

SCOTTISH HOSPITALS INQUIRY

**Bundle of documents for Oral hearings
commencing from 16 September 2025 in
relation to the Queen Elizabeth University
Hospital and the Royal Hospital for
Children, Glasgow**

Bundle 42, Volume 7 - Acute Services Strategy Board Minutes and Papers

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**New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board Meeting
20th April 2010 – 2.30pm – Contact Centre – Jubilee Court**

Attendance

Alan McCubbin	Head of Finance – NHS GG&C
Alan Seabourne	Project Director – NHS GG&C
Barry White	Chief Executive – Scottish Futures Trust
Douglas Griffin	Director of Finance – NHS GG&C
Jane Grant	Chief Operating Officer – NHS GG&C – Chaired in RC's absence
Jim Rundell	Audit Scotland Representative
Mike Baxter	Deputy Director (Capital Planning and Asset Management – Scottish Government

In attendance

Douglas Ross – Currie and Brown

Apologies

Robert Calderwood (Chair)	Chief Executive - NHS GG&C
Brian Cowan	Medical Director – NHS GG&C
Rosslyn Crockett	Board Nurse Director – NHS GG&C
Stephen Gallagher	Deputy Director Health Delivery – Scottish Government

Minute taken by

Allyson Hirst – PA NHS GG&C

1. Welcome and Apologies

Jane Grant had agreed to chair the meeting in Robert Calderwood's absence. Jane Grant welcomed the members of the group to the first meeting of the Acute Services Strategy Board. Apologies were noted above.

2. Terms of Reference

Acute Services Strategy Board – JG noted that the Terms of Reference had been taken through due process and had been approved by the Performance Review Group at its last meeting. The group reviewed the terms of reference and a few points were highlighted that required either some clarification or further prominence within the terms of reference. Risk Management needed to be added to the Terms of Reference of the Acute Services Strategy Board.

AS advised that PWC had carried out an audit on the New Governance arrangements and that he and RC would respond to items through the Audit Committee.

The group asked for clarification of the members and observers in the membership. This would be updated for the next meeting.

Action – AS

Executive Sub-Group – AS advised that as part of the New Governance arrangements the Executive Sub-Group was set up to attend immediately to any issues that could have an impact on costs or programme. As the Board had entered into an NEC 3 contract there was a requirement for a senior group who had authority to make decisions at short notice when necessary. JG informed the group that the Executive Sub-Group was working well and issues raised were being dealt with within agreed project time scales.

DG asked if the Scheme of Delegation was cumulative and JG responded that no limit could be breached without the appropriate request to the next level. BW requested a copy of the Governance document. AS confirmed he would send.

Action – AS

3. Executive Sub-Group Meetings (Summary to Date)

AS took the group through a review of the Executive Sub-Groups work to date. He advised of the formal change control process in place to consider potential changes which may occur in contract stages 1&2. He advised that although there had been a number of potential changes proposed regarding stage 2 none of these received approval from the group. AS provided an update on compensation events highlighting key aspects of each.

DR gave an explanation of the Laboratory Design Stage D to E Compensation Event and advised that this was still ongoing work with Brookfield. However he did advise that the current level of cost ie £750k net was well within the estimate costs in the risk register of £2m. The target price would be increased by this amount.

Planning – Progress with City planners is ongoing although there are a few matters still to be resolved for both Stages 1&2. This is around elevation finishes to the Laboratories, Adult and Children's Hospitals and these are all currently work in progress.

Optimism Bias – AMcC explained that the first two columns of Table 2 of Enclosure 2 showed the budgets, including Optimism Bias/ Client Risk, that had formed the last Cost Review submitted to the former NSGH Project Executive Board in August 2009, prior to bid submission. It was noted that at these levels the project had been deemed to be affordable in Capital terms.

Continuing to refer to Table 2, AMcC updated the group on the movements that had taken place in respect of Optimism Bias/ Client Risk from Contract Award to the present time. In addition to the compensation events noted in Table 1 of the paper, movements had included the reallocation of some enabling work at SGH, which was directly related to the development of the new hospitals, to the NSGH budget. These had been previously discussed at the weekly meetings of the Executive Sub-group. Adjustments had also been made in respect of the costs associated with the SAS Relocation and Scottish Water Land purchase discussed at the last meeting of the former NSGH Project Executive Board.

In conclusion, AMcC drew members' attention to the remaining levels of Optimism Bias/ Client Risk at both Target and Maximum Price levels and confirmed that regular updates on all further movements will be brought to future meetings. Members commented that the format of the report allowed for a clear understanding of the budget movements that had taken place and the remaining level of Optimism Bias/ Client Risk.

Barry White asked about the contingency plans that were in place and the risk register – DR explained that the register was reviewed regularly at various meetings and it allowed the project team to look ahead and plan and capture any issues.

JG noted that clinical staff were also key in keeping a tight rein on spending due to the process of approval.

Barry White asked if the Design Review was keeping to programme – AS explained that the process was tight but the team were working hard with the users to keep this on track and that the weekly meetings of the sub-group helped by dealing with live issues quickly and supporting the programme.

Land Acquisitions - The group were updated about the two land acquisitions the Board were pursuing regarding the development of the SGH. The land acquisition from Scottish Water was required to construct the new road leading to the hospitals main entrance and Brookfield were finalising the final road detail for Scottish Water.

The land acquisition from Scottish Ambulance Service was needed to enable the construction of the new hospitals and for landscaping on completion and that good progress was being made.

4. AS reported on the progress of the Laboratories Project and advised that construction was on programme. He also advised that the users had signed off the 1:200 and 1:50.

As part of Stage 1 a 33KVA substation will be constructed. Tenders for this work had been returned and Scottish Power were the successful bidders. The tender

cost submitted was within the cost plan although for this type of work a reasonable amount of contingency is allowed within the contract.

