

## ESTATE MAJOR PROJECTS AUTHORITY COMMITTEE - MINUTES

**Venue:** Meeting held by WebEx

**Date:** 28<sup>th</sup> August 2020, 15:00 - 16:30

**Members:**

Mr R Samuda (RS) Non-Executive Director (Chairman)  
 Dr C Carruthers (DC) Acting Chief Executive and Medical Director  
 Mr M Hoare (MH) Non-Executive Director  
 Ms R Barlow (RBa) Director of System Transformation  
 Cllr W Zaffar (WZ) Non-Executive Director (until 4pm)  
 Mr H Kang (HK) Non-Executive Director

**In Attendance:**

Mr Austin Bell (AB) Project Director - MMUH  
 Mr Craig Higgins (CH) Head of Financial Accounting & Compliance

**Apologies:**

Mr T Lewis (TL) Chief Executive  
 Mr M Laverty (ML) Non-Executive Director  
 Ms D McLannahan (DM) Chief Finance Officer

| Minutes   | Reference               |
|---|-------------------------|
| <b>1. Introductions</b> [for the purpose of audio recording]  | <b>Verbal</b>           |
| The Committee members provided an introduction for the purpose of the meeting recording.  |                         |
| <b>2. Welcome and declarations of interest</b>  | <b>Verbal</b>           |
| RS welcomed committee members to the meeting. There was no change in declarations of interest.  |                         |
| <b>3. Apologies for absence</b>   | <b>Verbal</b>           |
| Apologies were received from TL and ML.   |                         |
| <b>4. Minutes of last meeting held 26<sup>th</sup> June 2020</b>  | <b>EMPA (08/20) 001</b> |
| The minutes of the meeting held on 26 <sup>th</sup> June 2020 were reviewed and the following amendment was advised: Item 8, <i>ENGIE</i> (7 <sup>th</sup> para) – amend £13.5 to £13.5m.<br>The minutes of the meeting held on 26 <sup>th</sup> June 2020, subject to the above amendment, were <b>ACCEPTED</b> by the Committee as a true and accurate record of the meeting.   |                         |
| <b>5. Matters and actions arising from previous meeting</b>   | <b>EMPA (08/20) 002</b> |
| The Committee reviewed the action log and it was advised that the two open actions were not yet due.  |                         |
| DISCUSSION ITEMS  |                         |
| <b>6. Capital plan at site level</b>  | <b>EMPA (08/20) 003</b> |
| RBa advised that the Paper details the estates and site level Capital Programme. Over the last five months, a comprehensive review and a controls process had been completed on the Capital Plan – feasibility position, scope, final details of estimates and costs. Accuracy of the Plan was crucial to ensure that it was balanced and that it fulfilled the Trust’s clinical and non-clinical service needs for the next five years. The Plan is complex due to the pace of change and it now includes the decommissioning of |                         |

the City site. Work would now need to be done on telling the story at site level to staff, patients and the public. An external communications consultant would be engaged to commence telling those stories at a site level in an inspiring and informed way.

RBa advised that the Plan gave a small allocation of just over £300,000 above the schemes that they needed to do and the Trust's stock standard capital money. All schemes required a feasibility study. A priority for her team, was the schemes upcoming in the next two quarters and the schemes aligned to other potential monies. There was a lot of potential money available for regeneration and potentially backlog works, which the Trust could have access to, in the order of £150m. The Trust needed to move to have 'spade ready schemes' to successfully bid. Governance structures were enhanced to better manage at scheme level with control process in place as to which schemes go to the Estate's team to ensure a fit with the clinical strategy.

A City Control Plan Programme group had been established to manage decommissioning and a potential master plan for the City site. It was the intention to leave a blank site for future opportunities (in the next 3-5 years). All investment companies would be involved to ensure that the Trust did not plan in isolation and remain connected – to establish foundations for the Regeneration Plan.

