

Witham, Braintree and Halstead 
Primary Care Group

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17th May 2002

Dear David

Mid Essex Hospital Services NHS Trust Outline Business Case (OBC) for the Centralisation and Modernisation of Acute Services on the Broomfield Hospital Site.

I am writing with reference to the above subject.

The PCG has been integrally involved in the development of the OBC in conjunction with Mid Essex Hospital Services NHS Trust. A great deal of detailed work was undertaken to ensure that the capacity of the hospital was sufficient given future predicted activity levels. The PCG support the capacity projections of 892 beds used in the development of the preferred option.

The absolute cost of the investment is the increase in capital charges and is made up of three elements:

- The move of St Johns
- Additional capacity to meet NHS Plan targets and future demand
- The impact of consumerism

The move of St Johns is nearly revenue neutral but the increased capacity and consumerism requirements increase costs.

The question of affordability has been addressed by the Mid Essex Financial Strategy Group. Affordability was assessed on two levels:

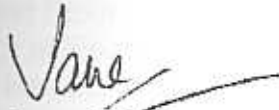
- Firstly, is the minimum increase in costs as a result of the investment (assessed by capital charges) affordable?
- Secondly, is the total projection of total revenue required to run the hospital

Witham, Braintree and Halstead **NHS**
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This work has confirmed that both elements are affordable although clearly, there is still much refinement to do. In addition, the group are continuing to meet to work out the detailed financial strategy that will allow these costs to be met at the appropriate time.

Please accept this letter as formal agreement of the Witham Braintree & Halstead Primary Care Group to the developments set out in the OBC.

Yours sincerely



Jane Griffiths
Chief Executive