BW raised the question of equipment at this point – AS reported that the project team were working with the appropriate people within the NHS to procure this. It was thought that around 40% of current equipment could be transferred to the new site (this did not include the managed contract equipment) and that this was very much a work in progress. JG noted that it was not only one hospital site moving but three and there would require to be some discussions on equipment required. Finance would be keeping a close watch on spending during this period.

5. Update on Stage 2 (Design of New Adult and Children's Hospital)

AS spoke to paper marked Enclosure 4 and indicated that the work was progressing well and within programme. As the paper notes there have been some department sign offs and those not signed off are scheduled for their 3rd design review meeting. Any issues that cannot be resolved via these meetings will be taken to Director level for resolution and then onto the Executive Sub-Group for approval.

6. Planning Progress

AS summarised Enclosure 5 and advised on the key issues regarding the programme leading up to submitting the Master Plan to the Council and the forthcoming design review by Architecture and Design Scotland. All was on programme.

7. University

AS advised that as requested by RC he was currently reviewing embedded University accommodation in order to finalise a definitive cost to be reimbursed to Glasgow University.

8. Education Centre

AS advised that the current contract to build the new hospitals did not include for an Education Centre for the SGH although there was some accommodation in the new builds for teaching and training. AS will review retained meeting room accommodation and accommodation planned for in the new buildings and compare this to the current plan for new educational facilities which has a cost of circa £10m. AS will then present a Business Case to a future Acute Strategy Board.

9. Nightingale Associates

AS reported that Nightingales was being sold on by their current owner Tribal as a going concern. It was not thought to have a major risk impact to the project and Brookfield have reassured NHS GG that it is their contractual commitment to complete the design.

10. Community Benefit Programme

AS advised that Brookfield had performed well in a short space of time and had addressed all their contractual objectives.

11. AOCB

There was no further discussion and the chair closed the meeting.

12. Date and Time of Next Meeting

4th June 2010 at 9.30

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

ACUTE SERVICES STRATEGY BOARD MEETING

4th June 2010 at 9am in the Board Room – Contact Centre, Jubilee Court, Hillington

Attendance

Robert Calderwood (Chair)	Chief Executive – NHS GG&C
Alan McCubbin	Head of Finance – NHS GG&C
Alan Seabourne	Project Director – NHS GG&C
Barry White	Chief Executive – Scottish Futures Trust
Douglas Griffin	Director of Finance – NHS GG&C
Jane Grant	Chief Operating Officer – NHS GG&C
Jim Rundell	Audit Scotland Representative
Mike Baxter	Deputy Director (Capital Planning and Asset Management – Scottish Government

In attendance

Douglas Ross – Currie and Brown

Apologies

Brian Cowan	Medical Director – NHS GG&C
Rosslyn Crockett	Board Nurse Director – NHS GG&C
Stephen Gallagher	Deputy Director Health Delivery – Scottish Government

Minute taken by

Allyson Hirst – PA NHS GG&C

1. Apologies and Previous Minutes

Apologies are noted above. Previous Minutes of 20th April were noted as an accurate record.

2. Matters Arising

Terms of Reference

At the previous meeting of the Acute Services Strategy Board observations by the members had highlighted some issues to be addressed. The Terms of Reference were amended. AS explained that some further amendments may arise after he discusses the Price Waterhouse Cooper audit Report with the Chief Executive.

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

ACUTE SERVICES STRATEGY BOARD MEETING

Nightingales

AS reported that Nightingales Associates had been bought over by IBI a Canadian owned group. AS reported that he would be meeting with the new owners in the next couple of weeks. Nightingales Associates have advised that it is business as usual.

3. Executive Sub-Group Meetings (Summary to Date)

AS spoke to paper Enc 3 and highlighted

- Masterplan had been submitted and registered with Glasgow City Council on 22nd May 2010
- Advised that Council requested copper cladding to be applied to the laboratory building front columns
- Still working with Council to finalise external finishes to the New Hospitals (approx £500K)

AS advised that he had been working on costings for office accommodation on the SGH site and which option would offer best value for money to the Board. The conclusion of this work, indicates that it would be most cost effective to refurbish the buildings left on site. It was however noted that after the hospitals were complete there would be a period of time (mainly for the Paediatric staff) where no accommodation would be available on SGH site. Therefore, some new buildings may be required and the group would further discuss after Full Business Case.

AS reported that he was currently working on a Business Case to provide education facilities on the site and would report back once this was completed.

The scope of changes noted on Enc 3 were discussed more fully.

- a. The cost of dropping the basement slab to accommodate additional x-ray equipment was approx £7,500 net (which needed urgent agreement because of the construction programme). Although this isn't the final cost as there was some electrical and structural works to be carried out.
- b. A request was currently being considered to transfer the kitchen from level 3 to the basement for operational efficiency. Current estimated costs is £57K net.

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

ACUTE SERVICES STRATEGY BOARD MEETING

5. Update on Stage 1 (Laboratories Construction)

AS reported on Enc 4 and highlighted the key construction programme issues advising that the project was on programme. RC requested some pictures/drawings for the next meeting.

33KVA Sub-Station – AS reported that this was a substantial part of the project and the planning for this was going well and within budget targets.

Demolition of buildings currently situated on the site of the new hospitals. AS advised that the Boards Performance Review Group has approved that Brookfield could plan and manage the demolition works. There were a number of benefits and reduced risk to the Board by commissioning them to carry this out. All works will be competitively tendered and reviewed by the Board.

Helipad – RC updated the group on progress of establishing a new heliport adjacent to the SGH site. He advised that the SECC Management had made a bid for the Thales site. However the bid had been refused by Thales and further work was ongoing to determine a new site. There were two other sites being considered but RC advised that only the site closest to SGH site would remove the need to establish a helipad on the roof of the new hospital. AS advised that the SAS were endeavouring to identify a landing pad to enable cranes for the new hospital to be erected in March 2011 to start the construction.

