

ESTATE MAJOR PROJECTS AUTHORITY COMMITTEE - MINUTES

Venue: Meeting held via WebEx

Date: 8th January 2021, 15:00 - 16:30

Members:

Richard Samuda (RS) Chair and Trust Chairman
 Mick Laverty (ML) Non-Executive Director
 Waseem Zaffar (WZ) Non-Executive Director
 Harjinder Kang (HK) Non-Executive Director
 Mike Hoare (MH) Non-Executive Director
 David Carruthers (DC) Acting Chief Executive
 Rachel Barlow (RBa) Director of System Transformation

In Attendance:

Austin Bell (AB) Project Director
 Susan Rudd (SR) Associate Director of Corporate Governance
 Simon Sheppard (SS) Director of Finance
 Craig Higgins (CH) Associate Director of Finance

Apologies:

Toby Lewis (TL) Chief Executive
 Dinah McLannahan (DM) Chief Finance Officer

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 welcomed the Committee.	
3. Apologies for absence	Verbal
Apologies were received from Toby Lewis and Dinah McLannahan.	
4. Minutes from the meeting held on 30th October 2020 and Additional meeting held 27th November 2020	EMPA (01/21) 001
The Committee reviewed the minutes of the meeting held on 30 th October 2020. The minutes were ACCEPTED as a true and accurate record of the meeting. The Committee reviewed the minutes of the meeting held on 27 th November 2020. The minutes were ACCEPTED as a true and accurate record of the meeting.	
5. Matters and actions arising from previous minutes	EMPA (01/21) 002
The action log was reviewed and updated.	

DISCUSSION ITEMS

6. Regeneration Programme update

EMPA (01/21) 003

RBa noted that, in May, a scope of works had been brainstormed, a programme had been developed and a commitment had been made to progress 11 items prior to Christmas. The Paper set out:

- Resourcing of projects
- Progress made
- Stakeholder engagement – scoping-out currently engaged Trust stakeholders and new stakeholders. Stakeholder participation in project workshops would be beneficial.
- Procurement Plan – a forward looking approach on procurement rather than procuring ‘on the go’. The Regeneration Programme was a long-term programme and procurement needed to be considered in advance as to not cause delay.

RBa invited questions from the Committee.

ML questioned:

1. The overall programme governance.
2. The time and resource that the Trust was committing to the activity programme in relation to the amount of time and effort expended on MMUH. The Regeneration Programme should not be delivered at the expense of MMUH. There must be a balance of resources between MMUH focus (a must have) and Regeneration Programme activities (nice to have).
3. What conversations, if any, had been held with Universities recently (as he was concerned of the pandemic impact to university planning)
4. Would the Trust develop the hotel?

RBa stated that governance arrangements were necessary and forming under a programme board. The intention is to correctly resource Regeneration projects so not detract from MMUH. Regarding governance and expertise, the Regeneration Programme would not all be done solely in house. The Estates Team would not develop the hotel. Resource for the MMUH team had been considered and bolstered. The selection of projects within the Regeneration Programme were all different. The learning campus (a bid with Towns Fund) would require a development manager and team to complete. The team would be created with careful consideration to the skillset required. Once funding was secured, a procurement route was agreed to mobilise the activity in a manner which would not take away from MMUH resources.

AB advised that the only individuals on the MMUH team who were involved in the Regeneration Programme activities/projects was himself and RBa – the two programmes were completely separate. AB proposed for the Learning Campus, that the Trust seek an external organisation to procure and manage programmes on the Trust’s behalf; which was currently being worked through. AB advised that he had talked Sandwell Council through that proposal/idea during the week; the Council would return with their take on governance and other terms of the project.

RS noted ML’s point in regard to Universities. He questioned what the Trust was expecting from the Universities. AB noted that the assumption had always been that the activity would be funded by grant funding provided by the Government (universities not required to provide additional capital funding).

The estimated capital cost on the project [Learning Campus] was £25m; Sandwell Council had bid for £12.9m, and a letter of support had been received from the Black Country LEP indicating that they would be supportive of the project (subject to detail and availability of funding at time of application), and process it through their governance channels upon receipt of a detailed proposal. The Trust's expectation was that it [Learning Campus] would be fully funded from a capital perspective from grant funding. A note had been sent to the stakeholders acknowledging that it was timely to convene a proper steering group.

RBa noted that the Trust meets with university vice-chancellors and their teams regularly to discuss the forward workforce strategy and what the education curriculum required to support graduate employment. There had been good engagement with the universities.

AB advised that the hotel would be procured and developed by an external developer. The Trust may agree to take a number of rooms if it was believed to be necessary for use by visiting medical staff etc; however, the Trust would not hold the risk on occupancy for the whole hotel (for example).

ML responded that he was sceptical if there would be any firm commitments made from universities within the next 12-24 months due to financial pressures placed on them from potential government legislation changes to education. He did not find comfort that the two main MMUH individuals were also leading the Regeneration Programme – MMUH had to be their focus and be delivered on time. The Regeneration Programme was an ongoing programme of activities and even if projects were contracted out, management of those contracts to ensure they go well takes considerable time.

