Bundle of documents for Oral hearings commencing from 13 May 2025 in relation to the Queen Elizabeth University Hospital and the Royal Hospital for Children, Glasgow

Bundle 42 - Volume 2
Previously omitted miscellaneous meeting minutes and papers

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GREATER GLASGOW AND CLYDE NHS BOARD
ACUTE SERVICES STRATEGY IMPLEMENTATION AND PLANNING DIRECTORATE
ASR PROGRAMME BOARD/PROJECT EXECUTIVE GROUP

Minutes of Meeting held on Wednesday 26th July 2006 at 4.00pm
Conference Room, Southern General Hospital

		ACTION
1.	**Attendance** See attached sederunt	
2.	**Minutes of Previous Meeting** Accepted	
3.	**Matters Arising** (i) ASR Programme Board Tom Divers advised the group that the Scottish Executive Health Department (SEHD) Capital Investment Group has approved the full business case (FBC) for the West of Scotland Heart and Lung Centre. (ii) Point 4 – New South Glasgow Hospital Progress Report Together with Douglas Griffin, Tom Divers has met with Alex Smith, Interim Director of Finance, SEHD to discuss the strategic plans of the three neighbouring Boards and Health Department. In particular, they have been discussing the Clyde Recovery Plan for 2007/08. (iii) Point 6 – New Children's Hospital A National Steering Group is looking at Neurosurgery, including Paediatric Neurosurgery. Tom Divers advised that Brian Cowan is to meet with Charles Swainson, Medical Director, Lothian Health Board. Tom has given the message that an early answer on the way forward is required to inform Glasgow's OBCs. (iv) Helen Byrne gave the following brief update on the review of Clyde Services: The first meeting of the Inverclyde Working Group took place in April 2006. The first meeting of the Clyde Steering took place at the end of May 2006. The two options being considered are maintain the status quo through integration or move Emergency Surgery and Trauma. Work is ongoing looking at workforce and activity and is almost at a conclusion. There has been no work started on bed modelling or efficiencies at this stage. Morgan Jamieson raised the uncertainties around the paediatric issues and suggested `Delivering for Health' would pick this up. Decisions around the impact on the OBC will require to be highlighted.	**BC** **MJ**

	Tom Divers added that over the next five months discussions will take place in relation to older people/mental health services. He also stated that Brian Cowan was producing a paper on the workforce issues. Tom emphasised that it has been a worthwhile start to the Review and that the immediate focus was on what is under threat now. Helen advised that an RAH group is being established in August 2006 and Paediatrics could link into this group. Helen and Brian Cowan are meeting with Clyde Clinicians/Anaesthetists/Surgeons. <u>Project Executive Group</u> Helen Byrne provided a brief update as most items would be covered under this meeting's agenda. (i) Margaret Smith is continuing work on workforce planning. Helen Byrne to approach Ian Reid and request some resources to assist with this process. (ii) Niall McGrogan advised that there was no further update in relation to Community Engagement at this stage.	**HB**
4.	**ASR Terms of Reference/Membership** Tom Divers made the following points on the new Terms of Reference:- Niall McGrogan to be added to the membership. The new membership and frequency of the meeting has been revised in line with other groups. Robert Calderwood chairs a Strategic Management Group which has a membership of Directors and Associate Directors. This group will cross reference with the ASR Programme Board. The ToRs will be kept under review.	**EH**
5.	**Clinical Strategy** Heather Griffin provided a briefing on the draft Clinical Strategy. All comments received have been taken on board and into account in the document. It seems largely recognised as a good reference document. Brian Cowan is checking content and document is expected to be finalised in the next two weeks. Elaine Harris agreed to provide a copy to group members. Any additional comments to Heather by 4th August 2006.	**BC/HB**
6.	**Service Redesign Strategy** Helen advised that, although there is much work underway, there is not a strategy in place across GGC. There is a vacancy in the service redesign post and, therefore, little progress has been made on overall co-ordination.	
7.	**Maternity Strategy** Dorothy Cafferty provided a brief on the Maternity Strategy Implementation Progress Report. A structured framework has been put in place to develop the strategy with the establishment of a Steering Group and clear terms of reference.	

	The main focus of the strategy will be on: • High Risk Transfers • Antenatal • Obstetrics • Neonatal • Human Resources • Capital and Finance Sub groups have been established to manage the above in the implementation of the strategy. Developments have been communicated through meetings with clinicians, staff, Core Brief and the local press. Dorothy highlighted a need for procedural change in relation to transfer arrangements for high risk mothers, which results in redistribution of beds and workload across the City. Workforce and financial frameworks are being developed to identify gaps and cost pressures. Clyde clinicians are being kept informed of the process. Dorothy emphasised that the planning process is now well established and that Helen Byrne will provide progress reports to the NHS Board's Performance Review Group (PRG).	
8.	**Infectious Diseases** Brian Cowan provided the following update on the infectious diseases location of services. A proposal was put forward in 2005, by consultants from Glasgow's Infectious Disease Unit (ID) to relocate the ID service from its current setting at GGH to the new SGH. A Short-life Option Appraisal Group was set up. The group's remit was to examine the options for future location of the ID services in terms of their relative benefits, risks and costs to perform an option appraisal and produce a recommendation for consideration by the PEG on 30th August 2006. The following options were defined:- Option 1 – ID service remains at GGH (status quo) Option 2 – ID service fully transferred to new SGH Option 3 – ID service partially transferred to new SGH Option 2 has the greatest clinical and other benefits, due mainly to the co-location with A&E, ITU and Bacteriology Laboratory Services. Option 1 has significantly lower risk than options 2 and 3, mainly because it is not dependent on the implementation of the new SGH. Option 1 has significantly lower capital and recurring revenue costs. Option 2 capital cost is £6million and revenue £394k. Option 3 capital cost is £6.75m and revenue £1.34m. Tom Divers thanked Brian for the update and agreed the final paper should go to the PEG in the first instance, following further consideration by the Short Life Working Group.	

9.	**Review of Gartnavel General Hospital** Helen Byrne reported that the first set of Steering Group and Sub Group meetings have taken place. Jane Grant, Jonathan Best and Grant Archibald have agreed to chair the sub groups, ie. Scheduled Care, WoS Cancer Centre and Unscheduled Care respectively. The respective Planning Managers now have input to the groups with Ann Lees, Health Economist, providing planning support. The terms of reference were reviewed and include the extant position of GGH.	
	Ann Lees to produce a project plan to ensure focus to take the process forward. Robert Calderwood added that it was important to focus on what the services might look like and how that would impact on where clinicians were which, in turn, would impact on university support. Consideration would also have to be given to the imaging and lab strategy. Alan Rodgers also raised the current chemo review and where this sits with the other boards. Isobel Neil has been involved. Tom Divers to raise chemotherapy review at the regional meeting. Alan emphasised that the GGH review needs to be kept at a high level/focus.	
10.	**New South Glasgow Hospitals** <u>Adult Hospital</u> Heather Griffin informed the group of the key points of the new South Glasgow Hospital update. 1. A project plan identifying the key tasks and critical path has been developed (copies available from Heather Griffin). 2. The design team have been asked to submit fee proposals to extend their contract to include the new Children's Hospital. The bid has been reviewed, and legal advice sought, and the Project Team have recommended that the contract is extended. Another key aspect to brainstorm with the Design Team is how to procure PFI and Treasury funded projects. 3. A high level piece of work to develop broad brush assumptions about the division of activity and, therefore, beds, north and south of the city has taken place. These bed numbers were signed off at the June meeting of the PEG and are being used to allow the new South Glasgow project to progress to complete OBC. 4. The Acute Directors, Margaret Smith and Brian Cowan have been charged with developing the workforce and costs associated with both the new South Development and the impact upon current sites specialty transfers. This will be supported by help from workforce planners and a meeting is arranged to discuss this on 5 August 2006. Heather Griffin highlighted the need for workforce planning input into the new South Glasgow project. 5. The Finance Team are developing a financial paper to assist in assessing the impact of speciality moves from the existing sites into the new SGH and will build up a cost profile over the next	**AS**

few weeks.

Robert Calderwood added the Acute Directors would have to release workforce savings when moving from 4 sites to single site working.

Finally, Heather enforced the requirement for all workstreams to be completed by the end of September to achieve completion of the OBC by December 2006. She asked for help from all colleagues to achieve.

Children's Hospital

Fiona Mercer explained that the Children's Hospital Project Plan is following the same lines as the adult plan.

She highlighted the following points:

1. A high level scoring exercise has identified "must haves" and high level principles for the design team.

2. Number of beds to be agreed by the end of August 2006.

3. Consultation remains positive and is ongoing. Communications are near to completing a website and engagement has taken place with advisory groups. More work, however, is required to engage with CHCPs.

4. Outpatient Clinic Group is slow in moving forward. Again, the aim is to bring work together by the end of August.

Robert Calderwood asked how we were keeping in touch with the Yorkhill Foundation infrastructure. Would the Foundation want to be part of the project and how would they be involved, as this could impact on finance? Morgan Jamieson confirmed the aspiration is to provide funding for 30 families who require, due to patient's condition, to be based locally. CLIC still to be contacted. Alan Rodger is linking with the Adolescent Cancer Trust.

Technical Advisers' (TA) Fees

Peter Moir explained the technical adviser commission and fees process.

To date, work on the first stage had included developing the Schedules of Accommodation in conjunction with clinical user groups, collation of detailed site infrastructure and services. Information; site surveys, engagement with City Council roads and planning officials, utility providers and preparation of initial site development options. These options have included the new Children's Hospital.

Peter explained the original fee offer and the revised fee offer. The revised bid can be broken down between the two projects. Note the offer is seen as a cap, based on an assessment of time and activities to complete OBCs within a timeline of December 2006. Fees will be drawn down against the cap and may, or may not, be fully utlised. Work and time will need to be carefully monitored by the Project Team.

	Finally, the recommendations are: • Extend the current TA commission to complete Stage 1 for new Children's Hospital, monitoring closely. • Consider, over forthcoming OBC period, how to commission the next stages of our TA's appointment. Options are: - Full tender exercise for joint PFI. - Continue with current TA's for new SGH project and tender new Children's Hospital as Treasury Design and Build project. - Continue with current new SGH commission and seek full TA fee for new Children's Hospital. From current TA's only negotiation. - Early agreement of procurement route for both projects. <u>Meeting with the Scottish Executive</u> Helen Byrne emphasised the importance of the ongoing relationship with the SE. Helen and Robert Calderwood are meeting with the SE from time to time and Heather Griffin, Alan Seabourne and Fiona Mercer meet with the SE on a more frequent basis. Helen made reference to Enclosure 9, point 5 – Affordability. Discussions have taken place on how we model financial growth forecast over the coming 5 years. Acute Directors need to determine full model of service for the new hospital. Target for affordable utility charge for year 2013 is significant and will be identified around September 2006. This needs driven regarding service profile and cost effectiveness.	
11.	**Bed Modelling** Helen referred to the action list which identifies areas within the bed modelling which requires further work before the model can be finalised. The main areas of work are: • Children's Hospital bed modelling • Rehabilitation beds – acute, community and continuing care • Cardiology • Oral Maxillofacial The aim is to finalise the bed model paper for the Performance Review Group in September 2006 and the NHS Board in October 2006, if possible. Grant Archibald raised concerns over the dimensions of pressures from boards outwith Glasgow and the impact on beds. He also stated that Cardiology beds to be worked through and agreed in number transferring to Golden Jubilee. <u>On agreement, an action plan is required for 07/08 to disengage</u>	

	resources from GRI/Western. Tom Divers commented on the strategy on beds in relation to Lanarkshire in that he has written to Tim Davidson requesting further detail on strategy.	
12.	**University Update** Helen Byrne summarised the recent meeting with Robert Calderwood, Professor Barlow, Brian Cowan and Ann Lees. The purpose of the meeting was to progress actions from the meeting held on 29 June 2006. Actions were Helen Byrne and Alan Seabourne visiting Little France University building in Edinburgh, clarifying PFI status for University's, Jim Connell and Tim Cooke providing links to the University and Robert Calderwood paper. Helen stated that the meeting was very useful and identified strands of work that are in progress. These strands of work are: • Establishing an Education Centre • Clinical skills laboratories • Reconfiguration of current space occupied by Glasgow University. • Clinical research facility Heather Griffin and Ann Lees are providing planning support for this piece of work in relation to University involvement. Professor Barlow has devised two strategies for the future location of universities on GG NHS sites. 1. GRI remains as is (status quo). Balance of university involvement on SGH (exception of cancer) 2. University to stand back from embedded academic. The University discussed having stand alone facilities on SGH with close access to hospital buildings. Alan Rodger highlighted that Cancer has yet to be included in the current University involvement process. Oncology led by clinical research and not University funded. Tom Divers requested Cancer be added to the University agenda.	
13.	**A.O.C.B.** 1. Helen Byrne noted that it was Fiona Mercer's last meeting before leaving at the end of September for a new post at Renfrewshire CHP, and thanked her for her work. She also informed the group that Sharon Adamson is joining the Acute Planning Team, at the end of October 2006, as Head of Planning and Redesign.	

	2. Alan Rodger noted that the new Beatson is still planning to open in January 2007. This £150m investment in Glasgow is well within budget. 3. Morgan Jamieson asked where the debate was at the moment in relation to IT strategy? As PAS is due for replacement and decisions will be required for the new hospitals OBC, Robert Calderwood reported that there is a national strategy for Ehealth which the Board would require to agree as the way forward. More information should be available at the end of the year.	
14.	**Date and time of next meetings** Project Executive Group – Wednesday 30 August 2006 at 2.00pm Conference Room, Southern General Hospital ASR Programme Board – Monday 27 November 2006 at 3.00pm Conference Room, Southern General Hospital	

NHS GREATER GLASGOW & CLYDE

PRG Meeting
Tuesday, 21st November 2006

NEW SOUTH GLASGOW AND NEW CHILDREN'S HOSPITAL

Helen Byrne
Director of Acute Services Strategy Implementation and Planning

Recommendation

The Performance review Group is asked to note the contents of this paper and to endorse the preferred procurement option, which is to procure the New South Glasgow and New Children's Hospitals as a single integrated PFI building.

1.0 Purpose of this paper

The purpose of this paper is to finalise the procurement strategy as discussed at the Board Seminar on 7th November 2006 which is to build the New South Glasgow Hospital and New Children's Hospital as a single integrated PFI build.

2.0 Background

2.1 New South Glasgow Hospital

The planned new 1100-bedded adult hospital represents the second phase of Glasgow's Acute Services Strategy. The first phase is the development of two new Ambulatory care hospitals at Victoria and Stobhill which are anticipated to be operational in 2009.

2.2 New Children's Hospital

In September 2004 the Minister for Health & Community Care announced that the Scottish Executive would provide £100m to enable a new children's hospital to be built on a site which would support triple co-location of services thereby ensuring safe obstetric care for mothers and the preservation of the links between maternal and specialist children services as well as offering the option of strengthened clinical links between paediatric and adult services. In June 2006, following formal consultation the Board ratified the proposal to build the New Children's Hospital and to adopt the Southern General as the site for the build.

2.3 In summary both the proposed New South Glasgow Adult Hospital and New Children's Hospital are planned to be built on the Southern General site within a similar construction timeframe. The anticipated construction period for the Children's and New South Glasgow developments is autumn 2008 (commencement of build) to end 2011 (completion) and autumn 2008 to end 2012 respectively.

3.0 Description of the options and procurement method

This section of the paper sets out the process that has been undertaken to review the options and procurement methodology available to the Board for delivering the services required. An assessment of qualitative and quantitative factors was undertaken through a number of procurement workshops. The workshops were attended by members of the Board's Project Team, Clinical and Senior Managers, Staff-side representatives, Technical Advisers and representatives for the Scottish Executive Health Department and were facilitated by the Board's advisors.

3.1 Four options were identified for appraisal, these were as follows: -

3.1.1 Option A - Construction of new facility at a Notional Greenfield site (PFI)

This option would involve the replacement of all the retained estate at the Southern General together with the Acute Adult Hospital and the Children's Hospitals as new facilities on a notional site near the existing Southern General.

3.1.2 Option B - Construction of separate facilities on Southern General site (PFI and Design and Build)

Under this option the Children's and Acute facilities would constructed as separate facilities on the existing Southern General site. (Adult scheme being PFI, Children's scheme a Design & Build)

3.1.3 Option C - Construction of combined facilities on Southern General site (PFI)

This option would deliver a single combined PFI facility at the Southern General site.

3.1.4 Option D - Construction of combined facilities on Southern General sites

This option is similar to option C but would involve a different procurement process. The project would involve a PFI project with the Special Purchase Vehicle (SPV) identifying that part of the bid that is for the provision of the Children's Hospital building. At preferred bidder stage the successful organisation would commence work on the Children's Hospital. If financial close is not achieved the Children's Hospital would be completed and handed over to the Board as a traditional Design & Build project.

3.1.4.1 Given the adult scheme is stage 2 of the Acute Services Strategy agreed by the Minister in August 2002, the 'do nothing' option is not viable. This has been agreed by the Scottish Executive.

3.1.4.2 The 'do nothing' option for the Children's facility was discounted on clinical grounds.

3.2 Basis of option assessment

3.2.1 The options were assessed on the basis of the following qualitative and quantitative criteria:-

Factor	Qualitative evaluation	Quantitative evaluation
Costs		✓
Benefits	✓	
Risks	✓	
Deliverability	✓	

3.2.2 Examples of the sorts of issues considered under each criterion are as follows:

- The benefits criterion looked at aspects such as achieving desired clinical adjacencies and good patient flow through the building,
- The risk criterion reviewed aspects such as disruption caused to running of the existing site and difficulties in managing the construction (e.g. the schemes being built by different contractors on site) and interface issues.
- The deliverability criterion took into account the availability of suitable land, the complexity of the contract and the estimated timescale for completion of the project.
- The cost criterion compared the estimated unitary charge payments if each option were purchased through PFI.

3.3 Summary Assessment of qualitative factors

3.3.1 The first workshop considered the qualitative factors relating to each option. A summary of the points discussed in respect of each option are set out below:

Option	Benefits	Risks	Deliverability
Option A– Greenfield Site	Clinically very suitable for delivery of modern models of care Minimises disruption to effective service provision during construction period Single facility improves patient flows and allows streamlined processes Full capture of clinical synergies due to optimum level of clinical adjacencies. Maximises the level of patient care from the facilities. Greenfield site would be	Risk of delay to procurement due to requirement to purchase suitable site Potential risks to access depending on chosen location. This could include the requirement for enabling works to develop a substantial infrastructure. For instance the provision of services and utilities. In additional there would be the requirement to fully assess the impact on the transport infrastructure of locating a substantial hospital development in	Suitable site has not been identified. Potential timescale impact of identifying and negotiating the purchase of a substantial site. Additional costs of land acquisition (undetermined and consequently not included within the option costing)

Option	Benefits	Risks	Deliverability
	attractive to bidders	an area that had been identified as green belt land. Detrimental impact of developing a large site on the green belt environment. The impact on the existing flora and fauna would need to be assessed.	
Option B – Construction of separate facilities on the Southern General site (Adult - PFI) (Children's – Design & Build)	Clinically suitable for delivery of modern models of care Provides appropriate use of existing site	Complex construction programme required to maintain services on existing site (Possibly 2 construction companies) Interface issues between separate buildings would need to be addressed. Although the separate facilities would be fit for purpose the division of clinical services in separate buildings would not allow the capture of synergies allowed in a single integrated building.	Use of existing site will reduce timetable as no requirement to purchase land Enabling works programme can be identified and completed prior to financial close.
Option C – Construction of combined facilities on the Southern site (PFI)	Clinically suitable for delivery of modern models of care Provides appropriate use of existing site Single facility improves patient flows and allows streamlined processes. Full capture of clinical synergies due to optimum level of clinical adjacencies. Maximises the level of patient care from the facilities.	Complex construction programme required to maintain services on existing site	Use of existing site will reduce timetable as no requirement to purchase land Enabling works programme can be identified and completed prior to financial close.
Option D – (Hybrid of option C)	Clinically suitable for delivery of modern models of care Provides appropriate use of existing site Single facility improves	Complex construction programme required to maintain services on existing site Board would have to underwrite design development costs for all	Use of existing site will reduce timetable as no requirement to purchase land This option was thought to enable earlier delivery of the

Option	Benefits	Risks	Deliverability
	patient flows and allows streamlined processes	bidders, adding significant additional bid costs Bidders could use the construction of the Children's hospital to improve the commercial deal for the overall procurement. Demonstrating that value for money had been secured for the overall project could be difficult, as negotiations would be continuing after significant works had been started.	Children's Hospital, however, in reality this will not be the case as an application cannot be made until the building design is complete which will not be until financial close. In other words commencement of construction at appointment of preferred bidder is not achievable as there is insufficient time to develop detailed design solutions and obtain required planning permissions.

3.3.2 At the end of the workshop the group concluded that:

- Option A was considered to be undeliverable within the required timescales due to the requirement to identify and then purchase a suitable Greenfield site. This would require additional expenditure and would result in a longer procurement timetable. There would also be a significant level of risk surrounding the following:- the potential requirements for enabling works for services and utilities; managing the transportation requirements associated with a large healthcare development and the environmental impact of developing a Greenfield site.

- Option B It was envisaged that whilst suitable models of care could be delivered within the separate buildings this option did not allow the Board to deliver an optimum solution. This approach did not allow the achievement of the maximum level of care from appropriate clinical adjacencies and synergies that can be achieved in a single building.

- Option D had been intended to deliver the Children's Hospital at an earlier date. However upon further investigation it was established that this was not achievable. There was insufficient time to produce the required level of design and obtain planning approval prior to the intended commencement of construction at preferred bidder appointment. In addition there were significant risks associated with bidders exploiting the negotiation position through the procurement process and in an expectation that the Board would be required to underwrite bid costs. Option D was therefore not considered to be deliverable within the required timescale and was legally challenging to complete contractually.

- Option C used a site in the existing ownership of the Board. This allowed the necessary enabling works to be identified and undertaken prior to financial close. Construction would therefore be able to start at the earliest opportunity. This option allows the highest level of care to be delivered by ensuring that strong clinical adjacencies have been achieved from a single building. The option also offered opportunities for synergies within the infrastructure, for example, plant, staff and catering, facilities, etc.

Option C was considered to present the strongest package of benefits and the greatest opportunity for delivery.

3.4 Assessment of quantitative factors

3.4.1 The quantitative appraisal of the options involved a comparison of estimated annual unitary charge payments were each option to be procured through a PFI route. The estimated unitary charge was derived using the HM Treasury QES Model and based upon: construction, lifecycle and facilities management costs provided by the Board's technical advisors and the mandatory assumptions required by HM Treasury, particularly in relation to funding and bid development costs

3.4.2 The quantitative analysis showed that Option C represents the least expensive option, followed respectively by options B, D and A. The Greenfield site option is significantly more expensive than the other three options.

4.0 Conclusions

4.1 On the basis of the qualitative and the quantitative analysis option C was selected as the preferred option. It presents the strongest package of benefits, the greatest opportunity for delivery and is the lowest cost option.

5.0 Recommendation

5.1 The Performance review Group is asked to note the contents of this paper and to endorse the preferred procurement option, which is to procure the New South Glasgow and New Children's Hospitals as a single integrated PFI building.

GREATER GLASGOW AND CLYDE NHS BOARD

DIRECTORATE OF ACUTE SERVICES STRATEGY IMPLEMENTATION AND PLANNING

PROJECT EXECUTIVE GROUP MEETING

Notes of the meeting held on Wednesday 8th August 2007 at 15:00
Meeting Room, Project Offices, Hillington

Present: Helen Byrne, Director Acute Services Strategy, Implementation and Planning (Chair)
Alan Seabourne, Project Director, New Hospitals' Project Team
Alex McIntyre, Director of Facilities
Anne MacPherson, Associate Director of HR (Acute)
Brian Cowan, Medical Director
Derek Morgan, Workforce Planning Manager
Mairi Macleod, Planning Manager, New Children's Hospital
Mandy Robertson, Joint Secretary, Area Partnership Forum
Margaret Smith, Director of Nursing
Morgan Jamieson, Medical Director, New Hospitals' Project Team
Niall McGrogan, Head of Community Engagement and Transport
Rosslyn Crocket, Director of Women and Children's Services
Sandra Davidson, AJOC Staff-side Representative
Sharon Adamson, Head of Acute Services Planning and Redesign
Tony Curran, Head of Capital Planning and Procurement

Apologies: Robert Calderwood, Chief Operating Officer
Anna Baxendale, Head of Health Promotion and Inequalities
Cathie Cowan, Director, South East Glasgow CHCP
Fiona Wade, Head of Finance
Grant Archibald, Director of Emergency Care and Medical Services
Heather Griffin, Planning Manager, New South Glasgow Hospital
Iona Colvin, Director of South West Glasgow CHCP
Jane Grant, Director of Surgery and Anaesthesia
Jim Crombie, Director of Diagnostics
Neil Wilson, Workforce Planning Manager
Peter Gallagher, Finance Director
Peter Moir, Deputy Head of Capital Planning
Sandra Bustillo, Head of Communications (Acute)

In attendance: Andrea LaRoche, Secretariat Administrator (minutes)
Cath McFarlane, Head of Nursing, Emergency Care & Medical Services (for Grant Archibald)

1. Apologies and welcome

ACTION

Apologies were accepted from the above.

2. Notes of the previous meeting held on Wednesday 13th June 2007

The notes of the previous meeting were accepted as an accurate record.

3. Matters arising

T Cocozza advised that the work is continuing on the GEM model and he is working with Ernst and Young to look at value for money and affordability – what it is likely to cost. **T Cocozza**

Design Action Plan – a workshop was held on 25/6 to discuss the first draft of the Design Action Plan. The event was well attended by colleagues from the Local Health Council, NHSGGC, Ambulatory Care Hospitals and patient representatives. The draft plan will be distributed to the GGC Design Plan Group and attendees of the event on 25/6 for comment first before being distributed more widely for further comments. It is planned that the plan will be presented to the Board in October and be sent to the Scottish Executive in November. Copies of the draft plan are available on request.

Clyde work – Work in relation to children's services work will progress once there is clarity around the adult services in ENT particularly. The work in relation to adults is due to start imminently.

A MacPherson advised that under item 6 of the previous notes regarding a partnership event around key areas of staff governance – she will action this. **A MacPherson**

WOS Boards finance meeting – Douglas Griffin and Peter Gallagher will keep the Directors of Finance updated on financial discussions.

Design Group for SGH – H Byrne will discuss with R Calderwood the best way to take this forward formally. This could possibly be part of the Arts & Wellbeing group remit already established in relation to the new ACHs. **H Byrne R Calderwood**

A Seabourne confirmed that the Partnership UK (PUK) workshop will be held on 21/8. R Calderwood to confirm attendees. **R Calderwood**

H Byrne advised that the draft OBC has been sent to Mike Baxter and his comments are awaited.

R Crocket advised that she had recently met with the General Surgeons at the children's hospital following concerns raised by them about communications. She further advised that the proposed bed number of 240 had been communicated to staff within the Directorate and there had been general acceptance of the target bed number.

4. Mike Baxter's letter

Colleagues from NHSGGC have been in discussion with the Scottish Executive around affordability in relation to the new hospitals. Douglas presented to the Board, three possible options (pure PPP, a hybrid model with PPP and Treasury funding and a pure Treasury model). A series of meetings were held with the SEHD and a written response was received in early July. Tony Cocozza has developed an action plan to address the actions required.

A Seabourne advised that we need to give consideration to the idea of 100% single rooms in each hospital. A McIntyre advised that single room provision was discussed at the Health Facilities Scotland (HFS) Strategy Management Group meeting and that 100% single rooms was the advice there unless based on local consultation it could be less. N McGrogan advised that previous the consensus was 50/50 in favour of single room accommodation, in GGC for both the adult and children's hospitals.

There would be £40m additional capital if single room provision is raised to 100% and considerable revenue implications.

