

ESTATE MAJOR PROJECTS AUTHORITY COMMITTEE - MINUTES

Venue: Meeting held via WebEx

Date: 26th February 2021, 15:00 - 16:30

Members:

Richard Samuda (RS) Chair and Trust Chairman, *joined at 15:15*
 Mick Laverty (ML) Non-Executive Director *(Chair until 15:15)*
 Waseem Zaffar (WZ) Non-Executive Director
 Harjinder Kang (HK) Non-Executive Director
 Mike Hoare (MH) Non-Executive Director
 Richard Beeken (RB) Interim Chief Executive
 Dinah McLannahan (DM) Chief Finance Officer
 Rachel Barlow (RBa) Director of System Transformation

In Attendance:

Austin Bell (AB) Project Director – MMUH, *joined at 15:30*
 Susan Rudd (SR) Associate Director of Corporate Governance

Apologies:

Toby Lewis (TL) Chief Executive

Minutes	Reference
1. Introductions [for the purpose of the voice recorder]	Verbal
EMPA members provided an introduction for the purpose of the meeting’s recording.	
2. Welcome and declarations of interest	Verbal
The Chair had been delayed and ML opened the meeting, welcoming the Committee. No new declarations of interest were advised. The agenda was addressed out of sequence to allow complementary report flow for when AB would join the meeting.	
3. Apologies for absence	Verbal
An apology was received from Toby Lewis.	
4. Minutes from the meeting held on 8th January 2021	EMPA (02/21) 001
The Committee reviewed the minutes of the meeting held on 8 th January 2021. The minutes were ACCEPTED as a true and accurate record of the meeting.	
5. Matters and actions arising from previous minutes	EMPA (02/21) 002
The action log was reviewed and updated.	

DISCUSSION ITEMS

9. ENGIE Go Live update

EMPA (02/21) 008

RBa reminded the EMPA that ENGIE was the new FM provider and the contract would go live on 5 April 2021. The readiness plans, for both sides, ENGIE and the Trust, were on track. There was no reason that the target date of 5 April could not be achieved. ENGIE's measures letter, provided as an annex to the paper, was fairly specific and well defined.

RBa called out the consultation process that the Trust was in with Staff Side:

- Staff Side were not only concentrating on the measures, but a wider scope, making consultation quite challenging in regard to focus. It had also resulted in a letter to the Chief Executive to delay contract; which the Trust declined.
- Staff engagement had been very regular and continued in consultation.
- They had structured protected time for Staff Side and the leadership team to spend time with Trust staff.
- ENGIE wanted to consult before transferring the helpdesk team; the Trust rejected that. 2.6 of the paper provides clarification of the agreed transition of the helpdesk.

Governance arrangements had been reviewed to ensure they were robust enough to include an additional partner and a paper had been presented and approved by the Risk Management Committee. New governance arrangements for the Trust and ENGIE in terms of governance compliance would be implemented. It was noted that policy revision was on track.

It was noted that communications out to the organisation should be kept simple with the aim to support their team to transition into the ENGIE world.

On track with asset surveys; no concerns raised to date. The paper flagged that vacancies may be an issue; however, ENGIE had moved forward with appointing the directorate. Many of the people were known entities and were assured of the quality of staff.

Staff Side had instructed the Trust staff to not participate in pre-transition training; they had proposed to ENGIE that some training was essential for safe continuity – expecting that that would be an agreed compromise.

A video would be created of memories of the Estates Team, buildings, challenges and the great work achieved. The video would be out to the staff as recognition as they transition to a new contract.

RB it was important to note Staff Side's concern that they had not received the report on the scoring methodology used that drove the decision to award the contract, as promised by the Chief Executive – which may not have been allowed to be shared due to commercial confidentiality. RBa advised there had been a feedback and reflections session with senior leadership in Estates and the bid team. It was well received and she had let Emma know that that had been done and the scoring sheet would be sent. WZ noted that they could not take these issues lightly and should endeavour to resolve them amicably with the unions and colleagues.

DM questioned if there was a way through the Staff Side concerns that didn't put risk to the delivery go live date. RBa advised that Staff Side were getting good support from Sandra; in terms of what they need to consult about were the measures – they were not controversial and were ensuring that there

was ample time for Staff Side to do that. She didn't any reason why they couldn't meet that date.

