

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

**Appendix 6b Revenue Costs**

**Additional Revenue Costs Compared to Base LTFM Position  
Option Appraisal : Do Nothing**

2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Thereafter	
0	1	2	3	4	5	6	7	8	9		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Clinical Costs</b>											
A&E	-	-	-	-	-	1,366	1,366	1,366	1,366	1,366	1,366
CRITCARE	-	-	-	-	1,107	1,107	1,107	1,107	1,107	1,107	1,107
DIRECT CLINICAL SERVICES	-	-	-	-	-	244	407	407	407	407	407
MATERNITY	-	-	-	-	-	-	-	-	-	-	-
MEDICAL STAFF Rotas & On Call	-	-	-	-	-	2,671	4,452	4,452	4,452	4,452	4,452
OPD MEDICAL RELATED	-	-	-	-	-	37	61	61	61	61	61
OPD PAEDS RELATED	-	-	-	-	-	62	104	104	104	104	104
OPD SURGICAL RELATED	-	-	-	-	-	64	106	106	106	106	106
OTHER DIAGNOSTIC SERVICES	-	-	-	-	-	164	273	273	273	273	273
PATHOLOGY	-	-	-	-	-	392	653	653	653	653	653
THEATRES	-	-	-	-	-	-	-	-	-	-	-
THERAPIES	-	-	-	-	32	65	108	108	108	108	108
WARDS MEDICAL	-	-	-	-	517	1,723	1,723	1,723	1,723	1,723	1,723
<i>Sub Total</i>	-	-	-	-	1,656	7,569	9,817	9,817	9,817	9,817	9,817
<b>Non Clinical Costs</b>											
<i>Sofi FM Saving Unrealisable</i>	-	-	-	-	-	2786.0	2786.0	2786.0	2786.0	2786.0	2786.0
<i>Management &amp; Administrative Costs Associated with Two Main Clinical Sites</i>	-	-	-	-	0.0	741.6	1483.2	1483.2	1483.2	1483.2	1483.2
<i>Sub Total</i>	-	-	-	-	-	3,528	4,269	4,269	4,269	4,269	4,269
<b>Building Running Costs</b>											
<i>Building &amp; Engineering Related</i>	-	-	-	-	151.0	151.0	151.0	151.0	151.0	151.0	151.0
<i>Energy &amp; Utilities</i>	-	-	-	-	351.0	351.0	351.0	351.0	351.0	351.0	351.0
<i>Sub Total</i>	-	-	-	-	502	502	502	502	502	502	502
<b>Transitional Costs</b>											
<i>Decant Contingency</i>	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-
<i>Non Recurring Expenses</i>	-	1,412	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	-
<i>Project Costs ( replacing PFI scheme)</i>	950	1,000	1,000	1,000	1,000	-	-	-	-	-	-
<i>Sub Total</i>	950	2,412	3,500	3,500	3,500	2,500	2,500	2,500	2,500	2,500	-
<b>Total Additional Cashflows Identified</b>	950	2,412	3,500	3,500	5,658	14,098	17,088	17,088	17,088	17,088	14,588

**Additional Revenue Costs Compared to Base LTFM Position  
Option Appraisal : Do Minimum**

2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Thereafter
0	1	2	3	4	5	6	7	8	9	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Clinical Costs</b>										
A&E					1,366.0	1,366.0	1,366.0	1,366.0	1,366.0	1,366.0
CRITCARE				1,106.8	1,106.8	1,106.8	1,106.8	1,106.8	1,106.8	1,106.8
DIRECT CLINICAL SERVICES					244.2	407.1	407.1	407.1	407.1	407.1
MATERNITY					-	-	-	-	-	-
MEDICAL STAFF Rotas & On Call					2,671.2	4,452.0	4,452.0	4,452.0	4,452.0	4,452.0
OPD MEDICAL RELATED					- 36.9 -	61.4 -	61.4 -	61.4 -	61.4 -	61.4 -
OPD PAEDS RELATED					- 62.4 -	104.0 -	104.0 -	104.0 -	104.0 -	104.0 -
OPD SURGICAL RELATED					- 63.9 -	106.4 -	106.4 -	106.4 -	106.4 -	106.4 -
OTHER DIAGNOSTIC SERVICES					163.9	273.1	273.1	273.1	273.1	273.1
PATHOLOGY					392.0	653.3	653.3	653.3	653.3	653.3
THEATRES					-	-	-	-	-	-
THERAPIES				32.3	64.6	107.7	107.7	107.7	107.7	107.7
WARDS MEDICAL				516.9	1,723.0	1,723.0	1,723.0	1,723.0	1,723.0	1,723.0
<b>Sub Total</b>	-	-	-	1,656	7,569	9,817	9,817	9,817	9,817	9,817
<b>Non Clinical Costs</b>										
Sofi FM Saving Unrealisable					2786.0	2786.0	2786.0	2786.0	2786.0	2786.0
Management & Administrative Costs Associated with Two Main Clinical Sites				0.0	741.6	1483.2	1483.2	1483.2	1483.2	1483.2
<b>Sub Total</b>	-	-	-	-	3,528	4,269	4,269	4,269	4,269	4,269
<b>Building Running Costs</b>										
Building & Engineering Related				151.0	151.0	151.0	151.0	151.0	151.0	151.0
Energy & Utilities				351.0	351.0	351.0	351.0	351.0	351.0	351.0
<b>Sub Total</b>	-	-	-	502	502	502	502	502	502	502
<b>Transitional Costs</b>										
Inability to Deliver Clinical Ransformation Savings				-	-	-	-	-	-	-
Inability to Deliver Non Clinical Ransformation Savings				-	-	-	-	-	-	-
Dual Running Implications										
<b>Sub Total</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Additional Cashflows Identified</b>	-	-	-	2,158	11,598	14,588	14,588	14,588	14,588	14,588

