

CONSORT HEALTHCARE: EDINBURGH ROYAL INFIRMARY

Introduction

Balfour Beatty is acting as co-promoter/developer and 42.5% investor in Consort, the concession company awarded the PFI contract to design and build the new Edinburgh Royal Infirmary and then to provide FM and non-clinical services associated with the hospital for a period of 25 years. This is one of the largest hospital projects under Tranche 1 of the UK Government's PFI Hospitals programme.

Project Description

The Lothian University Hospitals NHS Trust is an internationally recognised centre of healthcare expertise, with a close relationship with the University of Edinburgh Medical School. Currently however, the hospital has to operate from several sites around the city centre, some of which are very old. The project to build the new hospital involves closing four existing sites and consolidating a large proportion of the Trust's operations on one new greenfield site, providing a total of 872 beds. In addition a new Medical School for the University of Edinburgh has been built on the same site.

Consort has procured the design and construction of the new facilities through a construction contract with ERJV. ERJV is a construction joint venture in which the Balfour Beatty Group holds an 85% interest. The construction period for the new Hospital and Medical School was 54 months.

Consort is also responsible for maintenance of the hospital and the provision of non-clinical services to the new hospital, which are sub-contracted to Haden Building Management Limited, a facilities management company in the Balfour Beatty Group. Full construction was completed on time in December 2002 with a phased opening for patient transfer completed by Easter 2003.



Contractual Arrangements

Consort entered into a number of key contracts in relation to this project. These contracts include the Project Agreement, which is the principal contract covering the relationship between the Trust and Consort, a Loan Facilities Agreement with six arranging banks, a Construction Contract with ERJV and a Facilities Management Agreement with the Facilities Management Provider.