MH noted the piece around the procurement process and handover of procurement running under DM's team to ENGIE's team; he questioned if ENGIE's ability to engage with existing suppliers rather than ENGIE's suppliers still a concern. RBa advised that she had discussed that with ENGIE and they were progressing that with mitigation in place.

RS joined the meeting at 15:15.

DM noted that there could be an opportunity to broaden their suppliers as ENGIE would be able to introduce new and improved opportunities. RBa noted that the local supply chain was in the contract.

MH surmised that the EMPA encouraged RBa to make the transition as harmonious as possible; and to consider the wise advice from others that had experienced transitions that had not been executed smoothly.

7. Integrated MMUH programme update

EMPA (02/21) 006

RBa noted that a huge amount of work had been going on over the years in different work streams; some workstreams were more advanced than others. Acute modelling engagement had been held over the summer and from that, detailing of delivery plans. Access to clinical teams had been impacted by COVID-19; now that they were emerging from COVID-19, they were now engaging with clinicians to continue with planning and design work. Moving from a Construction Plan to connect to an opening date would be very important over the coming months.

In terms of an integrated programme, the visual management of the workstreams was annexed in the paper and a new electronic PMO had been commissioned from May onwards.

The following key points from the paper were highlighted:

- Decommissioning of the City site now had a very detailed plan; there would be specialist advisors to QA that plan to safely disconnect for handover to Homes England. The intention was to do most of that work in 2021 – it was not desirable to do decommissioning works of the City whilst commissioning MMUH. Two advisors had been secured to work in partnership on the City site masterplan. The output of that work would be available for presentation to the EMPA in April.
- Commissioning – in discussions with move companies and specialists would be requested to scope the Move Plan and then commission the provider. Working with DHL on a logistics strategy to present to EMPA in April, to then instruct procurement for the delivery of that. The logistics strategy was for the entire organisation's logistics – the MMUH component included the Automated Guided Vehicle/Robots.
- IT – had decisions to make on mobile coverage and Wayfinding. DMPA were sited into that work as well. Consultation with the DMPA was required in regard to SMART technology functionality via ENGIE as to its capability with the MMUH IT infrastructure. A commercial review of the ENGIE contract was required to ensure that it's properly fulfilled or to identify any adjustments needed.
- Workforce workstream – maturity of the workstream remained a concern (also discussed at item 9). Medicine had done a good piece of work where rotas for the new hospital had been drafted, in terms of all medical specialities and 7-day working. There would be engagement with the specialties to sign that off in April. The bed base had been signed off; ward establishments anticipated to be signed off in April. All of these matters were important checkpoints in terms of affordability and it would need to be concluded by August.

- Acute Care Model was progressing well. Access to clinical teams meant that they needed to work differently; rest teams in April, conduct workshops in May, June and July, backfill the rotas where needed and get the detailed design underway.
- Procurement – recruiting procurement managers for purchase of required equipment.
- Corporate readiness work would be scoped out in April and started in October.

A monthly report of critical milestones would be presented to the EMPA going forward.

Austin Bell joined the meeting at 15:30.

RBe noted that there had been a lot of external regulator, commissioner and other provider anxiety of the Trust's affordability of the project. He noted that RBa had alluded to an affordability analysis and questioned how comprehensive the method was around that affordability analysis – would that allow the Trust to do the work in partnership with those organisations that had expressed concern and transparently share the resource (target date of August). RS requested a summary of the budget cycle (including activity, income and expenditure assumptions, and virtue of quality standards changing) and to keep external partners informed.

DM noted that the method statement was detailed and had a dedicated Senior Finance Manager pulling together the methodology. The main control mechanism was the current budget by cost centre; some of that would lift and shift with others being completely redesigned and reshaped. At the moment they were building a model that identifies those lift and shifts, those that were within the scope of the MMUH service model and ensures that they design themselves and their involvement to allow for the right conversations and collection of the right information. Activity and income had moved on significantly due to non-delivery of the Income and Activity Plan in 19-20 and COVID-19 impacts – system financial management meant that they were moving toward a total system cost and SWB system envelope of £2.5b (and the Trust's share of that). One of the main objectives of the affordability workstream was the MMUH Business Case expecting £7m of reconfiguration savings that would contribute to CIP in 22-23. In terms of the immediate move forward, the governance from the Finance Team had been really strong and consistent throughout and would move into 21-22 setting MMUH expenditure budgets in the same way. It was hoped that in the first half of 21-22, they would start putting together the affordability lift and shift or redesign and build that into what that was starting to look like in 22-23 compared to the LTFM assumptions for that year.

