



South West London  
Merton Clinical Commissioning Group

## Report to the Merton Clinical Commissioning Group Governing Body

**Date of Meeting:** Thursday 21<sup>st</sup> March 2013

**Agenda No:** 7.4

**ATTACHMENT 13**

<b>Title of Document:</b> Better Healthcare Closer to Home: Nelson Local Care Centre (LCC) Highlight Report	<b>Purpose of Report:</b> To Receive and Note
<b>Report Author:</b> Sue Howson, BHCH Programme	<b>Lead Director:</b> Eleanor Brown
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<b>Executive Summary:</b>  The document provides an update on the Nelson LCC development.	
<b>Key sections for particular note (paragraph/page), areas of concern etc:</b>  The overall status of the project is GREEN.  The Stage 2 Business case is with NHS London awaiting approval at the Capital Investment Committee on 21 <sup>st</sup> March.  Key to the approval of the Stage 2 is the resolution of the issue between DH and the funders with regard to the provision of a letter that offers a form of safeguard for the lenders. Without this resolution the project cannot proceed to Financial Close.  Financial Close is scheduled for 26 <sup>th</sup> March 2013.	
<b>Recommendation(s):</b> The Merton Clinical Commissioning Group Governing Body is requested to note the report.	

<b>Committees which have previously discussed/agreed the report:</b>
<b>Financial Implications:</b> Approved as part of the Stage 2 Business Case approval process.
<b>Implications for the Sutton and Merton Board or Joint PCT Boards:</b>
<b>Other Implications:</b> (including patient and public involvement/Legal/Governance/Risk/ Diversity/ Staffing)
<b>Equality Analysis:</b> EIAs are undertaken on elements of the programme as and when required.
<b>Information Privacy Issues:</b> Nil
<b>Communication Plan:</b> (including any implications under the Freedom of Information Act or NHS Constitution)  A communications group has been convened for the BHCH Programme

## BETTER HEALTHCARE CLOSER TO HOME PROGRAMME

### NELSON LCC DEVELOPMENT – HIGHLIGHT REPORT

<b>Project</b>	Nelson LCC Development
<b>Related Programme</b>	Better Healthcare Closer to Home
<b>Project Lead</b>	Sue Howson
<b>Project Initiation Date</b>	January 2011
<b>Project Purpose</b>	To project manage the delivery of the Nelson Local Care Centre utilising the NHS LIFT procurement route.
<b>Project Stage</b>	Stage 2 LIFT Business Case
<b>Reporting Period</b>	<b>Up to and including 7<sup>th</sup> March 2013</b>
<b>Overall Status of the Nelson LCC Project</b>	
	<b>Green</b>

**Red:** to achieve success immediate remedial action is required  
**Amber:** delay possible, or task/milestone not mission critical  
**Green:** on target to succeed

#### 1) CURRENT STATUS

The overall status of the project is **GREEN**.

#### *REASONS FOR AMBER STATUS*

#### 2) PROGRESS UPDATE

**Stage 2 Business Case** – The Stage 2 Business Case was submitted to NHS London on 12<sup>th</sup> February following agreement of the MCCG sub-group (Chief Officer, Chief Finance Officer, Non-Executive) on 7<sup>th</sup> February with Adam Wickings, Sue Howson and Andy Bradley in attendance and subsequent Chair’s Action. All clarifications have now been successfully responded to and the business case has been agreed by the Capital Management Group to be forward to the Capital Investment Committee, which meets on 21<sup>st</sup> March, for approval.

Key to the approval of the Stage 2 is the resolution of the issue between DH and the funders with regard to the provision of a letter that offers a form of safeguard for the lenders. Without this resolution the project cannot proceed to Financial Close.

A target date of 25<sup>th</sup> March has been agreed for the signing of the contract followed by Financial Close on 26<sup>th</sup> March.

**Nelson Site** – The asbestos removal is in progress ready for the handover of the site to Rydon Construction at Financial Close.

**Sale of Car park** – the sale of the car park is conditional upon the expiration of the Judicial Review period and as such cannot complete prior to 20 March 2013. The contract with McCarthy and Stone has been varied to extend the longstop date to 28<sup>th</sup> March 2013. Part of the receipt from this sale funds the PCT equity payment to LIFTCo at Financial Close.

#### CURRENT KEY TASKS/MILESTONES

The following illustrates the high-level milestones for the development of the Nelson LCC LIFT scheme.

