

TRUST BOARD

Date of Meeting: 11/09/21012	Agenda Item No: 6.2	Enclosure: 4
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.		
<p>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:</p> <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: Alistair Mulvey, Acting Chief Executive	

**WEST CUMBERLAND HOSPITAL
REDEVELOPMENT
SEPTEMBER 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 main condition of the approval is that financial close needed to be achieved within 3 months, however due to the acquisition process, it was confirmed at the August Board meeting that a further 4 weeks duration has been granted by the Department of Health extending the final date of financial close to be achieved by Friday 23rd November 2012.

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 with the initial aim being to review and conclude all contractual issues by 31st August 2012.

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. Moving forward the process, to achieve a financial close and sign-off date by the required end date of 23rd November will require:

- Sign-off no later than 23rd November 2012.
- Costed GMP and contractual documentation provided to Trust for review no later than 30th October 2012.
- Current date and 30th October all design and commercial discussions to be concluded and reflected in final contract documentation.

Elements of the contract which can be reviewed as they will not be subject to change are being under taken with the support of appropriate advisors currently.

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 at the end of November 2012.

The work currently being undertaken includes:

- Demolition of vacated Mental Health Block following transfer of services into a fully re-furbished and upgraded facility.
- Order placed for sub-structure and super structure design works.
- Continuation of all necessary ground works to include major cut and fill and movement/isolation of key water and other utility services.
- Movement of Generators and Transformers to clear the new build footprint.
- Major construction and lifting equipment is now on site ready for the main construction work that will be starting soon.

Alistair Mulvey
ACTING CHIEF EXECUTIVE