There are benefits to single room accommodation; in Scandinavia it was shown to significantly decrease MRSA infections. S Davidson felt that nursing staff would oppose a move to 100% single rooms. M Smith advised that the Expert Reference Group met and a report was generated. The recommendation was a minimum of 50% single room accommodation. There was no evidence to suggest an increase in nursing staff was required if the staffing level was correct to begin with. It is also important to ensure the area is fit for purpose.

5. Update on Technical Advisors

A Seabourne advised that the Public Sector Comparator design has been completed and we are at the end of stage 1 of the 6 stage process. The Technical Advisory (TA) role has been re-tendered. 4 interested parties have come forward and the interview process will take place at the end of August. The preferred TA team will not be appointed until the procurement method is decided.

6. Update on planning progress

The outline planning proposal was submitted on 14th April 07. Keppie Design and the project team are working with the City Planners to hopefully achieve outline planning by the end of September 07. No objections have been received from local residents. A meeting with Planners is being held next week (W/C 13/8) to continue to review comments from the formal consultees and to determine what planning conditions will apply. So far, progress has been very positive.

7. A&E/MIU audit update

Cath McFarlane attended the meeting on behalf of G Archibald and spoke to enclosure 2.

The paper reports on the progress of a review of the potential numbers and percentages of A&E attenders at adult sites in Glasgow that could be classified as Minor Injuries at point of presentation and the number and percentage of these that could be treated by a dedicated Emergency Nurse Practitioner service.

The Clinical Strategy (2002) estimated that approximately 32-35% of A&E attendees could be classed as minor injuries. It was agreed that the Clinical Strategy assumption should be revisited.

The report concluded that the actual percentage rates of minor injury attenders are significantly greater than those estimated in the 2002 Clinical Strategy (46% - 64.6% compared to 32% - 35%).

The detailed activity analysis and mapping against a clinical consensus list of presenting conditions identifies that a dedicated ENP service would be able to treat 46 – 61% of all A&E attenders.

Based on operating hours from 09:00 – 21:00 ENP services at the Stobhill and Victoria ACHs would be able to treat 22,782 and 34,920 patients per annum respectively. Senior Clinical and Managerial staff have agreed that the overall size of each Minor Injuries department within the ACHs is suitable for the revised total activity levels.

Further work and analysis is required. There is a training issue for ENPs and the implications for ACHs around space and design need to be reviewed.

Paediatric Minor Injuries – there is an emerging clinical consensus that children with minor injuries <5 years old should go to the children's hospital.

R Crocket advised that this consensus is emerging in relation to paediatrics but further work is required. **M Smith/ R Crocket**

There will be a children's update on MIU activity on the agenda for the next meeting. **A LaRoche**

It was noted that the paper discussed does not include minor illness. M Smith advised that the working assumption is that minor illnesses is a Primary Care service and will be seen by GPs.

H Byrne thanked C McFarlane and G Archibald for a helpful paper.

8. Nursery provision

A MacPherson spoke to enclosure 3 which discusses whether or not the Board should review nursery provision for staff across its area and determine what may be available on sites where significant change results in accommodation being at a premium.

If nursery provision is supported, we will need to develop a long-term plan. There is the possibility of joint working with other groups e.g. Govan Initiative.

D Morgan advised that nursery provision may affect the employability of staff. Many staff returning to work are parents and would be looking for childcare facilities on site. It would be a good attraction for new members of staff.

A McIntyre raised the issue of nursery size.

H Byrne advised that there should be a corporate decision taken on what is provided and look at opportunities available around other sites. A formal Nursery group should be the way forward. A paper that captures all the different issues for the different parts of the city needs to be developed. A MacPherson to progress further. **A MacPherson**

9. Update on Clyde work

H Byrne advised that the four strands of work were presented to the Board in June, the recommendations of which were accepted. The process is now subject to independent scrutiny, the details of which are not yet available. We will hopefully soon have more information regarding who is chairing the panel, who is on the panel and their terms of reference. We will then move to consultation after independent scrutiny.

10. Update from Mental Health/Acute meeting

H Byrne advised that she, Robert and other colleagues recently met with Anne Hawkins and mental health colleagues regarding interface issues across all sites. It was a very helpful meeting. There will be a further meeting in October and tri-monthly thereafter. Tony Curran will lead taking forward actions with Mental Health colleagues with input from Alan Seabourne and Team and Alex McIntyre and Team as appropriate.

11. Timescales and next steps

A Seabourne and the Team, together with Douglas Griffin and Peter Gallagher, are currently working to address the issues raised in Mike Baxter's letter.

12. Any other competent business

There were no further items for discussion.

13. Date and time of next meeting

Wednesday 12th September 2007
15:00 – 17:00
Conference Room, Management Building, SGH

The above meeting was cancelled. The next meeting is on Wednesday 24th October 2007 at 15:00 – 17:00 in the Project Offices, Hillington.

GREATER GLASGOW AND CLYDE NHS BOARD

DIRECTORATE OF ACUTE SERVICES STRATEGY IMPLEMENTATION AND PLANNING

PROJECT EXECUTIVE GROUP MEETING

Notes of the meeting held on Wednesday 24th October 2007 at 15:00
Meeting Room, Project Offices, Hillington

Present:
Helen Byrne, Director Acute Services Strategy, Implementation and Planning (Chair)
Robert Calderwood, Chief Operating Officer
Alan Seabourne, Project Director, New Hospitals' Project Team
Alex McIntyre, Director of Facilities
Anne MacPherson, Associate Director of HR (Acute)
Derek Morgan, Workforce Planning Manager
Mairi Macleod, Planning Manager, New Children's Hospital
Mandy Robertson, Joint Secretary, Area Partnership Forum
Rosslyn Crocket, Director of Women and Children's Services
Sandra Davidson, AJOC Staff-side Representative
Sharon Adamson, Head of Acute Services Planning and Redesign
Heather Griffin, Planning Manager, New South Glasgow Hospital
Iona Colvin, Director of South West Glasgow CHCP
Jane Grant, Director of Surgery and Anaesthesia
Peter Moir, Deputy Head of Capital Planning
Sandra Bustillo, Head of Communications (Acute)

Apologies:
Tony Curran, Head of Capital Planning and Procurement
Anna Baxendale, Head of Health Promotion and Inequalities
Cathie Cowan, Director, South East Glasgow CHCP
Fiona Wade, Head of Finance
Grant Archibald, Director of Emergency Care and Medical Services
Jim Crombie, Director of Diagnostics
Neil Wilson, Workforce Planning Manager
Peter Gallagher, Finance Director
Brian Cowan, Medical Director
Margaret Smith, Director of Nursing
Morgan Jamieson, Medical Director, New Hospitals' Project Team
Niall McGrogan, Head of Community Engagement and Transport

In attendance:
Baxter Allan, Director of Planning, Landscape and Urban Design, Keppie (for items 1 and 2 only)
Kelvin Clarke, JMP Consulting (for items 1 and 2 only)
Kate Benson, Head of Primary Care and Community Services, East Dunbartonshire CHP (shadowing Rosslyn Crocket)
Russell Coulthard (shadowing Iona Colvin)
Iain Adams, Finance
Andrea LaRoche, Secretariat Administrator (minutes)

1. Apologies and welcome

ACTION

Apologies were accepted from the above.

2. Update on planning progress

B Allan spoke to enclosure 4, Planning update.

The Outline Planning Application was submitted to Glasgow City Council (GCC) on 12/04/07. A number of meetings have been held with the Council to ensure they have the information that they require.

To date there have been no objections from the local community that the team have been made aware of. A meeting is being arranged with the Glasgow City Council Planning Department to bottom-out certain issues such as roads and transportation. Currently, the Council is indicating that approval will be recommended.

K Clarke advised that a site Travel Plan is being reviewed for the SGH site. If left unrestricted, it is estimated that around 65% of users would travel to the SGH by car which would impact on traffic, parking spaces and junction improvements. We need to develop a sustainable approach towards car parking which would see about 45% of car users able to take their car to the hospital.

B Allan advised that draft planning conditions have been submitted. We are waiting for the council to produce more robust conditions. Planning conditions are attached to developments relating to the hospital campus e.g. type of design, landscaping, car parking. A Section 75 Agreement is a legally binding agreement of a financial nature. The Government has made it clear that the S75 should not restrict planning permission. R Calderwood agreed that these issues needed to be bottomed-out as soon as possible and the risk quantification needed to be costed.

B Allan advised that it might be appropriate to get someone senior in the Board to discuss progress with a senior colleague at GCC however he recommended that any telephone calls made should be delayed by a week to allow for a line of correspondence with Land Services to be concluded. H Byrne or R Calderwood will contact GCC when the time is appropriate.

3. Notes of the previous meeting held on Wednesday 8th August 2007

The notes of the previous meeting were accepted as an accurate record.

4. Matters arising from the notes of the previous meeting

Page 1, point 3, Design Action Plan – H Byrne advised that the Plan was submitted and ratified by the Board on 23/10.

The Plan will be tested on two projects and amended if necessary following the outcomes (for circulation of the second iteration in October 2009). It will be sent to the Scottish Government Health Department and Architecture and Design Scotland in the next week. The Plan will also be shared with PEG colleagues when it is completed.

A MacPherson advised that a Partnership event has been arranged for 30/11. Staff reps have been invited and support from senior colleagues is being sought. A flyer is available for anyone that would be interested.

H Byrne advised that D Griffin and P Gallagher are continuing to keep the WoS Directors of Finance updated on progress and H Byrne ensures the WoS Directors of Planning are kept updated on progress.

A Partnership UK workshop was held on 21/8 to discuss the state of the project, the readiness to take it forward and lessons learned from other projects. Overall, it was a positive event and GGC are incorporating the learning from the event.

H Griffin advised that no comments were received from Mike Baxter about the OBC, which was sent to him in June 2007.

A&E/MIU Audit update – a meeting is scheduled for tomorrow 25/10. There are risks around children aged 1-5 years. A final report will be provided at the next PEG meeting. **S Adamson**

Nursery provision – A MacPherson advised that she had recently held a meeting with Mark McAllister and Southwest Regeneration to discuss the availability of nursery provision. It was agreed this should be taken forward at a corporate level and addressed as an issue across GGC.

5. OBC progress update

Timeline
H Griffin spoke to Enclosure 2. The Project Team are working towards a summary Outline Business Case to the January 2008 Board meeting. The paper outlined the work to be completed in order to achieve this, these being :-

- Alternative option for the Southern site – In order to address issues of affordability an alternative option (option 1a) has been proposed. Option 1a consists of the planned

integrated adult and children's hospital. In this option however those associated works for which new builds were planned will now be incorporated into the existing estate;

- Phases 3 & 4 – Redevelopment of Glasgow Royal Infirmary and Gartnavel General Hospital – work is ongoing to clarify necessary work in relation to GRI and GGH;

- Single rooms – The new adult hospital Public Sector Comparator has 57% single rooms. The Scottish Government has raised the possibility that guidance may be issued advocating 100% single rooms. This would impact both upon the design of the wards and cost. An option to extend the ward footprint to achieve 100% single room accommodation within the new adult acute hospital is being developed, for discussion;

  Some areas of the hospital, such as the renal and haemato-oncology wards, already have 100% single rooms and critical care also has a footprint allowing 100% single rooms.

- Gateway Assessment – M Macleod spoke to the Gateway Review Process. She advised that H Byrne, A Seabourne, H Griffin and herself visited the Centre for Expertise in Edinburgh for the Assessment meeting on 23/10. M Macleod tabled a diagram that gave an overview of the Gateway Review process. She reported that the Risk Assessment Form was submitted on 1/10 and feedback at the Assessment meeting was that the project was a medium/high risk and would therefore undergo a Gateway.

  The next stage would be a planning meeting with the Review Team in early December to discuss the actual Assessment which would take place in early January 2008. Mairi advised that this would be the first health project in Scotland to undergo a Gateway Assessment.

Update from finance meeting with P Gallagher, D Griffin, A Seabourne and M Baxter
A Seabourne advised that P Gallagher, D Griffin and A Seabourne met with Mike Baxter and Scottish Government colleagues. The Gateway Review was discussed as well as the options for the site. D Griffin and P Gallagher reviewed the capital spend/capital spread. They were comfortable with the numbers and timescale. The capital cost and the gap in affordability was discussed as well as funding options. The procurement method will determine how funding is taken forward. Overall it was a very positive meeting.

Board Seminar update
H Byrne advised that an update presentation was given at the October Board Seminar around Options 1 and 1a. It was a useful session however there is still work to do. A verbal update will be given at the November Performance Review Group meeting. The Bed Model will be discussed at the Board Seminar in December. It is hoped the OBC will be submitted to the Board Meeting in January.

Existing estate survey
P Moir advised that estate surveys are being carried out looking at the functionality of existing site buildings. Surveys have been completed for the SGH. The GRI and Gartnavel General surveys are Financial information and space studies will be completed over the next two weeks to be fed into the OBC. S Bustillo enquired as to whether there was any further information about proposed site closures, timing etc that could be communicated to staff. P Moir advised that once a clear decision is made, then it would be easier to look at the implications for staff.

6. Update on Technical Advisors

P Moir advised that four teams submitted tenders and have been interviewed. The fourth place team is to be released and the three remaining teams will be written to in order to advise them on the next stage(s) of the process.

7. Update on Clyde work

H Byrne advised that the Independent Scrutiny Panel has been set up and is being chaired by Angus MacKay. The Panel members are Professor Brunt, Stuart Fair and John Hanlon. They have a significant amount of information to review around the maternity (community midwifery units), unscheduled care at the Vale, mental health services in Clyde and older people's services in Renfrewshire. They will undertake a series of meetings, hospital visits and public meetings. A

meeting will be held on 25/10 with work-stream leads. A report from the Panel is expected at end November.

8. Timescales and next steps

Work is ongoing on the OBC document and the Gateway Review. The Board will be updated in November, December and January and it is hoped that the OBC will be submitted to the Scottish Government Health Department's Capital Investment Group in late January/early February 2008. Work is ongoing. A Seabourne advised that a meeting with key colleagues will be arranged in order to feed the timescales into the financial work.

9. Schedule of meetings for 2008

The schedule of meetings for 2008 was attached for information.

10. Any other competent business

H Griffin advised that a non-financial benefits scoring workshop would be undertaken to look at the differences between proposed options for the New South Glasgow Hospitals. This is to fulfil the non-financial benefits criteria as part of the OBC process.

11. Date and time of next meeting

The next meeting will be held on Wednesday 21st November 2007
15:00 – 17:00
Board room, Project Offices, Hillington

NHS Greater Glasgow & Clyde

Procurement and Finance Group
30th June 2008
Minutes

In attendance :
Robert Calderwood (RC – Chair)
Helen Byrne (HB)
Peter Gallagher (PG)
Grant Archibald (GA)
Jane Grant (JG)
Alex McIntyre (AM)
Alan Seabourne (AS)
Tony Curran (TC)
Gordon Beattie (GB)
Peter Moir (PM)

Minutes :
Iain Adams (IA)

Apologies
Head of Finance, Capital and Planning

ACTION

Membership and Terms of Reference

RC asked the group if there were any comments on the membership listing that had previously been circulated. There were none. The only people not in attendance were Richard Copland and Mike Baxter.

The Terms of Reference document, issued with the agenda for the meeting, was also accepted by the group.

Update on Procurement Process

AS gave an update on the proposed procurement process. The current thinking is that we would proceed by, firstly shortlisting 3 companies who would then, through limited competition be reduced to 2, who would then go through a full design and build competitive tender process before the final contractor was selected (3-2-1).

Invitations had been extended to major construction consortia to identify their interest in this project and their willingness to attend informal briefings to discuss the project and the procurement strategy. Only 3 construction companies intimated an interest in the project and a willingness to attend informal discussions. These companies were Balfour Beatty, Carillion and Laing O'Rourke. These informal briefings have now been held

and the initial message was that all 3 companies, to various degrees, were concerned about the bid costs that would be involved in following our proposed procurement strategy and suggested modifications that we may wish to consider to the current identified procurement strategy.

General discussion took place on the feedback from these sessions and the Group agreed that we must devise a procurement strategy that ensures that we have the maximum competition and not arrive at a procurement strategy where we have only one or no bidders.

It was agreed that AS would discuss the latest intelligence and our discussions with Mike Baxter this week and that we may set up a further discussion with SGHD colleagues prior to finalising our proposed procurement strategy. **AS**

There was also a discussion on the internal resources required to progress the project. It was confirmed that the ASR Programme Board approved the Project Budget at a meeting the previous Friday. This budget is made up of approximately £800k capital for technical advisors, £559k recurring revenue and £1.7m non recurring revenue. RC confirmed that Douglas Griffin has agreed to fund the £1.7m non recurring revenue for one year only.

Therefore if the posts are filled in September 2008, this funding would last until September 2009. Technical advisors will be in place by the start of September.

AS gave a description of some of the disciplines that have to be recruited. These include nursing, medical, estates and procurement staff.

AM asked whether AS intended to recruit externally or whether he would look to second people from internal positions and provide funding to backfill. AS advised that this would depend on the posts involved. It was recognised that some secondees will be available on a part time basis now with the full time requirement not required until a later date.

RC expressed concern about the length of time it will take to recruit the full team. He will ask Anne MacPherson to interact with AS and other directors to ensure that this process goes as smoothly as possible. **RC**

AS should write out to directors advising on posts and timescales. As the next stage of work is required by January, there is a requirement to start identifying staff soon. **AS**

Commercial Advisor Role

This post was referred to in the Gateway Review. There was a suggestion that we should bring in a Non Exec Director for the project to provide wider market intelligence. RC advised that he will be meeting with PUK over the next few weeks to discuss this role.

The extent of the Non-Executive role will have a clear bearing on costs and clearly we will have to form a view as to the value of such a role in comparison to cost. If appointing to this role would incur fees running into six figures as opposed to more modest tens of thousands, this would have an impact on the value and the relevance of

the role and therefore a report would need to come back to the Group in due course.

SGHD are strongly in favour of the Board making such an appointment as they want there to be good governance in place. In addition, the group recognised that another set of advisors with a different set of skills would bring further experience to the project. AS to sound out Mike Baxter at his meeting on Wednesday. **AS**

RC reported on a meeting he had had with representatives of PWC who were outlining services they offer in relation to acting as procurement advisers to the Board. RC had passed over the contact details and the material left by PWC representatives to AS and it was agreed that AS/PM would meet with PWC to further consider the role that such organisations could provide as part of the procurement team. **PM**

Site Co-ordinating Group Minutes

There has been one meeting to date, with a second meeting scheduled for later this month. HB advised that for each project on site, there should be a project plan which would provide details on timing.

Minutes and papers will be available for the next meeting of this group. Allyson Hirst will ensure that these papers are circulated with the papers for the next meeting.

AOCB

There was no other business discussed.

Frequency of meetings

No date was set for the next meeting of the group. It was decided to wait for AS to meet with Mike Baxter to see if any issues require more urgent debate. AS to advise. **AS**
If nothing urgent is forthcoming, the next meeting should take place after the 18th of August so that the appointment of the technical advisors can be ratified. There are currently four sets of advisors on the short list for interview on the 18th.

Acute Services Strategy & Implementation Planning Directorate

Procurement and Finance Group

Note of meeting held at 3.30pm on Wednesday 1st October 2008 in the Board Room, Southern General Hospital

Present:	Robert Calderwood (Chair)	RC	Chief Operating Officer – Acute Services
	Peter Gallagher	PG	Director of Finance – Acute Services
	Jane Grant	JG	Director of Surgery and Anaesthesia
	Alex McIntyre	AM	Director of Facilities
	Alan Seabourne	AS	Project Director New South Glasgow Hospitals Project
	Tony Curran	TC	Head of Capital Planning and Procurement
	Gordon Beattie	GB	Head of Procurement
	Peter Moir	PM	Major Projects/PPP Projects Manager
	Alan McCubbin	AMcC	Head of Finance
	Norman Kinnear (in place of Mike Baxter)	NK	Scottish Government
	Jim Hackett, Currie & Brown	JH	Divisional Director - Currie and Brown
	Douglas Ross	DR	Currie and Brown
Apologies	Helen Byrne	HB	Director of Acute Services Strategy Implementation and Planning
	Richard Copeland	RCo	Director of Health Information and Technology
Minutes by	Iain Adams	IA	

1. Welcome/Apologies — Action

RC welcomed the group, and each member of the group introduced themselves.
Apologies as above.

2. Notes of the previous Meeting

The notes from the previous meeting on 30th June 2008 were accepted as an accurate record and were approved.

3. Matters Arising

There were no matters arising from the minutes that were not included on the agenda.

4. Project Update

4.1 Procurement Strategy – update from workshop with C&B and PUK

New advisors are now in place following Currie & Brown's appointment on 1st September. PUK are also now in place to provide additional weight to the

governance structure.

A workshop took place on 1st October, which included all advisors on the project ie. in addition to Currie & Brown, PUK, Ernst & Young and Shepperd & Wedderburn were also present.
The agenda at this meeting covered areas such as process, key risks, how we have got to where we are currently, key drivers and market soundings.
At the workshop, PUK were most interested in the market, which is changing constantly. The workshop was very helpful in terms of identifying and assessing risks. Fourteen risks were identified through the workshop, all of which are manageable.
AS will write up his notes from the day and augment this with details from Clare Phillips of PUK.
There is a Board seminar on Tuesday to discuss the outputs of the workshop. AS will take the seminar group through his notes from the workshop. Currie & Brown will also attend to provide any necessary information. A further debate will take place at the Board meeting on 23rd October.

RC outlined the process of going to the seminar and the Board meeting. He said the plan would need to be ready by Christmas for the next stage of the Gateway review, as this needs to take place before the industry launch in January / February. The Board seminar will allow the process to be rigorously tested. RC also felt that there should be a debate on the process thus far with the involvement of Currie & Brown and PUK. All of this would allow HB to take a paper to the Board meeting on 23rd October.

JH outlined the process of going to the market. We should go to the market with our requirements, after which the 3 likely bidders will come back with their maximum price. We should quickly thereafter look to move to a favoured single bidder.
RC expressed concern that a maximum price may be front loaded as the risks cannot be bottomed out at such an early stage. He was also concerned that a short period for multiple bidders to respond might mean that none of the companies will be able to give a maximum price.
JH thought this could be countered by the knowledge that the bidders already have – we need to provide the correct information so that the bidders come back with the right answers. We also need to work through the details of the bids to ensure that costs aren't over estimated – unfortunately, the market is unwilling to commit to a 2 horse full design race. This would have allowed time to assess the full costs from two companies.
DR stated that we need to work through each of the risks so that these can be mitigated to prevent companies pricing too high.
TC asked whether companies will price the risk in their bids or whether they will simply exclude risks. DR's view was that bidders may exclude some items of risk, and these would have to be negotiated separately.

JH started a discussion on compliance issues. RC stated that this was very important, as we don't want a situation, similar to the new Beatson, where the contractor would prefer to walk away rather than completely finish the job and take the remaining contingency sums of money that it is due.

AM was keen for the successful company to continue to work closely with the Board in the early years of the building following completion, particularly in relation to utilities costs and sustainability. He hoped that benchmarking information would be available from the recent new builds that would inform this debate. RC agreed, and felt that there should be a full debate on life cycle costs and mechanical and engineering expenses going forward. These costs must be affordable against the 09/10 budget.

RC stated that the project is being driven by finance and value for money. A variant bid would be considered if the revenue savings were very positive and the Board could still afford an increase to the capital cost. The revenue footprint is crucial, as there is already monetary pressure due to the inclusion of 100% single rooms. Again, all costs must be affordable against the 09/10 cost base.

JH provided an update on market soundings. Three companies are extremely keen and have already started to fill their supply chains. All three are comfortable with the process and have no major issues. He has spoken to the companies about the key issues of capability, programme, design and compliance. The plan now is to continue the dialogue with the companies and keep the market "warm".
AS also said that he was aware of one of the companies starting to recruit staff and that key staff in the three organisations have expressed an interest in being involved in this project.

RC stated that we had previously invited 9 consortia to show interest. Six had declined, leaving 2/3 serious bidders. He asked whether there would be any further interest given current market conditions. JH said that they had only spoken to the 3 companies who previously showed an interest, but was surprised that the remaining six did not want to even discuss the project. RC said that he was content so long as we have 3 credible bidders.
RC asked whether PUK had commented on there only being 3 companies involved at this stage. JH confirmed that they had not commented on this issue.
GB asked whether any non UK companies were likely to be interested. DR thought this unlikely as these companies tend to start small in a new country.

RC asked if any of the companies had raised any site issues such as the construction compound. DR said that there is some concern that, at the peak of construction, with 1500-2000 staff on site, there could be problems. However, options are being explored such as using the top of the second car park.

4.2 Cost of the Capital Build

DR said that he had gone through the costs that had previously been calculated by Davis Langdon, and found these to be realistic and accurate. He would undertake a bench marking exercise using the cost per square metre of the build to keep an eye on overall cost. A "firmer" cost figure should be available in one month's time. He would also work on the latest cash flow projection.
RC said that there is a problem with the accounting treatment of the laboratory

building and how this might be accommodated within the overall cost. This would be looked at again in November.
PG stated that Douglas Griffin has a meeting with Mike Baxter on 31st October. Mike will be particularly interested in the phasing of the capital spend. Contingency within the overall cost estimate is also key to see if any new costs could potentially be accommodated. Mike will be looking for early feedback on this based on the latest discussions with Currie & Brown, particularly with the cross over of the spending review during the life of the project.

4.3 Progress from Technical Advisors

JH presented a Status Update report to the group.

Section A covered the Programme. This section needs to be expanded, and a decision was required on whether 3 months were actually required to facilitate briefing requirements.

Section B covered the briefing and meetings that need to take place. This should ensure that everything is "joined up".

Section C covered Procurement and the meeting dates with the 3 potential bidders.
There was a discussion on the laboratory element of the project. The affordability, space and scope need to be looked at. RC confirmed that directorate plans are well advanced for laboratories.
RC stated that the Fiscal Office will look to utilise the City morgue for free as it would be for the greater public good. He suggested that better use should be made of the Clyde laboratories, as these were not covered in the original business case.
PG suggested that there might be a separate procurement for laboratories rather than wait for completion of the FBC for the main hospitals in early 2010.
RC stated that the laboratory works could be considered as advanced works for the preferred bidder, but this would be dependent on the availability of funding in those years.

Section D covered Masterplanning.
DR stated that ward planning and design needs to take place. RC said that the ward layout should be used to assess the potential staffing requirement and how this compares with original estimates.
JH said that office space also needs to be considered and how the needs of the University are considered. RC said that the University have aspirations of an academic building on the site. This is still being debated, but we are very clear on what the current "knock for knock" arrangements are with the University. The University are working with Turner & Townsend to decide what they want and what it will cost.
RC said that there is potential to share educational facilities to avoid rooms lying empty. There also needs to be a review on the order that people move into the new building to ensure that all the key people are on site – this needs to take account of the Western and Victoria moves.

5 **AOCB**

There was no other business discussed.

7 **Date of Next Meeting**

The next formal meeting is scheduled for 3pm on 15th December 2008 in the Board Room, Management Building, Southern General Hospital. RC noted that key individuals will continue to meet off line. Otherwise, if a meeting would be crucial in the interim, then a date can be arranged.

New South Glasgow Hospital
Project Team Meeting
19 November 2008

Present:
Alan Seabourne – GG&C
Peter Moir – GG&C
Claire Phillips – Partnerships UK
Juliet Haldane - Shepherd and Wedderburn
Julia Kennedy - Shepherd and Wedderburn
Mark Baird - Currie and Brown
Jim Hackett – Currie and Brown
Douglas Ross - Currie and Brown
Michael McVeigh – Ernst and Young

1. Purpose of meeting:
AS welcomed the team and set out the purpose of the meeting as being to review the key procurement risks identified at the roundtable on the 1st October, and to identify necessary actions. CP's paper summarised the risks identified and discussed on the 1st. It had been left in draft for addition or amendment by the team, a final copy is attached to these minutes.

AS also updated the meeting that the Board Seminar in October had gone well and the team had approval to proceed to develop the current procurement strategy in more detail, taking account of the risks identified.

There is a Gateway Review of the project on the13 January 2009.

