

Sandwell and West Birmingham Hospitals NHS Trust
Midland Metropolitan Hospital Project
Outline Business Case

Appendix 12b PCT Support Letters

KM/GS/10102602

26th October 2010

Mr John Adler
Chief Executive
Sandwell and West Birmingham Hospitals NHS Trust
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SANDWELL & WEST BIRMINGHAM
HOSPITALS NHS TRUST
- 8 NOV 2010

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DIRECTOR OF FACILITIES

SANDWELL AND WEST BIRMINGHAM
HOSPITALS NHS TRUST

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- 4 NOV 2010

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CHIEF EXECUTIVE

Dear John

I am writing to set out the PCT's wholehearted support for the project to develop a new Acute Hospital on the Grove Lane site as part of the overall changes envisaged by the Right Care, Right Here Programme, and as set out in the revised Outline Business Case (OBC).

Over the past 18 months, the RCRH partners have worked closely together to reassess the Right Care, Right Here Programme in the light of the changed financial environment. This reassessment has been incorporated in the revised OBC. In addition, in the light of the changes to commissioning arrangements proposed in the recent White Paper, we have consulted with GP commissioners.

The PCT Board considered the revised OBC at its meeting on 14th October 2010 and confirmed their support, noting in particular:

- That the forecasts of workload made within the OBC are consistent with the PCT's Commissioning Plans for future years.
- The models of care and planned level of facilities to be developed in the acute hospital are consistent with the future plans of the local health economy and reflect a reasonable approach to planning the performance requirements of the scheme.
- The income levels forecast by the Trust to arise from us as a consequence of the proposed levels of activity are agreed within the long term financial plans of the PCT.
- The PCT agrees with the principle that transitional finance support will be required and understands the nature of the costs described in the revised Outline Business Case. The scale and timing of the transitional financial support will be subject to the annual contracting process and overall affordability, understanding the need to support the restructuring of services as we move towards the opening of the new hospital.
- The PCT is committed to the "Principles for the provision of Out of Hospital Services" agreed by the Right Care, Right Here Partnership Board. The PCT's procurement (*strategy/approach*) provides for services to be commissioned through a process of managed change for a period of time. Once the new pattern of services is established, services may be subject to competitive processes in line with normal commissioning policy at the time. These principles are consistent with the approach that we expect to

be taken by GP commissioners.

- The PCT would wish to input into the determination and design of the new hospital recognising the link between these issues and health and well being outcomes for patients.

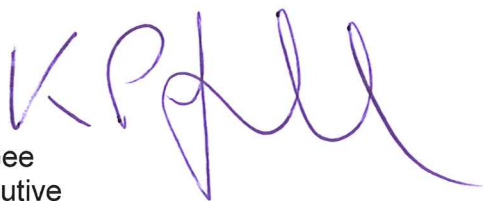
Heart of Birmingham tPCT Board has a joint plan with Sandwell PCT and Sandwell and West Birmingham NHS Trust to transform the health system so as to make a significant contribution to reducing the health inequalities presently experienced by our populations. Bringing care closer to people's homes and providing them with a modern fit-for purpose Acute Hospital are two components of this plan. The OBC is therefore vital for improving the health of our population.

I can also confirm that the PCT is progressing those elements of the overall Right Care Right Here Programme in relation to the Primary and Community Care developments for Heart in line with the agreed Programme.

We look forward to the revised OBC being granted approval to enable the Trust to commence work on the next stages of the project, and the delivery of this much needed investment in local health facilities.

Yours sincerely

Kevin McGee
Chief Executive



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- 2 NOV 2010
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DIRECTOR OF FACILITIES

Mr John Adler
Chief Executive
Sandwell and West Birmingham Hospital
Birmingham City Hospital
Dudley Road
Birmingham
West Midlands
B18 7QH

27th October 2010

Dear John,

I am writing to set out the PCT's wholehearted support for the project to develop a new Acute Hospital on the Grove Lane site as part of the overall changes envisaged by the Right Care, Right Here Programme, and as set out in the revised Outline Business Case (OBC).

Over the past 18 months, the RCRH partners have worked closely together to reassess the Right Care, Right Here Programme in the light of the changed financial environment. This reassessment has been incorporated in the revised OBC. In addition, in the light of the changes to commissioning arrangements proposed in the recent White Paper, we have consulted with GP commissioners.

The PCT Board considered the revised OBC at their meeting on 30th September 2010 and confirmed their support, noting in particular:

- That the forecasts of workload made within the OBC are consistent with the PCT's Commissioning Plans for future years.
- The models of care and planned level of facilities to be developed in the acute hospital are consistent with the future plans of the local health economy, and reflect a reasonable approach to planning the performance requirements of the scheme.
- The income levels forecast by the Trust to arise from us as a consequence of the proposed levels of activity are agreed within the long term financial plans of the PCT.
- The PCT agrees with the principle that transitional finance support will be required and understands the nature of the costs described in the revised Outline

Chair
Chief Executive

Richard Nugent
Robert Bacon

SANDWELL AND WEST BIRMINGHAM
HOSPITALS NHS TRUST
- 1 NOV 2010
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CHIEF EXECUTIVE

Business Case. The scale and timing of the transitional financial support will be subject to the annual contracting process and overall affordability, understanding the need to support the restructuring of services as we move towards the opening of the new hospital.

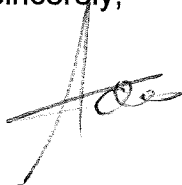
- The PCT is committed to the "Principles for the provision of Out of Hospital Services" agreed by the Right Care, Right Here Partnership Board. The PCT's procurement (*strategy/approach*) provides for services to be commissioned through a process of managed change for a period of time. Once the new pattern of services is established, services may be subject to competitive processes in line with normal commissioning policy at the time. These principles are consistent with the approach that we expect to be taken by GP commissioners.
- The PCT would wish to input into the determination and design of the new hospital recognising the link between these issues and health and well being outcomes for patients.

The Sandwell PCT Board has a joint plan with Heart of Birmingham PCT and Sandwell and West Birmingham NHS Trust to transform the health system so as to make a significant contribution to reducing the health inequalities presently experienced by our populations. Bringing care closer to people's homes and providing them with a modern fit-for purpose Acute Hospital are two components of this plan. The OBC is therefore vital for improving the health of our population.

I can also confirm that the PCT is progressing those elements of the overall Right Care Right Here Programme in relation to the Primary and Community Care developments for Sandwell in line with the agreed Programme.

We look forward to the revised OBC being granted approval to enable the Trust to commence work on the next stages of the project, and the delivery of this much needed investment in local health facilities.

Yours sincerely,



Robert Bacon
Chief Executive.