

**Appendix 4 Costing Information for 2 options**  
**Analysis of one vs two Obstetric units at OUH - Summary**

**Number of Births**

	2015/16	2019/20 forecast	Ob9 2 units*
Horton	1411	160	1060
John Radcliffe	6394	6900	6000
Other	534	440	440
<b>TOTAL</b>	<b>8339</b>	<b>7500</b>	<b>7500</b>

**Total cost of Maternity inpatient services**

	2019/20 forecast Ob6 Single obstetric unit at JR	Ob9 2 units	Change to costs between 2019/20 forecast and second Obstetric unit
Horton	2,006,968	9,463,357	7,456,390
John Radcliffe	35,485,641	32,623,566	- 2,862,075
Other - excluded as no inpatient services			-
<b>TOTAL COST</b>	<b>37,492,609</b>	<b>42,086,924</b>	<b>4,594,315</b>

**The drivers of increased cost between the one and two unit options are:**

Cost split	2019/20 forecast Ob6 Single obstetric unit at JR	Ob9 2 units	Change to costs between 2019/20 forecast and second Obstetric unit	Notes
Consultants	2,178,141	3,839,531	1,661,390	Additional posts required for second Obstetric unit 6WTE
Non consultant medical	2,022,920	3,466,220	1,443,300	Additional posts required for second Obstetric 24/7 rota 17WTE
Anaesthetics	-	430,000	430,000	Additional posts required for second Obstetric 24/7 rota 9WTE
Midwives and MSWs	7,636,420	8,107,434	471,014	Additional posts required for second Obstetric 24/7 rota, including reductions at the JR site 35TWE
Neonatal nurses	-	652,000	652,000	Additional posts required for additional SCBU, no reductions on JR site 12WTE
Other staff	1,908,590	2,067,789	159,199	Includes additional A&C posts to support additional consultant posts
<b>TOTAL PAY</b>	<b>13,746,071</b>	<b>18,562,975</b>	<b>4,816,904</b>	
Ambulance	360,449	-	- 360,449	Horton based ambulance not required for second Obstetric unit
Other Non Pay	2,044,660	2,182,520	137,860	Additional non pay expenditure for second Obstetric unit for equipment and other non variable costs
<b>TOTAL NON PAY</b>	<b>2,405,109</b>	<b>2,182,520</b>	<b>- 222,589</b>	
Indirect costs	4,323,385	4,323,385		No change to indirect costs
CNST - Maternity and Maternity incentive element	12,263,715	12,263,715	-	No change to CNST premium
Depreciation and Amortisation	992,465	992,465	-	No change to depreciation and amortisation - assumed no additional capital works
Other overheads	3,761,864	3,761,864	-	No change to overheads
<b>TOTAL OVERHEADS</b>	<b>21,341,429</b>	<b>21,341,429</b>	<b>-</b>	
<b>TOTAL COST</b>	<b>37,492,609</b>	<b>42,086,924</b>	<b>4,594,315</b>	

**Horton Maternity Unit new build capital expenditure proposals**

	Option 1 - New build 4090m2	Option 2 - New build 4380m2	Option 3 - New build 4673m2	Option 4 - Refurbishment of current building
Initial capital costs	£40,000,000	£42,000,000	£45,000,000	£17,100,000
Revenue costs (indicative additional annual costs for depreciation and PDC - from first year of operation)	£3,100,000	£3,300,000	£3,500,000	£1,300,000

**Note:**  
Horton Maternity Unit Net Book Value as at 31st January 2019 - £957,000

**Analysis of one vs two Obstetric units at OUH - Assumptions**

Area	Assumptions
Activity (actual)	Births as reported in SLAM for all commissioners for the relevant financial year
Activity (forecast)	Forecast births for each scenario as agreed with Veronica Miller, Clinical Director for Obstetrics, July 2019

Cost type	Assumptions by site		
	JR	Horton	
<b>Expenditure - Pay</b>	Consultants	No reduction in JR consultant posts	Additional posts required for second Obstetric unit 6 WTE
	Non consultant medical	No reduction in JR non consultant medical staffing posts	Additional posts required for second Obstetric 24/7 rota, 17 WTE
	Midwives	Midwife posts reduced in line with the number of births at the JR site, ratio of midwives to births remains constant	Additional posts required for second Obstetric 24/7 rota, 29 WTE
	HCA's	HCA posts reduced in line with the number of births at the JR site, ratio of midwives to births remains constant	Additional posts required for second Obstetric 24/7 rota, 6 WTE
	Admin and Management	No reduction in medical secretaries for JR consultants	Additional A&C posts to support additional Horton based consultant posts
	Theatre staffing	No reduction in JR Theatre staffing	No additional theatre posts required - delivered by Horton based midwives and MSWs
	Anaesthetists	No reduction in JR Obstetrics Anaesthetics	Additional posts required for second Obstetric 24/7 rota, 9 WTE
	SCBU Horton	No reduction in JR Neonatal unit pay	SCBU Horton in line with costs in 2016/17, plus inflation.
<b>Expenditure - Non Pay</b>	Drugs	Drugs costs variable based on births - variable cost estimated at £70 per delivery	Drugs costs variable based on births - variable cost estimated at £70 per delivery
	Other Non Pay	Other Non Pay based on 19/20 costs in scenario 1. Other Non Pay based on 15/16 and 16/17 costs in scenario 2a-2d.	Other Non Pay based on 19/20 costs in scenario 1. Other Non Pay based on 15/16 and 16/17 costs in scenario 2a-2d.
	Internal recharges	Assumed to be fixed for all scenarios	Assumed to be fixed for all scenarios
	Ambulance	N/A	Ambulance not required with second Obstetric unit
	SCBU Horton	No reduction in JR Neonatal unit non pay	SCBU Horton in line with costs in 2016/17, plus inflation
<b>Overheads</b>	Indirect costs	2018/19 PLICS Q4, JR Maternity and Obstetrics inpatients. Assumed to be fixed for all scenarios. Excludes CNST costs.	2018/19 PLICS Q4, Horton Maternity and Obstetrics inpatients. Assumed to be fixed for all scenarios. Excludes CNST costs.
	CNST - Maternity and Maternity incentive element	CNST Maternity element 2019/20 - assumed no change to total premium - split based on numbers of births on each site per scenario.	CNST Maternity element 2019/20 - assumed no change to total premium - split based on numbers of births on each site per scenario.
	Depreciation and Amortisation	2018/19 PLICS Q4, JR Maternity and Obstetrics inpatients. Assumed to be fixed for all scenarios.	2018/19 PLICS Q4, Horton Maternity and Obstetrics inpatients. Assumed to be fixed for all scenarios. No capital investment for Horton Maternity included.
	Other overheads	2018/19 PLICS Q4, JR Maternity and Obstetrics inpatients. Assumed to be fixed for all scenarios.	2018/19 PLICS Q4, Horton Maternity and Obstetrics inpatients. Assumed to be fixed for all scenarios.

