Northern Health and Social Care Trust Board Meeting in Public - Cover Sheet

Subject:	Full Business Case (FBC) for the Interim Alongside Midwife Led Unit (AMLU) at AAH including evaluation of the recent Tender exercise.	**Date of Meeting:** Exec Team Meeting 20/03/25 Trust Board Meeting 27/03/25
Prepared By:	Alison Renfrew, AD Capital Development Diane Power, Head of Capital Development	
Presenting Director:	Paddy Graffin, Director of Infrastructure/Suzanne Pullins, Director of Paediatrics, Women's Services and Corporate Support Services.	

Purpose

To seek Trust Board approval of the FBC for Interim Alongside Midwife Led Unit (AMLU) at AAH allowing the Trust to instruct Health Estates to proceed with the appointment of a Contractor.

Approval	X
Assurance	
Update	
Noting	

Strategic Objectives

Build Northern Partnerships and Integrate Care	***Continue to improve Outcomes & Experience***	***Deliver value by optimising Resources***	***Nurture our People, Enable our Talent & Build Our Teams***	***Improve population Health & address health & social care inequalities***
	X	X		X

Body of Paper (insert own headings as required)

Background

Following approval of the Outline Business Case (OBC) on 25th March 2024 (capital costs £5,523,185) a FBC has been developed incorporating any known information since submission of the OBC which includes evaluation of the Tender exercise.

Currently there is no midwife led unit (MLU) in the Northern Trust area. Provision of a midwife led unit alongside a consultant led unit will enhance service provision, improve outcomes and experiences for women and improve accessibility to services to meet the Northern Trust's catchment population care needs. The time frame for the completion of the interim AMLU as stipulated within the Tender is 40 weeks (excluding a short commissioning period 10- 14 days). The contractor is due to commence on site on the 24th April 2025 and construction works are due to be completed by the 9th February 2026.

Tender Process

On behalf of the Northern Trust, DoH Health Estates, commenced a procurement process to appoint a contractor for the interim AMLU at Antrim Hospital in December 2024. This was undertaken following the procurement guidelines set out in the Northern Ireland Public Procurement documentation. The procurement methodology for the construction of the building used a traditional lowest price based method of procurement for tendering and construction.

Six contractors were shortlisted using the DoH, Dynamic Shortlist System (DSS) and were issued with tender documentation on 10th December 2024. One contractor withdrew from the competition, and the remaining contractors submitted a tender by the closing date of 11th February 2025.

Preferred Option at FBC Stage:
Following a tender evaluation process of the five tender submissions by the Design Team, Health Estates communicated their recommendation on 12th March 2025 to progress with appointing Martin & Hamilton as the lowest tender. This tender value has been incorporated into the FBC and subject to a financial reassessment of the options. Option 5: the creation of a 3 suite interim AMLU via a two storey hybrid build (with off- site construction), located at the front of the Antrim Hospital adjacent to the courtyard between the maternity and endoscopy departments, including a 4 bedded recovery area on the second floor, remains the preferred option.

Revised Capital Cost at FBC Stage :

The OBC approved capital cost for the project was £5,523,185 (25th March 2024), approved by DoH on the 9th April 2024.

Table 1: Capital Costs – OBC Approval v Actual Tender

	OBC Approval	FBC Costs	Movement
Works	£3,369,426	£3,645,555	£276,129
Fees	£623,344	£663,198	£39,854
Non Works Costs	£84,236	£89,621	£5,385
Equipment	£559,839	£559,839	£0
Health Estates Advisors Costs	£109,506	£116,508	£7,002
Optimism Bias	£776,834	£631,926	-£144,908
Inflation	£0	£0	£0
TOTAL	**£5,523,185**	**£5,706,647**	**£183,462**

The comparable costs at FBC stage are £5,706,647. This increase in cost reflects current market conditions as well as 2 packages of enabling works being undertaken by MTC (AAA fire exit and alterations to existing entrances into DAU / DSU / MRI) and enhanced acoustic monitoring and as well as a change in Optimum Bias to 12.90% as recommended by Health Estates. This has reduced from OBC stage when the approval was based on an OB rate of 16.75%.

Note that as this is case is less than DOH Delegated Limits of £10m it does not require DOH approval. However the Trust requires the funding shortfall of £183k from the DoH in 2025/26 (see detail above) and has requested as such.

Revised Revenue Costs at FBC Stage:
The recurring revenue cost at OBC stage were £353k, with comparable costs at FBC stage now £366K. The Trust has been engaging with SPPG on the recurrent revenue consequences and anticipates having a letter of Commissioner Support for the end of March 2025.