**Additional Revenue Costs Compared to Base LTFM Position  
Option Appraisal : City Site**

2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Therafter
0	1	2	3	4	5	6	7	8	9	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

**Clinical Costs**

A&E										
CRITCARE										
DIRECT CLINICAL SERVICES										
MATERNITY										
MEDICAL STAFF Rotas & On Call	-	-	-	-	5,818	5,818	5,818	5,818	-	-
OPD MEDICAL RELATED										
OPD PAEDS RELATED										
OPD SURGICAL RELATED										
OTHER DIAGNOSTIC SERVICES										
PATHOLOGY										
THEATRES										
THERAPIES										
WARDS MEDICAL	-	-	-	-	1,723	1,723	1,723	1,723	-	-
<b>Sub Total</b>	-	-	-	-	7,541	7,541	7,541	7,541	-	-

**Non Clinical Costs**

Sofi FM Saving Unrealisable	-	-	-	-	2,786	2,786	2,786	2,786	-	-
<b>Sub Total</b>	-	-	-	-	2,786	2,786	2,786	2,786	-	-

**Building Running Costs**

Building & Engineering Related										
Energy & Utilities										
<b>Sub Total</b>	-	-	-	-	-	-	-	-	-	-

**Transitional Costs**

Decant Contingency	-	-	-	-	3,000	3,000	3,000	3,000	-	-
Non Recurring Expenses	-	1,400	1,500	1,500	2,000	2,000	3,000	4,000	3,000	-
Project Costs ( replacing PFI scheme)	-	-	-	-	-	-	-	1,000	1,000	-
Dual Running	-	-	-	-	-	-	-	-	-	5,239
<b>Sub Total</b>	-	1,400	1,500	1,500	2,000	5,000	6,000	8,000	7,000	5,239

**Total Additional Cashflows Identified**

	-	1,400	1,500	1,500	2,000	15,327	16,327	18,327	17,327	5,239	-
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**Additional Revenue Costs Compared to Base LTFM Position  
Option Appraisal : Sandwell Site**

2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Thereafter
0	1	2	3	4	5	6	7	8	9	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Clinical Costs</b>										
A&E										
CRITCARE										
DIRECT CLINICAL SERVICES										
MATERNITY										
MEDICAL STAFF Rotas & On Call										
-	-	-	-	-	5,818	5,818	5,818	5,818	-	-
OPD MEDICAL RELATED										
OPD PAEDS RELATED										
OPD SURGICAL RELATED										
OTHER DIAGNOSTIC SERVICES										
PATHOLOGY										
THEATRES										
THERAPIES										
WARDS MEDICAL										
-	-	-	-	-	2,786	2,786	2,786	2,786	-	-
<b>Sub Total</b>										
-	-	-	-	-	8,604	8,604	8,604	8,604	-	-
<b>Non Clinical Costs</b>										
Sofi FM Saving Unrealisable										
-	-	-	-	-	2,786	2,786	2,786	2,786	-	-
<b>Sub Total</b>										
-	-	-	-	-	2,786	2,786	2,786	2,786	-	-
<b>Building Running Costs</b>										
Building & Engineering Related										
Energy & Utilities										
<b>Sub Total</b>										
-	-	-	-	-	-	-	-	-	-	-
<b>Transitional Costs</b>										
Decant Contingency										
-	-	-	-	2,500	5,000	5,000	5,000	5,000	-	-
Non Recurring Expenses										
-	1,400	1,500	1,500	2,000	2,000	3,000	4,000	3,000	-	-
Project Costs ( replacing PFI scheme)										
-	-	-	-	-	-	-	1,000	1,000	-	-
Dual Running										
-	-	-	-	-	-	-	-	-	5,239	5,370
<b>Sub Total</b>										
-	1,400	1,500	1,500	4,500	7,000	8,000	10,000	9,000	5,239	5,370
<b>Total Additional Cashflows Identified</b>										
-	1,400	1,500	1,500	4,500	18,390	19,390	21,390	20,390	5,239	5,370