6. Update on Stage 2 (Design of New Adult and Children's Hospital)

AS spoke to paper marked Enclosure 5 and indicated that the work was progressing well and within programme.

New Children's Hospital - ongoing discussions about the position of cardiac theatres.

New Adult Hospital - Clarification required on replacement process for MRI scanners. Work is on-going in both areas.

Once these issues have been resolved 1:200 design stage will be signed off and the team ready to move onto 1:50 stage which will commence in the next week and continue over the summer months. Once completed this will allow costs to be known for the completion of the Full Business Case.

7. Finance

DR spoke to paper Enc 6 and highlighted the key financial issues regarding Stages 1, 2, 3 and 3A. He also advised on the potential changes to the target price

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT**ACUTE SERVICES STRATEGY BOARD MEETING**

and the current impact on the contract Risk Register. BW requested DR to submit risk register to the next meeting.

The issue of inflation was discussed and DR advised that the Board's risk was if inflation increased by more than 2.5%. Subsequently the discussion turned to the potential of a VAT in the forthcoming emergency budget. Discussions continued around the impact of these issues and the actual Laboratory work packages cost on the Laboratory target price.

RC requested DR provide a short presentation covering the above issues for the next meeting.

Land Acquisition for SAS – All agreed in principal and now pulling together the Heads of Terms.

Scottish Water – this was awaiting response. Board had progressed as far as possible at the moment. Once response received a Head of Terms would be agreed and the purchase completed. This is programmed for completion late October 2010.

Finance Paper – AMcC presented this paper which showed the budget for the project and the levels at which is currently stands.

AMcC did note that some adjustments had been carried out to include the cost of purchasing the land from Scottish Water and the purchase of land for SAS and also the demolition costs.

AMcC reported to the group that the finance team were currently working with Ernst and Young and Customs and Excise on areas of potential VAT recovery to negate the potential increase to project costs if the VAT does rise.

8. Planning Progress

AS advised that the planning programme was being maintained and key milestones were being met.

AS provided a summary of the formal Architecture & Design Scotland Masterplan Review which had been submitted to the Planning Department as their formal comment.

The review was very positive and indicated a major improvement from their last review in 2007. AS also advised that the senior city planners were very comfortable about the design review outcome.

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

ACUTE SERVICES STRATEGY BOARD MEETING

9. Risk Register

AS spoke to the paper marked Enc 8. AS noted that this was backed up by the Issues Log and agreed that the Contract Risk Register would be discussed at the next meeting of this group.

Action - AS

AS reported that the project team regularly review the Risk Register and update as appropriate.

AS noted the main “Risks” at present being

Helipad – delays caused by working with outside bodies
 Hospital Elevation Finishes
 Scottish Water Capacity – survey results

10. AOCB

IT Costs for the New Hospitals

AS reported that this particular strand of the project was being discussed at Acute Division level. AS informed the group that infrastructure for new IT requirements were included in the project costs but hardware and software would be allocated via the capital budget. It was however acknowledged that there would be a high percentage of equipment transferred to the new hospitals and that IT investment leading up to the completion of the hospitals should be directed towards the New Hospitals.

Papers/Presentations to be completed for the next meeting in August

VAT implications – paper (Alan McCubbin)
 Inflation implications – presentation (Douglas Ross)
 Regular Updates on Hospitals and Laboratory progress – paper (Alan Seabourne)
 Outcome of Planning Process – paper (Alan Seabourne)
 SAS and Helipad progress – paper (Alan Seabourne)
 ASR Acceleration Update – paper (Jane Grant)
 Contract Risk Register – paper (Douglas Ross)

11. Date and Time of Next Meeting

9th August 2010 at 2pm in the Board Room – Contact Centre – Jubilee Court, Hillington

New South Glasgow Hospitals and Laboratory Project Stage 1 - New Laboratory and Facilities Management Project Update

New Laboratory Facility

Construction work formally commenced on site on 4th March 2010 and works are currently on programme. During the first 12 weeks the contractor levelled the site, formed the pile mat for the west block and excavated the basement area for the mortuary. To enable full excavation of the basement and tunnel system the contractor has installed sheet piling and a de-watering system around this area to manage the water table. Piling rigs have been on site for 10 weeks, and the works contractor is managing to core around 8 piles per day. Piling will be completed by 4th June. Stair and lift cores are currently being formed, and works above ground are starting to become visible.

The third tower crane has been erected within the Laboratory site. A management plan to marshal the movement of helicopters has been implemented to harmonise landings with lifting operations and crane movements on site.

Laboratory Construction Programme is on schedule.

33KVA Electrical Sub-station

Brookfield and the Project Team have commenced discussions with Scottish Power in relation to the detailed design of the substation which will be developed over the next few weeks. The order for the switchgear has been placed and the cabling contract for the substation supplied from Helen Street, Govan will be let in the next couple of weeks.

Project Supervisor

The Board are utilising the NEC 3 form of contract for the New South Glasgow Hospitals and Laboratory Project which requires the appointment of a Supervisor to inspect and confirm that the works are constructed in compliance with the Board's requirements. This is a direct appointment and the Supervisor will report directly to the Project Director.

The Project Team have recently awarded this contract to Capita Symonds after utilising the Scottish Governments Frameworks Scotland procurement route and as with other technical appointments for this project, the contract has been set up as a staged appointment. For clarity the stages are as follows;

Stage 1 - New laboratory Project

Stage 2 - Design Development

Stage 3 - Construction of the new hospitals.