Tasks	Original Target Date	New Target Date	% Completed	RAG Status
Clinical Procurement Strategy	31/05/2012	30/09/2012	100%	COMPLETED
Appoint Hard FM provider	31/05/2012	31/08/2012	100%	COMPLETED
NHSL approval of Stage 1 Business Case	31/03/2012	18/12/2012	100%	COMPLETED
Approval of Full Planning Application	31/03/2012	06/09/2012	100%	COMPLETED
Vacation of the Nelson site	30/04/2012	30/09/2012	100%	COMPLETED
Complete on the sale of surplus land	31/04/2012	22/03/2013	0%	GREEN
Decommissioning of Nelson Hospital	31/08/2012	30/11/2012	100%	COMPLETED
CCG approval of Stage 2 Business Case	23/01/2013	23/01/2013	100%	COMPLETED
NHSSWL approval -Stage 2 Business Case	31/01/2013	28/02/2013	100%	COMPLETED
NHSL approval Stage 2 Business Case	30/09/2012	21/03/2013	0%	GREEN
Financial Close	30/09/2012	26/03/2013	0%	GREEN
Start on site	01/10/2012	01/04/2013	0%	GREEN
Construction completed	31/04/2014	16/01/2015	0%	GREEN
Building operational	30/06/2014	16/02/2015	0%	GREEN

The following table highlights the programme of works for the procurement of the clinical services. The development of the service specification will need to commence early 2013 in preparation for the OJEU advert. Responsibility for the clinical

procurement strategy is currently with the MCCG Director of Commissioning and Planning. The timetable is as follows:-

Stage	Description	Due Date
<b>Expression of Interest</b>	Advert published and Expressions of Interest invited	June 2013
<b>MOI</b>	MOI Published (web based)	June 2013 (same day as advert published)
<b>Receipt of EOI</b>	Deadline for receipt of Expressions of Interest	Early July 2013
<b>Bidder Information Day</b>	Information sharing about the procurement	Within one week of above date
<b>PQQ Issue</b>	PQQ issued to potential Bidders who have expressed an EOI	Within one week of Bidder event
<b>Conflict of Interest</b>	Deadline for receipt of declaration of conflict of interest	Within one week of PQQ being issued
<b>Bidder clarification</b>	Deadline for receipt of potential Bidder Clarification Questions	A few days before PQQ is due back
<b>Submission of PQQ</b>	Deadline for receipt of PQQ submissions	Three to four weeks from date PQQ goes out
<b>PQQ Evaluation</b>	Completion of PQQ evaluation and communication of result	Within one week of PQQ being returned
<b>ITT issue</b>	ITT issued to Bidders	End of September 2013
<b>ITT confirmation of receipt</b>	Bidders to confirm receipt of the ITT using the ITT Receipt Form.	Within one week of ITT issue
<b>ITT Bidder due diligence stage</b>	Period when Bidders may carry out due diligence on information provided in the ITT.	Three weeks from ITT issue
<b>ITT Bidder clarification stage</b>	Period when Bidders may request clarification on the ITT.	From date of ITT issue for three weeks
<b>ITT Bidder mid-tender meetings</b>	Meetings to be held with individual Bidders to assist Bidders in compiling their Bids.	For one week one month after the issue of the ITT
<b>ITT Bidder response stage</b>	Period when Bidders must compile their Bids in the required format and then submit them by the due date.	Two months from the date of the ITT issue
<b>ITT Bid evaluation stage</b>	Period when Bids will be evaluated. During this period the MCCG may ask Bidders questions in order to clarify information set out in their Bids.	Early December for three weeks
<b>ITT Bidder Interview</b>	Local interview with MCCG and each individual Bidder to further understand their proposals,	Interviews over one week
<b>Selection of a Recommended Bidder</b>	The date by which MCCG will aim to select one Bidder to proceed to Recommended Bidder stage.	February 2014
<b>Board Approval</b>	Governance arrangements as described for CCG's	According to meetings timetable
<b>Bidder notification of evaluation outcome</b>	After selection of a Recommended Bidder, Sutton & Merton PCT will notify other Bidders of the outcome of the evaluation.	March 2014

Stage	Description	Due Date
<b>Contract signature</b>	The signature of the Contract between Sutton & Merton PCT and the Provider.	June 2014

### 3) TASKS FOR NEXT PERIOD

- Agreement for Lease to be signed off with participating GPs
- Finalise all Schedules for legal documentation
- Discharge pre-commencement planning conditions
- Engagement with local residents pre-commencement
- Complete on sale of car park site
- Signing off LRA contract and associated schedules
- Financial Close
- Start on site

### 4) KEY ISSUES AND RISKS – As per Nelson Risk Register