WZ advised that he, AB and a Sandwell councillor had walked from MMUH to City along the canal network looking at how they could open up some of the canals around MMUH. It was noted that there was no real connection from the canals into the City site. He suggested that conversations with Homes England were required with regard to that. With critical support from MPs, the regeneration project would create jobs and support the supply market. RBa advised that John Speller was supportive of the Trust's workforce schemes and had discussed the regeneration scheme with him; in which he was interested.

AB advised that Savills had been appointed to work with the Trust over the coming months. Part of that work would be to review the City Control site and look at the boundaries to help the Trust with the renegotiation. The Trust would need to acquire some of the land to allow direct access to the canal frontage.

The Chair questioned what would happen to the radiopharmacy team on the City site. RBa advised that the service would be decommissioned and decontaminated on professional advice. That specialist decontamination had been accounted for in the Capital Plan.

RBa noted that a lot of internal works had already been done regarding Sandwell's preparedness for becoming a treatment centre going forward; that would need to be communicated to patients and the public. Works to most of the outpatient facilities for the treatment centre had been completed; some work to be done on transforming clinical areas into administrative offices.

The Chair questioned the completeness of the costs within the Plan. RBa advised that the costs were estimates. She had reviewed the historical performances of estimates versus actual costs and delivery of capital schemes; and they aligned quite nicely. History indicated that the Trust was not carrying a big risk; however, high costs and well-knowns within capital projects need to be prioritised. RBa planned to bring the phasing back to a whole programme view with a timeline of estimate transition to full costs. Effectively they would programme manage it to see scope of concept start, timelines and actual costs. The Chair surmised that they would have a critical path timeline and a level of cost certainty built into that.

The Chair requested further detail around the BTC additional costs. RBa noted that the BTC was a standalone building in terms of utility provision; therefore, there was no disconnection work. Most of the decommissioning work was around the connecting bridge and the security input into the building. There were endoscopy suites to put in and a third room to commission; which was part of the Clinical Services Plan. She had had a strategic meeting with the investor in regard to the next three years to ensure that the investor had an understanding of the timeline.

The Chair questioned the IT position. RBa noted that IT capital required forensic investigation to identify

what was needed. There was currently £2.4m of IT costs allocated in the Estates Plan. The digital infrastructure resilience between the two sites going forward needed to be assured.

RBa advised that, under the town investment bids, they were working up a bid for a university campus to be supported on MMUH development plots.

The Chair requested a critical path timeline, identifying the required tasks, to firm up costs, and the ordering of the different site configurations, including the bids that spin off that and if they were within NHS budgets or in other budgets. RBa advised that she would report on that as a standard committee report, commencing from the October meeting.

The Chair questioned if there were supporting partners other than Savills. AB advised that they were discussing with NCL Developments to conduct a deep dive into the Trust’s proposals and to provide professional critique and testing to help define strategy, key time scales and key risks. That exercise would be completed in a couple of months. A team of experts with very good knowledge of Birmingham was starting to form.

**Action:** RBa to present, commencing from the October meeting, a report on the Capital Plan’s critical path timeline, identified tasks to firm up costs, ordering of the different site configurations; including bids and their associated budgets.

|  |                         |
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| <b>7. Regeneration and strategic partnership development</b> | <b>EMPA (08/20) 004</b> |
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AB provided the Committee with a Google Earth tour of the regeneration site, noting the following:

- The hotel development to include food and beverage services and educational facilities.
- The future investment in the hospital and associated development would be attractive to investors as hospitals would always continue to operate into the future.
- Proposing to reopen a portion of the canal for residential mooring with unobstructed access; to apply for town funding. In the process of confirming the two different owners to open communication.
- Car parking site to transform into a university.
- The concept of a public facility precinct needs to be developed prior to Christmas 2020.

The demand for a university and associated schools was questioned, as there were already two large medical schools in the area. RBa advised that the student intake numbers and growth models required would be investigated further. It would be proposed to host educational facilities for medical, nursing and other professional groups; including an Advanced Clinical Practitioner Faculty (the only such faculty in the country).

AB advised that they had a plan of activity to pull together prior to Christmas; by the year end there would be granular detail on the sites. There was a small tight working group supported by external professionals progressing that work.