Stage 3A - Demolitions and Completion of External Works

The first stage of the appointment is for the Laboratory Project and will run for just under two years, the Board have also asked Capita Symonds to review elements of the Stage 2 design specification being produced by the Brookfield team in the run up to completion of the full business case (FBC) in October 2010. The value of the initial commission to Capita Symonds for Stages 1 and 2 will be £160,000. On approval of the FBC the third stage of the appointment will be made for the construction stage of the new hospitals. The value of the commission to Capita Symonds for Stage 3 will be £810,000.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

9th August 2010 at 2pm in the Board Room, Contact Centre – Jubilee Court

Present

Robert Calderwood	Chief Executive NHS GG&C
Barry White	Chief Executive – Scottish Futures Trust
Jane Grant	Chief Operating Officer – NHS GG&C
Iain Lochhead	Audit Scotland Representative for Jim Rundell
Mike Baxter	Deputy Director (Capital Planning and Asset Management) Scottish Government
Rosslyn Crockett	Board Nurse Director
Alan McCubbin	Head of Finance – NHS GG&C

In Attendance

Alan Seabourne – Project Director NHS GG&C

Douglas Ross – Currie & Brown

Apologies

Brian Cowan Medical Director – NHS GG&C

Douglas Griffin Director of Finance – NHS GG&C

Stephen Gallagher Deputy Director Health Delivery – Scottish Government

Minute Taken by

Allyson Hirst PA NHS GG&C

1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 4th June were noted as an accurate record.

2. Matters Arising Not Noted on the Agenda

Terms of Reference – AS noted that he had a meeting with Price Waterhouse Cooper and noted that they had requested three changes to the Terms of Reference these are –

To appoint a Deputy Director – this had been completed and Peter Moir has been appointed to this role.

Agree to AS being in attendance at the ASSB and not a member.

Brookfield Construction Limited to be invited to join the Site Co-ordinating Group – this had been actioned and the first meeting of this group had take place.

Nightingale Associates – MB asked if there had been any change to arrangements since the take over of Nightingales by IBI – AS reported that he had met with Mr Beinhaker CEO IBI recently who assured him that they had no intentions of making any changes to the structure or working practices of Nightingales and that NHS GG&C would see no change in architectural support.

Scottish Water – AS reported that land acquisition was almost complete and the costs identified by the District Valuer was within project budget. AS agreed to report actual figures to the group for the next meeting.

Action – AS

3. Executive Sub-Group Meetings (Summary to Date)

AS noted there had been 4 meetings since the last meeting of the ASSB group. AS summerised paper marked enclosure 2 and Appendix A.

Summary

Labs (Table 1) – Compensation Event 010 – AS explained that there was still ongoing discussion with BCL to agree the final figure.

Labs (Table 3) – Potential Compensation Events – AS explained that he still awaited the structural and electrical costs of the x-ray equipment room. AS also advised that he was awaiting a cost for lost time due to gas being found in the ground during piling impacting on programme. AS advised he was working to conclude cost estimates in Table 4 and that 2 new items had been added since last meeting i.e removal of partitions in the New Children's Hospital Theatres Recovery and removal of glass partitions in Adult Hospital Critical Care.

New tables (5&6) were added to the Report identifying Value Engineering Items raised by BCL to be considered/approved by the client.

4. Update on Laboratories Construction (Stage 1)

AS advised that the Laboratories construction was on programme and cost.

AS advised that Group 1 equipment was provided by Brookfield and covered in the contract, Group 2 equipment supplied by the Board, this was currently being assessed, the largest element of this equipment being safety cabinets and fume cupboards and a full appraisal of the transfer potential of this equipment was just about to conclude.

Demolition – AS reported that the contract had been awarded and work was due to commence on 16th August concluding in October. The group asked how the decant of staff had progressed. AS reported that with assistance from FM Directorate there had been no issues and transfer was now concluded.

5. Update on Stage 2 (Design of New Adult and Children's Hospital)

AS advised that all was progressing well with the design stage, with 1:200 process completed and 1:50 process with the users now started.

The Masterplan had been approved by Glasgow City Planning Department and the Adult and Children's Hospital Design Plan (matters specified in conditions) submitted to Glasgow City Council Planning Department on 15th July 2010. It is expected that a decision on the planning application will be taken at Planning Committee Meeting on 12th August 2010.

Regarding design development AS advised that all work was progressing to programme and that very few scope changes by the client.

MB raised the issue of what the impact would be if planning wasn't approved prior to the FBC. AS advised that he would then identify the level of risk associated with any outstanding planning issues (conditions) and report them to the Board for discussion and approval.

AMcC raised the issue about number of parking spaces in car park 1 and AS advised he would check this out.

MB stated that he had met with the Project Team and noted that he was very pleased with the discussion on the formal and progress of the FBC.

6. Helicopter Site Update

AS explained that progress was being made to develop a new heliport on the Thales North site adjacent to the river. It is expected that the new heliport will be completed by July 2011. There was a discussion about any impact on the planned roof top helipad and the viability of having two landing zones. RC suggested he would discuss this with Pauline Howie, CEO of SAS to consider the most appropriate way forward.

AS advised that he was still waiting on SAS to advise on plan to transfer current SGH helipad to another local site to allow new hospital construction to start in March 2011.

7. Community Benefits

AS advised that targets are being achieved in recruitment, and a community portal had been set up for companies to show their interest in bidding for sub-contractor work and obtain business readiness support from BCL. AS noted that BCL were working hard to achieve their targets. Good feedback had been received from companies involved in a recent open event.

8. Finance

VAT

AMcC spoke to paper marked Enclosure 7 which described the potential impact on project costs arising as a direct result of the increase in the VAT rate to 20%, from 4th January 2011. It was noted that the additional VAT payable on the Main Construction Contract was forecast at £13.2m at Target Price and £13.4m at Maximum Price respectively. Additionally, increased VAT on Equipment would amount to £1.320m. As the current Optimism Bias provision was held gross (i.e VAT inclusive) the increased rate therefore this restricted the buying power of Optimism Bias.