Costing data for one and two unit options by site

	2019/20 forecast Ob6 Single obstetric unit at JR	Ob9 2 units
	1920 forecast	Total births as per 1819 actuals plus 900 HH less 900 JR
<b>ACTIVITY - BIRTHS ONLY</b>		
Total OUH births	7500	7500
Total John Radcliffe	6900	6000
Total Horton births	160	1060
Total MLU/home births	440	440

OUH MATERNITY - costs for births		1920 forecast (£)	Total births as per 1819 actuals plus 900 HH less 900 JR (£)
<b>Expenditure</b>	<b>TOTAL</b>	<b>37492609</b>	<b>42086924</b>
<b>Pay</b>	<b>TOTAL PAY</b>	<b>13746071</b>	<b>18562975</b>
	Consultant	2178141	3839531
	Non consultant medical	2022920	3466220
	Midwives	7636420	8107434
	HCA's	1619160	1612220
	Admin and Management	235870	402009
	Theatres and ST&T	53560	53560
	Anaesthetists	0	430000
	SCBU Horton	0	652000
<b>Non Pay</b>	<b>TOTAL NON PAY</b>	<b>2405109</b>	<b>2182520</b>
	Drugs	524190	493000
	Other Non Pay	1295830	1361880
	Internal recharges	224640	294640
	Ambulance	360449	0
	SCBU Horton	0	33000
<b>Overheads</b>	<b>TOTAL OVERHEADS</b>	<b>21341429</b>	<b>21341429</b>
	Indirect costs	4323385	4323385
	CNST - Maternity and Maternity incentive element	12263715	12263715
	Depreciation and Amortisation	992465	992465
	Other overheads	3761864	3761864

		1920 forecast (£)	Total births as per 1819 actuals plus 900 HH less 900 JR (£)
<b>Expenditure</b>	<b>JR</b>	<b>35485641</b>	<b>32623566</b>
<b>Pay</b>	<b>TOTAL PAY</b>	<b>12905591</b>	<b>11807969</b>
	Consultant	2178141	2178141
	Non consultant medical	2022920	2022920
	Midwives	6999880	6086852
	HCA's	1415220	1230626
	Admin and Management	235870	235870
	Theatres and ST&T	53560	53560
	Anaesthetists	0	0
	SCBU Horton	0	0
<b>Non Pay</b>	<b>TOTAL NON PAY</b>	<b>1999210</b>	<b>1798120</b>
	Drugs	524190	482000
	Other Non Pay	1250380	1091480
	Internal recharges	224640	224640
	Ambulance	0	0
	SCBU Horton	0	0
<b>Overheads</b>	<b>TOTAL OVERHEADS</b>	<b>20580840</b>	<b>19017477</b>
	Indirect costs	4140691	4140691
	CNST - Maternity and Maternity incentive element	11985784	10422421
	Depreciation and Amortisation	921169	921169
	Other overheads	3533196	3533196

		1920 forecast (£)	Total births as per 1819 actuals plus 900 HH less 900 JR (£)
<b>Expenditure</b>	<b>HORTON</b>	<b>2006968</b>	<b>9463357</b>
<b>Pay</b>	<b>PAY</b>	<b>840480</b>	<b>6755005</b>
	Consultant	0	1661390
	Non consultant medical	0	1443300
	Midwives	636540	2020582
	HCA's	203940	381594
	Admin and Management		166139
	Theatres and ST&T	0	0
	Anaesthetists	0	430000
	SCBU Horton	0	652000
<b>Non Pay</b>	<b>TOTAL NON PAY</b>	<b>405899</b>	<b>384400</b>
	Drugs	0	11000
	Other Non Pay	45450	270400
	Internal recharges	0	70000
	Ambulance	360449	0
	SCBU Horton	0	33000
<b>Overheads</b>	<b>TOTAL OVERHEADS</b>	<b>760589</b>	<b>2323952</b>
	Indirect costs	182694	182694
	CNST - Maternity and Maternity incentive element	277931	1841294
	Depreciation and Amortisation	71296	71296
	Other overheads	228668	228668