It was noted that the Trust had played a role in unlocking regeneration conversation; AB had had a hands-on role in pulling a brief together to commission a joint piece of work [with the Councils] around master planning of the Greater Icknield and Smethwick area (commissioned by the City Council). It was hoped that the Trust and Councils would be working together by Christmas.

|   |                         |
|---|-------------------------|
| <b>8. Stakeholder mapping and engagement outline proposal</b> | <b>EMPA (08/20) 005</b> |
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RBa noted that the Paper talks to partnerships, stakeholder assessment and mapping. Annex 1 *Stakeholder Assessment* maps the ‘best in power’, where the identified key partners may be placed now/into the future and proposed engagement activities. She sought the Committee’s feedback on the stakeholder assessment piece and, dependant on the discussion outcomes, proposed to undertake a

more detailed piece of work to present to the EMPA (possibly at a Board development session).

RBa noted the status of the following key relationships:

- Balfour Beatty and ENGIE – need to collaborate on scoping regeneration to enable deliverables.
- Chamber of Commerce – have a good relationship.
- West Midlands Combined Authority – have a supportive relationship at a high senior level; however, at the lower level there seemed to be a disconnect. WZ provided an overview of the West Midlands Combined Authority’s structure. He suggested to open a relationship with Deborah Cadman. It was advised that HK and WZ were colleagues or good contacts of Deborah Cadman and it was requested that they engage with her.
- Canal and River Trust; AB advised that the relationship was going really well in terms of vision.
- Transport providers; needed to refresh the relationship. The Chair requested that WZ and RBa focus on refreshing that relationship.

RBa stated that it needs to be clear regarding their approach to each organisation over time, rather than just ‘being in touch’.

RBa raised concerns about the absence of the CEO on stakeholder relation given Toby Lewis was a key person and role in stakeholders who need and warrant close relationship management.

The Chair queried if a social care/residential care dynamic should be considered. RB advised that she would meet with the social care providers as part of the acute care modelling engagement in two weeks’ time.

The Chair noted that it was a comprehensive paper. He requested RBa to prioritise the identified relationships of importance, identify the current status of relationships and identify any gaps to work on; to condense the list to a priority list for presentation to the Board for input.

**Action:** HK and WZ with RB ad AB to engage with Deborah Cadman (West Midlands Combined Authority) to build a partnership in regard to regeneration/partnership strategy.

**Action:** WZ and RBa to focus on refreshing the relationship with the transport providers.

**Action:** RBa to present a condensed partnership priority list to the Board for input.

## 9. System Transformation Directors report (including RCC annex and contingency forecast)

EMPA (08/20) 006

RBa advised that the construction programme was 11 days behind plan and noted that it was really good considering the circumstances of the pandemic. The Contractor was presenting a pessimistic view of productivity (7%-30% of lost productivity) which the Trust had pushed back at. The Trust had taken a realistic view of contingency. Built into the contingency was the COVID-19 welfare funds, which was not yet received.

AB provided an overview of *Annex 3 – Contingency Position and Pending Instructions*. He advised that FF&E would take the Trust below the £5m contingency threshold. He proposed (also for Board consideration) that they either:

- a) Continue producing the same schedule, or
- b) Develop a new approval process/protocol:
  - i. Present the upcoming instructions and the working parameters to the Board for pre-approval
  - ii. Proceed to crystallise the instruction into action.
  - iii. Obtain final approval from a small group or Board.

The Chair suggested that a 5% contingency be applied per instruction. AB advised that he would test a 5%-10% contingency against each upcoming instruction; returning to the Board next week with a paper that sets that out, makes the position against contingency clear and informs of the approaching £5m threshold.

The Chair asked if there was a NHSI component. AB advised that they met with the NHSI fortnightly to discuss progress. He noted that the drawdown process was working well with NHSI and would continue their engagement with NHSI.

It was noted that Balfour Beatty's performance during COVID-19 was admirable; however, they had not drawn down in terms of cash where the Trust had expected them. That meant that Balfour Beatty had not done as many activities as expected and they were affectively resyncing their programme to accommodate that.