**APPENDICES OF THE CHANGES APPLIED TO OPTION 4 GROVE LANE AFFORDABILITY TO DELIVER OPTION 1 DO MINIMUM**

Annual Amendments for Do Minimum 2019/20 Onwards				Used in Update 13/14 Differential Between Options Do Nothing & Do Minimum				
ProvexGroup	RKVIEWGRP	Proposed Change	Value of Impact £	Clinical	Non Clinical	Building	Transition	Total
CAPITAL CHARGES	CAPITAL CHARGES	Reduction generated by revised residual value calcs	- 2,999,885					
<b>CAPITAL CHARGES TOTAL</b>			<b>- 2,999,885</b>					
CLINICAL SERVICES	A&E	Bed Blocking as a Consequence of reduced flexibility as all Elective beds are on Cold site. Plus 6 more Consultants?	263,117	1,366,000				1,366,000
	CLINICAL TRANSITION SAVINGS	Reduced ability to deliver Clinical Transition Savings	2220000				-	-
	CRITCARE	One Additional Bed required on each of the 2 site's	1,027,776	1,106,802				1,106,802
	DIRECT CLINICAL SERVICES	Hospital at Night Services required on 2 Site's	378,000	407,065				407,065
	MATERNITY	MLU Costs from 16/17	632,000	-				-
	MEDICAL STAFF Rotas & On Call	Two Consultant led rota's would be required	1,516,154	4,452,000				4,452,000
	OPD MEDICAL RELATED	Reduction in cost as Outpatients will be from 3 Sites not 4.	- 57,056	- 61,443				- 61,443
	OPD PAEDS RELATED	Reduction in cost as Outpatients will be from 3 Sites not 4.	- 96,549	- 103,972				- 103,972
	OPD SURGICAL RELATED	Reduction in cost as Outpatients will be from 3 Sites not 4.	- 98,831	- 106,430				- 106,430
	OTHER DIAGNOSTIC SERVICES	ECG 24/7 Service	253,598	273,097				273,097
	PATHOLOGY	Increase for Blood bank	606,674	653,321				653,321
	THEATRES	1 additional theatre 24/7 on call rota	1,469,737	-				-
	THERAPIES	Increase in costs as a consequence of 2 site working.	100,000	107,689				107,689
	WARDS MEDICAL	1 x 32 bedded ward staffing	1,600,000	1,723,025				1,723,025
<b>CLINICAL SERVICES TOTAL</b>			<b>9,814,619</b>	<b>9,817,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,817,154</b>
FM SERVICES	PFI ESTATES BUILDING RELATED	Based on Square Meterage and current Trust Price as per ERIC returns	- 66,658		- 71,784			- 71,784
	PFI ESTATES ENERGY & RATES	Refurbishment Inefficiencies	325,977		351,042			351,042
	PFI ESTATES ENGINEERING RELATED	Based on Square Meterage and current Trust Price as per ERIC returns	87,012		93,703			93,703
	PFI ESTATES GENERAL RELATED	Refurbishment Inefficiencies	131,024		141,099			141,099
	PFI ESTATES GROUNDS RELATED	Based on Square Meterage and current Trust Price as per ERIC returns	- 11,129		- 11,984			- 11,984
	PFI RELATED CATERING	Catering Charge of ! Additional ward and reinstatement of Staff catering Costs	2,044,515		250000			250,000
	PFI RELATED EBME	Based on Square Meterage and current Trust Price as per ERIC returns	- 159,316					
	PFI RELATED TRANSPORT	Reinstatement of Transport Workshop	768,672					
<b>FM SERVICES TOTAL</b>			<b>3,120,098</b>	<b>-</b>	<b>752,075</b>	<b>-</b>	<b>-</b>	<b>752,075</b>
NON CLINICAL SERVICES	DUAL RUNNING FORECAST	Reducing in the Transitional Support required to cover Duel Running costs as the speed of Service change will be slowed down as a result of Refurbishment.	- 4,350,000					-
	MANAGEMENT EXEC&GENMGT RELATED	Increase in Management Costs resultant from working Across 2 site's.	1,377,256		741,577			741,577
	NON CLINICAL TRANSITION SAVINGS	The consequential knockon effect of the lack of centralisation, will reduce the amount of Transitional savings that can be achieved.	1,815,000				-	-
<b>NON CLINICAL SERVICES TOTAL</b>			<b>- 1,157,744</b>	<b>-</b>	<b>741,577</b>	<b>-</b>	<b>-</b>	<b>741,577</b>
OTHER SUPPORT SERVICES	EXCLUDED FUNCTIONS	Re instatement of Nursery facilities	500,000					
	OTHER SUPPORT SERVICES	Infrastructutre of Outpatient Services	371,422					
<b>OTHER SUPPORT SERVICES TOTAL</b>			<b>871,422</b>					
<b>GRAND TOTAL</b>			<b>9,648,510</b>	<b>9,817,154</b>	<b>1,493,652</b>	<b>-</b>	<b>-</b>	<b>11,310,806</b>