have witnessed so many failed opportunities to create imaginative, and innovative heritage-led regeneration initiatives which can maximize the asset value of the historic site and result in genuinely mixed-use, mixed-income communities. In order to create truly sustainable communities and avoid the mistakes of the past, I hope you will agree that we need to take a long-term view, think in innovative ways and take heed of mounting evidence from around the world about the true cost, in both financial and human terms, of bad development. I fear that if the estates are transferred now without proper consideration, various chickens will come home to roost in your own department in coming years as the physical and mental well-being of future communities is affected – not least the key N.H.S. workers who may be living in them...

At the risk of being a complete bore about this, I do pray that we could discuss these matters more fully before irrevocable decisions are taken which could sacrifice the long-term value to be gained from the most sympathetic and “integrated” use of the assets. All I can say is that my Foundation for the Built Environment is ready to help in any way it can.

*J. J. J.*

*Mandy*

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21 MAR 2005

*Your Royal Highness*

Thank you very much indeed for your letter of 24 February about Cherry Knowle. I am indeed enthusiastic about the opportunities it presents to deliver a scheme that both gives the NHS high quality, sympathetic buildings to support its work, but also creates a solution for the whole community.

I understand your frustration at the apparent speed of progress. However, I do hope that my letter will allay your concerns. Whilst the "surplus" land will transfer to English Partnerships, we have their commitment to continue with the Enquiry by Design process. I can assure you that I take the matter of the Cherry Knowle Development very seriously, and am hopeful that it will provide a model for future such collaborations.

It might help if I were to start by setting out what progress has been made, and then to explain the current situation.

I must admit that matters have not moved ahead as smoothly or as quickly as we would all have hoped. However, I do know that the local NHS Trusts, the Strategic Health Authority, the Office of the Deputy Prime Minister and English Partnerships, along with my officials, have been undertaking considerable work to move matters forward. For instance, the South of Tyne and Wearside Mental Health NHS Trust has already initiated some design work. More importantly, the Trust and the local Teaching Primary Care Trust are making major progress in identifying the service vision. I think it is quite right that before we decide what facilities we will need, that we should ensure that the service plan is right.

As a result, the Trusts have:

- reviewed the evidence in the initial business case to support bed provision
- reviewed current bed use
- evaluated the impact of introducing community specialist teams for Crisis Resolution, Assertive Outreach and Early Intervention in Psychosis, particularly in relation to bed use
- looked closely at the role of the community and mental health team's roles and those of primary care and reshaped services accordingly – I understand that new worker roles are being introduced
- focusing on a whole systems review to allow the Trust to provide more care in a community setting, including community crisis beds and supported accommodation



- a strategic review of specialist services to determine whether they should be provided more locally, and then to plan accordingly.

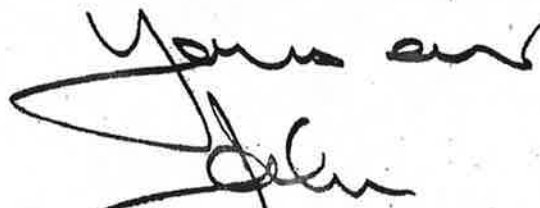
I do believe that these are very important results and the Trust is right to look closely how it can best deliver its services. To ensure that this work is well resourced and led, the Trust has also appointed a Director of Modernisation and Planning, and has already begun to address the points made by the Healthcare Commission in their recent review.

I understand that the Trust is aiming that by the end of March it and the Teaching Primary Care Trust will have tested out research findings and clinical evidence on the impact of new models of care on the future requirements for beds. This will lay a robust foundation for the on-going work on the specification of the new hospital. This is vital because it will enable the Trust to develop the brief for the new capital scheme. The Trust advise that they expect to be able to let the Strategic Health Authority have their Outline Business Case in the Autumn of 2005.

As you are aware, I have agreed with John Prescott that the land in the retained estate should transfer to English Partnerships. I believe that this will make a very valuable contribution to our programme on sustainable communities. I am informing the Trust that the land that they do not require for their development will be transferred to English Partnerships. English Partnerships have reiterated their support for the Enquiry By Design's strategic vision, and that they recognise the priorities of the NHS. Neither English Partnerships nor the Trust can deliver this scheme separately and joint working will be essential. I am delighted to hear from English Partnerships that they welcome the opportunity to work with the Prince's Foundation, with whom they have already enjoyed successful collaborations. I believe that the commitment of these bodies should ensure that the programme moves ahead as a single entity. I am sure that English Partnerships will be keen to consider whether your Foundation can assist them with any of the other sites.

In terms of NHS Estates, we are currently finalising the plans for the future. A team will move into the Department of Health, and its other core functions will move to bodies with whose remit its existing work programmes will find the most synergy. Continuity and ensuring that valuable partnerships, for instance with the Prince's Foundation, are maintained will be a priority.

The Cherry Knowle initiative is ambitious, and it is perhaps inevitable that things will not progress as quickly as we would all wish. However, I do believe that there is now a clear path ahead, and with the continuing commitment of all of the interested parties we can achieve a solution that is best for the whole community, and which will act as a beacon for other schemes.

  
**JOHN REID**