

The Contract/Project Agreement (PA)

The Project

The Full Business Case (FBC) for the Fit for the Future new hospitals PFI project was approved by the Department of Health in May 2007 and is available on the UHNS Trust's web site which can be found at www.uhns.nhs.uk. This document describes the scope and deliverables of the project.

The Fit for the Future new hospital PFI involves the design and construction of new facilities on both the City General site at the University Hospital of North Staffordshire NHS Trust (UHNS) and at the Haywood site – part of Stoke on Trent PCT (SoTPC).

The Contract Structure and Value

UHNS and SoTPCT entered into a PFI contract with Health Care Support (North Staffordshire) Ltd (HSNS) on 19th June 2007. The contract term is for 37 years and 2 months and has a revenue stream of £52million per annum. This adheres Standard Form 3 issued by the Department of Health. The contract describes:-

- what services are to be provided to the Trusts and when (**unitary payment**)
- how the services will be delivered – in terms of specifications and key performance indicators (**performance regime**)
- what payments are to be made, how and when (**payment mechanism**)

The Project Company

HSNS is an organisation known as a special purpose vehicle or SPV which has been set up by John Laing Social Infrastructure Ltd and Sodexo Investment Services Ltd who are the shareholders in the SPV. The SPV was set up specifically to deliver the PFI project at North Staffs.

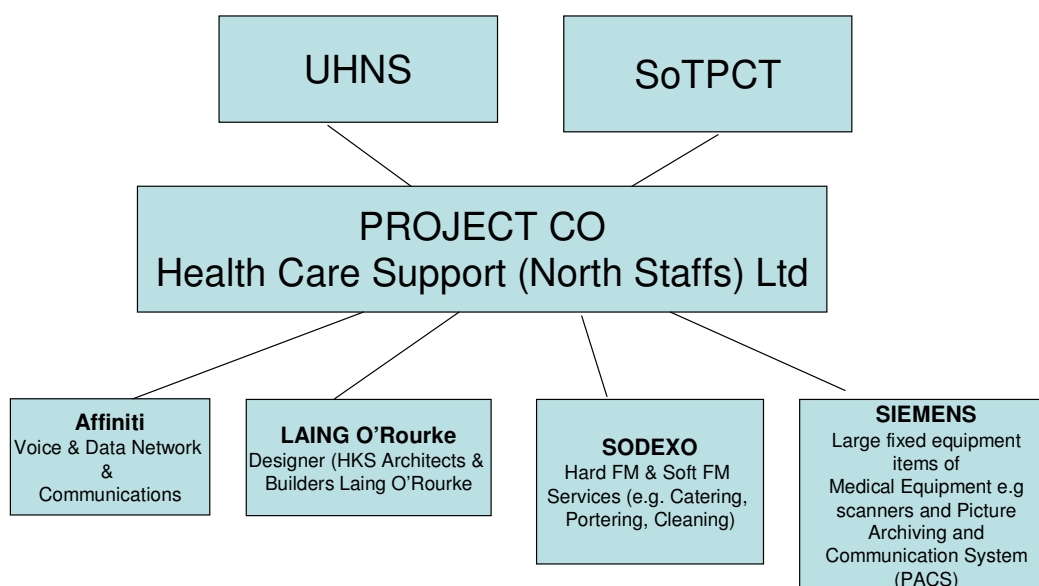
Sub-Contractors

HSNS has a number of sub-contractors involved in the project who are active at different stages of the project during construction and service delivery phases. These are:-

- Laing O'Rourke – design and construction
- Sodexo Health Care Services Ltd – soft FM (e.g. catering, portering, cleaning, car parking, security and waste & materials management) and Sodexo Ltd – hard FM (e.g. estates)
- Siemens plc – Managed Equipment Service and PACS
- Affiniti – network and communications

The organisation chart below shows how the above descriptions in pictorial form:-

Fit for the Future PFI Contract Structure



Construction Phases

The construction at the City General site is being undertaken in a phased way and is due for overall completion in 2014. The Haywood development is due to complete in July 2009.

The Project Agreement

The contract itself comprises a number of documents describing in detail how the above arrangements will be put in place, how they will work over the coming years and how the Trusts will ensure that the services they are contracted to receive will be delivered by HSNS and its sub-contractors. There are over 40 schedules which describe all of this information in detail which both Trusts (UHNS and SoTPCT) and HSNS signed up to when the contract was signed on 19th June 2007.

Managing the Contract

Management and administrative resources are being reviewed in line with Office of Government (OGC) guidelines to ensure that the deliverables within the contract are monitored, managed and evaluated appropriately.

For further detail on the Contract Performance Management arrangements please contact :-

Fit for the Future Contract Performance Manager on 01782 555150