Via email

Karen Geoghegan
Chief Financial Officer
Brighton & Sussex Hospitals NHS Trust

22nd November 2012

Dear Karen,

Full Business Case for the Refurbishment of St Mary's Hall Senior School Site

I am writing to confirm that the SHA has now approved the Full Business Case for the refurbishment of St Mary's Hall Senior School Site.

This is a £9,689,000 scheme which will be funded from £2,887,000 of Trust operational capital, and by a £6,802,000 Department of Health Prudential Borrowing Loan. The latter is already in the FIMS 2012-13 plan for the Trust, but before you can proceed to let the contract, my team will need to confirm this approval decision to the DH, and secure their confirmation that the loan may now be drawn down. Please do not proceed to let the contract until Robert Gregory confirms to you that DH have the necessary arrangements in place.

This approval is subject to the following conditions:

- confirmation in writing by the Department of Health of the allocation of £6,802,000 capital to this scheme as a Prudential Borrowing Loan prior to the Trust letting the construction contract;

- confirmation by the Trust prior to letting the construction contract that the final Guaranteed Maximum Price is no more than 10% greater than the £9,689,000 proposed in this Full Business Case;

- the Trust will manage the impact of the forecast technical financial impairment arising as a consequence of this investment;

- the Trust will confirm that any residual affordability gap in 2012/13 and future years will be covered if it proves necessary;

- the Trust will satisfy itself that listed building consent and Building Control approval have been confirmed prior to commencing the refurbishment programme.

If you have any questions please refer these to Robert Gregory in the first instance.

Yours Sincerely

Bob Alexander
Director of Finance, NHS South of England
& Director of Finance NHS TDA