The Acute Services Strategy Board agreed that £13.2m of the Optimism Bias be utilised to cover the increased VAT payable in respect of the main construction contract (£13.4m at Maximum Price). It was also agreed that the Equipment Budget should remain at the existing level pending the conclusion of the reviews currently being undertaken in respect of equipment requirements.

Inflation Summary Report

DR presented Inflation Summary paper and confirmed the following :-

- Inflation included in Brookfield contract up to average of 2.5% p.a over contract period
- Trigger point for Board risk is RPIX exceeding 2.5% p.a over contract period
- RPIX movement December 2009 to June 2010 is equivalent of 5.0% p.a
- Current RPIX trend is well in excess of Government target of 2.1% p.a
- Range of independent forecast for RPIX over next two years is 4.0% and 2.7%
- By utilising average of 2.5% p.a over life of contract as trigger it is considered any peaks in RPIX should level off over the life of the contract

Scenarios for potential inflation risk to the Board are :-

% p.a extra over contract	Maximum Board Liability	Maximum Board Liability incl. VAT at 20%
0.25%	£5.7M	£6.8M
0.50%	£111.4M	£13.7M
1.00%	£24.9M	£29.9M
2.00%	£41.0M	£49.2M

- The amount the Board actually pays will depend on the actual costs incurred by Brookfield
- As Brookfield have no guarantee that the 2.5% p.a figure will be exceeded, they are actually incentivised to procure sub-contract works within the current target price limits and as such minimise the Boards exposure to inflation impacts
- Key to keeping board apprised of inflation liability is monitoring RPIX, monitoring sub-contract procurement v's target price estimates and monitoring overall forecast ?? cost

To be monitored and reported back regularly

9. ASR Acceleration Update

JG summerised paper marked to follow on the agenda. This paper highlighted the work on-going to reorganise services within the most appropriate areas of GG&C.

10. Contract Risk Register Review

DR reviewed paper enc 9. The noted the key risks and the actions to be taken. DR noted that this was reviewed at several levels on a weekly basis to provide comprehensive cover in all aspects of risk. These risks were noted as acceptable risks to the Board. AS noted that the Board, Currie and Brown and BCL had had an extensive meeting today to review the risk registers from both sides. This would be an exercise carried out regularly

11. AOCB

The question of the scrutiny of costs was raised. DR agreed to complete a paper showing this process currently being applied regarding Labs for the next meeting of the group.

Action – DR

12. Date of Next Meeting

The date of the next meeting was 6th October but due to the project team participating in Gateway Review members had been previously asked to change this date to Friday 8th October at 9.30am – the meeting would take place in the Board Room of the Project Offices on the Construction Site at SGH.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

8th October 2010 at 9.30am in the Board Room, Site Offices – SGH

Present

Robert Calderwood	Chief Executive NHS GG&C
Barry White	Chief Executive – Scottish Futures Trust
Peter Gallagher for Jane Grant	Finance Director – NHS GG&C
Jim Rundell	Audit Scotland Representative
Carmel Sherriff for Stephen Gallacher	Deputy Director (Capital Planning and Asset Management) Scottish Government
Alan McCubbin	Head of Finance – NHS GG&C
Douglas Griffin	Director of Finance – NHS GG&C
Norman Kinnear for Mike Baxter	Major Capital Projects Advisor – Scottish Government

In Attendance

Alan Seabourne – Project Director NHS GG&C

Douglas Ross – Currie & Brown

Apologies

Brian Cowan

Medical Director – NHS GG&C

Rosslyn Crockett

Board Nurse Director – NHS GG&C

Minute Taken by

Allyson Hirst

PA NHS GG&C

1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 9th august 2010 were noted as an accurate record.

2. Matters Arising Not Noted on the Agenda

No other Matters Arising other than those noted on the agenda

3. Update on New Hospitals and Laboratories Construction

AS spoke to the paper marked Enc 2. AS noted good progress is being made in relation to the Laboratories construction project. He noted that observations from visitors to the site had commented that it appeared to be a well run and organised site.

AS reported that Capita Symonds, who are employed by the Board as supervisors have submitted their 3rd report on the Laboratories construction quality. Report concluded sub and super structure works in accordance with specification.

Equipment

AS noted that groups 2 and 3 were the responsibility of the Board and that a target expenditure of £1.5M was set. This was being worked on with the Laboratory Project Team and procurement and it is imperative that equipment transfer is maximised.

Enabling (Demolitions)

AS reported that this has been a slow start due to the levels of asbestos found in the building but was now on programme for scheduled completion in November.

New Adult and Children's Hospital Project

AS gave an update on this process to date – he noted that the 2nd phase of the design stage, 1:50 Design Review was now completed. 700 generic rooms had been reviewed in this process and agreed. As a consequence of the 1:50 process the project team were compiling equipment groups 1, 2, 3 and 4. Group 1 supplied by CBL and group 2 fitting by BCL. Groups 2 and 4 supplied/fitted by Board. The first stage of equipment identification would conclude late December 2010.

Services

AS reported that there had been reviews and workshops concluded to develop and sign off the technical design including but not limited to; surface finishes, acoustic, fire strategy, mechanical and electrical systems etc. This work must be concluded before activating Stage 3 of the contract.

Executive Sub-Group Meetings (Summary to Date)

AS noted there had been 2 meetings since the last meeting of the ASSB group. AS summarised paper marked enclosure 2. AS noted that there had been intensive discussions with Council Planners on the finishes to the new builds which had incurred extra costs but that these were a Brookfield risk and as such did not impact on the target price.

Barry White noted the significance of getting to this stage of a large project without incurring additional scope change and indicated this was largely due to the amount of pre-contract work carried out.

Scottish Water

AS reported that the budget for this particular aspect of the project had been set at £0.5M to purchase the required land and build access road for Scottish Water. The final sign off for the land purchase would only conclude after Full Business Case approval. AS noted that planning permission had already been granted for the road.

