

# Media Information

For immediate use



## **Work at East Ayrshire Community Hospital (EACH)**

NHS Ayrshire & Arran can confirm that the deadline for signing the agreement to proceed with the dental facility at East Ayrshire Community Hospital has now passed without Cumnock SPV (the owners of the building) and their funders (Alhi United Bank of Kuwait) having been able to finalise their financial arrangements.

It is therefore with extreme regret and reluctance that we confirm that the project cannot therefore go ahead.

Dr Wai-yin Hatton, Chief Executive - NHS Ayrshire & Arran, explained: "I am desperately disappointed for our staff, local people and the dental practice involved, that the final agreement was not produced for sign-off by the deadline. The original date for sign-off was 21 April, and we have given a number of extensions over the summer months to enable the other parties to agree funding.

"However, the level of continued uncertainty had the potential to become detrimental to our patient-focussed services at the hospital – with an associated impact on our staff. The Board is, therefore, unwilling to give further, repeated and potentially indefinite extensions to the signing-off of the agreement."

Over the spring and summer months improvement work has been taking place in the Frail Elderly and Elderly Mental Health wards at the hospital. The space released from Marchburn and Roseburn Wards was intended in part to be used for the new dental facility.

### **Background**

The Business Case for the project was first agreed by NHS Ayrshire & Arran's Capital Planning Steering Group in August 2010, and by November 2010 work had started on alterations to the wards to avoid disruption to staff, patients and visitors during the main building work.

# Media Information

For immediate use



In March 2011 a formal agreement was signed off by NHS Ayrshire & Arran and BAM PPP (Cumnock SPV's parent company) which outlined that, subject to funder approval to proceed being received by 11 April 2011, the work would be completed by 11 November 2011. Enabling work therefore continued at the hospital to ensure the target hand-over date could be met. This work involved setting up site cabins, erecting security fencing, removing fixtures, fittings and floor coverings in preparation for refurbishment and construction work, and creating new partitions and hoardings in Marchburn Ward.

On 21 April (the planned date for approval/sign-off of the Dental Variation Agreement and associated detailed plans) Chief Executive, Dr Wai-yin Hatton, arrived at a meeting to sign the agreement. No agreement was produced for signing. NHS Ayrshire & Arran were advised that BAM's funders, Ahli United Bank, now wanted to double their banker's margin (the return on their original long-term loan to BAM) as a condition for their approval of the Dental Variation Agreement.

By this point the Cumnock dental practice, Robert Kerr & Associates, who were scheduled to move into the new dental facility, had signed their part of the agreement on the basis that work would be complete by the agreed date.

In May 2011 NHS Ayrshire & Arran agreed to extend the deadline for BAM to reach agreement with Ahli United Bank to Friday 20 May to allow all parties to sign the Dental Variation Agreement. The contract would then be scheduled for completion by the end of December 2011.

By this point Robert Kerr and Associates, the dental practice due to move into the new facility, had already agreed, at NHS Ayrshire & Arran's request, to one extension because of the ongoing negotiations. The practice, concerned by the protracted nature of the process, exercised their right not to extend beyond the second date of 22 June. This meant that they were no longer contractually obliged to move into the dental unit but they expressed an interest in future developments.

# Media Information

For immediate use



Following a meeting between the practice and NHS Ayrshire & Arran, an agreement was reached that it would be reasonable to set a further, absolutely final deadline of two more weeks. On 27 July NHS Ayrshire & Arran formally issued a deadline of Monday 8 August 2011 for all parties to sign-off their approval of the Dental Variation Agreement. This deadline was not met.

Dr Hatton adds: “In the absence of an agreed timetable to complete the project and the continued uncertainty, the project, as agreed with the dental practice, was no longer viable. It has always been the NHS Board’s position that without participation of an independent dental practice, the project could not proceed.

“The past few months have been an unsettling time for our staff, the local community and the dentists who hoped to move into the new facility by the end of this year. I share their extreme disappointment and frustration at the repeated delays and the final outcome. I would like to give my personal thanks to everyone who has been involved in trying to achieve a solution, including our own staff, the dental practice, and the Cumnock SPV and BAM staff at the hospital.

“We now need to move forward with the owners of the building to reinstate the fabric of the hospital to ensure that the ongoing disruption to patient care can come to an end. In discussion with staff, patients, our partners and the dental practice, we need to consider the next steps both for East Ayrshire Community Hospital, and for the provision of dental services for the local Cumnock community. Our focus will be on working through the East Ayrshire Community Health Partnership to respond to the health needs of the local community and improve local services.”

**Date of release: Monday 15 August 2011**

For more information contact:

May Smith  
Head of Communications

# Media Information

For immediate use



NHS Ayrshire & Arran  
Communications Department  
Telephone: 01563 826107  
Out of Hours: 07769 648 975

[www.nhsayrshireandarran.com](http://www.nhsayrshireandarran.com)

[www.facebook.com/nhsaaa](https://www.facebook.com/nhsaaa)

**Media  
Information**  
For immediate use

