

ESTATE MAJOR PROJECTS AUTHORITY COMMITTEE AGENDA

Venue Room 13, Education Centre, Sandwell
General Hospital

Date 26th April 2019 15:00-16:30

Members Present:

Mr Harjinder Kang (HK)
Mr Toby Lewis (TL)
Mr Alan Kenny (AK)
Cllr Waseem Zaffar, (WZ)
Ms Dinah McLannahan, (DMc)

In Attendance:

Ms J Dunn (JD)
Mr Kevin Reynolds (KR)

Support:

Mrs Patricia Lee (PL)

1. Introductions [for the purpose of voice recording].	Verbal
The Committee members introduced themselves for the purpose of the meeting recording.	
2. Welcome, and Declarations of Interest	Verbal
No declarations of interest were received.	
3. Apologies:	Verbal
Apologies were received from Richard Samuda, Mike Hoare and Mick Laverty.	
4. Minutes of last meeting held 8th February 2019	(04/19) 001
The minutes of the meeting held on 8 th February 2019 were accepted as an accurate record, with the following amendments: Page 5, bullet point four, replace Arthur Suite with Alpha Suite. Page 6, final paragraph, replace prescription with respiratory.	
5. Matters arising (action log)	(04/19) 002
An update of matters and actions arising from the previous meeting was provided in the action log at the end of the meeting papers.	
6. The milestone plan for MMH approval and where we are against it	(04/19) 003
TL gave an overview of this item and the following was noted: <ul style="list-style-type: none"> A more rapid position was brought forward requiring that the preferred bidder appointment was made by the end of June. The Board would support the business case during May and Whitehall would do the same during June. The paper reflected that the timetable was behind schedule by circa two weeks and the delay would be reported at the next Public Board meeting. 	

- Discussions would be held on Thursday regarding key assumptions and financials, and a seminar session for awareness would be arranged for mid-May.
- By 13th May, a briefing paper would be available to communicate the position to partner agencies and stakeholders.
- The above actions relied heavily on the Trust having a sound financial model and a set of bids ready.

TL advised the Committee that an issue was how PDC was handled in the period prior to being opened. Whilst a base proposition was in place, confirmation that this approach would be acceptable had not yet been attained. Notwithstanding this issue, it was confirmed that the financial proposition did work, although there were some technical issues to be resolved over the next couple of weeks.

TL updated the Committee with regards to the bid. He advised that there were still concerns related to the risk transfer and the programme. TL also advised that the Trust's preferred programme worked well and that suppliers would need to be convinced of this.

AK confirmed that Balfour Beatty were currently communicating that their completion date would be June 2022 rather than 31 December 2021. Although they were actively working towards at least getting the programme to a position whereby they would complete in April 2022. TL emphasised the importance for third parties not to take a fixed position and that this would not be an acceptable proposition based on how FBC would proceed. He emphasised the need to resolve this with Balfour Beatty.

TL clarified the process around the Board being invited to appoint a preferred bidder. He clarified that by the June Board an assessment on market analysis and intelligence around Balfour Beatty's suitability would have taken place, together with discussions with the Cabinet Office about where they stood on that position. TL confirmed that the Committee would need to be clear what tracking data items would be agreed with Balfour as being part of an ongoing monitoring regime, by the June Board meeting.

The issue of engineering risk scrutiny was discussed, and AK advised that Balfour Beatty were considering how to accelerate works. He also advised that there was disagreement regarding the NEP risk transfer. TL confirmed the need to work through the Risk transfer.

AK confirmed that the relationships with Balfour Beatty was improving every week and he was optimistic that the position would be where it should be before June.

TL queried the capacity of the Balfour Beatty team and AK updated the Committee as to the Balfour Beatty position. He confirmed that two highly experienced project directors had transferred to Balfour Beatty and would start in May, which would improve their team significantly. TL confirmed that by the time a preferred bidder decision would need to be made, the Board would expect:

1. That it knows precisely who is on the Balfour Beatty team.
2. That it has had the ability to form a view.

AK clarified that Balfour Beatty had recently issued a draft tender certificate to Capsticks but that the Trust would not be in line to receive the tender certificate on 29th April. AK agreed to re-set the

micro timeline for May and provide clarity around what would be provided and when. It was also agreed that a draft timeline of what to expect over the next two months would be provided for the next Board meeting.

TL confirmed the following:

- A generalised discussion would take place next week to ensure any issues were understood.
- A gathering in the middle of May would be arranged to ensure that everyone was appraised for the business case.
- The preferred bidder decision would be made in June.

The issue of the AECOM warranty was discussed, and it was confirmed that Balfour Beatty were seeking higher cover. AK confirmed that Balfour Beatty were actively pursuing Hull & Kirkwood and that they appeared to be getting into a position where a satisfactory resolution was achievable.

Action: AK to re-set the micro timescale of May and create a draft timeline of what to expect over the next two months for the next Board meeting

7. Estates Plan 2020: Implementation of 19-20 capital programme

(04/19) 004

JD noted the paper and went through the schemes to be delivered for each hospital in each quarter. JD agreed to provide a simple table showing the delivery of schemes for the Committee.