As part of the £0.5M budget an estimate of the costs of the strip of land was £300K and the actual costs is £150K.

Helipad

RC updated on the current position regarding the roof top helipad. Agreement has been reached between SAS and SECC to construct a new heliport on land purchased from Thales. Work on this to commence December 2010 and conclude July 2011. No decision on removing the planned roof top helipad will be taken before summer 2011 because of SAS contractual requirements the current helipad is to be relocated by March 2011 and SAS advise this will be relocated to the North Thales site on a temporary landing area.

Planning

AS noted that a final planning permission is expected from the City Council on 19th October. Only 1 objection has been received from a local resident with regards to the noise impact of a helipad being on the roof. During the course of the works on the SGH further approvals would be required.

Community Benefits

AS advised BCL had achieved the objectives for pre FBC with regard to pre FBC. With regard to post FBC, BCL were gearing up to provide : a new training centre, recruit community support person and continue to work towards recruitment targets as set out in the Employers Requirements

Full Business Case

AS reported that the Full Business Case was almost complete and would be ready by the end of next week. On the 26th October a summary paper of the FBC would be presented to the Board for their approval and thereafter it would be submitted to the Capital Investment Group of the Scottish Government for their approval. RC noted that the paper to the Board members should revisit the Boards Acute Strategy to refresh members knowledge on the Boards Acute Services Strategy which was approved in 2002

Gateway Review

AS reported that a Gateway Review Team had reviewed the Project over the course of 3 days in October 4th, 5th and 6th September; this included interviews with key members of staff both clinical and managerial and a review of documents produced by the project. Their report stated that the project has been given a Green status and ready to proceed to the next stage

It was noted that the Review Team were very complimentary about how the project was progressing.

4. Finance

AMcC spoke to enclosure 3 and noted that the Target and Maximum Prices payable under the main construction contract had reduced by c.£800,000 from Contract Award. This reduction reflected both the agreed and pending compensation events recorded as at 30th September 2010. AMcC reminded members that, as discussed at the previous meeting, the impact of the increase in the VAT rate to 20% from January 2011, will result in an increase to the costs of the main construction contract of just over £13m. This was reflected in Table 1 of enclosure 3 which also reflected the decision confirmed at the last meeting that the overall gross (i.e. VAT inclusive) budget for equipment remain at £62m. The VAT increase would therefore result in an increased VAT charge being funded from this budget of £1.1m. All compensation events and budget movements would continue to be monitored throughout the project. AMcC confirmed that the recent work undertaken during the preparation of the Full Business Case, together with continuing design development, had resulted in increased quantification of the risks associated with the project as contained in the regularly updated Risk Registers.

DG provided an update on the revenue affordability of the development and noted that it was forecast that, on completion, the project would result in recurring savings of c.£18m. This positive position resulted from both enhanced efficiencies and a net benefit derived from reduced Capital Charges.

5. Open Book Audit

DR spoke to paper marked enc 4 which review the process in place in connection with the Open Book Protocols in place to audit the procurement process and defined cost. DR reported that as an example of recent activity Brookfield have audited one of their biggest sub-contractors Dunnes, this review covered systems and actual defined costs. A full report is expected for the Board to review and action where necessary.

In response to question on inflation impact, DR noted that any movement in RPI inflation index is no indication that actual defined will actually increase at same rate. Due to the inflation model being average movement over contract period, Brookfield cannot guarantee at this early stage in the contract that they will received an increase in the Target Price due to information risk triggered. It is therefore in Brookfields best interest to utilise commercial advantage to minimise risk of inflation while letting the early sub-contract packages, which will be of benefit to Board to mitigate exposure to actual defined cost payable.

The key to managing risk is to work closely with the contractor and their sub-contractors and fully understand risk transfer down supply chain and what has been retained by Brookfield to be managed out of remaining risk allowances.

DR noted that in the early part of the new year around 50% of costs will be known and where risk of cost escalation may sit due to inflation.

6. Accelerated ASR

In JG absence PG reviewed this paper marked enc 5. The outcome of the consultation re Lightburn should be complete and ready for submission to the Scottish Government in January 2011.

7. AOCB

As there were no further issues for discussion the Chairman brought the meeting to a close.

8. Date of Next Meeting

The next meeting of this group is scheduled for 10th December 2010 at 2pm in the Board Room – Construction Offices.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

3rd December 2010 at 3pm in the Board Room, Site Offices – SGH

Present

Robert Calderwood (Chair)	Chief Executive NHS GG&C
Barry White (via telephone)	Chief Executive – Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division – NHS GG&C
Jim Rundell	Audit Scotland Representative
Alan McCubbin	Head of Finance – NHS GG&C
Douglas Griffin	Director of Finance – NHS GG&C
Rosslyn Crockett	Board Nurse Director – NHS GG&C

In Attendance

Alan Seabourne – Project Director NHS GG&C

Douglas Ross – Currie & Brown

Apologies

Brian Cowan	Medical Director – NHS GG&C
Mike Baxter	Deputy Director (Capital Planning and Asset Management – Scottish Government
Stephen Gallagher	Deputy Director Health Delivery – Scottish Government

Minute Taken by

Allyson Hirst PA NHS GG&C

1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 8th October 2010 were reviewed and the following alteration noted :- item 5 paragraph 2 it should read Target Price due to inflation risk not information risk.

2. Matters Arising

SAS Shieldhall Depot – AS reported that SAS operational activities had been moved off site successfully and the demolition of the building was underway.

Current Helipad - Gary Rutherford was working with the project in setting up the temporary helipad site and the necessary protocols and procedures were being written up.

Scottish Water Property Purchase – AS reported that this was progressing well. Value had been agreed and the plans were in progress for the agreed road to be completed for Scottish Water and the road into the new hospitals. It was noted that this was an integral part of the progress of the new hospitals build. A paper was completed and ready for submission to the Property Committee on the 13th December.