RBa responded that the Regeneration Programme was a long-term programme over 10 years plus which collaborates with stakeholders and was part of MMUH's legacy. The Regeneration Programme did not take up a lot of her time and was not currently detracting from MMUH work. WZ noted that the Trust was the catalyst for the Regeneration Programme. However, local authorities and other partners were now starting to take leadership on the project; particularly Birmingham City Council, the accountable body for master planning. A key aspect of master planning was to consider the delivery agent for the regeneration work and what that would look like.

WZ noted that he was aware of discussions between the Trust and his transport team in regard to Dudley Road. He questioned if there had been any conversations around controlled parking zones on either side of Sandwell and Birmingham – in consideration of the local residents. AB advised that the broader master plan (which had been procured by Birmingham Council) was underway. The Trust's input was via interfacing with the Council's Master Plan Team; a meeting was scheduled for Monday 11 January 2021 to discuss the Trust's expectations for consideration to incorporate into the broader master plan. RBa advised that there had been no transport update since Christmas. The Trust had responded to the public consultation on the Dudley Road scheme and another meeting with the planning team would need to be arranged.

7. Hallam Hospital – options paper

EMPA (01/21) 004

RBa noted that the Hallam Hospital site was an original building in poor condition and posed a cost-risk to the Trust. The Trust did not require the site for clinical or non-clinical services. The building was mainly currently used for administration; which would be moved to other facilities moving forward.

Options were detailed within the Paper were for the Committee's consideration. The Paper recommends the support and approval for Option 2, the demolition of the site and development of key worker housing. In regard to the Sandwell Council's Housing Strategy, the housing complements the requirement for new homes to be built going forward.

The Chair noted to take the Paper as read and that ML's previous comments in agenda item 6, were also relevant in this matter. The Committee discussed.

The Chair noted that key worker housing would be helpful to the Trust. He questioned the plans for the site opposite (the car park/apprentices' flats). RBa noted that it was a separate site.

ML questioned where the funding would come from – was the trust looking to source a housing association to partner with, and how would it work in practice? RBa appraised the committee on a number of partnership options being explored.

RBa note that, in regard to funding, Homes England had already invested in the feasibility study. It was anticipated that 50% of the development cost would be potentially grant funded and the balance achieved from partnership investment.

ML noted potential complications arising from the obtaining of a grant funding

1. The Trust would need to be a registered provider to obtain a grant – they would need a partner in place to apply for the grant.
2. Unsure if they could draw down a grant unless the Trust sells them [the partner] the site.

ML noted that selling the site was a straight forward option as the site ownership may need to be ultimately passed to the partner to achieve the grant. The only way to preserve what the Trust really wanted on the site would be to write it into the planning terms and conditions; which may in itself restrict the draw down amount of the grant.

SS advised that the Finance team offered full support of Option 2, up to the feasibility stage. The feasibility would need to consider the challenges that the Trust was aware of and those that ML had pointed out. The Chair noted that there would be a fee commitment for the next stage and questioned how that would be funded. SS noted that he wasn't clear on that and would take that away.

DC noted that it was two building opportunities for staff and public accommodation – the Birmingham-side hotel and the permanent residency (Option 2). He questioned whether there was an opportunity to bring the projects together or if they were two separate developments and two groups of staff/employees. . It was confirmed the 2 projects should remain separate.

The Chair questioned if it made sense to proceed to the next stage to see if a partner could be sourced and to consider ML's point on planning consent/planning ability to ensure that the use of the site supports the hospital. ML noted that it may be quicker and easier to obtain planning permission articulating what was allowed on the site (in the long-term interest of the hospital); then outright sell the land. It was suggested to run Option 1 (with planning permission) and Option 2 simultaneously.

It was noted that they may not get the entire site for key worker housing; it may be more realistic to accept some standard residential to fund the key work.

DC questioned if key worker housing was in demand; would it attract staff to work at the hospital or was it an additional benefit for those that start working in the area? RBa noted that there was demand for it and going forward, there would be feasibility enquiries to support that understanding of demand.

The Committee agreed to progress Option 1 (with planning permission) and Option 2 to further understanding and feasibility of both options.

Action: SS to investigate the source of funding for the feasibility stage of Option 2 (Hallam Hospital site).

Action: In regard to the Hallam Hospital site paper; RBa to progress Option 1 (with planning permission)

and Option 2 to further understanding and feasibility of both options.

8. Net Zero Carbon Plan

EMPA (01/21) 005

RBa advised that a submission for a national grant to assist with the Sandwell site decarbonisation programme had been made. ENGIE had committed to feasibility plans for Rowley Regis, retained City and MMUH – ENGIE was active within that domain. A programme would also commence on the Net Zero Carbon NHS Strategy (a national strategy for the Trust to respond to).

RBa advised that more information on smart buildings would be presented at the next EMPA meeting.

9. Midland Metropolitan University Hospital RCC update (including annexes contingency forecast, financial summary)

EMPA (01/21) 006

AB noted that, in November, Balfour Beatty had lost more time; delay had increased to 25 working days. In December, Balfour Beatty had recorded an improvement of 3 days; now 22 working days behind. The planned completion date was now 28 April 2022.

