



South West London  
Merton Clinical Commissioning Group

## Report to the Merton Clinical Commissioning Group Governing Body

**Date of Meeting:** Thursday 24<sup>th</sup> January 2013

**Agenda No:** 7.5

**ATTACHMENT 09**

<p><b>Title of Document:</b> Better Healthcare Closer to Home: Nelson Local Care Centre (LCC) Highlight Report</p>	<p><b>Purpose of Report:</b> To Receive and Note</p>
<p><b>Report Author:</b> Sue Howson, BHCH Programme</p>	<p><b>Lead Director:</b> Adam Wickings, BHCH SIRO</p>
<p><b>Contact details:</b> <a href="mailto:sue.howson@swlondon.nhs.uk">sue.howson@swlondon.nhs.uk</a></p>	
<p><b>Executive Summary:</b></p> <p>The document provides an update on the Nelson LCC development.</p>	
<p><b>Key sections for particular note (paragraph/page), areas of concern etc:</b></p> <p>The overall status of the project is AMBER. The Stage 1 Business Case was approved at the December Capital Investment Committee. The Section 106 and planning conditions were agreed in December and the Judicial Review period will expire on 20 March at which point the sale of the car park can complete.</p> <p>The Stage 2 submission is delayed awaiting the suite of funding documents from Aviva. This delay is due to ongoing national negotiations between Aviva and the Department of Health. All efforts are being made to progress the preparation of these documents. Approval by NHSL may now be delayed until March.</p> <p>Financial Close is now scheduled for 26<sup>th</sup> March 2013.</p>	
<p><b>Recommendation(s):</b> The Merton Clinical Commissioning Group Governing Body is requested to note the report.</p>	

<b>Committees which have previously discussed/agreed the report:</b>
<b>Financial Implications:</b> See
<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 1- Stage 2 LIFT Business Case
<b>Reporting Period</b>	<b>Up to and including 16<sup>th</sup> January 2013</b>
<b>Overall Status of the Nelson LCC Project</b>	<b>Amber</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 **AMBER**.

#### **REASONS FOR AMBER STATUS**

It is likely that the Stage 2 submission will be delayed and that approval will not be possible until March.

#### 2) PROGRESS UPDATE

**Stage 1 Business Case** – The Stage 1 business case was approved by NHS London prior to the Christmas period. A schedule of conditions to be met at Stage 2 was provided with the approval. We are currently working our way through these as part of the Stage 2 submission.

**Planning Approval** – the Section 106 agreement and conditions were agreed and the planning approval went live on 19<sup>th</sup> December 2012. The Judicial Review period is due to expire on 20 March 2013 at which stage the project can proceed to financial close. The first tranche of information has been supplied to the planning department to start the discharge of the conditions.

**Stage 2 Business Case** – The drafting of the Stage 2 business case is substantially completed and will be ready for consideration at the CCG Governing Body on 23 January and the Joint Boards on 31 January. The legal documentation for the business case is nearly completed with the exception of the funder drafting due to the uncertainty about future ownership of LIFT properties and the issues that this raises with the funder, Aviva. This is now being progressed but its completion is a condition of submitting the business case.

Given the possible delay in submitting the Stage 2 business case due to the above reasons this has been given an Amber status.

**The Maximum Guaranteed Price** for the construction contract has been agreed at £10,999,950 which is £200,000 lower than at stage 1 thus improving the affordability. Other contingencies have also been removed at this stage. The annual unitary charge is now £1,521K as opposed to £1,590 at Stage 1.

**Nelson Site** - the Nelson site is vacant and the site hoarding is in place. The asbestos survey has been carried out and quotes received for its removal. Money is allocated within the capital programme to enable these works to be carried out prior to 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 is being amended to extend the longstop date of 28<sup>th</sup> February 2012. Part of the receipt from this sale funds the PCT equity payment to LIFTCo at Financial Close. A target date of 26<sup>th</sup> March has been set for 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	80%	COMPLETED
Vacation of the Nelson site	30/04/2012	30/09/2012	100%	COMPLETED
Complete on the sale of surplus land	31/04/2012	20/03/2013	0%	GREEN
Decommissioning of Nelson Hospital	31/08/2012	30/11/2012	100%	COMPLETED

Tasks	Original Target Date	New Target Date	% Completed	RAG Status
CCG approval of Stage 2 Business Case	23/01/2013	23/01/2013	0%	GREEN
NHSSWL approval -Stage 2 Business Case	31/01/2013	31/01/2013	0%	GREEN
NHSL approval Stage 2 Business Case	30/09/2012	20/02/2013	0%	AMBER
Financial Close	30/09/2012	31/03/2013	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

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

### 3) TASKS FOR NEXT PERIOD

- Agreement to Lease to be signed off with participating GPs
- Sign off 1:50 detailed design and Room Data Sheets for inclusion in LRA
- Finalise all Schedules for legal documentation
- Respond to NHSL clarifications on Stage 2 Business Case
- Continue to discharge pre-commencement planning conditions
- Instruct asbestos removal
- Engagement with local residents pre-commencement

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