It was noted that the contract was a gain share contract, if the Contractor goes over, that's Balfour Beatty's problem only. If a big problem results from COVID-19, they would need to have a national conversation. It was highly likely by the beginning of Q4 that Balfour Beatty would have completed all of its procurement, have a good handle on finances and have closed out the majority of the risk register; that would then present an opportunity to have the discussion with them as to their forecast.

MH questioned how any COVID-19 compensation items were identified. AB advised that there was only one so far (welfare claim). If there was a proven delay due to COVID-19, it would become a compensation event which would increase the target price and the Trust would need to pay for it. Balfour Beatty had not yet been able to demonstrate that the 11-day delay was due to COVID-19.

**Action:** AB to prepare and present a Board paper that sets out the contingency test of 5%-10% against each upcoming instruction, provides a clear contingency position and informs of the approaching £5m threshold.

**10. SBAF**

**EMPA (08/20) 007**

RBa provided an update on the SBAF:

**SBAF 19** – waiting for a scorecard to be provided to enable seven-day data tracking; had been delayed due to COVID-19. Commencing in September, a prototype scorecard would be used. It was expected that the risk could be changed to *assured* in October.

The Chair noted the Capital Plan risk, as discussed, would be added to another register. RBa advised that she would include the risk on the departmental risk register and manage the mitigation stream (which was in place through governance, team skills development and resource).

**MATTERS FOR INFORMATION/NOTING**

**11. Meeting effectiveness/matters to raise to the Trust Board**

**Verbal**

The following topics were agreed to be raised to the Trust Board:

- Contingency paper
- Update on regeneration plans of interest

**12. Any other business**

**Verbal**

On ML's behalf, RBa suggested that the Committee have a socially distanced meeting at MMUH including a site tour. The Committee agreed that it would be beneficial.

**Action:** Organise an EMPA meeting at the MMUH site (to include a site tour).

**Details of Next Meeting**

The next meeting will take place on 30<sup>th</sup> October 2020, 15:00-16:30 in Room 13, Education Centre, Sandwell General Hospital.

Signed .....

Print .....

Date .....

## Estate Major Projects Authority Committee

### Action Log 28<sup>th</sup> August 2020

|                      | Action  | Assigned To         | Due Date  | Status / Response        |
|----------------------|---|---------------------|-----------|--------------------------|
| EMPA (04/20) 006     | Map the transformation plan for feedback and wider circulation by December 2020 and the timeline to be included in the target and taken to the board.   | RBa                 | Dec 20    | (28/8/20) – Not yet due. |
| EMPA (06/20) 003     | Pull together key measures to assure the Trust that the acute care model for MMUH was in alignment with best practice. To be produced for the August EMPA meeting.  | RBa                 | Oct 2020  | (28/8/20) – Not yet due. |
| EMPA (08/20) 003     | Present, commencing from the October meeting, a report on the Capital Plan’s critical path timeline, identified tasks to firm up costs, ordering of the different site configurations; including bids and their associated budgets. | RBa                 | Oct 2020  |                          |
| EMPA (08/20) 004     | Engage with Deborah Cadman (West Midlands Combined Authority) to build a partnership in regard to regeneration/partnership strategy.  | HK/MH with<br>RB/AB | Oct 2020  |                          |
| EMPA (08/20) 004     | Focus on refreshing the relationship with the transport providers.  | WZ/RBa              | Oct 2020  |                          |
| EMPA (08/20) 004     | Present a condensed partnership priority list to the Board for input  | RBa                 | Oct 2020  |                          |
| EMPA (08/20) 006     | Prepare and present a Board paper that sets out the contingency test of 5%-10% against each upcoming instruction, provides a clear contingency position and informs of the approaching £5m threshold.                               | AB                  | Sept 2020 |                          |
| EMPA (08/20) item 12 | Organise an EMPA meeting at the MMUH site (to include a site tour).   | RBa                 | Oct 2020  |                          |