2. Key procurement Risks

2.1 Depth of Market
JH confirmed the three interested bidders remained engaged and keen on the project, perhaps two showing more interest than the third. It was agreed that going forward the market engagement strategy should have two strands:

- To continue to seek new interest in the project
- To seek to retain the interest of the current interested bidders; pre and post competition.

Action: All to consider bidders which have not expressed interest, which might be targeted and how, and to revert to AS by 27 November.

There was then further discussion about the need to retain bidders during the competition. MM highlighted the need for rigorous financial checks on bidders, and principal sub-contractors to avoid loss or delay due to insolvency (given current market upheaval and restriction/ cost of credit this was thought of greater importance).

Action: This will require to be developed and built into the evaluation strategy. MM/JH.

It was also noted that GG&C will retain IP to the designs worked up by bidders, so in the event a preferred bidder was lost, some momentum could be maintained.

Action: C&B to discuss the contractual implications of this with S&W.

JK also noted that the Procurement Regulations allow for a non-competitive negotiated procedure (i.e. negotiated procedure without the requirement for an OJEU notice) to be used in circumstances where no tenders or suitable tenders are received. Whilst this procedure would require some degree of advertising, it may present the Board with an alternative to re-starting an OJEU process.

Action: S&W to consider further the availability of this option and its implications.

2.2 Antipathy towards Competitive Dialogue (CD)

It was confirmed by JH that all bidders were more or less refusing to enter a competition under CD. S&W circulated a paper in advance of the meeting setting out the choices between CD and restrictive procedure. Whilst both appear possible routes there was a consensus at the meeting that CD offered more flexibility for the Board and, if market concerns can be overcome, was probably preferable. It was agreed that the technical aspects of stage 1 could be progressed as per a restricted procedure procurement but that CD could be used for more complex commercial issues such as pain/gain share and the compliance period, where dialogue around the various options would provide the Board with more certainty as to how bidders would approach these issues in their final tenders. A focussed dialogue on particular issues should give bidders some comfort around the extent of their exposure to bid costs at stage 1. JH confirmed the current procurement structure (very much developed to address market concerns on bid costs) could be delivered under CD. It was agreed at the meeting that this is an important message to transmit succinctly to bidders as part of the market engagement strategy.

Action: Once procurement process firmed up, S&W/C&B jointly to produce a briefing sheet on procurement process for GG&C to use in its ongoing market engagement with bidders. This will ensure everyone interfacing with bidders has the same "hymn sheet".

It was flagged that the issue of which procurement route to follow had to be concluded ahead of the Gateway Review, and that a paper had to go to the Procurement Group on 15 December.

Action: C&B to draft paper on procurement route, liasing with S&W and wider team as necessary.

2.3 Certainty of Funding

AS confirmed that all funding for the hospital was being provided by the Scottish Government, there were then arrangement for GG&C to "pay back" portions of the funding, such as capital generated by land receipts. It was discussed that this was a positive message for bidders and if confirmation of this could be made available for bidders to review it would provide necessary reassurance. It was also a positive message for any industry day. This left an issue between SG and GG&C to resolve in terms of risk and timing of the "pay-back", but this was not a matter for the extended project team.

MM highlighted the other side of this issue which was reassuring bidders that the project was deliverable within the stated available budgets. DR confirmed that a review of costs had been done by C&B and report issued to Board highlighting affordability limits. This review indicates cost allowances sit mid range of expected outcome, and through design efficiencies, area reductions the enlarged labs project

may be accommodated withing overall budget, the review includes 22.6% optimism bias and risk of 2.5%. The cost plan does not include for an extended compliance period or any LCM provision (discussed in para 2.5)

In terms of ongoing market engagement this was another strong message to put across to potential bidders.

2.4 Quality Outcomes

The meeting discussed the procurement process has detailed design development at stage 2, but this will be carried out against a backdrop of a not-to-be exceeded price, and a pain/gain share mechanism which incentivises the preferred bidder to reduce costs. There is a clear tension here between price control/reduction and desire for design development and innovation. There was no obvious mitigation measure other than GG&C being very comfortable with its reference design; its acceptability, deliverability, buildability and affordability.

Action: this issue was deemed worthy of further reflection as part of the overall; procurement strategy, input to AS from across the project team was welcomed.

It was also noted by CP that this particular procurement approach exposed GG&C to more risk should it make changes to scope in stage 2.

The meeting agreed that these were both issues worthy of discussion at Project Board level.

2.5 Compliance Period

GG&C is clear that for affordability reasons life cycle and reactive maintenance will not be to the standard of a PPP, however GG&C is concerned that a typical D&B has only one year MGD period, and that investment of this scale and complexity (particularly in M&E) should have the Contractor liable for a longer compliance period.

The maintenance and running of the building will ultimately be taken over by a GG&C team, but it is recognised that this will have to be a phased handover from the Contractor to ensure continuous service operation.

It was discussed seven years had been mooted as a possible compliance period, but this has not yet been costed in the refreshed cost plan. 7 years will probably miss the first LCM “spike” so this is more an issue about ensuring build and installation quality, using fit for purpose components, and timely reactive maintenance where required.

The meeting discussed possible mitigation of this risk, by:

- Enhanced site supervision prior to completion;
- Use of an independent certifier;
- Enhanced commissioning and handover procedures;
- Use of performance bonds which oveerrun completion;
- Creation of a joint building management team (contractor and GG&C) with private element tapering off over time.

Action: this is a significant issue and one which has to be resolved ahead of the Gateway review. The project team was asked to consider the issues, review possible precedents and revert to AS.

2.6 Cost Certainty

Through market consultation JH noted possible bidders had flagged the opportunity for a less than scrupulous bidder to low-ball price at the end of stage one, happy in the knowledge there were then sole preferred bidder, GG&C had a tight programme and so were unlikely to start the tender process again, and so such a bidder could then work the price back up, or reduce quality. The meeting discussed the risk and its mitigation:

- Use of pain/ gain is designed to address this, but perhaps doesn't address the scope/quality reduction point;
- C&B will have detailed benchmark costs against which to test bidder submissions, and therefore should flush out deliberate under pricing;
- Evaluation criteria should weight price only to the extent the project team believes a number from any bidder at this stage can be credible;
- Evaluation strategy might be better to weight bidder strategies designed to reduce price/ maintain quality.

Actions:

- An evaluation strategy needs to be developed which recognises and mitigates this risk. This will require input from project team as a whole. The evaluation strategy drafting is being led by [C&B.]

- Calibration of the pain/gain mechanism is also pertinent to management of this risk. This being led by C&B

2.7 Client Discipline

As discussed above there was a heightened exposure of the Board, to risk if client changes to scope occurred post tender, by adoption of a strategy which down-selected early to one bidder, on target pricing with design development post stage D still required.

Action: AS to highlight issue at Board level.

3. Other Actions

S&W and C&B to consult and agree the most appropriate from of contract, NEC3 or JCT.

GREATER GLASGOW AND CLYDE NHS BOARD

ASR PROGRAMME BOARD MEETING

Notes of the meeting held on Friday 20th March 2009
in the Conference Room, Management Building, Southern General Hospital

Present:
Robert Calderwood, Chief Operating Officer (Chair in T Divers absence)
Alex McIntyre, Director of Facilities
Anne MacPherson, Director of Human Resources (Acute)
Calum Kerr, Scottish Ambulance Service
Dorothy McErlean, JOC - Area Partnership Forum representative
Grant Archibald, Director of Emergency Care and Medical Services
Frances Lyall, Staff-side Representative
Helen Byrne, Director of Acute Services Strategy, Implementation and Planning
Iona Colvin, Director South West Glasgow CHCP
Jane Grant, Director of Surgery and Anaesthesia
Jim Crombie, Director of Diagnostics
Jim Rundell, Audit Scotland
Mairi Macleod, Project Manager, New Children's Hospital
Niall McGrogan, Head of Community Engagement and Transport
Peter Gallagher, Director of Finance (Acute)
Richard Copland, Head of Health Information and Technology
Tony Curran, Head of Capital Planning and Procurement

Apologies:
Tom Divers, Chief Executive (Chair)
Alan Seabourne, Project Director, New Hospitals' Project Team
Ally McLaws, Director of Communications
Brian Cowan, Medical Director
David McConnell, Audit Scotland
Douglas Griffin, Director of Finance
Ian Reid, Director of HR
Karen Murray, Director, East Dunbartonshire CHP
Ken O'Neill, Clinical Director
Kenneth Hogg, Deputy Director of Delivery, Scottish Government Health Department
Rory Farrelly, Director of Nursing (Acute)
Rosslyn Crocket, Director of Women and Children's Services
Sharon Adamson, Head of Acute Services Planning and Redesign

In attendance:
Lorna Dunipace, Head of Service for Health and Community Care – East Glasgow CHCP
Jim Whyteside, Head of Public Affairs
Peter Moir, Head of Major Projects
Shiona Frew, Acute Planning PA (minutes)

		ACTION
1.	**Apologies and welcome**	
	R Calderwood welcomed everyone to the meeting and explained that Mr Divers was unable to attend and that he would chair the meeting in his absence. Apologies were noted from the above.	-
2.	**Notes of the previous meeting held on 17th December 2008**	
	The notes of the previous meeting were accepted as an accurate record.	-
3.	**Matters arising**	
	• Clyde Services H Byrne advised that the consultation in respect of the Vale of Leven vision had concluded on the 30th January 2009. The Board had ratified the consultation recommendations at its meeting on the 24th February 2009 whereby they had approved the consultant led model of unscheduled and scheduled care model service with GPs and GP Specialty trainees as key partners and the closure of Christie Ward after 12-18 months once Community Services had been established and were having a positive impact on in-patient admissions. Subsequent to the Board decision a letter had been sent to the Cabinet Secretary. The Implementation Plan would be taken forward as soon as the decision from the Cabinet Secretary had been received.	-

4. Maternity Strategy Executive Group

H Byrne spoke to enclosure 2, Maternity Strategy progress report. H Byrne highlighted the key points of the update paper as follows: -

- Maternity Strategy – the strategy had been submitted to the Scottish Government in December 2008 following completion of the EQIA, copies were available on request. -
- Women and Children's Capital Programme and SGH development –a lot of work going on. The topping out ceremony had taken place earlier in that week. -
- RAH and PRM Capital development – work ongoing. – members were directed to the update provided on page 3 of the enclosure -
- Service Commissioning/Development – transition/HR planning. Lessons are being learned from Maternity Strategy in respect to working with colleagues in partnership.
- Health Improvement and Technology – work continues -
- Art Work – funding had been acquired for Arts and work is ongoing with the architects and in ensuring that any art is fit for purpose.
- Community Midwifery Units –The feedback received during the consultation at the Vale of Leven suggested that there had not been enough visibility and publicity in relation to the Vale CMU. Jim Whyteside had since been leading on the publicity with colleagues from Women and Children's Services. -

P Gallagher advised that at the last review the Maternity Unit had been £1.5m ahead in phasing. T Curran advised that Balfour Beatty had indicated that they were 2-3 weeks ahead however they have not brought forward their completion date. -

5. New South Glasgow Hospitals Update

- **Gateway Review**

P Moir spoke to enclosure 3 – Gateway Review 2 Outcome. He advised that the Project had undergone a Gateway Review in January 2009. This Gateway Review was the 2nd review which had focused on checking the robustness of the delivery strategy and the readiness to progress procurement. The reviewers carried out a detailed review of the procurement process, systems and supporting documentation and undertook interviews with key senior Board officers. The overall status of the review had been amber which allowed the project to progress to the next stage. The reviewers made 5 recommendations which would need to be completed prior to the next Gateway Review in approximately September 2010. AS

- **Project Update**

P Moir advised that the Pre-Qualification Questionnaires (PQQ) would be returned by interest parties later that day. The work of the project team continued to be focussed on the Employer's Requirements which would be contained in 3 volumes. The Masterplan is also currently being developed in conjunction with Glasgow City Council planners. Training was being undertaken to obtain a greater understanding of NEC3 Contracting. The Project Team and TA team were undertaking a review on aspects such as the project structure, Competitive Dialogue and Project Pricing. Design work was progressing and work continued with the User Groups to develop the Clinical Output Specifications and Exemplar Designs. Liaison with Facilities Management colleagues was ongoing to complete the FM specification. AS

A lot of work was being undertaken to ensure that the project goes to the market at the end of April 2009. -

- **Section 75**

P Moir advised that the Section 75 Agreement was tied into the Outline Planning consent. The final piece of the agreement which had yet to be signed off relates to Fastlink, the City Councils' mass transport strategy for the Southern General Hospital and surrounding area. New proposals were being reviewed and would be discussed at a meeting later that week. It was hoped that the Fastlink issue could be resolved in early April 2009. AS

6. New Laboratory Facility

- Update on New Laboratory Facility

J Crombie reported that the Laboratory Strategy comprised of 3 components. The first component was the University Tower and work was well advanced for the NHS component which would be located in levels 4&5. However the University Component had been more complex. The University had recently provided a view of what services they would want located in the Tower on levels 2&3. Financial constraints had meant revisiting the University's aspirations. A meeting with the University had been arranged to take place the following week whereby the discussions would focus on finding the way ahead. Discussions with users were taking place in respect of the services to be located on level 1 and their aspirations were outwith the capital available. JC

The second component of the strategy was in respect of the new Labs Facility on the SGH site. Work is well progressed and specific designs had been developed for each of the laboratory floors. Work is ongoing with the Design Team and New South Project Team in relation to further developing the plans. This component was currently ahead of the project plan. Work is ongoing to explore the proposals for the tunnel in terms of a) when the tunnel will open if the Labs Facility was to be built first and b) where the tunnel will link into the new hospitals. The major issue for the Laboratory build is the Criminal Justice Morgue. Discussions had previously been undertaken with Strathclyde Police and the Fiscals Office. The key stakeholder group has since expanded as the responsibility/accountability for the City Morgue had recently been transferred to the City Council. The Scottish Government are currently preparing a Mass Fatalities Strategy and early indications suggest that this strategy may offer possibilities for obtaining capital for the proposed City Morgue. It was felt that the issues surrounding the City Morgue would require on-going discussion. J Crombie confirmed that the current TA team were working up a scheme whereby the City Morgue could be easily detached if necessary. The City Council had been advised about the costs should they wish to be involved in the SGH Labs Scheme. A tri-partite discussion would take place mid April to progress discussions on the City Morgue. The outcome in respect of funding from a meeting being held with the Scottish Government would be fed back. JC

The final component part of the strategy was the relocation of the Microbiology into the current Pathology block. Work would shortly begin looking at the needs/requirements to convert the Pathology block for the Microbiology service. -

- **Design Team Tender**

P Moir advised that the scope of the Labs Project had changed to include pathology and genetics. The change in scope had meant that the design of the Labs project had to be retendered. The retendering process had received 24 expressions of interest and the bids had been evaluated. The evaluation process identified three companies which should be interviewed and subsequently a preferred Design Team had been identified. A report of the evaluation process had been prepared and circulated to the Procurement & Finance Group members in order to ratify the decision in identifying the preferred bidder. R Calderwood enquired whether P Moir expected to confirm the Design Team appointment for the following week and this was confirmed. PM

7. Ambulatory Care Hospitals – Update

A McIntyre advised that the keys for the new Stobhill ACH the following Monday (24th March) and work to equip the new hospital would be started later that day. A Commissioning Programme had been set-up and work is on target. -

The Victoria ACH will be handed over on 3rd April 2009. It is anticipated that there would be a minimal level of snagging. Work continues with the service transfer owners and is well progressed. Work in respect of the Scottish Ambulance Service and Records movement is ongoing. -

- **Clinical Transition Group**

B Cowan advised that the final meeting of the Clinical Transition Group had taken place the previous week and all outstanding issues were minor. Discussions with the Scottish Ambulance Service were progressing well and G Archibald was leading on this. GA

It was not proposed to have another Clinical Transition Group meeting however the group members had been emailed asking for questions/issues and organising another further meeting would be dependent on the issues received. -

R Calderwood stressed that the key consideration must be given to communication where people/services are moving from one site to another i.e. the integrated breast service. BC

8. Community Engagement and the New South Glasgow Hospitals

N McGrogan spoke to enclosure 5 – Update on Community Engagement. He advised that the paper was a summary of the previous 12 months highlights.

The key points to note from the paper were:

- The Community Engagement Team had engaged with over 9000 people;
- Service Redesign Exercises were undertaken in preparation for the migration of services to the new ACHs and these exercises had involved patients who had contributed to the range of methodologies which had been developed. The work in relation to the day surgery units had been covered by Better Together as a Case Study; -
- 2 strands of work are on-going in relation to the Vale of Leven Vision, a) Minor Injuries Unit (MIU) - it had been alleged that many people are not aware of what the MIU did and a group had since been established to publicise the work of the MIU at the Vale of Leven; b) Transport – renegotiated provision that NHS paid for and awaiting permission to sign-off the proposal. R Calderwood advised that the work in relation to the transport provision for the Vale of Leven would need to continue to be charged to the Argyll & Clyde Endowments Fund and he would have to discuss this with P Gallagher/D Griffin. For 09/10 a process to notify the endowment trustees would need to be identified. It would also need to be mainstreamed as part of the service provision costs and therefore emerge in the Board's Fiscal Plan for 2010/11 onwards. -
- The Youth Panel meets monthly. They have met with the Cabinet Secretary and with the consultation with young people for the National Development Plan for Children's Services. -

Various documents had been finalised and were currently at the printers and they would be available the following week. Documents currently at the printers were Vale of Leven MIU, ACHs, Making the Right Choice Around Accessing the Right Planned Care -

PPF support had been provided to various groups i.e. the Episcopal Church, Kirkintilloch and Barrhead and support would continue. The Community Engagement team would be undertaking 5 to 6 engagement events, approximately1000 consultees, every week until end of July 2009. -

A McIntyre suggested that clarity was required in respect to the internal communications i.e. with GP Practitioners and that it would be useful to see a programme that rolls the communications down. Also, the message is not going beyond a certain level. It was advised that a programme with GP's was being worked on. NMc

9. ASR Acceleration

Robert Calderwood updated on the plans to take forward the Acute Services Review in the North and West of the City and described the following: -

- Stobhill and GRI acute inpatient services to be combined on the GRI Site.

To facilitate this move the following changes are required: -

- Renal and Vascular Inpatient services to be centralised on the WIG site, this is an interim position until the new South Glasgow Hospital is complete;

- Urology services to be rationalised to 2 inpatient sites on the SGH and GGH sites, this is an interim position until the final configuration is achieved on the SGH and GRI sites.

The proposed service changes within NHS Greater Glasgow and Clyde and expected timescales to take forward the ASR are as follows: -

- Opening of the new Ambulatory Care Hospitals - May/June 2009

- Create single site Vascular Service on WIG/ GGH site - December 2009
  (Interim move – final site is new South Glasgow Hospital)

- Create single site model for renal services on WIG/ GGH site - December 2009
  (Interim move – final site is new South Glasgow Hospital)

9. ASR Acceleration (cont'd)

- Urology services are rationalised to 2 inpatient sites on the SGH and GGH sites, this is an interim position until the final configuration is achieved on the SGH and GRI sites - Summer 2010 -

- Stobhill / GRI services combined on GRI site (Late 2010/ Early 2011), including -
  - **A&E**
  - **Inpatient Services**
    - Medicine
    - Surgery -
    - Critical Care
    - Rehabilitation

10. Regional Transport to Health Project

N McGrogan advised that the Regional Transport to Health Project is a 2 year funded project hosted by NHS Greater Glasgow & Clyde and working with other Health Boards to comply with the Transport Scotland Act 2005. A Transport Manager had been appointed to drive the project forward across the West of Scotland. -

The work to date had identified that transport access issues differed between Board to Board and Local Authority to Local Authority. The funding varies considerably i.e. less that ½ % in Glasgow for Public Transport services e.g. Dial a Bus and there is a need for the Scottish Government to take a view on the disparity of service. There is ambiguity in respect of the responsibility to provide transport to Older People. CHP/CHcP structures require to be more involved in transport planning. A meeting had taken place on Monday to discuss how best to take forward. The outcome of the project will inform the Scottish Government Transport Strategy and the commitment given in Better Health, Better Care and would provide an overview of what was achievable. It was enquired if the work was being linked into Robert Booth and N McGrogan advised this link had been established as he was a member of the Transport Group which he chaired. N McGrogan advised that 1 of the challenges was that individual departments had to achieve costs savings and there would be a need to take a balanced view. -

C Kerr agreed with the point raised in respect of ambiguity. N McGrogan reported that a recent stock-take was supported by K Wood. The challenge for Scottish Ambulance Service and people in respect to people receiving non-clinical transport. The focus of attention had been to patient transport supported discharge. -

11. AOCB

There were no further items for discussion. -

12. Date and Time of Next Meeting

14th September 2009
15:00 – 17:00
Boardroom 1, Dalian House

GREATER GLASGOW AND CLYDE NHS BOARD

JOINT PROCUREMENT & FINANCE GROUP/NEW SOUTH GLASGOW EXECUTIVE BOARD

Notes of the meeting held on 8th April 2009 in the Conference Room, Management Building, SGH

Present: Helen Byrne, Director of Acute Services Strategy Implementation and Planning (Chair)
Grant Archibald, Director of Emergency Care and Medical Services
Gordon Beattie, Head of Procurement
Robert Calderwood, Chief Executive
Tony Cocozza, Capital and Planning ASR Accountant
Brian Cowan, Medical Director
Rosslyn Crocket, Director of Women and Children's Services
Jim Crombie, Director of Diagnostics
Tony Curran, Head of Capital Planning and Procurement
Simon Fraser, Shepherd & Wedderburn
Peter Gallagher, Director of Finance - Acute
Jane Grant, Director of Surgery and Anaesthetics/Acting Chief Operating Officer
Douglas Griffin, Director of Finance
Jim Hackett, Project Director – Currie & Brown
Juliet Haldane, Shepherd & Wedderburn
Norman Kinnear, Scottish Government Health Department
Alan McCubbin, Head of Finance – Capital & Planning
Alex McIntyre, Director of Facilities
Michael McVeigh, Ernst & Young
Peter Moir, Head of Major Projects
Douglas Ross, Commercial Manager – Currie & Brown
Alan Seabourne, Project Director, New Hospitals' Project Team
James Stewart, Chief Executive – Partnerships UK

Apologies: Richard Copland, Director of Health Information and Technology
Rory Farrelly, Director of Nursing (Acute)

In attendance: Shiona Frew, Acute Planning PA (minutes)

		ACTION
1.	**Apologies and welcome**	
	H Byrne welcomed everyone to the meeting and apologies were noted from the above. H Byrne advised that another joint meeting had been arranged to take place on the 24th April 2009 and at both meetings certain decisions would need to be taken.	-
	In line with the Gateway 2 Recommendation, the Procurement & Finance Group and New South Glasgow Hospitals Executive Board would be consolidated to form a new entity. The membership and name of the new entity had still to be confirmed.	H Byrne / A Seabourne
2.	**Notes of previous meetings**	
	• **New South Glasgow Hospitals Executive Board (14th January 2009)** The notes were accepted as a true and accurate record subject to the following amendment to Pg 5, 2nd bullet point, add "as advanced works package" at end of bullet point a i.e. "a) obtaining agreement from Mike Baxter to build the new Lab facility as advanced works package"	-
	• **Procurement and Finance Group (9th February 2009)** The notes were accepted as an accurate record.	-
3a.	**Matters Arising**	
	• **New South Glasgow Hospitals Executive Board** **a) Education and Skills Centre** R Calderwood advised that R Farrelly and B Cowan with support from members of the Project Team were continuing to undertake an audit of all the education and skills space which would be lost and therefore need to be re-provided on the SGH. A Schedule of Accommodation would be prepared and costed.	R Farrelly/ B Cowan

3a. Matters Arising – New South Glasgow Hospitals Executive Board (cont'd)

A cost for the Education & Skills Centre will be obtained and sources of funding explored including the 2015 Capital Plan.

R Calderwood advised that the University have prepared a costed Schedule of Accommodation of their desired academic requirements which was shared at the last joint University/NHS GG&C meeting. The University indicated at that meeting that they expected the NHS Board to contribute to cover the accommodation being lost. M Anderson is preparing a Schedule of Accommodation of all the embedded academic space which would be lost at Yorkhill, Western, GRI and the SGH that requires to be re-provided on the SGH site. Discussions will continue with the University as to the next steps. — R Calderwood / R Calderwood /P Gallagher

A cost would require to be added to the Boards Capital Plan in respect of the Yorkhill academic space following approval of a business case. -

The Western academic re-provision is complex with the University indicating that they wished to purchase the site. Discussions are on-going in respect of the price and the outcome of these discussions would determine next steps. -

The University have an aspiration that the Academic Centre would be a partnership arrangement with the NHS Board with both parties have use of the facility. -

The University Dean had been informed that the Schedule of Accommodation would need to be signed-off by October 2009. -

b) Mental Health

H Byrne advised that it had been agreed that Perinatal and associated Mental Health support services would be provided on the SGH site however there would be no Adult Mental Health beds on the site. A further meeting to discuss had been scheduled in May 2009. — H Byrne

c) Architecture & Design Scotland

H Byrne advised that a meeting had been held with Heather Chapple to discuss their involvement in the project. A new enabler, Frances McChlery, had been identified to work with the Board. Frances had expertise of Master Planning. -

d) Gateway Review 2

H Byrne advised that the Gateway Review 2 had been undertaken at the end of January 2009. The outcome of the review had been 4 green recommendations and 1 amber recommendation. The recommendations would be addressed well in advance of the next Gateway Review expected to take place in September 2010. -

e) Risk Log

A Seabourne advised that the risk log had been updated in line with the discussions from the previous New South Glasgow Hospitals Executive Board meeting. H Byrne reported that the risk log had been omitted from the agenda because it was already long. The risk log would be discussed at the June meeting. The approach to risk management had received a green recommendation from the Gateway Review. -

3b. • **Matters Arising - Procurement and Finance Group**

R Calderwood requested an update on recent discussions with the Scottish Government Health Department in respect of the Labs Scheme/City Morgue. P Gallagher advised that the inclusion of the City Morgue in the £842m had been discussed with Mike Baxter. It had been confirmed that the NHS Board would take the approach that if the City Morgue could be funded from the £842m then no external funding would be required. However if City Morgue could not be funded from the £842m then external funding would be sought. -

4. PQQ Presentation

A PQQ report was issued with JH presenting an overview on the process.

J Hackett advised that 5 bidders had submitted PQQ's for the design and construction tender for the New South Glasgow Hospitals project and an evaluation of these bids had taken place on 30th March and 1st April 2009. The evaluation panel had remained consistent throughout the process and the 5 bidders were Balfour Beatty, Brookfield Europe, FCC Elliot (the only joint venture), Laing O'Rourke and Miller Construction.

The technical evaluation had focussed upon the bidders a) supply chain, b) track record, c) their experience of NEC 3, d) their proposed design input and e) their capability and capacity. The technical evaluation had highlighted that three companies stood out as having the necessary knowledge and experience to deliver on a project of this scale.

MMcV provided a presentation on the evaluation undertaken in respect of financial aspects and advised that the financial evaluation had focussed upon the financial standing of the bidders to ensure that the contractor had the capacity to handle a £30m monthly cashflow together with an assessment on the annual contract value as a proportion of turnover. Consideration was also given to the bidders Parent Company Guarantees.