RS questioned if that included the income targets; DM stated that it did. The big income and activity gain was meant to happen 19-20 in the LTFM; from then on it was demographic growth only, some channel shift and ED shift to Walsall as Sandwell became an urgent treatment centre. Some of their partners concerns were that they were relying on loads of income to cover the massive increase in the cost-base and that couldn't be afforded – they had latitude in the cost-base and was therefore mitigated from that perspective.

RBe noted that it was important to note the matter at EMPA; but would continue discussions offline. They would need to determine:

- How involved the parties are.
- How frequently they share output.
- To discuss internally and then agree to tactics with external parties.

ML queried whether there should be a stakeholder stream to monitor. RBa agreed and undertook to

work that into the structure for completeness.

RS questioned if there was any risk re Homes England on the decommissioning of the City site. RBa confirmed that there was not. The Trust knew what was needed to be done to de-couple the site and that plan was being technically designed and was within the capital programme; it was affordable. The joint review of the Master Plan wasn't expected to change that; however, it was worth reviewing the boundaries to make a better regeneration opportunity in terms of the Homes England land and the Trust's land, and potentially include CPO of the land on the opposite side of Western Road. DM noted that the cost of decommissioning the City site was built into the capital programme for 21-22; they had a spend risk as they would have capital control for the Black County STP in 21-22 and may not be able to spend the £25m of that control total next year – which meant that they may need to re-prioritise or escalate the timing and phasing of work.

RS noted the point about HR resource needed to intersect with clinical delivery models and working arrangements, which had been delayed until May. He questioned if that was a high-level HR skill and should that have been done already. RBa noted that they were engaging with clinical teams now, workshopping would be conducted in May, June and July. In terms of HR, Frieza Mahmood had concerns about workforce analytic and modelling capacity and had a mitigation plan of bringing resources in. She was confident that they would be able to resolve that.

Action: Prepare a summary of the budget cycle (including activity, income and expenditure assumptions, and virtue of quality standards changing) and a plan to keep external partners informed.

6. RCC update including MMUH financial report and contingency paper

EMPA (02/21) 003
EMPA (02/21) 004
EMPA (02/21) 005

AB reported that five days had been lost in January due to the COVID-19 surge. Fortunately, the impact was short lived and Balfour Beatty had rallied at the end of January/beginning of February and pulled back two days. The after-hours loading mitigation was appearing to help to pull back on days lost.

Concerns had been expressed at the last EMPA meeting in regard to the level of detail in the progress data provided by Balfour Beatty. Subsequently, Balfour Beatty had made decision to implement additional support for data improvement. Outcomes from that would flow through from next week.

AB advised that his current concern was what would happen in late March-April when school returns, Easter holidays and people feeling like they could once again relax – how to avoid another January mini covid surge or impact on the site. The Trust had placed pressure on Balfour Beatty to exceed industry guidelines and instruct all staff to wear masks. The Trust had provided Balfour Beatty's entire workforce on site with protective snoods. Communication and reinforcement of the importance of COVID-19 prevention to the Balfour Beatty workforce was challenging.

In regard to cladding fire compliance, the final decision on materials had been made. RB questioned the route of assurance for the Trust Board on the issue. AB advised that the systems had been taken through a full BRE fire testing process.

AB advised that, regarding procurement, an audit would be done on actual costs on the books and to establish the likely outturn cost. HK questioned if there was an arbitration process agreed in terms of actual costing. AB advised of the commercial dispute process set out in the contract.

RS queried the line of sight for the NHSI on COVID-19 related costs that were implied in the January award. AB advised that meetings were held fortnightly with the NHSI and the NSHI had complete

visibility of the contingency process. The NSHI's position was that they didn't have COVID-19 money; there was acceptance that there would be a phasing issue of when the money would come through, and the NSHI would need to deal with it. DM stated that governance would be an issue as the message had been that there was no funding for COVID-19.

EMPA (02/21) 005 - Midland Metropolitan University Hospital Contingency Update

AB advised that the three items for preapproval were detailed on page 2 of the report; one of which was a new item, *Lift Overrun Steelwork*. Overall, there had been not much change in contingency for the month; £21k reduction.

