

| | |
|--------------|--------------------|
| To: | Public Trust Board |
| From: | Paul Boocock |
| Date: | 2 February 2016 |

| | |
|---------------|---|
| Title: | Neonatal Intensive Care Unit 6 th Floor Maternity Tower Block, Lincoln County Hospital |
|---------------|---|

Author/Responsible Director:

Authored by Chris Farrah, Associate Director Estates and Capital/Paul Boocock, Director of Estates and Facilities

Purpose of the Report:

To provide an update to the Trust Board on the capital delivery proposals for 6th floor Neonates at Lincoln County Hospital.

The Report is provided to the Trust Board for:

| | | | |
|-----------|---|-------------|---|
| Decision | ✓ | Discussion | ✓ |
| Assurance | ✓ | Information | ✓ |

Summary/Key Points:

To provide an update to the Trust Board on the capital delivery proposals for 6th floor Neonates at Lincoln.

This scheme is one of the major risk critical backlog infrastructure projects being delivered through the Department of Health construction procurement framework known as P21+. Forming part of the Trusts agreed risk critical infrastructure programme supported by NHSTDA.

Recommendations:

The Trust Board is asked to note the report and approve the proposed way forward as described below.

The Trust Board is asked to approve the following key recommendations:

1.The project to move forward on the basis of a total capital cost of £2.106m Inc. VAT (£1.755m + VAT) by prioritising £700k from 2015/16 capital and making a pre commitment from 2016/17 capital programme of £1.406m. This approach having been discussed with Exec Team, finance colleagues and Director of Finance to ensure alignment with the wider Trust capital plans.

2.To prioritise within the Trust capital plan Neonates refurbishment, which will significantly enhance the clinical environment supporting the delivery of high quality care. The refurbishments will commence in February 2016 and be completed by Autumn 2016.

3.To maintain the programme of delivery for Neonates as outlined within this paper an urgent approval decision to move forward is requested.

| | |
|--|---|
| Strategic Risk Register N/A | Performance KPIs year to date N/A |
| Resource Implications (eg Financial, HR) As noted | |
| Assurance Implications As noted | |
| Patient and Public Involvement (PPI) Implications N/A | |
| Equality Impact N/A | |
| Information exempt from Disclosure No | |
| Requirement for further review? N/A | |

ESTATES AND FACILITIES DIRECTORATE

**Trust Board Report on the Capital Delivery Planning for Neonatal Intensive
Care Unit 6TH Floor Maternity Block Lincoln County Hospital**

27 January 2016

1.0 Purpose

This paper aims to update the Trusts Board as to:

- current position, background and financial context regarding capital implementation and
- delivery of the proposed new Neonatal Intensive Care Unit at 6th floor Maternity Block.

It makes a number of recommendations which require Board approval to enable the Trusts estates programme delivery team to move forward and finalise the proposed capital investment and start implementation at the end of February 2016.

2.0 Recommendation

The Trust Board are asked to approve the following key recommendations:

1. The project to move forward on the basis of a total capital cost of **£2.106m Inc. VAT (£1.755m + VAT)** by prioritising **£700k** from 2015/16 capital and making a pre commitment from 2016/17 capital programme of **£1.406m**. This approach having been discussed with Exec Team, finance colleagues and Director of Finance to ensure alignment with the wider Trust capital plans.
2. To prioritise within the capital plan Neonates as a refurbishment significantly enhancing the clinical environment supporting the delivery of high quality care. The refurbishments will commence in February 2016 and be completed by Autumn 2016. Trusts estates programme delivery team expect the facility to be operational by end of September 2016. Detailed commissioning planning with the clinical teams will be undertaken to clarify this date as the works become finalised.
3. To maintain the programme of delivery for Neonates as outlined within this paper an urgent approval decision to move forward is requested, by the beginning of February 2016.

3.0 Issue

The Trust has received a Public Dividend Capital (PDC) allocation in 2015/16 from NHS Trust Development Authority (NHSTDA). This allocation has to be spent within the financial year and cannot be accrued over into subsequent years in accordance with HM Treasury stipulations.

The programme is fully committed and excludes the 6th floor Neonates. The overall programme is expected to be largely delivered by the end of March 2016. A number of major risk critical backlog maintenance projects will be completed namely:

- Grantham, level two maternity
- Grantham, new energy centre
- Pilgrim, Level two Maternity
- Pilgrim, Modular Maternity
- Lincoln, First floor mat wing decant
- Lincoln, Stow Ward

The commentary below details how the Trust proposes to fund neonatal intensive care from 2015/16 capital, along with a pre commitment to go into the 2016/17 capital programme.

4.0 Financial Management and Capital Planning

Headline Capital Costs and Value for Money

The headline capital cost that requires financial management and planning between 2015/16 and 2016/17 is:

£2.106m Inc. VAT (£1.755m + VAT)

The Trusts professional cost advisors have examined the cost against national cost benchmarking figures and found that the Trust has achieved a cost per square meter rate lower than the national benchmarked rates.

Proposed Approach to Financial Management between 2015/16 and 2016/17 Capital Planning Years

Discussions with finance colleagues indicate that a potential financial management proposal to achieve this is:

1. Allocate the **£700k** Inc. VAT from 2015/16
2. Place a pre commitment of **£1.406m** Inc. VAT onto the 2016/17 Trust capital programme

3. Total capital cost **£2.106m** Inc. VAT completed and implemented by Autumn 2016

Overview Project Plan/ Milestones

An outline programme of works the plan is summarised below at high level. Key dates for handover and commissioning will be agreed with the clinical team as the project nears completion.

| Overview Plan Derived from P21+ Project Plan | | | | | | | | | | | | | | |
|--|--------|-----|-----|-----|-----|--------|--------------|-----|-----|-----|-----|-----|------------|-----|
| Task | Month | | | | | | | | | | | | | |
| | Aug 15 | Sep | Oct | Nov | Dec | Jan 16 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
| Trust Design | █ | | | | | | | | | | | | | |
| Agree GMP | | | | █ | | | | | | | | | | |
| Asbestos Removal | | | | | | | Start Feb 23 | █ | | | | | | |
| Construction | | | | | | | | █ | | | | | | |
| Handover | | | | | | | | | | | | | Comp Aug 8 | █ |
| Commissioning | | | | | | | | | | | | | █ | |
| In Use | | | | | | | | | | | | | | █ |

5.0 Future proofing

The new design provides:

- A total of 17 intensive care cots.
- The unit is commissioned for 20 intensive care cots,
- There is flexibility in the design to accommodate a further 2 cots spaces.

Preliminary discussions with the clinical team and the strategic planning teams indicate that units with between 18 to 20 cots are capable of delivering a clinical service to circa 6500 births pa.

6.0 Conclusion

The programme for Neonates has been developed to a point where delivery confidence is high. Trust has now achieved a fully designed and priced scheme which has a detailed project plan and achievable spend profile.

This will enable the Trust to:

- Demonstrate to commissioners and regulators that not only can we successfully invest the original NHSTDA capital allocation but have committed more capital locally to delivering improved key clinical environments.
- Supporting quality clinical services by providing upgraded modern healthcare environments.
- Contributing towards eradicating risk critical backlog and
- Supporting the improvement of the Trusts financial position by modernising the hospital facilities.