SF advised that the legal evaluation was a small but important part of the overall evaluation which provided a compliance check, a scored evaluation and contained one pass/fail question. The legal evaluation focused on 2 aspects:

a) The scored evaluation looked at whether any of the companies had delayed delivery which had incurred a damages payout and other general claims.
b) Eligibility Criteria under procurement legislation e.g. Convictions such as fraud which would require any company found guilty of fraud to be discounted or other aspects of eligibility which would allow the Board to exercise its discretion to down-select a bidder. Balfour Beatty had advised that they had entered into a Civil Recovery Order in respect of certain book-keeping irregularities relating to an Egyptian subsidiary of the Balfour Beatty Group. Guidance to ascertain how to deal with this admission was researched in different source material e.g. Scottish Government Procurement Handbook which had indicated that consideration needs to be given to the seriousness of the offence and the measures taken to address the behaviour leading to the offence. Balfour Beatty had agreed to give back £2.2m. The UK company had not faced prosecution and it had happened a few years earlier. Balfour Beatty had implemented a number of procedures to ensure that it doesn't happen again

It was noted that it was Balfour Beatty themselves that had raised the matter with the Serious Fraud Office and had openly raised the matter with the Board. Guidance indicates that the Board has to act reasonably and proportionately when exercising discretion on whether to exclude Balfour Beatty. G Beattie advised that based on the information presented, that Balfour Beatty had taken steps to remedy the matter, that no criminal conviction had arisen, that it was a matter relating to a subsidiary company of Balfour Beatty, and the relative value of the recovery sum, then it would be disproportionate to exclude them from this tender. J Stewart highlighted that other NHS Boards had subsequently contracted Balfour Beatty. The Group considered the above and unanimously agreed not to exclude Balfour Beatty from the bidding process.

J Hackett presented a summary of the panels evaluation scoring. The scoring included a percentage ranking for reference purposes only and fuller details could be viewed in the tabled report. The scoring highlighted that of the 5 bidders, 3 bidders had clearly demonstrated that they were capable of undertaking a project of this scale. The remaining 2 companies were scored considerably lower particularly in respect to capability and capacity. It was therefore recommended that 3 companies should be advised that they had been successful to progress to the Invitation To Participate in Dialogue (ITPD) stage and the remaining 2 companies should be advised that they had been unsuccessful. G Beattie advised that he was present at the evaluation exercise and that the process had been very robust and that the process clearly evidenced the relative capacities of the candidates to tender for the project. It had been imperative that the process provided for the de-selection of bidders that could not demonstrate the necessary experience, capacity and capability.

4. PQQ Presentation (cont'd)

It was agreed that the companies would be contacted to confirm the status of their bid for the ITPD stage. The 3 successful companies progressing to the Invitation to Participate in Dialogue were: — A Seabourne

- Balfour Beatty Group Ltd
- Brookfield Europe Ltd
- Laing O'Rourke Construction Ltd

N Kinnear advised that he was agreeable to deselecting FCC Elliott and Miller Construction. -

RC suggested that the PQQ document should capture today's discussions and agreements including the Balfour Beatty legal issue. — J Hackett /M McVeigh/ S Fraser

5. Project Programme Change

A Seabourne advised that the paper was for information and noting.

It was proposed to extend The Stage 1a Programme to allow further time to achieve sign-off of the Clinical Output Specifications, Schedules of Accommodation and 1:500 layouts which form a substantial part of the Employers Requirements documentation. The timeline for issuing the Employers Requirements would be extended to the 30th April and the bid return date would also be extended to the 11th September 2009. In order to accommodate this extension whilst keeping the overall programme on schedule it is proposed that the design development phase would be reduced from 12 months to 11 months. -

A McIntyre raised concern at losing 4 weeks from the design development stage as this was a significant piece of work which would be undertaken by the operational teams. A Seabourne advised that he had been advised by the Technical Advisers Team that the design detail could be completed in 11 months. J Hackett advised that the 4 week extension at the front end of the programme made this possible. -

R Calderwood enquired when the tender would be evaluated and this was confirmed as the 23rd October. -

J Stewart advised that it would be advantageous to have further clarity on the proposals and impact of the shortened design period. A Seabourne agreed to provide a paper to a future meeting detailing how the 4 week reduction could be achieved. -

The members agreed to the extending the Employers Requirements timeline to 30th April 2009.

6. Laboratory Facility

- **Appointment of Design Team**

P Moir advised that the evaluation of the design team tenders for the Laboratory Facility had taken place over a 6 week period. The team which had scored the highest marks was BMJ. Letters were issued to the successful team and unsuccessful teams on the 24th March 2009. The 10 day standstill period had now passed and the appointment in conjunction with the legal advisers would be concluded as soon as possible. -

- **Proposal to include Microbiology Department into the new Laboratory Facility**

A Seabourne tabled a paper on the reasons behind incorporating the Micro-biology department into the new Laboratory/FM facility. The paper described that originally Microbiology was being relocated to refurbished accommodation within the existing Pathology and Mortuary buildings. The cost of this refurbishment was included within the £842m new SGH hospital project. -

The paper went on to describe the need for additional car parking space in order to provide the required number of car parking spaces and that the Pathology /Mortuary site provided an ideal solution. -

6. Laboratory Facility (cont'd)

The net capital cost of including microbiology in the new Laboratory/ FM facility has been estimated and will be a call on the Optimism Bias allowance included within the £842m Project Budget.

It was noted that car-parking provision for the new Hospitals was currently to be funded from the Board's capital plan. It was further noted that the total estimated costs for the car-parks was currently higher than the funding currently noted in the capital plan. It was agreed that this shortfall would be submitted to the Capital Planning Group with a view to ensuring that a marker for the full cost of car-parking be included in the Capital Plan. — A McCubbin

7. Presentation on Completing the Tender Package

D Ross provided a detailed presentation on the framework of the tender documentation. He explained that the tender package would be provided in 3 volumes. The first volume would comprise of the Project Scope and Commercial Document, the second volume would comprise of the Employers Requirements and the third volume would comprise the Bid Deliverables and Evaluation. — -

The programme for the Invitation to Participate In Dialogue would be a) Issue the Tender Documents – 30th April 2009 (it is proposed that all the information will be available on the project BIW Channel), b) Tender documents returned – 11th September 2009, c) Complete Evaluation – 23rd October 2009 and d) Awarding of contract – 3rd November 2009 in order to start the Labs in early January 2010. The Competitive Dialogue Strategy sets down a framework for discussion, ensures that bidders are treated equally and aims to minimise the number of bid clarifications. It also aims to encourage the bidders to develop their proposals. Specific dialogue issues had been identified as a) Design/Site, b) Logistics, c) Laboratories and d) Commercial. The Laboratories competitive dialogue process would be led by Currie & Brown. The Competitive Dialogue process had been programmed out and would start 8 days after the tender documents had been issued. — -

It was proposed to have two issue specific dialogue sessions each week and these sessions would take place over 2 days with each bidder being allocated a 3 hour session. A float week has been included at week 8 of the programme and the dialogue process would close at the end of week 12 (week ending 17th July 2009). The bidders would then be expected to finalise their bid submission in the period from 17th July until the submission of the bid on 11th September 2009. The representatives for the competitive dialogue issues would be identified and their details added to the programme. — A Seabourne /D Ross

J Stewart sought confirmation that when referring to the contract award date of 3rd November 2009 that this was for the preferred bidder and where the 4 week cut had impacted. R Calderwood confirmed that the 3rd November date was preferred bidder/contract award and that the 4 week cut would impact on the preferred bidder undertaking the design detail i.e. 3rd November for 11 months instead of 12months. — -

7. Presentation on Completing the Tender Package (cont'd)

J Stewart sought confirmation on the approvals process for the project as it seemed a tight process from evaluation to preferred bidder. R Calderwood reported that the programme did not fit with the Board's Governance arrangements and that he would need to check if a Board Seminar could be allocated to an extra-ordinary Board meeting in order that the Board could approve the preferred bidder recommendation. He enquired how the programme fitted with the Scottish Government governance arrangements. A Seabourne advised that he had discussed the approval process with Mike Baxter and Mike had indicated that as long as the Scottish Government are kept fully updated/briefed that the governance arrangements could be expedited to maintain the project programme. P Gallagher raised concern that for a period there would not be a contractor contract i.e. if appointing contractor on 6th November but proposing to start the Laboratory Facility in January 2010 then would there be a requirement to accelerate approval. R Calderwood advised that the key milestones from the Board would be 20th October (Board Meeting), 3rd November (Board Seminar) and 17th November (Performance Review Group).D Griffin suggested that there may be a possibility to switch the Board Seminar and Board meeting. R Calderwood advised that clarity is required in respect of the sequence of approvals which would satisfy the Scottish Government. G Beattie reported that the timetable would also have to incorporate the 10 day standstill period. R Calderwood suggested that any contractor would want 10/12 weeks to mobilise.

-

R Calderwood

A Seabourne

J Stewart asked if the programme had any contingency and it was confirmed that the only contingency would be in the competitive dialogue process. A Seabourne advised that the programme was very tight and that there was no contingency. J Stewart advised that the programme should be reviewed and contingency incorporated. R Calderwood advised that the programme had primarily been driven by the 09/10 Scottish Government contribution phasing.

A Seabourne /D Ross

J Stewart suggested that working without contingency on a project of this size would be ambitious.

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P Moir enquired if D Ross had any recent experience of Project Insurance and the benefits this provided. It was advised that Project Insurance would be discussed with the bidders during the competitive dialogue process.

-

D Ross advised that throughout the contractor is paid its defined cost and fee together with the defined cost of the subcontracted work and subcontracted fee, subject to the maximum price threshold. The pricing arrangement is structured to promote incentivisation through innovation and efficiencies and is working towards getting a gain share. The target profit will need to be debated as it might be something that the Board wished to explore. An example of target pricing was provided to members. P Gallagher enquired whether anything was required from the Scottish Government and Framework Scotland. N Kinnear advised that he did not think that the Scottish Government required anything over and above being involved through the process. M McVeigh suggested that while the Board would want to know the expected value of the price however it would be important to understand the risk allocation and what the probability distribution around target price would be.

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J Stewart enquired on the importance of price during evaluation i.e. 60/40 split. M McVeigh advised that formal discussion on this issue was ongoing however a view is not required until before the tenders come back but the sooner the better. J Stewart suggested that the price could have a bearing on the price we want to evaluate on because of profit sharing. He advised that this decision should be taken now on the cost that the bids will be evaluated against. D Ross advised that an update on price would be provided to the next meeting and that it should be noted that in terms of the bid evaluation it would be the sum of all parts. J Stewart stressed that the Board would need to be made aware that they may be forced to take a higher bid. M McVeigh reported that there is an affordability check in the first instance and an evaluation of what the £ is buying. A risk analysis of price would be undertaken and given the size of the project any increase in quality would be worth a price differential. G Beattie suggested that the bid would be evaluated on the principle of most economic/most advantageous. R Calderwood reported that at the moment the emphasis needs to be on creating the award criteria that would encompass the above. J Stewart suggested that as a principle the evaluation would need to be a balance of qualitative against quantitative.

D Ross

7. Presentation on Completing the Tender Package (cont'd)

D Griffin sought clarification on the target price, gain share and maximum price being provided to the bidders and it was confirmed that the bidders would provide their own target price, gain share and maximum price. D Griffin suggested that this would be complex to evaluate and M McVeigh advised that this was why it was still being debated i.e. probability distribution, high & certain or low and uncertain. J Stewart requested that examples of the criteria scoring be provided at the next meeting in order that members could obtain a better understanding. He suggested that there was a vast amount of detail to absorb and enquired what peer review process was being undertaken and it was confirmed that it was internal peer reviews. J Stewart suggested that it would be advantageous to "red teaming" this, i.e. have an external review and it is imperative that the evaluation is correct at this time. M McVeigh A Seabourne

J Stewart suggested that the peer review should question where innovation is being sought and whether the competitive dialogue and internal processes allow for innovation and this was confirmed. -

8. Project Cashflow

D Ross tabled a brief project cashflow summary paper. He advised that the project team were currently concluding the 1:500s and that the costs had been based upon the drawn area which is unfortunately bigger than the theoretical area as calculated for OBC purposes. The Labs Facility was initially 8,000m^2 and this had now increased to 22,000m^2 to reflect the changes to the Labs scheme. The costs have currently been contained and were still within the allocated sum despite the increase to space however it should be noted that the Labs costs do not include the microbiology decision previously discussed. -

Major cost movements since last update were a) update of current build costs to reflect current design, b) changed net build costs to reflect the revised tender return date, c) reallocated costs to new build cost, d) updated risks estimates to reflect net build cost plan development and e) reduced estimates for inflation based upon industry market forecast. J Stewart enquired if the risks had remained the same. D Ross advised that the market intelligence indicated that costs remain the same however it was anticipated that the construction margins would reduce. -

The paper also highlighted the updated target price and maximum price. -

D Ross provided an overview of the inclusions/exclusions to the cost estimates, i.e. site clearances, diversion of existing services, culvert and rooftop helipad were excluded. A primary substation allowance was included however a quote is currently awaited from Utility Provider to confirm this allowance The energy plant design and costs were based on previous information i.e. sized for the new builds only and an exercise is underway to identify plant required which could serve the other buildings on the site. The costs for the tunnel had been based upon the assumption that it would be 8m wide. The City Morgue had been included in the costs. J Stewart enquired what would have been done if inflation costs had not gone down and D Ross advised the inflation costs had been moved across into the build indices. -

An overview of the cashflow forecast was provided. It should be noted that the forecast was based upon both hospitals opening at same time. The cashflow had been split down to take out Optimism Bias and the project would still be within the affordability limits. -

9. Update on discussion with Scottish Water and Scottish Water regarding acquisition of land

- **Scottish Water**

P Moir advised that discussions had been entered into with Scottish Water representatives in relation to acquiring a 15m strip of their land. The acquisition of the land would assist in meeting the objectives of the Master Plan. A number of issues needed to be resolved regarding the land i.e. new access road, mobile phone mast and wayleaves. Initial dialogue indicates that Scottish Water is considering having the sale off market which would be advantageous. M Anderson is taking forward the discussion. — P Moir/M Anderson

- **Scottish Ambulance Centre (SAS)**

P Moir advised that in order to meet the car parking requirements for the Master Plan that it was proposed to site a car park on the ground currently owned by the Ambulance Service. Discussions are ongoing and 2 previous meetings had been held to date. The Special Ops Team has a requirement to be a maximum of 8 minutes away from the airport and have space requirements of 300m^2. The Board were currently reviewing alternative sites for the relocation of SAS facilities within their estate, at Merchiston, Johnstone and Leverndale Hospitals and the old Renfrew Health Centre. D Griffin suggested that it would be beneficial to consider sites of low market value or with complex site issues. — P Moir

10. AOCB

There were no further items for discussion. — **-**

11. Date and Time of Next Meeting

Friday 24th April 2009
0900 - 11:00 — **-**
Conference Room, Management Building, Southern General Hospital

GREATER GLASGOW AND CLYDE NHS BOARD

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT EXECUTIVE BOARD

Notes of the meeting held on 1st June 2009 at 2pm in the Conference Room, Management Building, SGH

Present: Helen Byrne, Director of Acute Services Strategy Implementation and Planning (Chair)
Grant Archibald, Director of Emergency Care and Medical Services
Robert Calderwood, Chief Executive
Peter Gallagher, Director of Finance - Acute
Jane Grant, Director of Surgery and Anaesthetics/Acting Chief Operating Officer
Douglas Griffin, Director of Finance
Jim Hackett, Project Director – Currie & Brown
Juliet Haldane, Shepherd & Wedderburn
Norman Kinnear, Scottish Government Health Department
Alan McCubbin, Head of Finance – Capital & Planning
Alex McIntyre, Director of Facilities
Peter Moir, Head of Major Projects
Douglas Ross, Commercial Manager – Currie & Brown
Alan Seabourne, Project Director, New Hospitals' Project Team
James Stewart, Chief Executive – Partnerships UK

Apologies: Michael McVeigh, Ernst & Young
Simon Fraser, Shepherd & Wedderburn
Jim Crombie, Director of Diagnostics
Rosslyn Crocket, Director of Women and Children's Services
Brian Cowan, Medical Director

In attendance: Allyson Hirst, PA Acute Planning Department (New South Glasgow Projects) (notes of meeting)

		ACTION
1.	**Apologies and welcome**	
	Apologies as noted above	
2.	**Notes of previous meetings**	
	The notes from the previous Meeting on 24th April 2009 were accepted as an accurate record except that on Page 3, Item 4c, the current value of Optimism Bias is 16% and not 10%.	
3	**Matters Arising**	
	HB noted that following a meeting with Anne Hawkins and mental health colleagues, the Mental Health services adult inpatient and perinatal beds would be provided at the Leverndale site.	-
4.	**Terms of Reference – New South Glasgow Hospitals and Laboratory Project Executive Board**	
	This group was pulled together from the New South Glasgow Hospitals Executive Board and the Procurement and Finance Group after the Gateway Review held in January suggested the change.	
	HB noted that this suggested change had been taken to the recent meeting of the Performance Review Group who had agreed the proposed change.	
	The group discussed membership and the following was noted: It was suggested that Grant Archibald, Gordon Beattie and Rory Farrelly would become (non-voting) members of the group. These members were agreed and HB stated she would contact them to invite them to attend.	HB
	It was noted that there may be other Operational Directors and colleagues who will require to attend this meeting from time to time as and when agenda items dictated.	
	In summary the group accepted the remit and membership of the newly named group.	
5	**Evaluation Process**	

A note of the small meeting held at Dalian House on the 30th April 2009 was tabled for the information and approval by the NSGHLP Executive Board. (To note: it had been agreed at the Executive Board on 24th April 2009 that a further meeting would be required for final sign off of the ITPD before issue on 1st May 2009). A discussion followed which highlighted that the note of the meeting identified that both the contingent reserve and the optimism bias reserve were considered as one fund. It was pointed out by JS that those are separate contingency funds and should be identified as such.

It was agreed that AS should separate out these contingencies and recalculate the optimism bias and report back to the next NSGHPLEB.

DR tabled an extract from the ITPD (Volume 3) that detailed the Selection Procedure and Evaluation Criteria and noted that for comparative purposes the exemplar design had been scored throughout at a value of 6 from the scoring matrix ("passes thresholds on all key factors but offers few additional benefits" – i.e. a "base" score) and that this produces a MEAT score of 400 when applied to the £590 million cost estimate provided to the bidders.

PG raised the question of a PSC value with risk built-in and this was discussed by the group, including the allocation of risk between bidders and the Board.

JS suggested that the model of evaluation be considered further and brought to the next meeting of the NSGHLPEB. It is important to be able to demonstrate a robust process in order to avoid any challenge and to be able to fully advise unsuccessful bidders.

The group also discussed the overall cash flow for the project and how this would align with SG/GG&C spend profile – this to be kept under review.

6 Update on Competitive Dialogue

AS gave an update on how the competitive dialogue was progressing. The dialogue sessions were spit into 4 groups (Design, Logistics, Labs and Commercial) and the bidders and Board teams worked through the ITPD to ensure bidders were clear about the Boards requirements. The dialogue would run for about 3 months and formal clarification queries form bidders would be submitted to the Board through the Request for Information (RFI). AS advised the meetings were progressing well and bidders were developing some very positive ideas in all 4 areas.

7 Master Planning – Update

PM provided a paper (enclosure 7) which he then discussed with the group. PM noted that Section 75 was in its final draft and was with the Council – PM noted that there were new planning regulations due to come into force in August and it was imperative that the laboratories planning application was submitted before then.

PM noted that a draft master plan should be included with the planning permission for the labs to show the whole picture of how the site was to be developed, although the final master plan would be based on the successful bid design for the Labs. After the preferred contactor had been selected the building works will commence in the first quarter of 2010.

<u>SAS</u>

PM presented a drawing to the group and indicated where Car Park 2 and the primary sub-station impinged on the land owned by the SAS. He advised that the project team were in discussions with the SAS about them moving off this land and transferring it to the Board.

PM advised that good progress was being made and the board were in discussions about facilitating the SAS services on to Board property and that he would give an update to the next meeting.

<u>Scottish Water</u>

PM updated the group on the progress with the potential purchase of a piece of land as this was required to build a new access road leading to the main entrance of t the new hospitals and which would also facilitate Fastlink access route for the new hospitals. JS and NK offered their assistance in any way they could to ensure this was progressed as quickly as NK/JS

possible.

8 Minutes of Meeting for Noting

The group were given a copy of draft minutes for the New South Glasgow Hospitals and Laboratory Systems Redesign Group from 11th May. This would now more clearly concentrate on system issues, design concepts and have more clinical input with a greater focus on clinical issues.

8 AOCB

There were no further items for discussion.

8 Date and Time of Next Meeting

The date of the next meeting, Monday 3rd August 2009 at 2pm, Board Room, Management Building, SGH.

GREATER GLASGOW AND CLYDE NHS BOARD

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT EXECUTIVE BOARD

Notes of meeting held on 3rd August 2009 at 2.30pm in the Conference Room, Management Building, SGH

Present:			
	Helen Byrne	Director of Acute Services Strategy Implementation and Planning (Chair)	HB
	Robert Calderwood	Chief Executive	RC
	Alan McCubbin	Head of Finance – Capital and Planning	AMc
	Alan Seabourne	Project Director – New Hospitals Project Team	AS
	Alex McIntyre	Director of Facilities	AM
	Brian Cowan	Medical Director	BC
	Jim Crombie	Director of Diagnostics	JC
	Michael McVeigh	Ernst & Young	MM
	Douglas Ross	Currie and Brown	DR
	Rhona Harper	Shepherd & Wedderburn	RH
	Jane Grant	Chief Operating Officer	JG
	Mike Baxter	Scottish Government	MB
	James Stewart	Chief Executive, Partnerships UK	JS
	Peter Moir	Head of Major Projects	PM
Apologies:			
	Peter Gallagher	Director of Finance (Acute)	PG
	Douglas Griffin	Director of Finance	DG
	Grant Archibald	Director of Emergency Care and Medical Services	GA
	Rory Farrelly	Head of Nursing	RF
	Rosslyn Crocket	Director of Women and Children's Services	RCr
	Gordon Beattie	Head of Procurement	GB
In Attendance:			
	Robert Stewart	On behalf of Gordon Beattie	RS
	Shiona Frew	Acute Planning PA (Notes)	

		ACTION
1.	**Welcome and Apologies** H Byrne welcomed R Harper and R Stewart to the meeting. Apologies were intimated on behalf of those listed above.	-
2.	**Notes of Previous Meeting held on 1st June 2009** The notes of the meeting held on 1st June 2009 were accepted as a true record.	-
3.	**Matters Arising** • Meeting on 30th April 2009 A Seabourne advised that a small group had met on the 30th April and he had fed the outcome of this meeting back to the last New South Glasgow Hospitals & Laboratory Project Executive Board. The meeting had focussed on the optimism bias and there had been a debate on whether the optimism bias should be amalgamated with the reserves and it was decided that it should not. Subsequently, the optimism bias was reviewed and D Ross would provide the information in the Project Cost Update which he would provide later at this meeting.	-
	• Systems Redesign Group H Byrne advised that due to a high volume of apologies the Systems Redesign meeting scheduled to take place in July had been cancelled.	-

4. Project Cost Update

D Ross tabled a Cost Update Paper. He advised that the ITPD document which had been issued had been discussed with the bidders during the competitive dialogue process and this had allowed for review, refinement and confirmation of certain Employers Requirements and increased clarity on the estimated total cost. -

The previously reported £548.1m cost for Adult & Children's Hospitals was still estimated as the current cost however some design and construction risk costs had been moved into the construction budget. There was no change to the Labs cost. -

The main change to the cost was in the allocation of VAT. It was anticipated that guidance would be issued from the Treasury in relation to the reclamation of VAT for professional fees however as this guidance had not be issued the potential VAT reclamation for professional fees had been moved back across into the optimism bias. -

The Optimism Bias for the Outline Business Case had been calculated at 22.6%. The optimism bias had been further reviewed in line with the development of the brief which had seen the Optimism Bias decrease to 11% which calculated out at £73m. -

The paper confirmed that the Board's procurement/pricing strategy of Target Price and Maximum Price. The Contractor would be incentivised to deliver the project below Target Price level as the Contractor would be entitled to a share of any under runs. Above Maximum Price level the Contractor would take 100% of cost pain. The differential between Target and Maximum Price was estimated at circa £18,000 excluding VAT. Should costs exceed Target Price level then the overrun up to Maximum Price level would require to be funded from the Optimism Bias allocation. -

More certainty had been achieved in relation to the affordability target through the dialogue process. One bidder had advised that they were certain of achieving affordability target, another bidder had advised that they were getting close (2 to 3% away) to the affordability target and the final bidder had not given an indication of achievement of the target. It was anticipated that if there was any differential between the bidders that it would be minimal. -

The Cash Flow forecast had been updated following review in line with information obtained from the dialogue process. The basic change to the cashflow was the VAT. The cashflow would continue to be reviewed. R Calderwood enquired if the £55.7m included the City Morgue and this was confirmed. -

R Calderwood enquired if the exclusions i.e. demolitions of existing buildings & removal of foundations to clear site, diversion of existing site services within site, multi-storey carparks, deck level car parks, culvert, helipad and retained estate refurbishment/office space conversion were contained in the Board's Capital Plan and H Byrne reported that the exclusions continued to be included in the Board's Capital Plan. -

J Stewart enquired how much inflation risk had been included in the risk calculation. D Ross advised that 2.5% per annum assumption had been allowed for inflation. J Stewart enquired if there was a sum in the risk line for being above the 2.5% and it was confirmed that there was no sum included in the risk line. -

5. Evaluation Structure and Process

H Byrne reported that she had asked A Seabourne to give consideration to what the Evaluation Process would look like. A Seabourne reported that it was critical that the process is robust and auditable in case there is a challenge by any of the unsuccessful bidders. -

The evaluation would be undertaken by those involved in either preparing the ITPD and/or had been involved in the Competitive Dialogue process as these colleagues had a good understanding of the requirements/project. -

5. Evaluation Structure and Process (cont'd)

An initial evaluation would be carried out by the 4 work-stream groups, i.e. Design, Labs/FM, Logistics and Commercial as the process had been developed to allow an evaluation of the categories to be carried out. A training day had been organised for those taking part in the evaluation process. It was worth noting that the New South Glasgow Hospitals & Labs Project Executive Board dates had been added to the programme to highlight when the Board meets through the evaluation process. A number of sub-group meetings had also been included should there be any unexpected issues whereby advice would be required from the NSGLPEB members. -

A detailed task list had been produced for the 5 week evaluation process which identified what needed to be done by when and whom. -

The key highlights of the evaluation process were:

- Checking that the bidders information received is complete,
- Undertaking an initial scoring by the 4 evaluation groups. There will be opportunities for the evaluation groups to put queries/issues to the Executive Board as a sub-group,
- Complete a moderation process by the Commercial Group to ensure consistency in approach,
- The Commercial Group will then make a recommendation to the Executive Board at their formal meeting on the 26th October. In advance of the formal meeting a full day workshop had been planned to provide the Executive Board members to provide a full and substantial briefing on what has been offered and how the bids had been evaluated, -
- If the Executive Board accepts the recommendation then this would be presented to the Performance Review Group for ultimate decision on the 3rd November 2009.

H Byrne advised that there would be a clear demarcation between those Executive Board members involved in the evaluation scoring and those ratifying the recommendation/scrutiny. It was stressed that the process was working to tight timescales and apologies were intimated for hi-jacking the 22nd October 2009. -

It was reported that should the sub-group meetings not be required then they would not be used. HB/AS

H Byrne enquired if R Calderwood would like to advise on the process for providing the Board Member briefings and he reported that he would feed the briefings into a Board workshop at the appropriate time. -

R Calderwood stressed that there would need to be a separation between the scorers and the scrutineers therefore it would be the balance of the group which would be able to agree the recommendations. A short sharp paper would be presented to the Performance Review Group to explain how the project chose the preferred bidder and eliminated the other 2 bidders. R Calderwood anticipated that the Executive Board would be provided with confirmation at the 23rd September 2009 meeting that the bids received would be able to be evaluated and thereafter he would discuss with the Chairman about having a Board meeting. AS/RC

J Stewart suggested that a date for the finalisation of the evaluation methodology should be identified which would assumably be before the date that the bids would be received i.e.11th September 2009 in order to ensure that there is an auditable set of documents. D Ross advised that the evaluation process needed to be closed down by the end of the current week. A Seabourne confirmed that subject to the discussion on contract conditions then the process would be able to closed down. DR

R Harper suggested that the dates for meeting should be remain in the diaries as it was halfway through the process. -

J Stewart reported that it was important to ensure that the Executive Board members had a clear understanding of what role they would be undertaking i.e. scrutiny or scorer. R -

Calderwood advised that this would be fleshed out and the roles would be differentiated.

