

TRUST BOARD

Date of Meeting: 09/10/2012	Agenda Item No: 7.3	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. It covers the following key issues: <ul style="list-style-type: none"> • Treasury Approval of the Full Business Case. • Process and timing for signing the Stage 4 Construction Contract with Laing O'Rourke. • Continuation of the Redevelopment until Stage 4 contract signature. 		
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.		
Prepared by: Sue Halsall, Head of Strategic Financial Planning	Presented by: Sue Halsall, Head of Strategic Financial Planning	

**WEST CUMBERLAND HOSPITAL
REDEVELOPMENT UPDATE
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 as reported at the September Board.

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

The contract for the "as is" scheme was passed to the Trust on Friday 10th August 2012 however due to the requests from Northumbria to reflect on how some of their proposed changes may be incorporated within the current scheme, the normal course of events has not been followed and the anticipated time line not adhered to.

The changes requested have now been defined in more detail and the full impact is being assessed to identify whether there is any impact in the build programme and also how they will be incorporated into the contract.

The process to achieve financial close is moving forward positively where Laing O'Rourke will present all aspects of the contract to the Trust in detail over the next 2 weeks to be ready for Trust Board approval on 23rd October 2012.

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.

SUE HALSALL
HEAD OF STRATEGIC FINANCIAL PLANNING