

**TRUST BOARD**

<b>Date of Meeting:</b> 05/10/2010		<b>Enclosure:</b> 5
		<b>Agenda Item No:</b> 8.1
<b>Title of Report:</b> New West Cumberland Hospital Development		
<b>Aims:</b> This paper provides an update for the Trust Board on the progress of the new West Cumberland Hospital development.		
<b>Summary:</b>  The report covers matters relating to: <ul style="list-style-type: none"> <li>• Clinical review involving hospital clinicians and GPs</li> <li>• Progress with the Full Business Case (FBC)</li> <li>• Progress with enabling schemes</li> <li>• Progress against programme</li> <li>• Project budget update</li> </ul>		
<b>Specific implications for consideration (Financial/Workforce/Risk/Legal/Race Equality etc):</b>		
<b>Financial</b>	To ensure that the scheme is delivered within the available capital envelope.	
<b>Workforce</b>	To ensure full involvement of staff and patients in the project.	
<b>Other</b>	To provide the best healthcare facility possible.	
<b>Recommendations:</b>  The Trust Board is asked to: <ul style="list-style-type: none"> <li>• Note progress with the clinical review</li> <li>• Note the position with the Full Business Case (FBC)</li> <li>• Note the updates regarding the programme and the project budget</li> </ul>		
<b>Document previously approved by:</b> Not applicable. Report directly to the Trust Board.		
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**TRUST BOARD  
NEW WEST CUMBERLAND  
HOSPITAL DEVELOPMENT  
OCTOBER 2010**

**1. INTRODUCTION**

This paper provides an update for the Trust Board on the progress of the new West Cumberland Hospital development. It covers:

- The clinical review involving hospital clinicians and GPs
- Progress with the Full Business Case (FBC)
- Progress with enabling schemes
- Progress against programme
- Project budget update

**2. CLINICAL REVIEW**

Trust Board members will recall that the approved Outline Business Case (OBC) was based on total capital funding of £100 million. Following the withdrawal of the £10 million contribution from the North West Regional Development Agency (NWDA), the Project Board asked the Project Team to work with clinical users and primary care colleagues to review options for delivering the scheme within a reduced budget. This review should also provide assurance that the emerging GP commissioning bodies in Copeland and Allerdale are supportive of the new hospital proposals.

A review process is therefore underway in conjunction with the lead GP commissioners for Copeland and Allerdale. A number of working groups have been established, comprising hospital clinicians and local GPs, and these groups have been tasked with reviewing how care can be delivered more effectively and efficiently in the future by developing collaborative working between primary and secondary care. The working groups will reach their initial conclusions by the end of October 2010. This work will then inform any changes that are required to the plans for West Cumberland Hospital and also the primary-care led developments at Cocker mouth and Cleator Moor.

**3. FULL BUSINESS CASE (FBC)**

The clinical review process will mean that a revised and updated FBC will need to be prepared to reflect any amendments that are made to the scheme. This will be progressed by the Project Team following the conclusion of the discussions with the clinical users and GP commissioners (as described above).

As with all other major publicly-funded projects since the formation of the new coalition Government, it is a specific requirement from the Department of Health

and HM Treasury that the FBC also demonstrates that the Trust will secure maximum value for taxpayers' money. The Trust is therefore undertaking, with advice from our professional advisers, an analysis of possible procurement routes for the construction phase of the project. This will determine which route will offer the most competitive price for the construction works.

On conclusion of the above review and following appropriate Trust Board approval, the Trust will seek to submit a revised FBC for final approval by the Strategic Health Authority (SHA) in January 2011.

#### **4. PROGRESS WITH ENABLING SCHEMES**

As previously advised, the one remaining area to be decanted and demolished to allow full construction to commence is Yewdale Ward, which is currently occupied by mental health inpatient services operated by the Cumbria Partnership NHS Foundation Trust.

The two Trusts have now agreed that inpatient mental health services can be re-provided in refurbished accommodation in Block J at West Cumberland Hospital. This requires the Stroke and Palliative Care services, which currently occupy that block, to be relocated. Plans for their relocation within existing accommodation are well advanced, with the aim of vacating Block J during November 2010. This should enable the on-site relocation of mental health services from Yewdale Ward to take place in summer 2011.

#### **5. PROGRESS AGAINST PROGRAMME**

The current programme agreed with Laing O'Rourke is summarised below:

<b>Task</b>	<b>Planned Start</b>	<b>Planned Completion</b>
Enabling and new build	Apr 2010	Sept 2012
Transfer services to new development	Sep 2012	Dec 2012
New development phased "go live"	Nov 2012	Dec 2012
Refurbishment of existing areas	Sep 2012	Jun 2013
Phased demolition of remaining vacated blocks	Dec 2012	Jun 2013
Completion of external works	Jun 2013	Jan 2014
Contractor's end float	Jan 2014	May 2014

The requirement to relocate mental health inpatient services within Block J means that the works in the Yewdale area of the site cannot now commence until mid-2011. However, it is expected that works on the already vacated and demolished

areas of the site can commence immediately upon approval of the Full Business Case, thereby minimising any delays to the overall programme.

## **6. PROJECT BUDGET UPDATE**

### **Authorised Funding**

The total authorised funding for the project comprises £11.55m capital and £0.6m revenue, covering the core project costs. The capital includes the £7.3m as at 31<sup>st</sup> March 2010 plus an allocation from the Trust of £1.75m for 2010/11 and £2.5m from the SHA.

The further £2.5m was received from the SHA in September 2010 with an additional £0.7m expected in October 2010. This represents the £3.2m balance of the SHA's £10m contribution. The final phasing of the Department of Health capital funding contribution will be confirmed upon approval of the Full Business Case.

### **Expenditure**

Capital - the total capital expenditure as at 31<sup>st</sup> August 2010 was £7.5m against authorised funding of £11.55m. This covers the Laing O'Rourke Phase 3 contract for design, enabling and decanting works.

Revenue - the total in year expenditure as at 31<sup>st</sup> August 2010 was £194k against a budget of £200k. The full year forecast expenditure will be in line with the planned budget of £480k. The cumulative project expenditure is £489k against authorised funding of £600k.

## **7. RECOMMENDATIONS**

The Trust Board is asked to:

- Note progress with the clinical review
- Note the position with the Full Business Case (FBC)
- Note the updates regarding the programme and the project budget

**Kevin Clarkson**  
**CHIEF OPERATING OFFICER/DEPUTY CHIEF EXECUTIVE**