

TRUST BOARD

Date of Meeting: 23/10/2012	Agenda Item No: 6.3	Enclosure: 8
Intended Outcome:		
For noting ✓	For information	For decision
Title of Report: West Cumberland Hospital Redevelopment Update		
Aims: To update the Trust Board on the progress being made with regards to the redevelopment of West Cumberland Hospital.		
Executive Summary: This paper provides an update for the Trust Board on progress with the West Cumberland Hospital redevelopment project.		
Specific implications and links to the Trust's Strategic Aims:		
Ensure we provide high quality, safe and effective care for all our patients including meeting essential standards of safety and quality as set out by the CQC		✓
Develop a viable integrated clinical strategy for secondary care services which is sustainable and affordable		✓
Develop a new healthcare facility in West Cumbria that is fit for the 21st century		✓
Achieve sustainable financial balance through the delivery of the Trust's internal Cost Improvement Programme, securing a viable contract income from our GP commissioners and contributing to the system wide cost reductions		✓
To develop and implement a successful merger or acquisition plan that enables the Trust to become part of an existing NHS Foundation Trust		✓
Recommendations: To note the contents of the report.		
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**WEST CUMBERLAND HOSPITAL
REDEVELOPMENT UPDATE
23 OCTOBER 2012**

1. TREASURY APPROVAL OF FULL BUSINESS CASE

The Trust received formal approval of the Full Business Case from the Department of Health on 27th July 2012 that confirmed Treasury Approval subject to final confirmation of Guaranteed Maximum Price (GMP). The final date for financial close to be achieved is Friday 23rd November 2012.

2. PROCESS FOR SIGNATURE OF STAGE 4 CONSTRUCTION CONTRACT WITH LAING O'ROURKE

The process to achieve financial close is moving forward positively where Laing O'Rourke will present all aspects of the contract to the Trust Board on 23rd October 2012.

This will represent the contract that will then be completed in detail ready for signature before the 23rd November 2012.

The contract will comprise of the original baseline Guaranteed Maximum Price presented to the Trust on 10th August 2012 plus four key changes requested by Northumbria. These are:

1. Emergency Floor – Expansion of floor space and reorganisation of the floor affecting 80+ rooms.
2. Outpatient Department – Re-layout to open up the reception area.
3. Front Entrance – Improved flow and reception area.
4. Lifts – Separation of Lifts between public and patients.

Items 1-3 impact the critical path of the programme and are expected to result in an 8 week delay to the completion of construction. The full impact of the changes cannot be fully concluded until detailed drawings (1:50's) are completed and therefore the full cost of the changes finally confirmed.

The Trust Board authorised funding at the September and October Board meetings for work to be instructed for all these areas to progress with the first stage of higher level (1:200) design.

The emergency floor was completed and signed off by clinical teams on Friday 11th October and the next stage of 1:50 design instructed on the same day.

Initial sketches and options for the Front Entrance and Outpatient Department were received on 9th October and instruction given to progress to the next stage given.

At the point of signing the contract in November, it should be possible to secure a reasonable cost certainty that will remain a Trust risk until designs are fully signed off. Sufficient contingency will be included as determined by the rate of progress with the design.

The ProCure 21 contracting process enables the signature of the contract presented on the 10th August, but also allows for changes to be managed through a structured process. The 4 changes above need to be included as they have a direct impact on the critical path of delivery.

Detailed price negotiations are now complete on the original contract proposal.

3. CONTINUATION OF WORKS BETWEEN AUGUST TO NOVEMBER 2012

Work on the redevelopment continues as planned with funding being approved on a month by month basis. This is crucial to maintain pace in the programme and avoid delay costs, balanced against not fully committing to future in the short term. This approach will cease as the stage 4 contract is signed and financial close reached by 23rd November 2012.

4. Conclusion

In summary, work on the re-development continues to plan whilst the final Stage 4 Contract is prepared for signature by 23rd November 2012. Key structural work is already underway on site with walls expected to arrive during November ready for commencing construction. The proposed design changes have also been agreed with the Trust clinical teams and will also be incorporated.

We look forward to the re-development of West Cumberland Hospital starting very soon and opening in 2015.

SUE HALSALL
HEAD OF STRATEGIC FINANCIAL PLANNING