5. Evaluation Structure and Process (cont'd)

M Baxter advised that he felt the programme was very comprehensive however a key issue would be the availability of the resource to deliver this programme. There would also need to be preparation in respect to the outliers and also to the sensitivities around bidders who are close. R Harper advised that the team were working on the premise that the evaluation documentation would be provided to the bidders. The bid team would be provided with everything that is written. It was enquired if the information being provided to the bid teams would include the inflation assumption and this was confirmed. -

R Calderwood stressed that for the 22nd October the 'assurance' and 'presenter' cohorts would need to be identified. HB/AS

J Stewart suggested that consideration would need to be given to the security of confidentiality i.e. need to think about coding up the documentation. A Seaboune reported that thought had been given to both the physical and document security. -

6. Contractual Issues

D Ross advised that through the Competitive Dialogue Process the Board wanted to discuss key commercial contractual issues i.e. performance bonds, parent company guarantees, defects period, low performance damages, etc. -

D Ross reported on each contract issue as follows:

a) **Performance Bond** – this was basically a surety guarantee against the contractor failing to comply with his contractual obligations. The normal performance bond is for 10% of the contract sum however it was thought that for this project it should be 5% and this had been tested with the bidders. The 5% would provide a more realistic level of surety. In addition it was proposed that the bond be stepped as and when required i.e. £3m bond for Labs construction period (2 years) and then £27m bond for New Hospitals construction period (4 years). The reason for the bond is so that should the contractor default that the Board can bring in another contractor. -

b) **Parent Company Guarantee** – this has been provided by all 3 bidder companies at a high level i.e. Balfour Beatty PLC, Brookfield Europe and Laing O'Rourke Holdings. -

The use of the Performance Bond in conjunction with the Parent Company Guarantee would provide the Board with a good security package. J Stewart suggested that work would need to be undertaken to identify the strength of the organisations providing and there should be a push to obtain the maximum achievable from each company. It was acknowledged that it was felt that the 10% norm for performance bonds is designed for shorter time frames i.e. not for a 4 year construction project. M Baxter reported that the Board would need to be clear on the structures/security being provided by two of the Companies. J Stewart suggested that the proposed 5% performance bond should be benchmarked against other projects at the same level. RH/DR DR

The NSGH&LP EB were asked to endorse the performance bond and Parent Company Guarantee proposals. The NSGH&LP EB endorsed the Performance Bond proposal of 5% and stepped. The NSGH&LP EB endorsed the Parent Company Guarantee subject to further work being undertaken to identify the strength of the organisations. -

c) **Defects Period** - Standard practice would be a 12 month defects period however at the beginning of the tender process the Board pursued 24 and 36 months defects periods in addition to retention. The 3 bid teams had raised concern over the retention and defect 3 year period as it was felt that it would prevent sub-contractors thereby limiting competition and would also add a funding premium. The defects proposal had since been reviewed and it was now proposed that: -

- the Labs remained at 5% with half released on completion/handover with a 24 month defect period on all the works with the remaining retention released at the end of the defects period -
- the Design of Hospitals would be 10% retention withheld until achievement of -

design deliverables milestone

6. Contractual Issues (cont'd)

R Calderwood suggested that the Labs have a 5% retention which is equivalent to £2.7m therefore on release of the half it would leave the Board with £1.35m to be used to incentivise the contractor to return. He enquired whether this would be a reasonable sum to have a hold over the contractor. D Ross advised that the retention monies could be rolled up with the hospitals.

R Calderwood enquired if the design cost was a separate sum of money for their design and this was confirmed. It was advised that the retention would be used to incentivise the contractor to stay to programme. The bidders had been asked to consider 4 milestones which would have 10% retention at each stage.

With regard the Stage 3 retention R Calderwood enquired if all the hospitals money for years 1 to 3 would be paid at full invoice value and this was confirmed. The 2.5% retention pot would be deducted from Year 4 payments at rate of approx £1M per month, such that at point of building handover Board would be retaining in order of £12M retention monies.

R Calderwood enquired about the surgical block reference and it was confirmed that the surgical block demolition and ground-works was included in the bid price.

M Baxter enquired about the bidder's approach to pricing and whether it was expected to see movement on their pricing. D Ross advised that it was expected that there would be benefits through competition. R Harper advised that the benefits would feed through the pain/gain mechanism.

The NSGH&LP EB were asked to endorse the defects period proposals. The NSGH&LP EB endorsed the defects period proposal.

d) Damages – The contract allows for damages payments to be recovered by the Board from the Contractor. These damage payments should be should be a stated estimate of the Board's likely actual loss. As it is very difficult to ascertain actual loss an estimate of loss would be calculated using a traditional formula. Through the dialogue process the levels of damages had been tested with the bid teams to ascertain appropriate levels and it was proposed that the levels should be:

- £50,000 per week for Labs

As the hospitals was a Target and Maximum Price (hence having a Target/Maximum Price Programme) and with the bidders signing up at an early stage it was proposed that a graduated damages approach would be undertaken. This reflects the uncertainty in the programme and links into the commissioning/migration period. The graduations proposed were :

- £62,500 per week for 1 to 4 weeks
- £125,000 per week for 5 to 8 weeks
- £187,500 per week for 9 to 12 weeks
- £250,000 per week for 13 weeks or more

J Stewart suggested that there was a disparity in damages between the Labs and Hospitals. He enquired how important time was in the first 4 weeks in relation to the damages level. He acknowledged that the design was not sufficiently developed to be able to hit the bidders hard at the start however he did feel that £62,500 was a bit low. R Calderwood advised that the question of time delay had 2 aspects. Firstly, by 2015 the Board would be operationally challenged re multi-site provision therefore there would be an attraction to have the facility open as quick as possible. Secondly, due to the large commissioning period there was no real criticality in driving forward a challenging programme and Thirdly, any delay to the Labs would not achieve the Labs savings hence the higher damages level. It was reported that the first few weeks would not be crucial however need to have a balance to ensure that the contractor stays focussed. It was suggested that as the project was treasury and not PFI that the damages for week 13 and above should be ramped up over and above that suggested.

6. Contractual Issues (cont'd)

J Stewart advised that the Board would require certainty and would require to know months in advance of any 4/6 week delays. There is a need to ensure that an 'opportunity' costs are minimised. D Ross advised that NEC3 is about looking ahead. RH advised that there will be visibility in the programme and that in the early stages then costs to the Board are more manageable. M Baxter enquired about the ramp up in respect of the degree of uncertainty in the programme and what degree of uncertainty do we think is reasonable and is there a sharing of risk around the uncertainty. JG suggested that at the moment there is always uncertainty but in just over a year then will have minimal uncertainty. D Ross advised that the project is being managed through stages therefore it will be known if the programme is behind. The programme had been tested with all 3 bidders and that had indicated that it is very challenging. R Calderwood sought agreement for the Executive Board members as to £62,500 being a reasonable level. He suggested that a delay of 1-4 weeks would be an irritant but that longer than 4 weeks would start to cause difficulties. AMcI suggested that as the commissioning period was so long that this type of delay could be covered in the commissioning period. It was suggested that the project will require a lot of detailed planning with the successful partner. It was proposed that the damages level for weeks 1 to 4 be left at £62,500. The members were advised that as the programme was tight that the bidders would price their bid against the programme. -

The NSGH&LP EB were asked to endorse the level of damages proposals. The NSGH&LP EB endorsed the proposed level of damages taking into account that the detail will be worked out later with the successful bidder. -

e) Performance Damage – this is a clause under NEC 3 Clause X17 which sets damage limits against performance criteria that the contractors needs to comply. This was discussed with the bidders and it had not been possible to develop a proposal which had been acceptable to the bid teams. It was now proposed that the Board should treat non-performance as a defect therefore there would be no cap on the contractor's liability. -

The NSGH&LP EB were asked to endorse the proposal that no Performance Related Damages were required and the proposal was agreed. -

f) Inflation – this had been discussed with the bidders and concern had been raised over how inflation would be treated. The bidders had been informed that the Board were willing to share the inflation risk. The bidders had been requested to inform the Board of their own inflation proposals and to state the allowance taken in the bid and what index they proposed. The Board would now be stating an index to the bidder later that week so that there was clarity between the bids and this would also reduce the risk of challenge from bidders in respect of which index was better. -

J Stewart suggested that a bid company could propose linking back into a basket of indices and that the Board would not want to get down to a sub-level of indices and therefore the index needed to be general and stated. Also, if the different bidders use different degrees of inflation then to evaluate the Board would need to come up with a view now on the inflation going forward and feed this back to the bidders. If the Board were prepared to pay a premium for fixed price bids then would need to feedback now. The indication is that the Board will receive variable priced bids carrying more risk. M Baxter suggested that the 2.5% inflation seemed reasonable at the moment however the question was around the sensitivities and remaining provision for risk. J Stewart suggested that even a 1% annual movement in inflation would equal £15million therefore if left as is then the bid teams may put quite a lot of risk onto the Board. MM advised that there was scope for index game playing. D Ross advised that the bidders had been told that they need to provide a level of inflation in their target and maximum price and that the Board would take the risk above whatever level is stated in the target. D Ross reported that the index is there to track inflation. J Stewart sought clarity around how the bids would be evaluated and enquired if it would be a point estimate or a distribution. He -

stressed that a view on inflation would need to be taken before the bids are received. JG enquired what benefit there was in allowing the bidders to state an index.

6. Contractual Issues (cont'd)

D Ross advised that the bidders had been left to state the index as it would be them making/negotiating the overall deals in the marketplace however for the evaluation the Board would state which index the evaluation would be based upon for transparency in the adjustment of their bids. R Calderwood enquired what the Board would cover if the bid stated a % and the Board stated that the index was greater than their % and it was confirmed that the Board would cover the extra costs of any increase to inflation. D Ross advised that it would be an average % over the 4 year. R Calderwood enquired whether in the 4th year the Board could be hit with a large bill and D Ross reported that the Board would be paying the actual costs as going along therefore it would be an adjustment at the end. JG enquired if the converse would apply and it was reported that it would not. J Stewart intimated that the Board would be taking the risk of inflation which would be as a percentage over the 4 years. The inflation that the bid teams put in their bids will affect their price and the Board would provide the index. D Ross advised that the pain/gain share included the costs of inflation. -

D Ross was requested to provide members with a table of scenarios utilising notional figures of 3 and 3.5% and what would need to be paid to the bidder as need to ensure that at the final certification of works the money owed after the deductions of retentions is not in excess of the remaining budget available as this would mean either asking the SG for further money or using Board money already allocated in the Capital Plan. M Baxter suggested that in respect of the £842m there would need to be a phasing of that risk and review of cashflow. J Stewart intimated that it would be advantageous not to store up the inflation risk for payment in the final year and doing a reconciliation over the 4 years based on paying 3% over the life of the contract and if inflation rises to 3.5% then the Board pays more however if inflation drops below 3% then the Board would pay less in recognition of previous higher payment. It was advised that inflation assumption would be signed off by Douglas Griffin/Peter Gallagher DG/PG

g) Limits of Liability – it was proposed to have a clause under the NEC to set limits in respect of the contractor's liability. The ITPD did not include this liability. The response to this was mixed with 1 bidder not willing to accept unlimited liability. R Calderwood enquired how this would be dealt with in the evaluation i.e. would it be a pass or fail. D Ross confirmed that this would not be evaluated as a pass or fail as it would be evaluated as part of the contractual scoring with it still being possible for a bidder not willing to accept unlimited liability being the successful bidder. -

The NSGH&LP EB were asked to endorse the proposal that there would be no liability caps and the proposal was agreed. -

h) Payment Terms – these were as the standard NEC standard contract. The Board had initially looked to have longer payment terms however the bidders had suggested that this would be disbarring to subcontractors in the market therefore it is proposed to remain with the standard NEC contract. -

The NSGH&LP EB were asked to endorse the proposal on payment terms and the proposal was agreed. -

7. Feedback from Competitive Dialogue Process

The Competitive Dialogue had consisted of 4 groups – Design, Logistics, Labs and Commercial. The bidders were able to discuss and obtain clarity on their emerging designs in relation to site master planning, clinical requirements/accommodation schedule and commercial aspects etc. The bidders had also been able to utilise the RFI process for points of clarification. The RFI process will close 2 weeks prior to the bid submission which takes place on the 11th September.

The bidders had made good progress on their own emerging designs and solutions. They have always been encouraged to be innovative. An event would take place on the 4th August whereby each of the bid teams would present their bid submission at this time however their final solutions would not be known until formal submission. J Stewart enquired if there were any of the bidders so far behind that they would be wasting their time continuing and AS confirmed that there were no bidders so far behind.

8. Scottish Ambulance Service

- **Land Acquisition**

PM provided an update since the previous meeting. He advised that discussion with the Scottish Ambulance Service regarding the potential options of Johnstone Hospital and Leverndale were ongoing. The site at Johnstone Hospital was workable. It had been confirmed that the SAS accommodation would fit on the space created at the pharmacy/rehab at the Leverndale site. The diagram provided indicates the site of the existing pharmacy building and it has been proved that the SAS requirements will fit into the site and costs for the adaptation of the building were currently being obtained.

A meeting had taken place with Mental Health colleagues and there was concern about having the SAS on the site in the proposed location therefore a further review of the site is being undertaken. The whole site is currently under a strategic review. R Calderwood enquired if the SAS were located to another part of the site whether the Board would need to build the facility and this was confirmed. R Calderwood enquired about the Mental Health concerns and it was reported that the Leverndale Site would be taking on the SGH Mental Health Services and it was felt that the SAS would not fit well in the middle of the site. PM advised that there is a piece of land at the north end of the Leverndale Site might have potential. M Baxter enquired if the relocation of the SAS Services from the SGH Site were on the project's critical path. PM advised that the SAS SGH site is the preferred location for Car Park 2 and the 33kVA which needs to be in place by 2011 however it would be possible to build to the side of the SAS.

The SAS have agreed a move to Leverndale would be suitable and the decision is going through their internal process as they are debating internal priorities. They have indicated that they are comfortable to relocate in 2010 subject to the Board making appropriate works to the buildings.

- **Helipad**

The Project Team had looked at short term solutions for the SGH helipad due to the construction works which would shortly be commencing i.e. Car Park 1 and Labs (if approved in November 2009.) as the construction of these facilities would require the erection and operation of tower cranes. The issue had been discussed with the organisations operating the helicopter services and they had agreed that it would be okay to continue to operate the helipad during the construction period with the correct management and control systems in place.

Consideration had also been given to the operation of the helipad in the medium term i.e. from January 2011 because there would be an increased number of tower cranes being erected and operated on the site which would mean the helicopters were unable to land on the site. A number of options had been identified which were being further investigated. The options being further investigated were:

- Royal Alexandra Hospital

- SECC
- Glasgow Airport

8. Scottish Ambulance Service (cont'd)

The SECC have indicated that they wish to move their heliport to the Thales site but that they would be looking for a contribution from both the NHS and SAS for the new heliport. Discussions with SAS in relation to the Thales site had indicated that they would be happy with the Thales site. SAS had however indicated that they would also be happy with the helipad being on the roof so work is being undertaken to further investigate rooftop helipads. R Calderwood suggested that a meeting to discuss the helipad should be held with Strathclyde Police and SAS. It was reported that Bond Helicopters have a 7 year contract with SAS and Strathclyde Police therefore need to ensure that any contract with SECC still allows SAS/Strathclyde Police to use the site should Bond not retain the contract. AS

Confirmation of the purchase of the Thales site by the SECC was being ascertained as it was believed that the whole Thales site had been bought by 1 owner. -

The Royal Alexandra Hospital Helipad option did have a number of issues as there would be a requirement to increase the number of ambulances at the RAH to transfer patients to the SGH with the associated longer journey time. SAS have suggested that there would be no additional cost for the internal ambulance and that there would be no reception as undertaken by A&E staff. -

If the SAS were able to get a part of the site for a justifiable price then they may consider not to pursue the rooftop helipad. It was advised that the operational costs of rooftop helipads would be ascertained and a meeting with Pauline Howie would be arranged. AS

9. Scottish Water Land Acquisition

PM advised that the Scottish Water (SW) land acquisition had progressed since the last meeting. A new hospital road entrance was being planned for the site which would involve the purchase of a 15m strip of land and the potential relocation of an Orange telecoms mast. SW had asked for a new road alongside the storm tanks and a wayleave to any of their plant which may be located under the new road. The costs to move the mast (£150k) would be borne by the NHS and SW had requested that the mast relocation be included in the Board's full planning application for the Laboratory Development. Costs associated with purchasing the SW land were forecast as new road and fees £180k; relocation of mast and compound £170k; in other words circa £500k. The Project Team would also consider the benefits of submitting an application for the roads and relocation of the mast once bids have been received on 11th September 2009. -

H Byrne advised that discussions with SW were ongoing.

10. Planning

- Labs Planning Application

PM advised that the Labs Planning Application had been submitted and was validated on 17th July 2009 therefore missing the new planning requirements commencing on 3rd August 2009. The Masterplan document had been completed which was submitted on the 24th July. The masterplan document supports the Labs application and informs the planners of the changes from the previous Avanti Masterplan. Copies of the Masterplan document were being prepared and could be available should anyone wish a copy. -

- Section 75

AS advised that the Section 75 had been signed-off and the outline planning application had been approved. -

R Calderwood enquired about the notional sum for Fastlink. AS advised that Fastlink would be provided with a piece of land internally and the Board's total contribution would be £1.5m should Fastlink come to fruition. R Calderwood enquired if the £1.5m would not be required if Fastlink did not come to fruition and it was confirmed that should Fastlink not come to fruition -

that the £1.5m would be utilised as a contribution to other public 'mass' transport systems in order to facilitate the increase in numbers to the new site. R Calderwood enquired if this would be capital and it was confirmed that it would be capital grant being provided as part of the green travel plan to get a mode shift.

11. Appeal for New Children's Hospital

H Byrne advised that the Feasibility Study commissioned jointly by the Board and Yorkhill Children's Foundation (YCF) had reported in May 2009 that an appeal was feasible. The appeal is not to raise funding as a substitute for NHS funding but for 'betterment' of the new Children's Hospital.

It is recommended that the appeal is taken under the auspices of an approved charity and it would need to be appropriately and adequately staffed. It was estimated that £10-£15m could be raised through an appeal in this economic climate.

There have been a number of discussions between YCF and the Board in respect to the parameters of any appeal as there are a number of priorities for betterment and the Board have requested that the priorities are made explicit. Consequently, the current 'Better Plus' document would be tightened up to ensure that the appeal is focussed on specific 'betterment' elements. Further discussions with YCF have taken place to set out the Board's expectation in working with YCF to ensure the appeal is for the betterment of the NCH. The YCF have indicated their willingness to, a) host the appeal, b) fund the 'start-up' costs and c) to accept the prioritisation of the content of an appeal and that the utilisation of the donated monies rests with the NHS Board in conjunction with the YCF Board. The Board Seminar agreed this approach at its seminar on 2nd June 2009.

11. Appeal for New Children's Hospital (cont'd)

The appeal is currently in the early stage and in a silent period. The appeals committee would be a sub-group of the YCF. A co-ordination group, hosted by the Board, would also be established to co-ordinate the charities activities of the existing RHSC charities to ensure that the same givers are not being targeted.

The paper had been presented to inform members that work is underway to take the appeal forward.

12. Key Timescales and Actions from the Meeting

H Byrne summarised that the timescales were as set-out in the evaluation paper on process and structure with the bids being received on the 11th September. It was agreed that further work was required in relation to

a) Inflation
b) Parent Company Guarantees
c) Helipad
d) Scottish Water

13. AOCB

H Byrne advised that meetings with the key senior personnel from each of the bid teams, R Calderwood and herself had been arranged over the coming weeks to allow the Board to provide feedback and to provide reassurance that the project is affordable.

14. Date and Time of Next Meeting

22nd October 2009
9am to 5pm
Conference Room, Southern General Hospital

New South Glasgow Hospitals and Laboratory Project

Executive Board

New South Glasgow Hospitals Project Evaluation Process and Structure

The purpose of this paper is to set out the evaluation programme, process and teams for the New South Glasgow Hospitals and Laboratory Project. (It should be noted that Volume 3 of the Invitation to Participate in Dialogue (ITPD) (appendix A) sets out the bid deliverables which require to be evaluated.)

Evaluation Process

The evaluation process contains all activities required to provide the Board with a robust evaluation mechanism to ensure confidence that the evaluation will be appropriate, accurate and auditable. The evaluation of the tenders will be carried out by those who have been involved in compiling the ITPD and/or involved with the bidders in the Competitive Dialogue Process. This will ensure that tenders will be considered by those who have the most knowledge and understanding of the Board's requirements and who have also been providing clarity to the bidders in Competitive Dialogue.

The bid deliverables split naturally into four evaluation groupings and therefore there will be four evaluation groups, these being Design, Logistics, Laboratory Block and Commercial. A training seminar for all those involved in the process based on the information contained in the ITPD is arranged for 21st August 2009.

Following receipt of the tenders for the works on September 11th 2009, the evaluation groups will commence the initial evaluation process. The whole evaluation process will take approximately 5 weeks and will conclude on the 16th October 2009. The main parts of the evaluation process are:

1. Check all information is complete (Request missing information if required);
2. Evaluation groups consider all tender information for their groupings;
3. Bidders attend evaluation meeting to present their proposals and answer any questions from evaluation groups;
4. The evaluation groups carry out their initial evaluation of their respective sections of the tenders and complete an initial scoring in line with Volume 3, appendix A of the ITPD;
5. During the evaluation period there may be a need for the evaluation group leads to meet with a sub-group of the New South Glasgow Hospitals and Labs Project Executive Board (NSGH&LPEB) to provide information about the progress of the evaluation of tenders and allow them to request more detail on any particular aspects of that process. The proposed dates for these meetings are 28th September and 9th October 2009.
6. The Commercial Group carryout a review of all work from the evaluation groups (provided by the Group Leads) and complete the final evaluation and scoring of the tenders. The Commercial Group will then rank the tenders and establish a preferred bidder. This is to be concluded by the 16th October 2009 with a comprehensive evaluation report completed.
7. After the completion of the evaluation process the Commercial Group will present its conclusions to a seminar/workshop of the NSGH&LPEB on 22nd October 2009 to provide them with a comprehensive understanding of the tender submissions to enable them to make an informed judgement at their formal meeting to be held on the 26th October 2009. The NSGH&LPEB will consider all relevant information and, if they agree with the recommendation of the Commercial Group, take forward the formal recommendation to the NHS Greater Glasgow & Clyde Board Performance Review Group.

Remit and Groups

a) Evaluation Groups

- Carry out analysis of all information for their groupings provided by the Bidders and seek any clarifications regarding any missing information.
- Complete a detailed review and initial evaluation of each submitted bid (as in ITPD Volume 3) and compile summary of bid compliance with expected deliverables. This to be completed for the four work-streams which have been the subject of Competitive Dialogue (i.e. Design, Labs, Logistics and Commercial).
- Write up a detailed evaluation report on all aspects of their work stream.

b) Commercial Group

- Carry out final evaluation review of all bid submissions and conclude the evaluation scoring assessment (as in ITPD Volume 3).
- Determine ranking of each bid.
- Write up detailed summary evaluation report of all aspects of the evaluation of the bids
- Present recommendations to the NSGH&LPEB.

c) New South Glasgow Hospitals & Labs Project Executive Board

- Receive and consider the recommendation from the Commercial Group and make a decision on the successful bidder to go forward as the project's design and construction partner.
- Make formal recommendation to NHS Greater Glasgow & Clyde Board Performance Review Group.

Membership of Groups

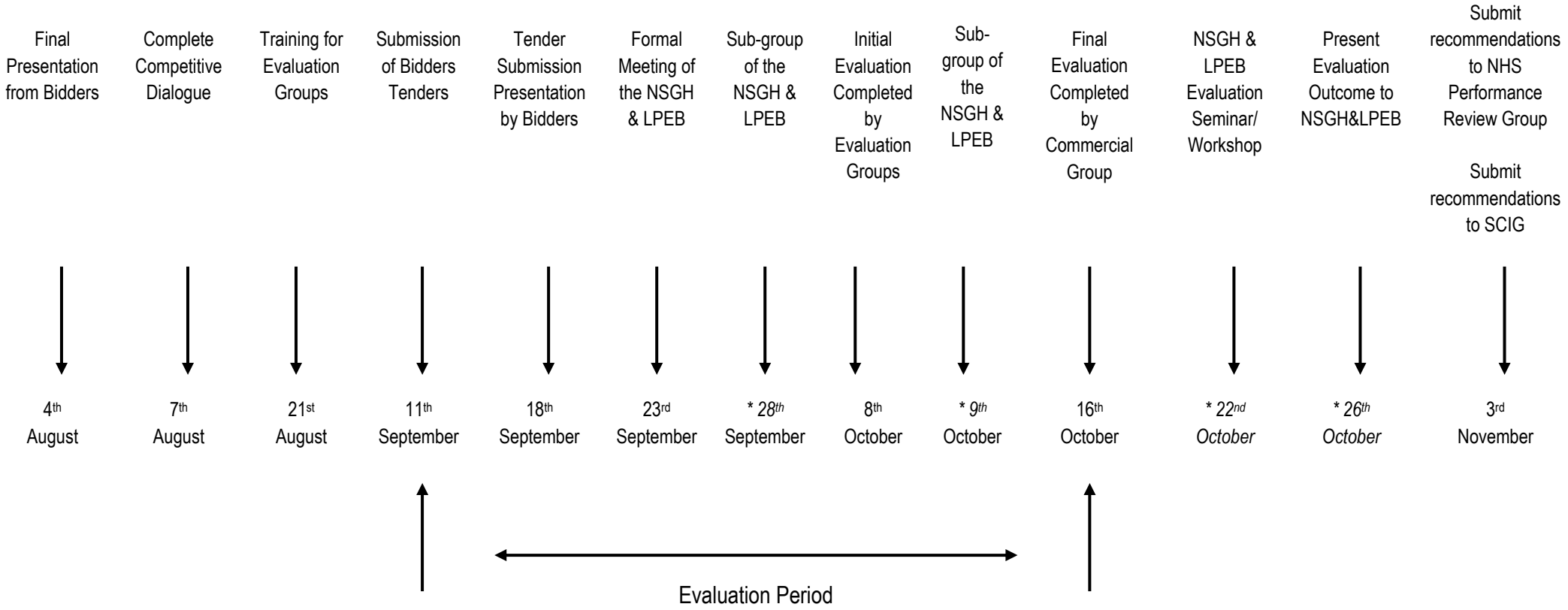
Table 1 shows the membership of each evaluation group.

TABLE 1 - BOARD EVALUATION GROUPS

a) Technical Evaluation Groups

GROUP	DESIGN	LOGISTICS	LABS	COMMERCIAL
BOARD	Alan Seabourne Alex McIntyre Annette Rankin Fiona McCluskey Heather Griffin Hugh McDerment Mairi Macleod Mary Ann Kane Morgan Jamieson Peter Moir Stephen Gallacher	Alan Seabourne Alex McIntyre Frances Wrath John Green Peter Moir	Alan McCubbin Alan Seabourne Alex McIntyre Annette Rankin Frances Wrath Hugh McDerment Jim Crombie (Lead) Isabel Ferguson Mary Ann Kane Peter Moir Margaret Burgoyne	Alan McCubbin Alan Seabourne Alex McIntyre Peter Gallagher Peter Moir
TA ADVISORS	David Hall (Lead) Graham Annandale Harry Smith Iain Buchan John Bushfield Robert Menzies	David Hall (Lead) Mark Baird	Douglas Ross Graham Annandale Neil Robson Raj Deb Stewart McKechnie	Douglas Ross (Lead) Jim Hackett Juliet Haldane Michael McVeigh Simon Fraser

Appendix 1 – EVALUATION PROGRAMME



(- provisional date)*

Currie & Brown

New South Glasgow Hospitals and Laboratory Project

Executive Board

Commercial Dialogue Summary - 24th July 2009

1.0 Introduction

As part of the Competitive Dialogue process, a number of commercial / contractual issues were discussed with the bidders to arrive at a proposal that protected the Board but did not carry excessive cost premium. Key items discussed were:-

- Performance Bond
- Defects Period & Retention
- Liquidate and Ascertained Damages
- Low Performance Damages
- Inflation
- Limits of liability
- Payment terms
- Parent Company Guarantee

2.0 Performance Bond

A performance bond is a bond issued by surety or bank to guarantee satisfactory completion of a project by a contractor. If the contractor fails to construct the building according to the specifications laid out by the contract (often due to the insolvency of the contractor), the client is guaranteed compensation for any monetary loss up to the amount of the performance bond.