It was requested that AB provide an overview of the calculations in the first table of the report's annex; AB provided an overview. RS reminded the EMPA that the contingency was always meant to be spent; NSHI was aware of that.

DM noted that there was no COVID-19 capital money for MMUH, and the Welfare facility on level 0 car park (of just over £330k) was paid from contingency. She flagged as a possible option to fund that capital out of the Trust's capital programme and still meet the underspend commitment to the STP and manage their capital position in 2021.

The Trust had still not received confirmation from NHSEI that the capital costs of the MMUH Welfare facility (currently allocated to contingency which was not structured to cover Covid) would be funded by Covid capital. Due to slippage in the capital programme, the Trust has the headroom in internal funds to fund the welfare facility. The risk of doing that is that it sets a precedent for Trust funding of Covid costs when there is no assurance that the Trust will be able to afford this going forward. If the Trust did decide to fund the welfare facility this would put the money back in to contingency which would be positive. RS questioned if that could be a decision for a later date; DM advised that the decision could be deferred until year end processes. The EMPA agreed that the decision be set aside until March.

8. Move sequence and risk assessment

EMPA (02/21) 007

RBa advised that the paper sets out aligning the integrated programme with the construction programme. Decision on a committed handover of MMUH to the Trust was needed in order to confirm a move date. The current programme was nearing a push to not be able to move in June; if Balfour Beatty were to slip more, they would be looking at a September date. A move date would need to be decided in Q1 and work was being done with Balfour Beatty in March/April to lock down their joint plan to deliver their programmes effectively.

AB noted that there were a number of steps in front of them now to get to that move date, as detailed in the paper at 1.3. He provided a summary of Annex 1, including:

- Modelled delay scenarios, and
- probability assessment.

He noted that it was unlikely that MMUH would open prior to the Commonwealth Games; it was more likely that they would achieve a late September 2022 opening. It was possible for works to accelerate coming out of COVID-19; therefore, a decision on an opening date should be deferred as much as possible to allow room for positive change.

ML stated that it would be a disaster for the City if MMUH was not open by the Commonwealth Games, and would be noticed by partners resulting in everlasting reputational damage.

RB questioned the absolute backstop date to make a decision to target the more ambitious opening date. AB advised that nothing could be moved for 2-3 months as there is a lot of work to be done. That was why they would investigate Balfour Beatty's progress in March to satisfy themselves of confidence in Balfour Beatty's programme, the Trust's programme and the data to come to a conclusion on the date and drive it forward. It was difficult as there were so many moving parts.

RS requested a timeline of when the EMPA would get line of sight on that. AB stated that line of sight, with professional opinions and support, would be available at the end of April. RBa stated that once the decision is made, they need to be confident in it; a move of date would be disastrous. Safe clinical commissioning should be the focus.

10. Directors Report	EMPA (02/21) 009
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RBa tabled the report and took it as read. There were no questions or discussion raised by the EMPA.

11. SBAF and risk update	EMPA (02/21) 010
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RBa recommended that *Risk 6, Midland Metropolitan University Hospital (MMUH) Contractor* be closed; the EMPA **AGREED**.

RS questioned if the SBAF should include the matter of the system understanding the financials of MMUH and MMUH bumping into winter 2022. RBa advised that there were some draft SBAFs in progress to bring to the Trust Board; she undertook to confirm if those matters had been included in that work.

MATTERS FOR INFORMATION/NOTING	
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12. Draft annual programme for EMPA and revised TOR	EMPA (02/21) 011
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RBa tabled the paper and requested that the EMPA review it for discussion at the next EMPA meeting.

Action: EMPA to review report *EMPA (02/21) 011 Draft annual programme for EMPA and revised TOR* and consider any matters for discussion to raise at the March EMPA meeting.

13. Meeting effectiveness/matters to raise to Trust Board	Verbal
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- It was suggested that the following topics be raised to the Trust Board:
- Flag that a key decision point was approaching for an opening date for MMUH.
 - COVID-19 position update.
 - Budget discussions and review of finance against the original Budget Plan – how that linked to the STP, capital allocation and external parties querying the Trust's position.
 - ENGIE go live.

14. Any other business	Verbal
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Nil.

Details of Next Meeting

The next meeting will be held on 26th March 2021, 15:00 - 16:30 by WebEx.

Signed

Print

Date