It was noted that both these projects were on budget and programme.

3. Update on New Hospitals and Laboratories Construction

AS spoke to the paper marked Enc 2. AS noted good progress is being made in relation to the Laboratories construction project.

AS reported that Capita Symonds, who are employed by the Board as supervisors have submitted their 5th report on the Laboratories construction quality. Report concluded sub and super structure works in accordance with specification with good workmanship and processes and procedures are in place

Demolitions (Main Site)

AS reported that 7 buildings had been demolished to date with few issues being raised regarding noise and vibration.

Community Benefits

AS reported that Brookfield Construction were working with Glasgow South West Regeneration to achieve their targets which is currently sitting at around 10%. A further “meet the buyers” session had taken place with local companies and it was noted that a local company had won the contract for the ventilation systems within the laboratories with other companies in the running for other contracts in the pipeline.

Planning

AS noted that planning permission for hospitals design (MSC 2) had been granted by Glasgow City Council with conditions. The project team are working along with Brookfield to purify these.

5. Finance

AMcC spoke to enclosure 3. It was noted that there had been minimal change since the last report, with a net increase in compensation events of £16,000. Further details on the individual movements on compensation events were contained in Table 2 of the paper. AMcC confirmed that, at the present time, the overall project budget noted within the paper amounted to £841.7m which remained consistent with the information presented in the Full Business Case that had been submitted to SGHD.

6. FBC Approval

AS reported on enclosure 4. He reported that NHS GG&C Board had approved the Full Business Case at their meeting on 26th October. It was then submitted to the Capital Investment Group on the 9th November. As a result of the meeting approximately 24 questions were returned to the project for response. Verbal confirmation of FBC approval had been received from the Scottish Government but a formal letter from Derek Feeley was awaited.

BW responded with a question asking if there were any further issues which could impact on the project going forward – it was not thought so. RC noted that he would be meeting Derek Feeley at a regular meeting and would seek his confirmation that a letter would be forthcoming.

AS requested that the Group confirmed their approval of the Full Business Case. This was confirmed.

Instruction to Proceed

DR reported on the paper marked enclosure 5. This would proceed upon the approval of the Full Business Case and completion of Appendix K. DR noted that the project team and technical advisors were in the process of finalising the Appendix K and this should be completed by early next week. Once this is completed a letter will be signed by the Boards and Brookfields authorised signatories which will signify the project moving forward. The project team were satisfied with the progress to this point/

BW questioned the financial position of Brookfield and asked if in the current financial situation had impacted the company's ability to continue with the project. It was noted that Brookfield Construction were backed by Brookfield Europe and on the previous assessment the Boards Financial advisors, Ernst & Young were satisfied with their financial strength. DR pointed out that contractually the Board also had a security package in place including Bonds and Guarantees which are in place to support any financial failing of Brookfield Construction. BW asked if there was any indication that Brookfield had shown any financial weakness recently and how they compared to their market competition. DG enquired if BW had some insight to there being any issues with Brookfield Construction but BW responded that there wasn't and acknowledged that in the current climate all companies had difficulties. Brookfield Construction's financial strength was fully considered during the pre qualifying and evaluation process and found to be acceptable to proceed with the project. RC suggested it would be good governance to ask Ernst & Young to carry out a check of the current financial status of Brookfield Construction to determine if there had been any material change over the last year which may affect their ability to complete stages 3 and 3(a) of the project and report back to the Board Chief Executive within the next few days to enable appropriate decisions to be made regarding the approval to proceed.

Risk Management Update

DR reviewed the paper marked enclosure 6. It was noted that this was submitted with the Full Business Case and showed a risk value of £58.3M including VAT. DR pointed out the key risks which were noted on the paper and explained the purpose of these and the values used to calculate these risks. It was noted the ground risk was the Boards own risk (which was agreed by the Board and its Technical, Legal and Financial advisers during the dialogue process with the bidders) and was considered to be low. This was based on knowledge of the land use, previous building works and experience of the site. It was noted that a reasonable amount of site investigations had taken place over the recent years which included bore holes and geological scanning for assessment and as far as could be ascertained at this time the likelihood of unforeseen ground problems was low but the impact on a project of this scale could be very high. This risk amount currently allowed for would be reduced over the coming months as the project progressed and risks are either mitigated or do not arise.

The project team work closely with Brookfield and meet regularly (weekly) to assess and review issues as they arise and deal with as issues immediately they are flagged.

BW raised the issue of foundation planning – there have been numerous tests carried out in line with standard requirements some areas covered by existing buildings are only just completed but no material issues have arisen – testing was carried out to show that the bedrock was approx 35m below the surface and the labs build and the new maternity unit has shown this is consistently the case. The only issues currently identified are underground gases and contaminated water which could cause problems both internally and externally and hence we are setting up a monitoring regime to deal with any water leachates that could be detrimental to adjacent sites. BW asked how stringent the testing carried out had been – DR noted that all tests had been carried out to British Standards.

It was noted that the inflation index (RPIX) used on the project has been changed to start at 1st January 2011 instead of 1st January 2010 as the new base date for monitoring inflation risk.

7. Accelerated ASR

JG reviewed the paper marked enclosure 7. RC explained the purpose of the original Acute Services Review. RC noted that this plan had changed due to the current financial and economic climate. Under these current restrictions it was considered to be a better option to refurbish current buildings to bring them up to current standards. The movement of services made best use of facilities available.

8. AOCB

No further business was discussed and the Chair brought the meeting to a close.