Performance Bonds are common in the industry for large scale projects. A Bond for 10% of the Contract Sum is normal practice (which for the NSGH project would equate to approximately £60,000,000). The average cost of providing a Bond was discussed with the bidders and identified in the order of 1.5 – 2% of the Bond value per annum (i.e. £900,000 - £1,200,000 each year for the NSGH).

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Through discussion with the Bidders a 5% Bond was determined as being a realistic level of security for this project i.e. £30,000,000, which would attract an annual cost of £450,000 - £600,000. In order to further limit cost it was also discussed (i) that separate Bonds for each of Stages 1, 3 and 3A would be sought (to avoid the requirement to place a bond for the total project cost on day 1 of the project) and (ii) would cease on Completion/building handover rather than be maintained during the Defects Period (see below), i.e.

Laboratories -	£3,000,000 Bond -	2 year period – approx. cost	£90,000
Hospitals	-£27,000,000 Bond -	4 year period – approx. cost	£1,620,000

The above proposal is considered to provide the Board with a reasonable level of security to cover for Contractor default and at a reasonable cost to the Project.

The NSGHLPEB is requested to endorse the proposal.

3.0 Defects Period and Retention

At Completion/handover of the building there is a Defects Period where the Contractor is liable to correct any defects arising during that period. Standard practice is a 12 month defects period. The commissioning / migration period to get to steady state running for the NSGH could be in order of 6 – 12 months and as such 12 months defects period was considered not to protect the Board. The ITPD documents as issued required 24 month defect period for structure and fabric, and 36 month defect period for mechanical and electrical services.

It is normal practice for the Employer under a building contract to withhold a retention from payments due to the Contractor. Retentions of between 3 and 5% are the norm. The retention sum is held as security by the Employer as an incentive for the Contractor to ensure they remedy defects arising during the defects period. If the Contractor fails to remedy a defect the Employer has a retained sum of money to utilise to pay others to remedy the defect. The retention fund is withheld until the end of the defects period. For the NSGH the ITPD stated 5% retention would be withheld from payments, with half of that retention fund released on Completion/handover and the remainder released at end of defects period.

All bidders raised concern over the 3 year defects period and the level of retention, indicating that the proposals could be a barrier to sub-contractors (the bidders would seek to "pass down similar retention levels to their supply chain), thereby limiting competition and also adding a funding premium to their price due to the length of the period the retention money was being withheld.

A revised proposal discussed with the bidders was:-

Laboratories: 5% retention; half released on Completion/handover; 24 months defect period for all Stage 1 works; and the balance of the retention released at the end of the defects period.

Design of Hospitals: 10% retention released on receipt of design deliverables with a view to no retention fund being held at the end of the Stage. Defects period does not apply to Stage 2.

Hospitals: No retention withheld during construction years 1 to 3; retention withheld from final year's payments equivalent to 2.5% of Stage 3 value; 24 months defects period for all Stage 3 works; and 2.5% retention released at end of defects period.

Surgical Block etc: 5% retention; half released on Completion/handover; 24 months defect period for all Stage 3A works; and the balance of the retention released at the end of the defects period.

It is considered that the above proposals addresses contractors' concerns and still provides the Board with a reasonable level of protection for defects correction and an adequate retention fund in the event that defects are not made good.

The NSGHLPEB is requested to endorse the proposal.

4.0 Liquidate & Ascertained Damages

The contract makes provision for damages payments to be recovered from the Contractor in the event they fail to complete the works by the periods stated in the Contract. These damage payments should be a stated estimate of the Board's likely actual loss arising from delayed Completion/handover of each of Stages 1, 3 and 3A (there are no damages for delay connected with Stage 2).

Historically, the estimate of actual loss to an NHS body has been calculated utilising a formula as calculating likely actual loss has been difficult to establish. There is a concern that an assessment based on the standard formula would result in a very high level of damages that could be struck out by a Court as being a penalty.

Levels of damages were discussed with bidders to utilise their experience on other projects to arrive at a level of reasonable damages that would be acceptable.

The proposed level of damages is as follows:-

Laboratories	-	£50,000 per week		
Hospitals	-	1 – 4 weeks	:	£62,500 per week
		5 – 8 weeks	:	£125,000 per week
		9 – 12 weeks	:	£187,500 per week
		≥ 13 weeks	:	£250,000 per week
Surgical Block	-	£5,000 per week		

At the point of contract award the level of design / programme maturity will be such that the Contractor cannot with defined certainty state the hospital will be complete by a particular date. A level of risk exists that could impact on completion. The Target / Maximum Pricing approach reflects the uncertainty in cost outcome with the graduated damages scale proposal on the Hospitals reflecting the risk arising from the programme maturity.

The NSGHLPEB is requested to endorse the proposal.

5.0 Performance Related Damages

Under Clause X17 of the Contract Conditions, the Board could state key performance criteria for certain systems / elements of the building that were critical to the operation of the building. The damages would be compensation to the Board for systems not performing correctly. Testing this with bidders it was agreed that where certain performance criteria is stated in the ITPD documents and was proved not to have been achieved, then non performance would be treated as a defect. During the Defects Period the contractor is required to remedy the issue, or if they fail to remedy the Board can utilise the retention fund to remedy defect. If the defect arises out with the Defects Period, the Board has a right of action against them in respect of any losses/expenses they incur as a result of that defect.

The NSGHLPEB is requested to endorse the proposal that no Performance Related Damages are required.

6.0 Inflation

Bidders had expressed concerns over how inflation risk would be treated. One bidder suggested that given the uncertainty of forecasting inflation they would expect to see inflation risk sitting with the Board throughout the Project.

The proposal discussed with the Bidders was that the Board expect inflation to be treated as a shared risk. The Board would not be prescriptive on how the risk should be shared but suggested that the bidders may consider accepting risk of inflation up to a certain percentage with the Board taking the risk over that. It was discussed that the bidders themselves should propose the indices for calculating inflation.

The NSGHLPEB is requested to endorse this approach.

7.0 Limits of Liability

The NEC contract contains an option which sets out various limits of the contractor's liability. The contract issued with the ITPD did not include this option and several of the bidders have raised concerns that an uncapped liability could cause them problems. Uncapped liability may not cause the price to rise but could affect their insurance and bonding position. One bidder indicated that its parent may not allow it to bid on an uncapped contract if there were other major issues of concern. Other bidders indicated that they would not seek to cap their liability as they wanted to "stand behind" their design and workmanship.

Board's Proposals

Limit of total liability: in light of the Board's position on retention, bonds and LADs, a cap on the contractor's liability is not appropriate. This is a high profile, public funded project and the Board expect that bidders of the calibre of the 3 bidders should be prepared to stand behind their work without the need for a cap on their total liability.

Cap on indirect and consequential losses: No cap

Cap on damage to Employer's property: No cap

Cap on liability for Defects in design: No cap

End of Liability Date: 12 years from Completion of the whole of the works

The NSGHLPEB is requested to endorse the proposal that there will be no liability caps.

8.0 Payment Terms

In terms of the contract issued with the ITPD, the standard NEC timescales within which the Project Manager must certify payment and within which payments should be made were changed from 1 and 3 weeks to 2 and 6 weeks respectively. The reason for the amendments to the standard form was principally because of the scale of the project and thus the scale of the assessment exercise.

After discussion with the bidders the Board proposed that the period for certification should remain at 2 weeks after the assessment date but that the Board would make payment within 4 weeks of that date.

On the payment process, the bidders had raised concerns that the Board are seeking to carry out a full assessment each month and in a project of this scale that would be administratively heavy. They suggested that an assessment takes place quarterly with agreed monthly draw-downs. The Board explained that to satisfy the Scottish Government requirements an assessment would have to be carried out each month i.e. the Government will not accept "assumed" payments due. The assessments should not be a burden because of the open book nature of the contract and the fact that the Board will have full access to the Contractor's payment systems.

The NSGHLPEB is requested to endorse the proposal on payment terms.

9.0 Parent Company Guarantees

The contract calls on the Contractor to provide a parent company guarantee. All bidders have provided the Board's legal advisers with their proposed forms of guarantee. While each form is different they are generally in acceptable terms, guaranteeing the Contractor's performance during construction and for a period of 12 years from Completion to cover defects.

The NSGHLPEB is requested to endorse parent company guarantee approach.

DRAFT

GREATER GLASGOW AND CLYDE NHS BOARD

ACUTE SERVICES STRATEGY IMPLEMENTATION AND PLANNING DIRECTORATE

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT EXECUTIVE BOARD SEMINAR

22nd October 2009 at 9.30am in the Conference Room, Management Building, Southern General Hospital

AGENDA

1.	Arrival and Coffee	9.00am	
2.	Welcome and Introduction	9.30am	H Byrne
3.	Update from Outline Business Case	9.40am	A Seabourne
4.	Tender Process • Tender Documents • Competitive Dialogue • Project Stages, Board Requirements and Bidders Approach		A Seabourne
5.	Tender Submissions • Laboratory Project • Brookfield Europe LP • Laing O'Rourke Construction Ltd • Balfour Beatty Group Ltd		A Seabourne
6.	Coffee Break	10.10am	
7.	Evaluation • Programme • Qualitative Scoring • Examples of Scoring • Headline Issues	10.25am	D Hall/ I Buchan
8.	Group Discussion	11.30am	H Byrne
9.	Lunch Break	11.45am	
10.	Final Qualitative Score	12.45pm	D Hall
11.	Quantitative Score • Bidders Approach • Target Price/Maximum Price Mechanism • MEAT Score	1.00pm	M McVeigh
12.	Legal and Contractual Considerations	1.15pm	R Harper
13.	Tender Cost Analysis	1.30pm	D Ross
14.	Discussion	1.50pm	H Byrne
15.	MEAT Score • Bidder MEAT Score Rankings	2.20pm	M McVeigh
16.	Affordability and Revenue Consequences	2.50pm	P Gallagher
17.	Group Discussion	3.05pm	H Byrne
18.	Conclusions	3.35pm	M McVeigh
19.	Summation and Close	3.50pm	H Byrne

GREATER GLASGOW AND CLYDE NHS BOARD
NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT EXECUTIVE BOARD

Notes of meeting held on 26th October 2009 at 9.30am in the Conference Room, Management Building, SGH

Present:			
	Helen Byrne	Director of Acute Services Strategy Implementation and Planning (Chair)	HB
	Robert Calderwood	Chief Executive	RC
	Alan McCubbin	Head of Finance – Capital and Planning	AMc
	Alan Seabourne	Project Director – New Hospitals Project Team	AS
	Alex McIntyre	Director of Facilities	ASM
	Brian Cowan	Medical Director	BC
	Jim Crombie	Director of Diagnostics	JC
	Michael McVeigh	Ernst & Young	MM
	Douglas Ross	Currie and Brown	DR
	Rhona Harper	Shepherd & Wedderburn	RH
	Jane Grant	Chief Operating Officer	JG
	Peter Gallagher	Director of Finance (Acute)	PG
	Douglas Griffin	Director of Finance	DG
	Rory Farrelly	Head of Nursing	RF
	Gordon Beattie	Head of Procurement	GB
	Peter Moir	Head of Major Projects	PM
Apologies:			
	James Stewart	Chief Executive, Partnerships UK	JS
	Mike Baxter	Scottish Government	MB
	Grant Archibald	Director of Emergency Care and Medical Services	GA
	Rosslyn Crocket	Director of Women and Children's Services	RCr
In Attendance:			
	Emma Gregory	Corporate Communications	EG
	Alan Hunter	Representing Grant Archibald	AH
	Shiona Frew	Acute Planning PA (Notes)	SF

		ACTION
1.	**Welcome and Apologies** H Byrne welcomed Alan Hunter and Emma Gregory to the meeting. Apologies were intimated on behalf of those listed above. Members were advised that it was important to hold this meeting in order to formally ratify the decisions made at the New South Glasgow and Labs Project Executive Board Seminar held on Thursday 22nd October 2009.	-
2.	**Notes of Previous Meeting held on 3rd August 2009** The notes of the meeting held on 3rd August 2009 were accepted as a true record.	-
3.	**Matters Arising** • **City Morgue** R Calderwood reported that the Board would be covering the Capital consequences of the City Morgue and sought clarification that the Board would not also be covering the revenue consequences. This issue would need to be clarified prior to the contract award. J Grant agreed to obtain clarification from J Crombie.	JG
	• **Evaluation Process** H Byrne advised that the evaluation process had been carried out as detailed in the previous note.	-
	• **Helipad** A Seabourne advised that the relocation was being dealt with by R Calderwood through Pauline Howie. R Calderwood reported that the Scottish Ambulance Service (SAS) were working with the Scottish Exhibition and Conference Centre (SECC) to facilitate the move of the Bond Helicopters to a piece of land on the Thales site. The SECC were committed to move Bond off the SECC site. The SECC had wanted to sell the new site to the SAS so that the land would be owned by the public sector irrespective of who won the next contract. The SAS at this	-

time were not taking up the option due to economic reasons.

3. Matters Arising (cont'd)

- **Helipad**

The Helipad on the Thales site would be operational by 2011 where it would remain until the new hospital rooftop helipad was ready. -

The Board would not be building a temporary helipad should the service move nor would the Board be contributing to the SAS or SECC costs. -

- **Planning**

A Seabourne reported that there was nothing further to update in relation to planning. -

4. Outcome of New South Glasgow Hospitals and Laboratory Project Executive Board Seminar held on 22nd October 2009.

H Byrne apologised for the briefness of the associated paper and advised that it was imperative that the exact wording of the decision was finalised for the PRG paper/meeting. R Harper advised that the PRG members would need to be clear that it was one contract for 4 stages with a break point at stage 2. It was agreed that R Harper should provide the exact wording. RH

H Byrne advised that the Full Business Case (FBC) for the Labs component was not fully ready and asked J Crombie to provide an update on the status of the FBC. J Crombie advised that there had been various iterations of the FBC however it was now almost finalised with only the finance information to be added. The finance information was currently being completed by Ken Robertson and Alan McCubbin. It was anticipated that the FBC would be fully complete by Wednesday (28/10/2009). -

The FBC for the Labs component had been amended to solely cover the new build facility at the SGH as the GRI component had been removed. H Byrne enquired whether the Labs FBC would need to be signed off by the New South Glasgow Hospitals and Laboratory Project Executive Board (NSGH&LPEB) prior to being submitted to the PRG. R Calderwood reported that on the basis of the financial information presented by P Gallagher at the NSGH&LPEB Seminar that there was no requirement for the Labs FBC to be formally signed off by the NSGH&LPEB. P Gallagher reported that the FBC needed to be submitted to the Scottish Government Capital Investment Group timeously. A Seabourne reported that FB forms would need to be submitted with the FBC and it was reported that the FB forms would be finalised later that day. JC/PG

The decisions from the NSGH&LPEB Seminar were formally ratified by the NSGH&LPEB members i.e. to award the contract to the preferred bidder. -

5. Actions and Next Steps if Preferred Bidder is Approved at Performance Review Group on 3rd November 2009.

H Byrne advised that R Harper and M McVeigh were keen to tease out the next steps. A Seabourne reported that he had liaised with Mike Baxter who had advised that the bidders be spoken to on the 4th November 2009. It was agreed that A Seabourne would meet with the bidders on the 4th November 2009. AS

It was confirmed that if the PRG accept the recommendation then an announcement could be made on the 4th November, however, the Construction Contract for the Labs could not be announced until the Scottish Government Capital Investment Group (SGCIG) had made their decision. A Seabourne reported that the SGCIG also met on the 3rd November 2009 and M Baxter had intimated that they would use expedited procedures in order to obtain their recommendation. -

5. Actions and Next Steps if Preferred Bidder is Approved at Performance Review Group on 3rd November 2009 (cont'd)

R Harper advised that the letter to Brookfield Europe LP would state that the construction contract for the Labs would be subject to FBC approval by SGCIG and there was a set of actions which needed to be completed in relation to getting the contract/technical package to the preferred bidder. In relation to the other two bidders they would also need to be issued with letters informing them that they had been unsuccessful in obtaining preferred bidder status and formally starting the procurement process to award the contract. AS/RH

The issuing of the letters to the unsuccessful bidders would also trigger a process of information requests which would include providing details of the evaluation, how their bid had scored and how their bid had compared with that of the preferred bid. A follow up meeting would be scheduled a few days later to give the bid teams the opportunity to discuss the evaluation of their bid. The 10 day standstill period would start when the letters are issued. The bid teams would have 3 days to request information and the Board would have 3 days to respond to their request. R Calderwood enquired whether the preference would be to hand the letters to the bid teams. R Harper advised that her preference would be to hand the letters to the bid teams. The supporting information could also be handed to them or alternatively sent to them. It would be important to start the 10 day standstill period as soon as possible. A letter advising of the preferred bidder would also need to be issued to the bidders who had been unsuccessful at the PQQ stage. The package of information to be provided to the unsuccessful bidders was being prepared. AS AS

6. Approach to Communications

M McVeigh advised that there would need to be a choreography of announcements as one of the bid companies was listed in the UK Financial Market and the company were obliged to inform the FT index that they had been unsuccessful. The announcement sequence was discussed and it was agreed that A Seabourne should meet with the bidders on the 4th November and the preferred bidder announcement should be made on the 5th November 2009. M McVeigh suggested that the issue was co-ordinating the announcements on the 5th November to ensure the FT could be informed by the respective company and not through the media. R Harper advised that part of the discussion on the 4th November would be to inform them of the Communications plan. AS

G Beattie advised that due to the 10 day still-stand period the announcement should say that it is the 'intention' to award the contract to Brookfield Europe LP. It would be a small tight group doing the briefing and this would follow the absolute letter of the award criteria. R Calderwood reported that the 10 day standstill period was fact however it would be difficult in the announcement to capture the positivity whilst caveating the decision. R Harper advised that the announcement could only state that the Board have selected the preferred bidder and would be awarding the contract. It was agreed that the Board's announcement should be released in line with Balfour Beatty informing the market. E Gregory advised that waiting until the 5th November to make the announcement would be a risk as there was a chance that the decision would leak therefore the Board's announcement should take place at the earliest opportunity. H Byrne emphasised that the preferred bidder decision was commercially sensitive. E Gregory advised there was an issue re Government being involved in any announcement being made. H Byrne reported that Mike Baxter had indicated that there was an expectation that the Board's Communication Dept would liaise with the Scottish Government's Communication Department. E Gregory advised that thought should be given to having a dedicated press briefing event whereby the Press were invited along and interviews could be arranged. R Calderwood suggested that the announcement could be followed up later that week with interviews. E Gregory anticipated that the interviews would need to take place on the same day. She was requested to find out the appetite of the press and think through set-up of the press release and the level of information to be included in respect of the preferred bidder. EG EG

6. Approach to Communications (cont'd)

R Calderwood reiterated that the Board's decision should be made by lunchtime on the 3rd November with the bid team being informed on the 4th November 2009. If the Board had been pursuing a conventional press release that it would be the NHS Board announcement followed by the Cabinet Secretary and finished with the successful consortia. However the preferred bidder could not be contacted until after they had been formally informed of the tender outcome. There was still potential for CIG to confirm to the Board the agreement of the Labs FBC therefore the Board's announcement might also include information on this. -

In relation to potential challenges from the unsuccessful bidders it was clear one of the bids had an unsuitable design and the other bid had design issues and was overly expensive. -

J Grant suggested that the staff would also need to be communicated with as there would be a huge staff interest into what/who the preferred bidder is. E Gregory advised that a communication could be issued to staff 30 minutes in advance of the NHS announcement – the materials used would be broadly similar to that of the press. H Byrne enquired whether there were any other key groups which needed to be communicated with. E Gregory advised that another key group would be MPs and MSPs. The communications team would prepare information packs based on the following groupings: a) Media, b) Staff and c) Wider Stakeholders. EG

R Calderwood enquired if there were plans to hold roll out events for staff. J Grant suggested that the communication to staff was about letting people initially have sight of the design and some information on the successful bidder with roll out events to staff to be planned for the forthcoming weeks. EG

A Seabourne reported that he would discuss the content of the 3 information packs with E Gregory the following day. AS

H Byrne summarised the actions to be undertaken as:

- Communication Dept activity from Wednesday PM in preparing for a press release on the Thursday
- Choreography of the bidder meetings
- Preparation of the press release and information packs for the media, staff and wider stakeholders
- Preparation of the communication for staff

7. PRG Paper and Presentation

H Byrne reported that subsequent to the meeting on the 22nd October a meeting had taken place to discuss the format of the paper for the forthcoming Performance Review Group. She spoke to enclosure 3 and sought comments from the group on the proposed format. It was advised that the first item of the paper would provide a brief position update since OBC approval. The next item would provide an overview of the Evaluation Process Methodology, the programme of evaluation tasks and the evaluation outcome. It was further proposed that information on what the evaluators scored on and the meat score methodology would be added as appendices to the paper. It was enquired if the third section of the paper should provide information on the 3 bidders or just the successful bidder. P Gallagher suggested that this item be focussed only on the successful bidder and moved to the end of the paper. D Hall advised that the initial draft named all the bidders in the update section and profiled the successful bidder at the end of the paper and it was agreed that this was appropriate. -

The next item would provide an update on the project phasing and commitments. Another item of the paper would record the views of the Technical Advisers on Legal, Financial and Technical. The remaining items of the paper would cover Affordability and the Labs FBC. H Byrne requested agreement on the proposed format. R Calderwood reported that it was important to ensure that there was a balance in providing the Board Members with appropriate information to allow them to justify the decision whereas the accompanying presentation should amplify the paper. -

7. PRG Paper and Presentation (cont'd)

D Hall advised the presentation was being developed on this basis i.e. the report would provide only the MEAT score with the presentation covering how the MEAT Score was calculated. The 'Quality' score would not be provided in the paper as this would allow the members to work out the bid prices which were commercially sensitive however the presentation would provide the bid prices. R Calderwood reiterated that the presentation should provide the background information not already included in the paper i.e. the critique and the 3 prices. The Board members needed to be provided with a brief explanation of why one design met the criteria and the other 2 did not meet the criteria. The paper would not include a finance section due to commercial sensitivity and this information would be presented at the meeting. D Griffin sought clarification that the paper would not include a reference to capital cost. P Gallagher reported that it was proposed that the paper would include an affordability and cashflow statement with the affordability and cashflow information being presented at the meeting which could be as a handout. -

It was stressed that once the PRG paper was circulated that this was another 36 people who would know the preferred bidder recommendation. P Gallagher highlighted that the criteria for preferred bidder selection was the MEAT score and this would be included in the paper and M McVeigh would present to members how the MEAT score was calculated as he had done at the 22nd October NSGH&LP EB workshop. Therefore the Board would be provided with all the information at the meeting. -

D Griffin suggested that the figures would need to be provided to the members to provide them with comfort. It was agreed that the figures should not be included in the paper but should be presented on the day. -

8. Land Acquisitions

- **Scottish Ambulance Service**

P Moir provided an update since the previous meeting. He advised that work continued to pursue options at Johnstone and Leverndale Hospitals. At Leverndale there were 2 options under consideration these being a) the pharmacy building which becomes available in February 2010 and b) a green-field site at the far end. The green-field site was the preferred option however the land was in a green-belt and on a water plain. Further discussions with the City Planners advised that the City Council would not support developments on the green belt. A change of use application from greenbelt to hospital use would need to go through the City Planning Negotiations however the next set of these would be 2014 which did not meet the new hospitals programme therefore the Greenfield option had subsequently been taken off the table. -

The Pharmacy option would now be further investigated. A further meeting with the Mental Health Partnership reps had recently taken place whereby the plans were further discussed. The reps advised that if the ambulance centre could be screened from the patient areas and current levels of car parking spaces retained that this would be generally acceptable. PM

In order to progress the options it was proposed that a team be brought on board to assist and develop an application for planning which would need to include a transport impact assessment. PM

H Byrne advised that the project team were working hard with the Mental Health colleagues to resolve the issues they had previously highlighted. -

- **Scottish Water**

Discussions with Scottish Water had not been furthered while awaiting confirmation of the preferred bidder and associated masterplan arrangements. On the basis of discussions over the last week it was apparent that the Board would need to purchase a 15m strip of land from Scottish Water. It was recommended that the land purchase be taken forward once the formal appointment of the preferred bidder had taken place. PM

8. Land Acquisitions

- **Scottish Water (cont'd)**

The conclusion/transaction would be subject to achieving planning consent for the road and the telecoms mast. It would be helpful if the road was constructed as part of the first phase of the development as this would assist in the traffic management arrangements around the Labs block as it is brought into operation. The transaction should be progressed and in conjunction with the preferred bidder work up detailed plans for the road works. H Byrne enquired if members were in agreement to proceed with the SW land acquisition and R Calderwood suggested that it would be subject to colleagues signing off value for money. He advised that there would need to be certainty that the road would be built to a certain value for protection should the preferred bidder deal fail. It was agreed that P Moir should further discussions with Scottish Water to conclude the land acquisition. PM

9. Appeal for New Children's Hospital

H Byrne advised that it had previously been recommended that an Appeals Committee be established whereby the major donor would chair the Appeals Committee. The appeal is currently in a silent phase whereby the major donor was being identified. This work was being co-ordinated by the Yorkhill Children's Foundation. -

It had also been recommended that a second group, a Charities Committee, also be established to co-ordinate the activities of all the major fundraising charities currently associated with Yorkhill. Kate Munro was currently working to identify these groups and therefore representatives who would be members of this committee. The chair of the Charities Committee would be Mr Ian Lee who was a non-executive NHS Board Member. It was anticipated that the first meeting of the Charities Committee would take place late November/early December 2009. The Appeals Committee would be a sub-committee of the Yorkhill Children's Foundation Committee. -

In addition to the aforementioned groups it had subsequently been agreed with the Yorkhill Foundation that a Co-ordination Group be established. This membership of the co-ordination group would include Rosslyn Crockett, Kate Munro, Ian Lee, Rory Farrelly, YCF Chair and Chief Executive and H Byrne and the remit of this group was to keep the appeal on track. The next meeting of the group would take place early November 2009. -

A meeting had recently taken place with representatives from Ronald McDonald House who will require funding assistance for the relocation of the parental accommodation. They indicated that they are happy to work with the YCF to raise funding and they are now understanding of the Board's financial issues. The plans for the site would be taken forward by A Seabourne and the Project Team. AS

10. Date and Time of Next Meeting

7th December 2009
9:30 – 11:30
Conference Room, SGH

GREATER GLASGOW AND CLYDE NHS BOARD

New South Glasgow Hospitals and Laboratory Project Executive Board

Outcome of New South Glasgow Hospitals and Laboratory Executive Board Seminar held on 22nd October 2009 in the Conference Room, SGH

Introduction

The New South Glasgow Hospitals and Laboratory Project Executive Board (NSGHLPEB) met on the 22nd October 2009 to consider the outcome of the New South Glasgow Hospitals and Labs Project tender evaluation process.

Recommendation

The New South Glasgow Hospitals and Laboratory Project Executive Board is asked to formally agree:

a) The appointment of the Preferred Bidder for Stages 2, 3 and 3A of the project, and

b) The approval of the Full Business Case for the Labs component of the project.

All subject to the Board's Performance and Review Group approval at its meeting to be held on 3rd November 2009.

New South Glasgow Hospitals and Laboratory Project

Executive Board

The New South Glasgow Hospitals and Laboratory Project Executive Board is asked to review the following items for consideration to be included in the paper to the Performance Review Group to be held on the 3rd November 2009.

