

ESTATE MAJOR PROJECTS AUTHORITY COMMITTEE (Special Meeting) - MINUTES

Venue: Meeting held by WebEx

Date: 27th November 2020, 15:00 - 16:00

Members:

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

In Attendance:

Susan Rudd	(SR)	Assoc. Director of Corporate Governance
David Hollywood	(DH)	Project Advisor - MMUH

Apologies:

Toby Lewis	(TL)	Chief Executive
Austin Bell	(AB)	Project Director

Minutes	Reference
1. Introductions [for the purpose of audio recording]	Verbal
The Committee members provided an introduction for the purpose of the meeting recording.	
2. Welcome and declarations of interest	Verbal
RS welcomed Committee Members to the meeting. There was no change in declarations of interest. It was noted that there would be no review and discussion of minutes as this was a specially requested, unscheduled meeting.	
3. Apologies for absence	Verbal
Apologies were received from Toby Lewis, Mick Laverty and Austin Bell.	
DISCUSSION ITEMS	
4. Midland Metropolitan University Hospital – Cladding Update and Decision	EMPA (11/20) 001
RBa referred Committee members to the paper which outlined the outcomes from the MMUH cladding fire tests. RBa reported that verbal confirmation had initially been provided for the Larch product, but very unusually, this result had been later reported as a failed fire test. There was a back-up terracotta product which had passed the fire test. DH reported that every area below Level 5 (Clinical Block) clad in terracotta, had passed its fire test. The focus would be on the Ward Block above. For clarity, the horizontal grey terracotta and vertical grey in the Clinical Block had passed. Failed tests	

related to the vertical Thermowood and the horizontal Larch. It had been intended to replace these with an aluminium lookalike, but this was no longer possible because of the test failure.

In terms of Levels 6-9 (four levels), it was proposed that the Larch be changed to terracotta. This would be installed to match the below Clinical Block in terms of profile; however, the colour would be different for contrast.

DH reported that further samples had been ordered from the manufacturer in Spain so that the product could be seen before any decision was made. Samples were due to arrive in the next few days.

The internal wards were currently clad in Thermowood and would be replaced.

DH reported that the terracotta would be a more expensive product to buy and install.

DMc queried whether the terracotta could look natural because it appeared to be quite different to the previous wood cladding. HK queried the product's texture and longevity. DH reported that different textures and colours of terracotta were available.

In response to a query from RS, DH reported that it would be the same colour inside and out.

In response to a query from HK, RBa stated that the timing of installation could be flexible and suggested that Committee members be offered the opportunity to make site visits to the building when the samples arrived, to put the choices in context. RB to arrange.

DC queried the thermal nature, general performance and colour fading of the terracotta. RS queried whether the surface would attract dirt. DH reported that the terracotta required a light wet clean once per year. DH confirmed that a more textured surface would attract more dust and grime but arguably it was no worse than timber.

DH advised that the numbers in the paper reflected a Brexit (no deal) uplift for the importation of the materials. There was no suitable UK produced alternative because the product had to be identical to what was already in place.

In terms of colour, DH advised that the tone of the terracotta needed to be such to ensure both contrast and a link between the existing grey and orange colours on the building. It was confirmed that the vertical stairwell would have a painted semi-gloss finish providing a contrast in colour and texture.

DH reported that the material would drastically reduce maintenance costs longer-term. The long-term savings could be presented separately to the EMPA.

In response to a query from RS, RBa reported that a final decision needed to be made before Christmas. Site visits would be arranged swiftly once samples had arrived to facilitate this.

HK further queried maintenance costs. DH advised that it would have cost circa £100k to strip and re-stain the Larch every three years, but DH expressed the view that the new cladding would require practically zero maintenance.

RBa reported that the cost of the work will be covered by the contingency to fund. HK queried whether the Trust was insured against the risk of the cladding failure. DH reported there had been no successful claims in respect of unsuccessful cladding.

Action: RBa to arrange site visits once terracotta product samples arrive so that Committee members can put choices into context.

Action: RBa to draft the cladding lifecycle savings for the January EMPA meeting.

5. Midland Metropolitan University Hospital Contingency Update

EMPA (11/20) 002

RBa advised that the control total of remaining contingency (not considering unsecured opportunities) reported to the November Trust Board Meeting had been just over £1.5m but this had improved by £410k to over £1.9m.

RBa further reported that pre-approval was required for around £569k of instructions.

Referring Committee members to the contingency figures in the paper, RBa stated that she would hope to add a further £750k from various opportunity sources into the contingency pot in the next few weeks including from the following areas:

- Review of canal side external works specifications
- Reduction in electronic locking to FM areas
- Reduction of copper backbone infrastructure for legacy telephony

DC queried what other calls were likely to be made on the budget. RBa stated there were some cost pressures:

- SEACU (Surgical Ambulatory Care Unit) Fit Out - Initial pricing from Balfour Beatty for the SEACU had been nearly £900k more expensive than the Trust budget of £450k.
- Integrated Theatre AV – RBa reported that Capsticks legal opinion was that the Trust had a strong case that these costs were Balfour Beatty’s responsibility. The estimate was £750k.
- Fixed Price Risk – The current allocation was £250k which was conservative, given relatively little fluctuation in commodity and labour markets since the Contract Date of the 12th December 2019.

RBa stated that these were the risks identified so far, however, the design would not be completed until Q4 and therefore, there may be some currently unknown risks.

DMc commented that it was expected that all the contingency would be committed at this stage. However, the project would soon move into the delivery phase and therefore, the likelihood of committing more contingency would be reduced.

RS queried how NHSI was being kept up to date on how the contingency was being used. RBa reported that NHSI had not been briefed ahead of the EMPA meeting. DMc explained that the process, as set out in the MOU, was that the Trust could draw down on the contingency when it was contractually committed to the work. NHSI would expect to see confirmation of this. NHSI would be briefed in the next week.

DMc noted that the Trust would be having a ‘live’ COVID-19 conversation with respect to MMUH with NHSI/E to ensure a route to COVID-19 capital to cover related costs.

RBa reported that negotiations would continue.

The Committee **NOTED and SUPPORTED** the contingency paper to be considered by Private Trust Board.

MATTERS FOR INFORMATION/NOTING

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

Verbal

Not discussed.

7. Any other business

Verbal

None discussed.

Details of Next Meeting

- The next meeting to take place on 8th January 2020 from 15:00-16:30 in Room 13, Education Centre, Sandwell General Hospital.

Signed

Print

Date