

ITEM: 12

Meeting: Trust Board
Date: 16 April 2008

Title: Energy & Sustainability Fund – Stage 2 Bid

Executive Summary: The Trust Board has previously made a commitment to support and approve a bid for capital from the Energy & Sustainability Fund from the Department of Health in order to support the strategic aim of decentralising the main hospital boiler plant.

The letter attached confirms that the Trust has been successful in securing £550,600, which will make a 50% contribution to the overall scheme.

The Trust Board is asked to note the conditions set out in the DoH letter, and the assurance from the Director of Facilities that the project to decentralise will be delivered within these constraints and to note that;

- i. The scheme is spread across two financial years, and the Trust has made provision for the expected capital outlay in the financial year 2009/10
- ii. The investment is supported by recommendations contained in the (draft) Estates Strategy (to be discussed at the April Board Meeting)
- iii. The investment is supported by the Trust Integrated Business Plan

Action: Trust Board to note progress and to continue to approve and support the scheme

Report from: Philip lent – Director of Facilities

Sponsor:

Financial Validation

Lead: Director of Finance

Name of finance officer

Richard Martin

Compliance with statute, directions, policy, guidance

Lead: All directors

Reference:

DoH Guidance

<p>Compliance with Healthcare Commission Core/Developmental Standards</p> <p>Lead: Director of Nursing & Clinical Development</p>	<p>Reference:</p> <p>Not Applicable</p>
<p>Compliance with Auditors' Local Evaluation standards (ALE)</p> <p>Lead: Director of Finance</p>	<p>Reference:</p> <p>Not Applicable</p>
<p>Evidence for self-certification under the Monitor compliance regime</p> <p>Lead: All directors</p>	<p>Compliance framework reference:</p> <p>Appendix C Board Statements</p>

5th March 2008



*Estates & Facilities Directorate
Engineering
Quarry House
Quarry Hill
Leeds LS2 7UE
0113 254 5000 Switchboard
direct dial 0113 254 5932*

Philip lent, Director of Facilities
The Whittington Hospital NHS Trust
Level 5, Highgate Wing
Dartmouth Park Hill
London. N19 5HT

Dear Philip,

Energy & Sustainability Fund – Stage 2 Bid LDN 023R
The Whittington Hospital– *Provision of decentralised energy services*

I am pleased to advise that the total capital sum of £550,600.00 has been approved for your Stage 2 bid in relation to the above project set against the Central Energy & Sustainability Fund. It will be allocated during the 2008/09 financial year

This final approval and allocation of funds is subject to your written confirmation that the following terms are accepted:-

- a) That the Trust Board continues to approve and support the scheme.
- b) That the capital is Public Dividend Capital (PDC) paid in accordance with standard Department of Health (DH) financial processes and procedures.
- c) That the DH funded PDC amount noted above is the total amount, inclusive of VAT, and that any further capital requirements must be met by the Trust.
- d) That completion of the project and final payment from the energy & sustainability fund will be achieved prior to 31 March 2009.
- e) That the Trust receives but takes the risk associated with all revenue benefits and consequences arising from the scheme.
- f) That the attached progress monitoring form is completed and submitted to the above address within one month of receipt of this letter and thereafter updated and submitted at each milestone stage noted on the form.
- g) That following practical completion of the scheme, the Trust submit outcome and post project evaluation reports in accordance with stages 3 and 4 described in the previously provided procedures notes.

Approval of this scheme is based on the following predicted outcomes as confirmed on your stage 2 bid.

Total Energy Saving: 6,500 GJ p.a.
Total CO₂ saving: 340 tonnes
Total revenue saving: £45,500 per annum.
Practical completion date: 31st March 2009

Please note that capital allocations from the energy & sustainability fund will only be financed through public dividend capital. This is one of a limited number of centrally funded capital initiatives which continue to be financed through PDC. From 2007/08 new capital projects will normally be financed through interest bearing dept.

PDC financing for projects covered by the energy & sustainability fund will only be made available where cash depreciation is fully committed in plans, where depreciation cash is not fully committed the balance must be used to finance some or all of the project. Guidance on the new capital regime, including access to PDC, was shared with NHS Trust Directors of Finance in FMWP (07-08) 01 issued on 13 December 2006. Should your Director of Finance have any queries with respect to the new guidance or methodology to access PDC, please contact Mike Bellas at the DH (e-mail: mike.bellas@dh.gsi.gov.uk).

Finally, may I congratulate your Trust on achieving approval for an allocation against the energy & sustainability fund and wish you every success with the project. I look forward to receiving your confirmation of Trust acceptance to points (a) to (g) above as soon as possible.

Yours sincerely



Chris Holme
Principal Engineer

cc. Simon Greenfield, SHA Estates advisor

LDN 023R