1. Update from OBC approval

2. Evaluation Process
   - Methodology (Appendix 1 – Volume 3 ITPD Bid Deliverables and Valuation) (Appendix 2 – MEAT Score Methodology)
   - Programme of Evaluation Tasks
   - Evaluation Outcome

3. Information on the three bidders
   - Profile on the recommended preferred bidder (Appendix 3)

4. Project Phasing and Commitments — D Ross

5. View from Board Advisors
   - Technical — D Ross
   - Financial — M McVeigh
   - Legal — R Harper

6. Financial Sections – Board/Acute

7. Laboratories – Full Business Case

GREATER GLASGOW AND CLYDE NHS BOARD

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT EXECUTIVE BOARD

Notes of meeting held on 7th December 2009 at 9.30am in the Conference Room, Management Building, SGH

Present:		
Helen Byrne	Director of Acute Services Strategy Implementation and Planning (Chair)	HB
Robert Calderwood	Chief Executive	RC
Alan McCubbin	Head of Finance – Capital and Planning	AMc
Alan Seabourne	Project Director – New Hospitals Project Team	AS
Alex McIntyre	Director of Facilities	ASM
Brian Cowan	Medical Director	BC
Jim Crombie	Director of Diagnostics	JC
Mike Baxter	Scottish Government	MB
Rosslyn Crocket	Director of Women and Children's Services	RCr
Grant Archibald	Director of Emergency Care and Medical Services	GA
Douglas Ross	Currie and Brown	DR
Jane Grant	Chief Operating Officer	JG
Peter Gallagher	Director of Finance (Acute)	PG
Douglas Griffin	Director of Finance	DG
Rory Farrelly	Head of Nursing	RF
Gordon Beattie	Head of Procurement	GB
Peter Moir	Head of Major Projects	PM
Apologies:		
James Stewart	Chief Executive, Partnerships UK	JS
Rhona Harper	Shepherd & Wedderburn	RH
Michael McVeigh	Ernst & Young	MM
Aileen Maclennan	General Manager – Diagnostics	AML
In Attendance:		
Allyson Hirst	Acute Planning PA (Notes)	AH

1. Welcome and Apologies — **ACTION**

Apologies were intimated on behalf of those noted above

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2. Notes of Previous Meeting held on 26th October 2009

The notes of the meeting held on 26th October were accepted as accurate

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3. Matters Arising

- **City Morgue**
  The issue of revenue costs being covered by Glasgow City Council were clarified – it was confirmed by JC that he had received confirmation that £200k revenue was secured.

- **PRG**
  HB reported that approval for the project had been granted at the Performance Review Group.

- **Communications**
  HB reported that the distribution of information to the media and staff had gone well.

- **YCF Appeal**
  RCr reported that Yorkhill Children's Foundation (YCF) Board had met last week and had agreed and signed off the strategy. It was noted that YCF would initially move to their "silent" phase of the fundraising plan for the next 24 months and would be working behind the scenes raising funds from various sponsors from which they had hoped to raise around £4M. The public phase of the plan would go live from 2012 from which they hope to raise around £6M. RCr noted that the indications from the YCF were that more money could be raised but were being prudent at the moment.

RCr noted that Ronald McDonald and YCF had met to discuss working together on the fundraising for a new family house at or near the SGH site and it was acknowledged that there was opportunity for the Appeal to fund any gap in the reprovision of Ronald McDonald House.

It is now estimated that the Appeal could raise around £1.2M and after administration costs would be in the region of £8.8M.

AS noted that any physical addition to the New Children's Hospital for betterment to the building would need to be relayed to the project team in the next 6 weeks. YCF agreed they would under right any additional costs they instructed to the new hospital building.

4. Update on Progress

- **Actions**

On the 4th November all three bidders were informed of the Boards decision on the preferred bidder with a media announcement on the 6th November by Nicola Sturgeon - Cabinet Secretary for Health and Wellbeing. Subsequent detailed feedback has been given to each of the bid teams in the form of a written report and a meeting. More than 20 Parliamentary Questions have been responded to and an FOI has been submitted from an MSP. All have been responded to via the Boards Communications Department.

All responses have been sent to the Finance and Capital Department of the Scottish Government with regard to the Laboratories Full Business Case. MB advised a response would be forthcoming within the next couple of days.

- **Post Evaluation Briefing with Bidders**

AS reported that in line with procurement regulation the Board were required to feedback to each of the bidders. Balfour Beatty were met on 9th November and Laing O'Rourke on the 10th November. The Project Team went through the detail evaluation reports that had been previously sent to each company. Several questions were raised by both bidders and the Board responded to these within appropriate timescales. Further questions have since been raised by one of the unsuccessful bidders and these have also been timeously responded to.

A briefing meeting was held with Brookfield on 18th November following the same pattern as the other two.

MB expressed his appreciation for the good turnaround time from the Project Team on the Parliamentary Questions.

5. Key Actions Underway to Conclude Contract with Brookfield

AS reported that the project team were now in the process of carrying out due diligence with Brookfield reviewing the Boards Employers Requirements against Brookfield's tender offer to conclude the formal contract document.

AS reported that BMJ and Brookfield were working together to finalise the novation agreement.

AS noted that there had been some issues with utilities but the Project Team had met with Brookfield and these were now resolved satisfactorily. Brookfield will be fully responsible for this aspect of the project. The tender offer for Labs is based on stage "D" design and is now developed by BMJ to stage "E" therefore any additions not included in stage "D" will be a compensation event.

Post Contract Signing

AS reported that a design programme has now been agreed for the 1:200 layouts and the 1:50 rooms. He also advised that the hospitals build planning application would be submitted June 2010.

AS also advised that a range of ground works activities would now commence on the site.

AS noted that the project team had initiated setting up weekly meeting sessions with FM staff and the contractor to relay information directly to relevant members of staff on the SGH site, this in turn would feed directly into the Site Planning and Site Co-ordinating Groups. In the interim the Project Team had been working on the relocation of the waste compound required for the Labs project in agreement with estates staff. AS also advised that the loss of car parking spaces during the construction of the laboratory and car park 1 (until car park 1 is completed) was being alleviated by the creating a temporary car park for staff on part of the construction site not being used for the laboratory build.

6. Revision of Governance Arrangements for the Next Phase

HB requested that a review of the governance was required for the next stages of the project as we moved from planning to implementation. HB noted that she would have further thoughts and discussions with relevant people and submit a proposal to the next New South Glasgow Hospitals and Laboratory Executive Board.

MB noted that up until now he had represented the Scottish Government as a voting member on the NSGHLP Executive Group but now requested that he attend in an observation role as he would be responsible for considering the new hospitals Full Business Case.

AS noted that it would be imperative for him to access key senior staff on a weekly basis who had appropriate delegated authority to enable appropriate decisions to be made timeously which is required by the NCE3 contract arrangements.

JG suggested it would be appropriate for these meetings to formally record decisions and subsequently submit them to the NSGHLP Executive Board.

7. Communications Update

AS explained that a reasonable level of communication had taken place already and highlighted key communications which were programmed. It was agreed that there had been a comprehensive roll out already and a good programme of forthcoming events. Directors noted they were pleased with the level of events and no further comments were added. JG commented that it was important to have communicated with staff immediately after the Boards decision.

8. Updates

- Laboratories Planning

  AS reported that planning consent had been granted by Glasgow City Council and there were 32 conditions attached to the approval. The two main conditions were the façade material and that NHS GG&C had to carry out an external water survey to ensure that the distribution of water to the facility from the main Scottish Water service was sufficient to cope with the size of building. AS reported that the project team had sourced quotes for this work and it would cost around £60K + VAT.

  PM reported that he planned to meet with the City Council Planners to discuss the finishes and would report back to the next meeting of the group. **PM**

- SAS

  It was thought that that a "Change of Use" planning application would not be required for moving the Ambulance Service into the existing pharmacy building on the Leverndale Hospital site as the site is zoned for Healthcare Use on the current City Plan. A planning application for any alterations to the Car Park would be required as would moving the estates portacabin's. A traffic assessment would require to be carried out to ascertain the levels of potential traffic and the impact on the surrounding streets. A Business Case was currently being completed.

- Scottish Water Land Acquisition

  This process had been put on hold as the requirement for the land would be dependent on the chosen bidder. Since the decision to work with Brookfield had been reached they have been onto site and conducted a survey that indicates the land requirement needed and that they do not anticipate the Orange telephone mast to be moved in order to accommodate the new road.

- Temporary Car Park

  It was reported that during the construction of the labs and construction of the first car park there would be a loss of around 140 spaces on the site. To combat this loss a temporary car park would be constructed in what is currently the ROX site. It was reported it would have fencing and security

- Education Centre

  It was reported that a Schedule of Accommodation has been drawn up and estimated costs but there would require to be further work carried out on this. Estimated cost was £7.1M + VAT.

  David Barlow is to respond to RC if this has been approved by the University. It was noted that a Business Case would require to be put to the Scottish Government for approval and financing.

9. Schedule of Meetings for 2010

H Byrne noted that the dates for the forthcoming year (2010) the group were instructed to keep these dates in their diary but that they are subject to change.

Group to note venue for forthcoming meetings. February meeting will be in the Conference Room, SGH thereafter they will be held at Contact Centre, 1 Jubilee Court, Hillington (NHS Laundry building)

10. Date and Time of Next Meeting

16th February 2010
2pm – 4pm
Conference Room, SGH

NEW SOUTH GLASGOW HOSPITALS & LABORATORY PROJECT EXECUTIVE BOARD

UPDATE ON PROGRESS

Actions Since PRG Meeting – 3rd November

Following the Board's decision to appoint Brookfield Europe as preferred bidder, the Project Team met briefly with each of the three bid teams on 4th November to confirm the outcome of the evaluation process. The Cabinet Secretary for Health and Wellbeing, Nicola Sturgeon, announced the selection of the preferred bidder at a press briefing on 6th November at Southern General Hospital.

Activities since this date have concentrated on providing detailed feedback to the unsuccessful bidders, and working towards concluding the contract with Brookfield Europe. The Project Team are planning to have this latter task completed by 11th December 2009. More detail on this activity will be provided under agenda item 5.

The announcement has also generated over twenty project related written Parliamentary Questions relating to programme, cost, procurement and the preferred bidder. The Project Team have assisted the Board's Communications Team to prepare comprehensive responses to these questions which have now been posted on the Scottish Government web site.

The full business case for the Laboratory Project currently remains with the Capital Investment Group, it is understood that all information required for its approval has been provided.

Post Evaluation Briefing of Bidders

In line with the procurement regulations, the Board were required to provide feedback to all bidders and the Project Team met with Balfour Beatty on 9th November and Laing O'Rourke on 10th November. These meetings were structured to run through the detailed evaluation reports which the Board's team had prepared and issued to each company on 5th November, and allowed those attending the opportunity to ask questions regarding the scoring and comments in the reports. These meetings raised a number of further questions which the Project Team took away and responded to in writing on 12th and 13th November.

Since this date the Project Team have been responding to further written questions from one of the unsuccessful bidders, and this may continue until the Board conclude a contract with Brookfield Europe.

A formal feedback meeting was held with Brookfield Europe on 18th November, and followed a similar format to those held with Balfour Beatty and Laing O'Rourke.

NEW SOUTH GLASGOW HOSPITALS EXECUTIVE BOARD

KEY ACTIONS UNDERWAY TO CONCLUDE CONTRACT WITH BROOKFIELD EUROPE LP

Current and Immediate Activities

- **Pre-Contract**

Following the selection of Brookfield Europe LP as the preferred bidder, the Board Project Team and their Technical Adviser Team are currently reviewing the submitted bid and the evaluation to identify and resolve any potential conflicts and/or gaps between the Employer's Requirements and the Contractor's proposals.

Whilst the technical requirements will remain, the Exemplar drawings will generally be superseded by the proposals submitted by Brookfield Europe. An exercise is currently underway to resolve design issues in the four departments which did not achieve a score of 6 or more in the evaluation process. This requires to be concluded to a point where a level of comfort is achieved for future development with user groups.

Concurrently, the legal advisers are concluding the work in relation to the Contract in readiness for execution.

Additional activities currently underway include preparation of the Design Development programme, advancement of the negotiations with Utility suppliers and progression of laboratories design.

- **Post-Contract**

Following execution of the contract there will be a significant number of concurrent activities to be undertaken within the initial period leading up to commencement of the Design Development and Laboratories construction.

These will include site set-up activities following agreement with SGH Facilities Management, relocation of Waste Management facility, construction of temporary car-parking facilities and site clearance.

Design development activities will include preparation of programme, confirmation of User group membership, agreement of meeting dates and advancement of Laboratories and Masterplan design.

GREATER GLASGOW AND CLYDE NHS BOARD

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT EXECUTIVE BOARD

Notes of meeting held on 16th February 2010 at 2pm in the Conference Room, Management Building, SGH

Present:

Helen Byrne	Director of Acute Services Strategy Implementation and Planning (Chair)	HB
Robert Calderwood	Chief Executive	RC
Alan McCubbin	Head of Finance – Capital and Planning	AMc
Alan Seabourne	Project Director – New Hospitals Project Team	AS
Aileen Maclennan	General Manager – Diagnostics	AML
Alan Hunter	General Manager – ECMS	
Jim Crombie	Director of Diagnostics	JC
Mike Baxter	Scottish Government	MB
Douglas Ross	Currie and Brown	DR
Jane Grant	Chief Operating Officer	JG
Peter Gallagher	Director of Finance (Acute)	PG
Douglas Griffin	Director of Finance	DG
Rory Farrelly	Head of Nursing	RF
Peter Moir	Head of Major Projects	PM

Apologies:

James Stewart	Chief Executive, Partnerships UK	JS
Rhona Harper	Shepherd & Wedderburn	RH
Michael McVeigh	Ernst & Young	MM
Brian Cowan	Medical Director	BC
Alex McIntyre	Director of Facilities	ASM
Rosslyn Crocket	Director of Women and Children's Services	RCr
Grant Archibald	Director of Emergency Care and Medical Services	GA
Gordon Beattie	Head of Procurement	GB

In Attendance:

Allyson Hirst	Acute Planning PA (Notes)	AH

1. Welcome and Apologies — **ACTION**

Apologies were intimated on behalf of those noted above

-

2. Notes of Previous Meeting held on 7th December 2009

The notes of the meeting held on 7th December 2009 were accepted as accurate

-

3. Matters Arising

- **YCF Appeal**

  HB reported the next meeting of this group was due to take place on Wednesday 17th February. The YCF Appeal Group would be reviewing their governance arrangements to ensure that they were fully robust and would stand up to all and any scrutiny and the outcome of this meeting would be fed back to the next meeting of this group.

  AS

- Temporary Car Park

  PM reported that the temporary car park was now up and running as of Monday 15th February.

  -

4. New South Glasgow Hospitals and Laboratory Project Update on Progress

- **Laboratory**

  AS spoke in detail on paper marked enclosure 2

  He noted that work was progressing since the signing of the contract with Brookfield Europe on Stages 1 & 2. AS reported that BMJ was now working for Brookfield on the laboratory project through to the final stages of design.

  To date the 1:200 department layouts and 1:50 room layouts have been signed off with final FM sign off, in conjunction with the sign offs for this in the main hospital will be completed during the month of February 2010.

  Over the coming months Brookfield will continue to work on the preparation of the site with the first stage accommodation being established by end of April 2010 to accommodate Brookfield team as well as the project team.

  Building warrant was granted by Glasgow City Council for stage 1 – ground works.

  AS reported that all process were within the planned timescale.

  RC raised the question of planning for the new laboratory services on the SGH and how the Directorate had planned to facilitate the moves of people and services to the new site. AMcLennan reported that her Directorate had devised a series of groups to deal with the workstreams and planning for all the specialities involved which would feed back centrally to the main Laboratory Medicine Project Group

- **New Adult and Children's Hospital Design (Stage 2)**

  AS reported that the design review meetings in relation to the adult hospital had commenced in January 2010 with the users on the 1:200 drawings and all was going well. Design Review Meetings for the children's hospital had commenced in February and it was also reported that this was going well.

  The question of reporting back on changes and potential costs was raised. AS assured the group that there was a system in place whereby any changes were informed to the Directors who in turn discuss with there Chief Operating Officer to gain approval for changes. It was noted however that as the new Governance Arrangements are put in place, more robust systems would be put in place for reporting back and a clear pathway of reporting and approval before being taken forward to the contractors.

5. Update on Land Acquisitions

- Scottish Ambulance

  AMcC distributed a paper to the group giving details of the proposed move of the Scottish Ambulance Service to Leverndale and Johnstone sites and maintenance to Helen Street.

  AMcC took the group through in detail on the costs implication for NHS and for Scottish Ambulance. The group agreed that the costs seemed reasonable. It was noted that the Acute Division needs a clear understanding of the implication of the moves in financial terms for acute services and PG would pull the information together and review the figures again to ensure there was no error before AS to arrange to speak to Pamela McLaughlin, Associate Finance Director for Scottish Ambulance to conclude the proposed deal. It was anticipated that this could be concluded in the next week or so as it was crucial to the progress of the project. **PG/AS**

- Scottish Water

  PM reported that Brookfield were progressing the property boundaries required, once this was complete a purchase price would be known. The group requested a timescale on completion of this and PM explained that there was a Head of Terms and legal process to be completed and would take in the region of 6-9 months which was in line with the current project planning. **PM**

6. Update on Academic Centre and Education and Training Centre

RC gave an update on the progress of siting an education and training centre within the SGH site.

He noted that the University was progressing a business case through their own internal process. They are going through their own internal changes at the moment and it would be dependent on the outcome of that as to which path they would follow. There was a further discussion on the options offered to the University for the loss of space when the Yorkhill campus closes. It was noted that the space allocation at Yorkhill would require to be recounted as the Medical Genetics is now included within the laboratories facility. It was anticipated that a decision in principal would be available by the end of 2010. An additional Schedule of Accommodation would require to be completed to incorporate the loss of education facilities throughout Glasgow and include the Walton Conference Centre and Ebeneezer Duncan Centre to assess the space required to meet educational needs.

The question of using Brookfield to tender any further building was raised and it was noted that there was an agreement in place that Brookfield were in a position to tender for any additional work on the SGH site.

7. Governance Arrangements for the New Hospital and Laboratory Project

HB reviewed the paper marked enclosure three which was a proposed Governance Structure to take forward the project. HB reported on the key changes proposed which are noted on item 4 of the paper.

- Creation of a bi-monthly Acute Services Strategy Board with the amalgamation of the ASR Programme Board and New South Glasgow Hospitals and Laboratory Project Executive Board;

- Creation of a weekly Acute Services Strategy Board Executive Subgroup;

- Creation of the Construction Management arrangements which support joint working between NHS GG&C and Brookfield Construction;

- The Acute Services Redesign Group to undertake the necessary system modernisation and to work in achieving service and clinical transformation

A review of the membership and terms of reference highlighted areas that would be further reviewed before the paper is reviewed again at the ASR Programme Board on Friday 19th February and ultimately to Performance Review Group in March 2010.

A number of detailed comments were made about the ASR Redesign Group both the membership and Terms of Reference which will be taken on board. It was also considered that the membership of the Laboratory Project Group was too big.

Once this document has been reviewed by the ASR Programme Board it will be presented to the Performance Review Group (PRG) in March for final approval before it is rolled out to the members.

8. Risk Update

AS reported that both the project and Brookfield had their own risk registers and these are reviewed on a monthly basis showing any risks and their impact and potential costs implications.

9. Schedule of Meetings for 2010

The schedule of meetings for 2010 had been distributed to the group. As this was the last meeting of this particular group in its current form the next meeting of the group would be named Acute Services Strategy Board.
Dates for 2010 are as follows :-

April – to be confirmed
4th June 9.30 – 11.30
9th August 2-4
6th October 2-4
10th December 2-4

These will be held in the Board Room – Contact Centre -1 Jubilee Court.

Once the Performance Review Group had approved the new structure the members of each of the groups will be e-mailed to inform them of their membership and the terms of reference of their group(s).

10. Date and Time of Next Meeting
April 2010 – date still to be confirmed
Contact Centre – 1 Jubilee Court

New South Glasgow Hospitals and Laboratories Project Executive Board

Update on Progress

The contract for the construction of the New South Glasgow Hospitals and Laboratory project was signed by NHS GG&C and Brookfield Construction Limited on the 18th December 2009.

Since the signing of the contract work has commence on Stages 1 & 2 of the works. The following is an update of progress on both stages.

New Laboratories (Stage 1)

As part of the contractual agreement the design team, let by Boswell, Mitchell and Johnston were novated to Brookfield to complete the final stages of design.

The current status of the design is that all 1:200 department layouts are complete and signed-off by the users with the 1:50 room layouts signed off for Blood Sciences, Genetics, Pathology and Mortuary with Microbiology being signed off week beginning 8th February. Final sign off of FM areas is being undertaken in conjunction with the finalisation of 1:200 FM layouts within the new hospital and will be completed during the month of February 2010.

The contractor is now in the process of mobilising his team to prepare for the construction process. The first part of this mobilisation is to establish the works site and this will continue over the next few months when the first stage site accommodation will be established (end of April 2010). This accommodation will be for Brookfield and the project team.

The building warrant for stage 1 i.e ground works has been granted.

The key programme dates for the new laboratory build are set out below

Contracts signed	18th December 2009
Noviate Design Team	18th December 2009
Site Mobilisation and Establishment start	4th January 2010
Start on Site	4th March 2010
Substructure works complete	26th August 2010
Superstructure complete	17th November 2010
Cladding Envelope complete	1st June 2011
Fitting Out/Finishes – start	3rd October 2010
- complete	9th February 2012
Testing, Commissioning of M&E Services – start	10th October 2011
- complete	10th March 2012
Completion – Handover of Building	10th March 2012
Board Commissioning – start	10th March 2012
- complete	9th May 2012
Building Operational	9th May 2012

New Adult and Children's Hospital Design (Stage 2)

Work has commenced on the development of the detailed design of the New Adult Hospital. The first meeting, of a series of six with each User Group, commenced on 20th January 2010. The output of these meetings will be to discuss, agree and sign off the 1:200 design layouts and 1:50 detailed room requirements.

The majority of first round User Meetings for the New Adult hospital have been completed. To date the is a nil return, in other words the output of these meetings have remained within the footprint/cost.

Possible changes are for a potential reduction in the number of haemodialysis stations and also a reduction of the number of haemato-oncology inpatient beds. Once confirmed these changes will be submitted through the change control process for consideration and sign off.

The initial meetings for detailed design of the New Children's Hospital commenced on 8th February and this traunch of meetings will end on 25th February. To date there have been no cost implications.

Alan Seabourne
9th February 2010

NSGHLP – Executive Board
16th February 2010
Enc 3

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New South Glasgow Hospitals and Laboratory Project Executive Group

ACUTE SERVICES REVIEW PROPOSED GOVERNANCE ARRANGEMENTS

Recommendation

The New South Glasgow Hospitals and Laboratories Project Executive Group is asked to approve the proposed new governance arrangements for the Acute Services Review Implementation

1. Purpose of this paper

This paper sets out the proposed new governance arrangements to oversee the Acute Services Review (ASR) acceleration programme and the next phase of the New South Glasgow Hospitals and Laboratory Project, with the appointment of the preferred bidder and commencement of stages 1 and 2 of the contract.

2. Background and context

The Acute Services Review, as agreed in 2002, is moving in the final stages of implementation with the successful delivery of the:

- New Cancer Hospital for the West Of Scotland;
- Two new Ambulatory Care Hospitals on the Stobhill and Victoria sites;
- Completion of the new maternity wing on the Southern General Site and Closure of the Queen Mothers Hospital.

Work is underway currently as follows:

- Acceleration of the ASR to enable closure of Stobhill Hospital in 2010/11. Funding for related capital projects across the north, east and west of the City (at GRI, GGH and WIG) is in the Board's capital plan;
- The New Hospitals and Laboratory Project Team are working with Brookfield Europe, who have been selected as the preferred bidder for the new Hospitals and Laboratory Project on the SGH site, to take forward the contract: stage 1 (construction of the new laboratory facility) and 2 (design of the new adult and children's hospital) with work to ensure delivery of the Full Business Case (FBC) by November 2010, and subsequently stages 3 and 3A of the contract.

The final configuration of adult acute services in Greater Glasgow sees three adult inpatient sites in 2015 once the new adult hospital is complete on the Southern General site these being the (GRI, New SGH and GGH). The new Children's Hospital will be co-located with the new Adult Hospital and maternity services on the SGH site, with the closure of the current children's hospital on the Yorkhill site.

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Delivery of the ASR acceleration programme and New Hospital and Laboratory Project are crucial in achieving this final configuration. In light of this it has been decided that governance arrangements underpinning both programmes of work need to be amended.

3. Proposed New Arrangements

A diagram setting out the proposed new arrangements is shown in appendix 1.

A summary of terms of reference and membership for the Groups are set out in detail in appendix 2.

4. Key Changes

The key changes proposed are as follows:

- Creation of a bi-monthly Acute Services Strategy Board with the amalgamation of the ASR Programme Board and New South Glasgow Hospitals and Laboratory Project Executive Board;

- Creation of a weekly Acute Services Strategy Board Executive Subgroup;

- Creation of the Construction Management arrangements which support joint working between NHS GG&C and Brookfield Construction;

- The Acute Services Redesign Group to undertake the necessary system modernisation and to work in achieving service and clinical transformation

5. Next steps

Assuming approval is given to these changes at this meeting the next step will be to submit this paper to ASR Programme Board on 19th February. Assuming approval is given at this meeting the next step will be to submit this paper to the Performance Review Group on 16th March.

