

Sandwell and West Birmingham Hospitals



NHS Trust

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Health and Wellbeing Centre
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Joint Health Overview and Scrutiny Committee
Sandwell Council House
Freeth Street
Oldbury
B69 3DE

Dear Councillor Giles and Councillor Cotton,

Midland Metropolitan Hospital - position statement

1. We continue to operate with universal stakeholder support for the necessity of a new single acute centre. This was due to open in October 2018. A delay until spring 2019 was accepted arising from engineering design issues, which have since been surmounted. The collapse of Carillion on January 15th will occasion further delay and makes real financial consequences of the prior delay. In addition any new contractor will price risk and delivery differently, and more expensively, than the project to date.
2. The Prime Minister has committed to the delivery of the hospital, and all contact with civil service colleagues reinforces a determination to achieve a new hospital as quickly as possible. The question is how not whether.
3. With the collapse of Carillion, the Hospital Company, with whom the Trust contracts, have given notice to the Official Receiver, and PWC acting as their agent. They vacated the site on March 22nd. Considerable effort and energy had gone into an interim contract to be let to take on the site, and that may yet prove possible, but it was not possible to reach collective agreement to do that at the time of the termination. As such the site is presently being managed and secured by the Hospital Company. With deep regret this sequence of events means that almost all prior employees will lose their jobs, and with that the project to build the new hospital will lose valuable soft knowledge and experience.
4. The Trust continues to work to confirm which of the options for completion represents the best value for money, and within that the fastest route to delivery. This work will take a few more weeks. It is being completed with expert advice and help, and will form the basis for any decision made by both the Trust and government in coming weeks. In parallel the Trust is finalising analysis of the impact of delay, given that the lease of City Hospital from its owners expires in December 2019. Of equal or greater importance is understanding which clinical services cannot be stretched across two sites beyond 2020, and the relative

fragility of such services to, for example, a handful of staff exiting the organisation. This will be one of several topics appraised at the Trust's Board on April 5th.

5. The collapse, and the delay in confirming a successor arrangement, is of concern to us all. No effort or energy is being spared in bringing uncertainty to an end. We will happily provide a further update to any future OSC meetings as requested. We are cautiously optimistic of a clear position being arrived at during April.



Toby Lewis, Chief Executive
Sandwell and West Birmingham NHS Trust