The following points were noted:

- As a direct result of a Board walk-about, the issues raised to the Board by staff surrounding the maternity transitional care beds had been looked into but was not yet resolved.
- The need to deliver a business case as soon as possible. The Finance and Estate functions would work together to provide this. TL offered his assistance if required.

The position with IT expenditure was discussed and TL confirmed that he was satisfied that the 19/20 IT component of the capital programme was agreed between himself and MS. The 20/21 and onwards IT component of that capital programme had not been agreed yet.

It was agreed that other developments aside from Midland Met, including the GP practice initiative, would need to be visualised for staff so that they could understand the chronology of developments. It was agreed that this would be made available once the Midland Met date was finalised.

TL called out the early works piece which was annexed within the meeting papers. He confirmed that the early works completion was running one week late and would be completed by 7th June close of play. This delay was sighted on the incident with the crane. The issue of extending the contract to allow works to continue was discussed and AK advised that he would look into governance and decision making for this over the next two weeks. TL added that this should remain as a matter arising and that he would verbally advise the Board of the intentions.

AK explained the crane incident in terms of liability, responsibility and insurance. TL added that it was good news that nobody was harmed in the incident. TL advised the Committee that this incident would potentially extend the early works contract beyond early June.

Action: JD to provide a simple table showing delivery of schemes.

Action: TL to verbally advise the Board regarding the possibility of an extension to the works contract.

8. Estate and NH team capacity and capability after contract signature

(04/19) 005

TL requested that non-Committee members leave the room prior to the commencement of the discussion.

AK noted the paper and the following points were made:

- There was enough resource within the team currently to undertake the works required for the duration of the construction project.
- The NEC Project Manager role would be filled by two people sharing the role.
- Supervisory roles would be taken by ARUP and Stride Treglown.
- The Cost Advisor role would be undertaken by WT Partnerships

TL queried the after-contract signature between an advisory team and an in-house team. AK advised that he did not think that there was an intention at the moment to do any further works with the in-house team beyond what they were required to do. TL advised that there was a need to move with clarity, and that there was a responsibility to these individuals to give them a level of foresight into their futures with the Trust. The Chair requested that a 3-year level of trajectory be developed, naming all individuals affected.

TL suggested that a workshop take place in the next couple of weeks to discuss the following:

- The financial flows.
- Consider resource requirements for the move into the new hospital.
- Capability confidence.

Action: AK to set up workshop to go through financial flows and resourcing / capability questions surrounding the new hospital.

9. Hard FM programme, including governance of in-house bids

(04/19) 006

KH noted the paper and gave a brief overview of what was expected to be achieved with Hard FM procurement. The following points were made:

- OJEU notice had been sent out requesting a framework agreement for four lots:
 - Lot 1 being the early involvement of an FM contractor to challenge the builder and make sure that the Midland Met hospital is maintainable for the life-scale of the hospital.
 - Lot 2 would be Hard FM management for Midland Met when it is in its operational phase.
 - Lot 3 would be an option for the retaining estate.
 - Lot 4 Plan the works and capital/lifecycle works for the retained estate.
- The Trust was looking to complete the in-house bid which would provide costs for lot 3.
- The team had developed a “Chinese Wall” to ensure that from a procurement point of view, there would be no basis for challenge.

- FM provision had been put out to market in terms of the lots 1 – 4. One of the key drivers being lifecycle of the Midland Met hospital.
- Initially the contract award was 5 plus 5 and the initial lifecycle feedback over the 10 years is that it would be below the £15m NHSI threshold.

TL questioned the timescale for the in-house bid to be submitted. KH explained that this would run parallel with external bid and the timescales would be the same. Further discussion commenced on the timescales and TL explained other methods of running the in-house bid. He requested that the team set out the other options as a matter of priority.

TL queried how the stand-still period for lot 2 in October 19 lined up with the final contract for procurement. KH confirmed that the October date did not line up and this issue needed to be resolved.

The Chinese wall operating arrangements were discussed and AK agreed to give further thought into putting the arrangements in writing and how to go about agreeing the arrangements.

AK confirmed that the specification for lot 3 would be completed within the next four weeks.

Action: AK & KH to provide a revised timetable for Lots 1 and 2.

Action: AK to work through the Chinese Wall data issue and provide a detailed analysis of how this works in advance of Thursday’s Board meeting. DMC to scrutinise the analysis.

10. Meeting effectiveness / matters to raise to the Trust Board

Verbal

The Chair noted that the meeting had been effective.

11. Any Other Business

Verbal

No other matters were raised.

Details of next meeting

Verbal

The next meeting will be held on **Friday 28th June 2019 from 15:00 to 16:30** in Room 15, Education Centre at Sandwell General Hospital. A virtual or emergency meeting may be required prior to that to consider issues associated with the Midland Met FBC.

Signed

Print

Date