Balfour Beatty reported that COVID-19 was impacting on productivity. There had been discussion between the Trust and Balfour Beatty around COVID-19 mitigations. As a result, the Trust had instructed out of hours loading during November and December; which had improved productivity. The Trust had provided further instruction to continue this through January; report due at end of January.

The Trust's confidence in the programme data was challenged due to the level of the Trust's insight into Balfour Beatty's weekly production performance. The Trust have asked for a forward set of data aligned to the construction programme to be reported weekly. AB advised that he would question the matter at the upcoming escalation meeting with Balfour Beatty.

It was noted that the contingency had been approved at the Trust Board and MH's query from the Trust Board had been answered via email.

ML questioned the contingency balance. AB advised of the following:

- The project commenced with £20.4m,
- has spent or committed £19.6m,
- had found an additional £4.2m secured opportunities,
- pre-approved or requested a further £4.3m,
- has identified a further forward look ahead assessment of risk of £0.6m
- has identified a further £0.75m of unsecured opportunities.

It was advised that a meeting was scheduled for next week with the NHSI to discuss the contingency position, in particular the COVID-19 impacts; some COVID-19 risks had been included, but not all.

ML welcomed a clearer format to present the contingency position to the Committee.

SS advised that a summary sheet would be prepared for an upcoming meeting with the NHSI; the summary sheet would be shared with the Committee. RBa noted that there was also pictorial view in which she would share with SS to include in the summary sheet. It was noted to separate the COVID-19 risk (their understanding of it), and the pre-existing contingency currently allocated with a summary of the key risks.

The additional cladding replacement cost was not yet confirmed (it needs to reflect the methodology)

but RBa noted that £1.9m had been approved at the extraordinary meeting last month and was included within the current contingency forecast; however, the cost was hoped to be less.

AB summarised that:

- There was a lot more progress on site – BB appear to be getting into a good rhythm
- There was less tension in the design and procurement programme as nearing the end of that.
- Balfour Beatty was now at or close to their predicted peak workforce numbers – but this would go on for some time now – they effectively have to finish building the hospital (not commissioning) by the end of 2021 and they have a lot to do
- No particular quality issues raised. Would have the first session next week to go through the processes before they ‘close the walls.’

Action: SS to prepare and provide a contingency position summary sheet to the Committee.

10. Directors Summary Report

EMPA (01/21) 007

RBa noted that the Committee had covered a lot of the Report during the course of the meeting. She highlighted some main points for the Committee’s attention:

- Point 10 of the Report re people changes in Balfour Beatty and ENGIE.
- Point 7 re meeting with the Combined Authority about the Regeneration Programme.
- RW and RBa to meet with Common Wealth Games leadership colleagues to discuss the Public Health Principles, programme alignment and how they could collaborate with them and be advocates to maintain legacy from that.
- Engagement prior to Christmas with clinical leads around the bed model; they had rerun all activity through the MMUH business case. It had been well received by clinicians. The bed model fits within the wards to be commissioned in MMUH.
- Concluding theatre modelling between MMUH and the treatment centres and reconciliation against the bed-base will be completed in February.
- The presentation that had been delivered to all Clinical Group Boards had been annexed in the Report.
- Need to ensure that all activities remained on track; not just the construction programme. Work streams integral to the move were at varying aspects of maturity. The workstreams need to critically align to the construction programme Facilitation had been secured to enable that in Q4.

ML noted that the more input from clinicians the better – clinicians provide valuable input into work processes/transition. RBa advised that they were spending a lot of time with clinical teams; the concern was the capacity for clinicians to find the time to hold those discussions given Covid. DC noted that the clinicians were engaged; however, it was a time availability issue. RBa noted that engagement with various parties needed to be strategic; during a COVID-19 crisis was not the time to do it. For further consideration in regard to critical alignment was Walsall’s Urgent Care Centre scheduled to open in October, if it did, it wouldn’t work if MMUH achieved a June opening.

RBa advised that the following would be presented at the next EMPA meeting:

- Risk assessment on the MMUH opening date including delay scenarios.
- Risk Register.
- The critical alignment programme in March.

RBa noted that as the EMPA now met monthly, she would prepare a schedule of discussion points to cover during the year.

MATTERS FOR INFORMATION/NOTING

11. Amended terms of reference on governance contingency

EMPA (01/21) 008

The report was noted.

12. Meeting effectiveness/matters to raise to Trust Board

Verbal

It was suggested the following topic be raised to the Trust Board:

- Contingency: risk of COVID-19; and the key summary.
- Regeneration Programme.

ML suggested to hold an EMPA update session at the Trust Private Board meeting with the Group Directors for their valuable engagement and input. RBa noted to allow time for the Group Directors to prepare for the session and to get through the COVID-19 surge. RBa to advise of the appropriate Trust Board meeting to schedule the session to.

Action: RBa to advise which Trust Board meeting to hold the EMPA update session for Group Directors.

13. Any other business

Verbal

Nil.

Details of Next Meeting

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

Signed

Print

Date