



## **Dorset Clinical Commissioning Group**

REF: FOI 079

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6 August 2019

Dear Requestor

### **Request made under the Freedom of Information Act 2000**

On 15 July 2019 you sent a request, made under the Freedom of Information Act, relating to the funding for the merger of A&E and Maternity services at RBH and the creation of Planned and Emergency Hospitals. I now provide this information as an attachment.

I trust that this is the information you require and that your request has been fully discharged.

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Please note that, under the Re-use of Public Sector Information Regulations, if you wish to publish or otherwise use this information besides for your own means, you will need to seek our permission to do so.

If you are unhappy with this response, you are entitled to request an internal review of our decision, handled where possible by a member of staff not directly involved in the initial decision. If you wish to request such a review, please write direct to the Data Protection Officer, NHS Dorset, Ground Floor, West Wing, Vespasian House, Barrack Road, Dorchester DT1 1TG. We aim to deal with requests for internal review within three weeks of receipt, although where the issues involved are very complicated this period may be extended up to a total of six weeks.

If you have queries about this response, please do not hesitate to contact me quoting the above reference number.

Yours sincerely

***Signature Removed***

**Tim Goodson**  
Chief Officer  
NHS Dorset Clinical Commissioning Group

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**Q1:**

Whether the whole £147 million would be paid as a grant by the Treasury, if not please specify what amount would be coming from where, and any conditions attached.

**Response:**

The Dorset STP were successful in being awarded £147.3m from HM Treasury as part of the STP Capital funding wave 1 process, this money is required to deliver the transformation identified for the benefits of patients across Dorset within the clinical service review, and will create a major planned hospital in Poole and a major emergency hospital in Bournemouth.

The £147.3m will be accessed by Poole Hospital and The Royal Bournemouth Hospital following the HM Treasury of the business case process and will be paid as public dividend capital (PDC), this is not grant funding or a loan and there are no conditions attached. The entire £147.3m has been ring-fenced for this transformation programme, and is subject to final business case approval by HM Treasury, although this is not anticipated to be a problem locally.

**Q2:**

Whether any part of the £147 million is a loan that would need to be repaid, if so, please specify the terms of the agreement.

**Response:**

The £147.3m is provided as Public Dividend Capital and is therefore not a loan or repayable.

**Q3:**

Whether any part of the £147 million would be funded through the private sector, if so, please specify the terms of the agreement.

**Response:**

None of the £147.3m will be funded through the private sector, as per response to 1) this is PDC funding from HM Treasury.

**Q4:**

Whether there will be any revenue costs as a result of this allocation, if so please specify what part of the loan these are attached to, and what the annual, and total, costs would be.

**Response:**

The £147.3m will incur a Public Dividend Capital dividend payment amount to 3.5% per annum. In addition, the new buildings and equipment will be subject to an annual depreciation charge linked to their value and useful economic life. The new buildings will also result in additional overhead costs including business rates, utilities and cleaning. When the capital developments are in use this will equate to £10m per annum funded through financial savings delivered as a result from the reconfiguration.

**Q5:**

What guarantees have been received from the Treasury regarding any grant aspect of the funding? Please also specify the total amount that they are funding, how this would be paid, and over what time period.

**Response:**

As noted above, the £147.3m is subject to HM Treasury approval of the full business case and is not grant funding. The Trusts will draw down the Public Dividend Capital from HM Treasury in line with the capital build programme (expected to be over 4 years), this does not require repayment.