Helen Byrne
Alan Seabourne
9th February 2010

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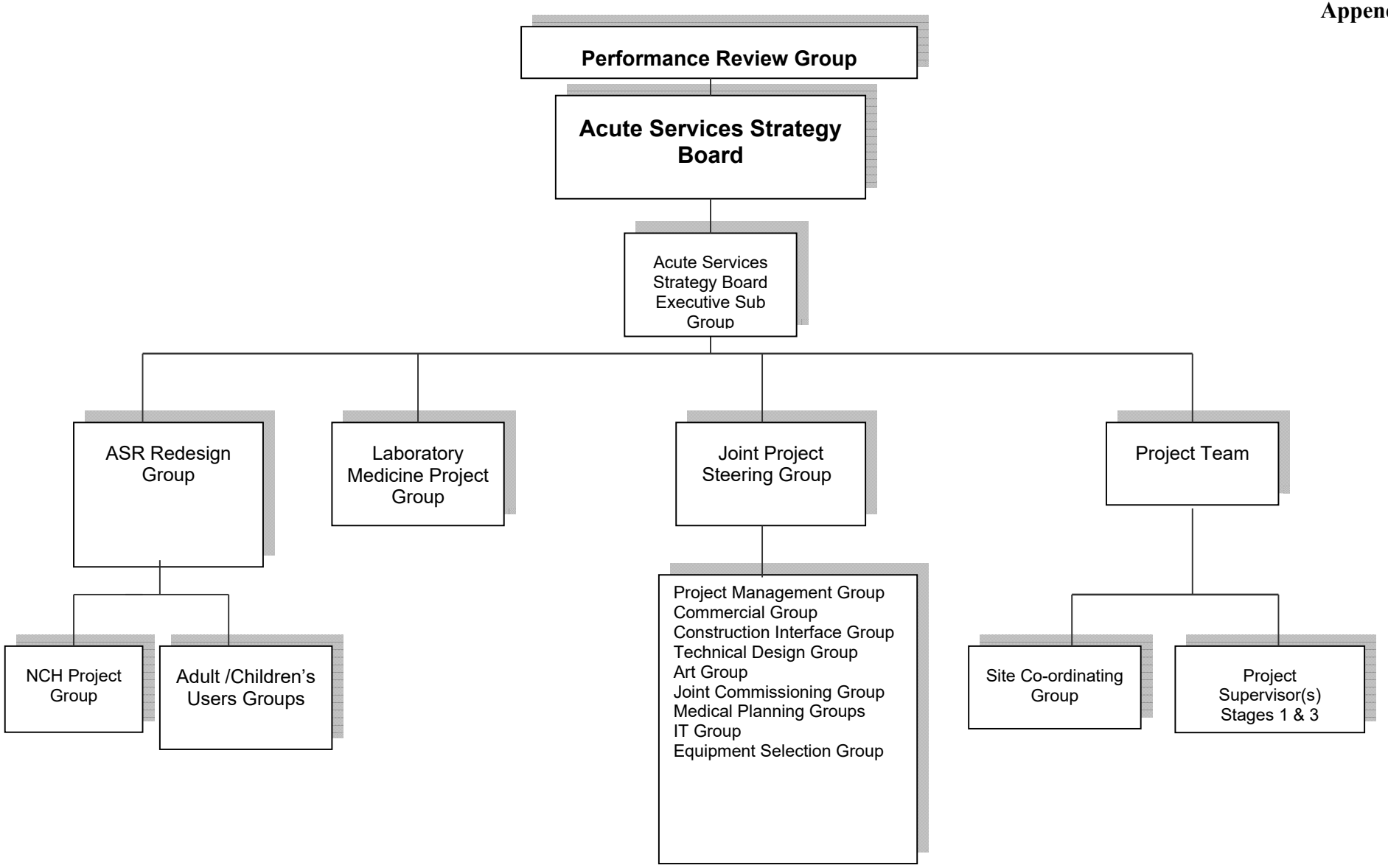
Appendix 1



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Appendix 2

NEW SOUTH GLASGOW HOSPITALS AND LABS PROJECT

GOVERNANCE ARRANGEMENTS

Performance Review Group

Terms of Reference

- Monitor Boards organisational performance
- Monitor resource allocation and utilisation
- Monitor the implementation of Board agreed strategies
- Oversee all aspects of property matters and transactions

Membership

Mr A O Robertson OBE - Chair	Mr R Cleland
Ms R Dhir MBE	Cllr D Mackay
Mr P Hamilton	Cllr D Yates
Mr D Sime	Mrs E Smith – Vice Chair
Mr P Daniels OBE	Mr I Lee
Mr K Winter	

Frequency - Bi-monthly

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Acute Services Strategy Board

Terms of Reference

- Overseeing the delivery of the Acute Service Review
- Oversee the performance of the Acute Services Acceleration Plan
- Report and advise the Performance Review Group on all aspects of the implementation of Acute Services Review
- Monitor all aspects of performance of the implementation of the New South Glasgow Hospital Development.
- Approve change control in that any change which impacts upon the project must be authorised by this Board before it can be implemented.
- Ensure that progress is maintained and business is concluded especially where time is critical to the New South Glasgow Hospital Development with respect to financial aspects and the implementation of works programme and exercise appropriate delegated authority to enable the progress on the contract
- Ensure that all activities of the Acute Services Review Systems Redesign Group are co-ordinated and achieving the appropriate progress.
- Review updates regarding all aspects of planning and implementation of Acute Services Review
- Consider the wider implications of implementing the Acute Services Review including any impact on local communities
- Ensure necessary linkages between elements of Acute Services Strategy are in place to enable delivery of Acute Service Review
- Ensure financial control is being managed and kept within the agreed parameters.
- Approve and monitor the appropriate governance is in place to ensure successful outcome for each major element of the Acute Services Review.
- Approve Full Business Case for New South Glasgow Development and any subsequent Business Cases for associated projects such as; car parks; education centre and academic centre etc

Membership

Robert Calderwood (chair)	Jane Grant
James Stewart	Alan Seabourne
Alan McCubbin	Audit Scotland Representative
Mike Baxter (Scottish Government – Observer)	Representative from Scottish Government Performance Dept – Observer
Douglas Griffin	Brian Cowan
Rosslyn Crockett	

Frequency - Bi-monthly

DRAFT

Acute Services Strategy Board Executive Sub Group

Terms of Reference

- Exercise delegated authority to make decisions on project issues to maintain programme
- Exercise delegated authority to commit funding for new or additional works associated with project
- Receive reports from Acute Directors and Project Director on changes being proposed with financial implications
- Keep NSGHLP Executive Board informed of all issues and decisions taken regarding the project
- This group has delegated authority in line with Boards SFI's which has an agreed delegated limit for the Acute Service Review Executive Board and the Project Manager.

Membership

Robert Calderwood	Jane Grant
Alan McCubbin	Peter Gallagher
Alan Seabourne	Brian Cowan (as required)
Rosslyn Crocket (as required)	
In attendance : relevant Director	

Frequency - Weekly

DRAFT

Acute Services Review Redesign Group

Terms of Reference:-

- Participate in the development of the overall Acute Services Strategy for the NHS Board
- Monitor the delivery of the programmes agreed within the Acute Services Strategy
- Discuss significant programme deviations by exception (either in relation to programme delivery dates or financial limits) and agree remedial actions required to bring delivery programmes on time and within budget
- Agree governance and performance management arrangements for the Division covering the range of the Division's responsibilities in relation to the delivery of the Acute Services Strategy and the Accelerated Capital Programmes and monitor performance against these arrangements
- Develop a structured re-design programme to maximise patient and service benefits in the new hospital
- Maximise PFPI input along with other key stakeholders in new hospital design
- Ensure health inequalities issues are addressed in a structured and focused manner
- Ensure issues such as art in design and transport have a distinct focus and plan within new hospital project
- Co-ordinate regeneration aspects of project to ensure greatest impact
- Consider and manage key areas of clinical and non-clinical risk, drawing any significant issues to the attention of relevant Board officers

Membership:-

Jane Grant (Chair)	1 Representative from each Clinical Directorate (6)
Anne MacPherson	Alan McCubbin
Sharon Adamson	Brian Cowan
Alex McIntyre	Richard Copland
Rory Farrelly	Iona Colvin
Donald Sime	Anna Baxendale
Ann Crumley	Niall McGrogan
Karen Murray	Alan Seabourne + Team

Frequency:- Monthly

DRAFT

Laboratory Medicine Project Group

Terms of Reference

- Act as an Overarching Governance Group to ensure delivery of ASR Programme
- Ensure a coherent and coordinated approach to the delivery of the Laboratory Project
- Manage communications to all stakeholders
- Ensure project programmes are delivered on time
- Oversee sign-off Reviewable Design Data
- To ensure IT and equipment requirements are addressed and embedded in design detail
- Provide decision on all potential changes and to ensure any decisions fall within the current cost programme plan
- Facilitate progress when situations are complex and/or difficult
- Review and advise on project risks
- Responsible for all staff issues and the commissioning programme
- Receive reports and take necessary action from Laboratory Sub Group

Membership

Alieen MacLennan (chair)	Isabel Ferguson (deputy chair)
Rachel Green	Penelope Redding
Diagnostics Labs Project Manager - TBC	Lorraine Pebbles
Winnie Miller	James Farrelly
Ken Robertson	Jane Gibb
Bernadette Findlay	Bruce Barnett
Kenny Birney	Margaret Burgoyne
Mike Connor	Edward Fitzsimons
Alan Hutchison	Craig Williams
Richard Shaw	Colin Smith
Alan Seabourne	Peter Moir
Alex McIntyre	Mary Anne Kane
Marian Stewart	Karen Connelly
Frances Wrath	Ian Forbes
Ross Ballingall	

Frequency - Monthly

DRAFT

Joint Project Steering Group

Terms of Reference

- On a monthly basis identify key Strategic Drivers for the coming quarter
- Carry out a monthly review of Project Strategic Drivers providing direction to the Project Management Group (PMG) as required
- Carry out a monthly review of project issues (reported from sub groups via the PMG) that have not been cleared at sub group level
- Provide direction to the sub groups on the resolution of issues
- Monitor and identify any shortfalls in Project resources
- Monitor critical path of Project Programme

Membership represents the Board and Brookfield

Alan Seabourne	Chris Lovejoy – Brookfield
Facilities Dept Rep	Ed McIntyre – Mercury
David Hall	Neil Murphy – Nightingale Associates
Peter Moir	Ross Ballingall – Brookfield
Alan McCubbin	Steve Pardy – ZBP
Douglas Ross	Tim Bicknell – Brookfield

Frequency - Monthly

Appendix 3 – shows the Terms of Reference/Remit and Membership of each of the group accountable to this group

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Project Team

Terms of Reference

Responsible for the overall delivery of the project including programme, costs, quality, health and safety etc

Membership

Alan Seabourne (chair)	Peter Moir
Mairi Macleod	Heather Griffin
Karen Connelly	Fiona McCluskey
Frances Wrath	Sam Suddese
Hugh McDerment	Stephen Gallacher
Jane Peutrell	Shiona Frew

Frequency - Weekly

DRAFT

NCH Project Group

Terms of Reference

- To oversee the work of the Clinical Planning Group
- To recommend, sign off proposals in regard to development of NCH
- To ensure work programmes are completed on schedule by the NCH User Groups
- To inform and updated NSGH&L Project Executive Board
- To ensure involvement of staff and other stakeholders
- To make recommendations on any financial consequences regarding the cost of the NCH

Membership

Rosslyn Crockett (chair)	Jamie Redfern
Elaine Love	Alan Seabourne
Jim Beattie	Jane Peutrell
Mairi Macleod	John Morse
Linda Black	Gerry Hope
Associate Medical Director Women and Children's Directorate/Acute Services	

Frequency - Monthly

DRAFT

Adult/Children's Users Groups

Terms of Reference

- Review architectural design progress for 1:200 and 1:50 drawing detail
- Provide professional input into design process
- Communicate with other colleagues and stakeholders
- Liaise with Acute Directors on progress and any issues requiring their attention
- Do not add costs to project budget
- Sign off design details

Membership

Available on request	

Frequency - every 6 weeks

DRAFT

Site Co-ordinating Group

Terms of Reference

- Ensure there is an overall site development plan which identified all aspects of change planned for SGH site
- Monitors the critical path to ensure key milestones are planned and met
- Ensures adequate level of health and safety planning is maintained
- Received reports from individual project on SGH site to ensure they are planned and implemented in a co-ordinated way to take account of all interfaces and risks

Membership

Tony Curran	Alan Seabourne (chair)
Frances Lyall	Alex McIntyre
Alistair Maclean	John Green
Frances Wrath	John Scott
John Hughan	

Frequency - Bi-monthly

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Project Supervisor (Stages 1 & 3)

Terms of Reference

- Compliance with agreed specifications
- Testing of installed product strength and tolerance
- Quality of finish checks
- Area compliance checks
- Exemplar rooms checks
- Monthly reporting
- Inspections identify, record and sign off as complete – defects
- Health and safety assurance
- QA/Document control management

Membership

Alan Seabourne	Peter Moir
Technical Advisors	Supervisors

Frequency - Weekly

DRAFT

Appendix 3

NEW SOUTH GLASGOW HOSPITALS PROJECT CONSTRUCTION MANAGEMENT

Group	Project Steering Group	Project Management Group	Commercial Group	Construction Interface Group	Technical Design Group	Design and Healthy Environment Strategy Group *(Sub-group of Technical Design Group)*	Joint Commissioning Group	Medical Planning Groups	IT Group	Equipment Selection Group
Remit (refer to Group remits paper)	- On a monthly basis identify key Strategic Drivers for the coming quarter. - Carry out a monthly review of Project Strategic Drivers providing direction to the Project management Group as required. - Carry out a monthly review of project issues (reported from sub groups via the PMG) that have not been cleared at sub group level. - Provide direction to the sub groups on the resolution of issues. - Monitor and identify any shortfalls in Project resources. - Monitor critical path of Project Programme	- Manage change control - Monitor short term design, procurement and construction programmes - Monitor project administration ie diary, document control, meetings -Oversee work of sub groups - Monitor sign off progress of sub groups - Monitor Community Benefit progress - Unblock sub group issues - Report key issues to Steering Group	- Manage Changes to Brief - Manage Payment Process - Manage valuations and costs - Manage Risk Register - Manage Early Warning/Compensation Event process - Report key issues to Project Management Group	- Identify short term works on site particularly any that may impact upon the hospital activities - Identify short term Hospital activities that may impact upon the construction works - Communicate construction activities to relevant 3rd parties - Monitor impact of works on surrounding area - Report key issues to the Project Management Group	- Ensure that planning Applications are submitted on time - Ensure that Planning Conditions are discharged on time - Ensure that Building Warrant application is submitted on time and all queries closed out - Monitor design compliance with the ER's and CP's. - Monitor design sign off - Monitor progress of key design strategies – fire, access control, acoustics etc - Manage any derogations from ER's and CP's - Manage any clarifications required against ER's and CP's - Monitor design programme - Manage Mock up and samples programme and signoff - Report any key issues to the Project Management Grp	- Review how art can best be incorporated into the scheme - Agree Project Art Strategy - Advice the design process of opportunities for art - Advise the design process and spatial and technical requirements for art - Report any key issues to the Technical Design Group	- Monitor the production of a Project Commissioning Plan - Monitor the production of a Project Commissioning Programme including operational commissioning - Review the design for "commissionability" - Manage specialist validations required ie pharmacy, CSSD, mortuary - Ensure equipment installation programme co-ordinated with main commissioning programme - Report any key issues to the Project Management Group	- Monitor the Medical Planning Programme and clear any blockages - Monitor resource levels required to meet programme - Monitor the medical planning sign off process and identify any critical delays - Ensure that other sub groups ie IT and Equipment feed into the medical planning process - Manage mock ups for functionality sign off - Monitor production of Room Data Sheets - Report changes to the Project Management Group	- Produce Project IT Strategy in sufficient time to inform the main design - Ensure that IT spatial requirements are co-ordinated with the main design - Ensure that IT technical requirements are incorporated into the design - Ensure that Equipment IT requirements are identified sufficiently early to inform the main design - Report any issues to the Technical Design group	- Monitor the inclusion of Equipment spatial and technical information on the Loaded Plans and Room Data Sheets - Ensure that Equipment spatial and technical information is provided to meet the design programme - Ensure that Equipment selection and procurement is carried out in time to meet the design and construction programme - Manage the approval of Equipment Selection - Manage change control in relation to Equipment provisions - Ensure that Equipment installation and commissioning is integrated into the Joint Commissioning Group - Report key issues to the Project Management Grp
Member-Ship **(Leads indicated in red)**	**Alan Seabourne** Alan McCubbin Alex McIntyre David Hall Douglas Ross Peter Gallagher Peter Moir Chris Lovejoy Ed McIntyre Neil Murphy Ross Ballingall Steve Pardy Tim Bicknell	**Alan Seabourne** David Hall Peter Moir Douglas Ross Mark Baird Ross Ballingall Paul Serkis David Bower Darren Smith Ed McIntyre Tom Allan	Alan McCubbin Alan Seabourne **Douglas Ross** Peter Moir Paul Serkis Eric Napier Tom Allan	Hugh McDerment Sam Suddese Shiona Frew Estates Dept Facilities Dept Health & Safety Supervisor **Alan Keeley** Dave Jordan Kevin Graham Dave Bower Norman Sutherland	Alan Seabourne David Hall Frances Wrath Heather Griffin Karen Connelly Mairi Macleod Peter Moir Infection Control Supervisor **Darren Smith** Manny Ajuwon Chris Lovejoy Ed McIntyre Emma White Alastair Leighton	Alex McIntyre **Anna Baxendale** Dan Harley David Hall Dorothy Cafferty Frances Wrath Heather Griffin Jackie Sands Kate Munro Louise Watson Mairi Macleod Peter Moir Darren Smith Neil Murphy Liz Petrovitch Tom Littlewood	**Fiona McCluskey** Frances Wrath Heather Griffin Karen Connelly Mairi Macleod **Peter Moir** Supervisor C&B Support Ross Ballingall Chris Lovejoy Ed McIntyre Dave Bower Ron King	Alan Seabourne David Hall Fiona McCluskey Frances Wrath Heather Griffin Mairi Macleod Infection Control **Darren Smith** Emma White Paul Britton Dave Bower	**Alan Seabourne (tbc)** Frances Wrath Hugh McDerment Karen Connelly Mark Greig Marion Stewart and/or Alisdair Finlayson C&B Support Chris Lovejoy Tony Duddy Ed McIntyre Steve Pardy	Frances Wrath Hugh McDerment Karen Connelly Peter Moir **Robert Stewart** C&B Support Dave Bower Darren Smith Manny Ajuwon Chris Lovejoy Steve Pardy
Attendees	To be identified as required	To be identified as required	To be identified as required	TA Advisers as required	TA Advisers as required	To be identified as required	Clinical reps/ Technical Advisers as required	To be identified as required	To be identified as required	To be identified as required
Frequency of Meetings	Monthly – Last Tuesday of each month 4pm	Every Tuesday 2pm	Every Tuesday 9am	Every Thursday 2pm	Every Thursday 9am	By Agreement	2nd Friday of every Month 9am	Every 2nd Thursday 1pm	3rd Friday of every month 9am	3rd Friday of every month 1pm
Reports to:	New South Glasgow Hospitals and Labs Project Executive Board through Alan Seabourne	Project Steering Group	Project Management Group	Project Management Group	Project Management Group	Technical Design Group	Project Management Group	Project Management Group	Technical Design Group	Project Management Group

The agenda of the Project Management Group may expand to create a separate Construction Group

These groups will merge at some point

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New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Executive Sub-Group Minutes of

Friday 24th June 2011 at 2.00pm

ACTION NOTE

Present:

Robert Calderwood, Peter Gallagher, Jane Grant, Alan Seabourne, Alan McCubbin

DISCUSSION:

Item No	Item	Discussion/Information	Action	Action by whom
1	Apologies	None	-	-
2	Previous Minutes	Agreed	-	-
3	Matters Arising	Helipad – still awaiting approval from Glasgow City Council on temporary helipad	Update at next meeting	AS
		Nursery Car Park – Work will be completed by 1st week in week July 11	-	-
4	Change Control	Approval for:		
		• Ground Gas contamination (EC) (NSG 005) • Ground gas extension from 2012-2015 (NSGH 006) • Transferring CP1 works from Barr to BMCL (24K/31K) (NSG 007) • New bore hole required (failure of one of the	- - - -	

		existing boreholes) (NSG 008) • Transfer Labs fume cupboard and safety cabinets from Group 3 to Group 1 to reduce Boards Risk (part of equipment budget) (Lab 009) • Adverse weather final cost approved (previously estimated) (Lab 010)	- - -	
		Not Approved :		
		Installation of security measures ie automatic gates – bollards – CCTV- fencing – remote operation	AS to review works contents and cost with AMcC	AS
5.	Budget Analysis	Discussion took place regarding the format of the budget report to track changes/movements more clearly	Make change for the forthcoming ASSB meeting	AMcC
	Compensation Event	AS took group through the compensation events tables Key discussion points Formal cost of adverse weather approve (Lab 010) Delay to Linthouse Burn diversion was running 8 weeks late and BMCL were requesting client are responsible for 5 weeks. AS advised he felt 3 weeks were more appropriate and had made allowance for this, discussions with BMCL continues	AS will continue discussions with BMCL	AS
		CATIII Lab – Home Office advise change in security regulations and additional measure required. Details still be worked on hence estimated cost	Await design detail	AS
		AS advised that there was a potential to reduce overall thermal capacity as energy advisor was concerned about losses in feeding the whole site. RC requested a site-wide energy survey be carried out to determine best way forward as he required key buildings to have adequate plant (central or satellite) when new hospitals open	Carry out site energy review	AS
		Reduction in labs water storage from 24 hour to 12 hour. Risk assessment carried out which highlights that due to totally separate supplies and the need to turn over water storage to prevent legionella this was appropriate action	-	-
		New bore hole required as one has been silted up (NSG 008	-	-
		Discussion around changing the format of the compensation report took place	New format to be proposed	DR

7.	Labs Managed Service Contract	AS flagged that there was still a risk around the MSC contract as he still didn't have detailed lists and specification of equipment. Although he had met with Abbots, NHS GG&C still had to choose their third party equipment options for this detail to be available	JG would have further discussion with Aileen MacLennan	JG
8.	Equipment Plan	AS advised that he would submit equipment paper from Robert Stewart to the next meeting. The paper would have proposals recommending specialist equipment support from HFS. Mike Baxter had advised that any support from HFS would require to be funded by the Board	Submit paper	AS
9.	Payment Assessment	DR explained in detail the process of assessment, evaluations and payment. DR was due to present process at the next ASSB on 8th July but as he was on holiday it was agreed he would contact Barry White who originally requested this information and arrange meeting in early August to take him through the detail	Meet BW and provide detailed assessment analysis	DR
10.	Cashflow	DR raised the issue of project cashflow and particularly in relation to forward purchase. DR advised that BMCL were putting a plan together to forward purchase in three main areas these being – M&E equipment, concrete reinforcement and structural elevations, possibly to the level of £20M. AS advised that Mike Baxter had enquired if we were considering this as he had this raised by the Treasury. RC asked if this would be covered by Capital Resource Limit but AS advised Mike could not confirm this	-	-
11.	Inflation	DR raised the issue of inflation and flagged that RPIX was above 5%. He advised that BMCL had requested a target price uplift of £8M to cover this but this was rejected as inflation adjustment would only be considered at end of contract	Continue to update	DR
12.	AOCB	Nothing further		

NHS Greater Glasgow & Clyde
New South Glasgow Hospitals Project
Procurement / Equipping Resource Requirements

1 Background

NHS Greater Glasgow & Clyde currently have three inter related major build projects ongoing at the Southern General Hospital campus consisting of:-

a. Laboratory Building due for completion in March 2012.
b. Children's Hospital due to be completion in early 2015.
c. Adult Hospital also due for completion in early 2015.

As requested by Alan Seabourne – Project Director this paper has been jointly produced by Robert Stewart Deputy Head of Procurement NHS Greater Glasgow & Clyde and Peter Haggarty Deputy Director of Health Facilities Scotland to consider the programme of required works and to recommend the methodologies to resource the project.

2. Project Time Frames

a. Laboratory Equipment

It is understood that the development of the Laboratory Building is well advanced and however the requirement for equipping resources to support this sub project has been reduced by the following factors:-

The adoption of a Managed Laboratory Services Contract including all analysis and laboratory equipment.

The projected high ratio of transferred to new equipment within the building.

Both of the above factors will result in a project that can be managed entirely by NHSGG&C Procurement Services.

b. Children's Hospital

This project is viewed from an equipping perspective as sharing the same characteristics in terms of resources and skillsets as the Adult Hospital. Both project time frames are broadly in line and therefore for the purposes of this paper the requirement has been addressed jointly within the Adult Hospital Section (2c).

c. Adult Hospital

Both the Adult and Children's Hospitals are due to be completed in early 2015. At date of production of this report it is difficult to provide detailed resource planning requirements. Therefore the assumptions made are referencing an estimated equipping requirement of £62M drawing on joint experience of previous projects. A degree of caution is required when considering the assumptions made due to the overall scope scale and complexity of the project, which will be the largest single project undertaken by either NHSGG&C or Health Facilities Scotland.

3. **Resource Planning**

Appendix A details:-

a. The dedicated resources that are projected to be required to undertake the professional/ technical / project equipping requirements of the above projects on a financial year by financial year basis. The resource noted in Whole Time Equivalents (Wte) therefore does not reflect any allowance for the physical resources to manually equip both building.

b. The number and designation of staff within the embedded Capital / Equipping Team of NHSGG&C. It further identifies that this team will also be challenged with maintaining service provision concurrently with the NSGH Project in respect of the routine NHSGG&C Equipping and Maintenance workloads. This commitment will impact on the available residual resource that can support the NSGH Projects.

c. The proposed level of resource required from Health Facilities Scotland to augment the NHSGG&C team for the duration of the project. This resource requirement is individually identified for each year of the project. It should be noted that the required resource may represent the partial input of multiple individuals /skillsets however this has been consolidated into one Wte total.

4. **Funding**

Mike Baxter – Deputy Director (Capital and Facilities) Scottish Government Health Directorates has confirmed (May 2011) that all provision of services by Health Facilities Scotland (Equipping Section) will be chargeable to the project and will not be subject to reimbursement by SGHD.

The required Wte resource from Health Facilities Scotland to support the project has been identified to provide an indicative cost profile for this requirement as detailed below.

Year	Wte	Projected Cost	
2011/12	0.25	£ 14,807	Equipment Specification
2012/13	1.00	£ 59,228	Equip Spec/Commercial Activity
2013/14	2.00	£118,456	Commercial Activity/Commissioning
2014/15	1.00	£ 59,228	Physical Equipping
Total	4.25	£251,719.	

The above projection is based upon an hourly rate of £36 and is calculated on 220 working days per annum. (excludes weekends, and annual leave at 40 days). It should be noted that the figure has not been incremented to reflect any possible annual increases in tariff tied to pay scale changes for the duration of the project.

5. **Assignment of workload to Health Facilities Scotland**

It has been jointly agreed that for NHSGG&C to have optimal return on investment, that the work assigned to HFS would require to be targeted to include discreet areas / services within the project that recognises their strengths, skills and experience. Early discussions have indicated that Diagnostic Radiology and Decontamination Equipment are two areas which meet these criteria. There is additionally the potential to draw on their expertise of Paediatric

Equipment gained from their recent involvement as project leads in the equipping of the Brighton Children's Hospital

At this early planning stage the above areas are indicative of the potential use of the HFS resources however there is a requirement to further investigate the most appropriate use of resources as the project develops.

6. **Governance**

It has been jointly discussed and agreed that all resources provided by HFS will be embedded into the overall NSGH project governance structure. All activities will be managed by the NHSGG&C Equipping Project Lead, and in essence the HFS resource will be considered as part of the NHSGG&C Procurement Project Team. This solution will ensure that project management and governance is simplified and that there is a clear responsibility on the NHSGG&C Equipping Project Lead to deliver a successful outcome.

7. **Resource Planning Option Appraisal**

The scope and complexity of the new South Glasgow Project present challenges in terms of resource provision that NHSGG&C Capital Equipping Team (9.35 wte) can accommodate. It is recognised that the internal NHSGG&C have a requirement to service NHSGG&C concurrently for other non NSGH Project activities.

The shortfall in resource can be met in differing ways and the following have been discussed:-

a. Use of HFS Equipping Branch on fee earning basis.
b. Secondment of HFS resource(s) to NHSGG&C for duration of Project.
c. Increase the Team Size NHSGG&C (Temporarily).
d. Use of External Agency / Consultancy Staff.

Option a

Use of HFS on Fee Earning Basis

This option provides the required resource which can be made tailored to meet the project requirements. The assignment of dedicated areas of works which reflect the skills and experience of the HFS team will ensure effective use of resources. The team have recent experience of large scale complex Healthcare Building Projects.

Option b

Secondment of HFS resource(s) to NHSGG&C for duration of Project.

This solution would offer the benefit of cost reduction as only actual staff costs and not fees levied would be required to be met. However as indicated previously, the wte requirement to support the project will be delivered by a team of mixed skills in parts rather than by one or two dedicated members. This makes this option more difficult to achieve as it would require the secondment of multiple staff on a part time basis. This solution would therefore be impractical.

Option c

Increase the Team Size NHSGG&C (Temporarily).

This option would require intensive training of additional staff members to reflect the complex nature of the project. This investment in time and training would be lost when the period of employment ended. This option may represent the lowest direct staff cost options however the indirect cost of training may be significant.

Option d

Use of External Agency / Consultancy Staff.

Agencies are unlikely to provide fully trained and experienced staff able to undertake the required workload, therefore there would be a requirement as in option C to invest in intensive training. The relative costs of Agency Costs is likely to be on par or higher than that of the HFS Fee Earning Solution (Option A)

8. **Recommendation**

There is joint agreement that if NHSGG&C Capital and Equipping Team are unable to fully resource the NSGH project that the augmenting of the team by HFS Staff on a Fee Earning basis under the control and direction of the NHSGG&C Equipping Lead would be the preferred option. It is recognised that there is a further requirement to fully cost and appraise all options however from the information available currently the use of HFS appears to represent the optimal solution.

R Stewart
Deputy Head of Procurement
NSGH Project Member
20 May 2011

Bundle of documents for Oral hearings commencing from 13 May 2025 in relation to the Queen Elizabeth University Hospital and the Royal Hospital for Children, Glasgow

Bundle 42 - Volume 2
Previously omitted miscellaneous meeting minutes and papers

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