9. Date of Next Meeting.

No date was set but it was agreed that the next meeting would take place in February 2011. Agreed dates for next year will be sought from the members.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

2nd March 2011 at 3.30pm in Meeting Room 1, Site Offices – SGH

Present

Robert Calderwood (Chair)	Chief Executive NHS GG&C
Barry White	Chief Executive – Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division – NHS GG&C
Iain Lohead	Audit Scotland Representative
Brian Cowan	Medical Director – NHS GG&C
Douglas Griffin	Director of Finance – NHS GG&C
Stephen Gallagher	Deputy Director Health Delivery – Scottish Government
Norman Kinnear	Major Capital Projects Advisor – Scottish Government

In Attendance

Alan Seabourne	Project Director NHS GG&C
Douglas Ross	Currie & Brown

Apologies

Rosslyn Crocket	Board Nurse Director – NHS GG&C
Alan McCubbin	Head of Finance – NHS GG&C
Mike Baxter	Deputy Director (Capital Planning and Asset Management – Scottish Government

Minute Taken by

Allyson Hirst PA NHS GG&C

1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 3rd December 2010 were reviewed and noted as an accurate record of the meeting.

2. Matters Arising not on the Agenda

SG raised the question of the Brookfield financial situation as mentioned in the previous minute – AS responded that Ernst and Young (E&Y) had clarified that the financial situation for Brookfield was the same if not better since being awarded the contract. The E&Y letter had been circulated to the group previously for their information.

3. Matters Arising

Instruction to Proceed – AS reported that this was concluded with Brookfield on 17th December 2010.

Brookfield Name Change – AS reported that the company name had been changed from Brookfield Construction (UK) Limited to Brookfield Multiplex Construction Europe Limited (BMCEL). It was noted however that only the company name had changed and there was no legal implication for the project.

4. Update on New Hospitals and Laboratories Construction

AS spoke to the paper marked Enc 2. AS noted good progress is being made in relation to the Laboratories construction project. He advised that a number of sub contracts were now underway

AS advised that the current pneumatic tube system between A&E, ITU and Labs would be removed when the new labs opened therefore he was seeking a price from BMCEL to install a temporary connection

Sub-Station - AS reported that this part of this project was running approximately 5-6 behind due to machinery breakdown and weather. BMCEL were working hard to pull this back into line, BCML, had discussions with Scottish Power and have rescheduled the internal fit out, therefore the connection date to the labs will still be on programme. The connection is scheduled for 19th September 2011.

Enabling Works - AS reported that the final demolitions for this stage were now completed – both nursery and sub-station next to maternity have now been cleared.

Adult and Children's Design Review – AS reported that 1:50 were now at final stages before going to user meetings during the months of March – June. AS noted that this was on programme but that there was a high risk as there may be changes requested by users. At the end of this process a full equipment list will be generated.

Piling for new hospital – as per contract the site needs to be ready for BMCEL to start work by 28th March – AS noted that parts of the site had been handed over early to allow preparation.

Community Benefits – AS reported that the targets had been met and exceed in some instances as per the information on the paper. A post code analysis had been carried out on staff working on the site. The feedback from that indicated that

50% from Glasgow
43% other Scottish cities
7% from Europe

Art Strategy – AS reported that the art strategy had now been agreed. He advised that there was a project budget of £920k net to develop and implement the strategy.

The strategy has developed core elements which now require to be detailed to be integrated into the buildings construction. The strategy also sets out some other enhanced/aspirational works which would require additional

funding from possibly charitable organisations. Anna Baxendale will present the Arts Strategy to the Acute Services Re-Design Group in April 2011.

Helipad – AS reported that the current helipad would be closed to landings from 18th March 2011. Planning permission had been submitted to Glasgow City Council for a temporary landing pad on Thales site. SAS's long term plan is to have a permanent pad on the north of the Thales site and have a consultancy team in place to progress this work. All clinical protocols have been discussed and are in place for this move assuming that Glasgow City Council approve the temporary pad – this should take place at the Council Meeting on 8th March. If this fails to materialise then SAS have a contingency plan to land helicopters on the current site at SECC and RAH. The hospital have been assured that SAS will still be able to fulfil their obligations to patients if this happens.

VIE – AS reported that plans were in place to move the current VIE which is at present sited where the new road and service ducts from the hospital to the laboratories require to be constructed. Detailed discussion have taken place with relevant clinical and technical people to ensure a safe and correct processes are followed. The move is planned for 11th April 2011.

Surgical HV Sub-Station – the plans to move this are currently under some discussion – again this is required to construct the new road and service ducts. This work is scheduled for late September 2011

Scottish Water – AS noted that the offer and legals are almost complete. The only issue still to be finalised is the access to the Orange phone mast. The cost for all works and land purchase is within project budget.

Ground Contamination – DR reported on the ground contamination risks on the SGH site. It was noted that during pre-bid testing there had been no issues noted but as buildings have been demolished and cleared some issues of water contamination and ground gases have been found. With regards to ground water isolated areas of contamination have been identified and as such an additional requirement from the Glasgow City Council is that there will be continued testing until 2012, this may extend to the full duration of the contract subject to readings and GCC requirements. . Ground gases were found in the energy centre area which had the impact of extra membrane added to foundations. Costs are noted in the finance paper for both these issues. During gas monitoring pre Christmas increased levels of ground gases were encountered, as the readings were considered to be erroneous due to excessive ground disturbance arising from demolition works, and frozen ground, additional monitoring has been instructed This work is ongoing, and initial readings indicate gas levels at acceptable levels more in line with Site Investigation Report issued with Tender Documents.

5. Finance

Overall Budget – DR confirmed overall budget remains stable with minimal changes since last Meeting. Risk provision is £69M at Target Price level and £60M at Max Price level.

Compensation Events – DR reported on the movements since the last Meeting included in the Finance Report, these were additional costs for

enhanced membrane to Energy Centre, and additional ground water and ground gas monitoring. Discussions are ongoing in connection with the pending Compensation Event for impact of inclement weather. Met Office records are awaited to finalise review of impact and costs.

6. Accelerated ASR

JG review the paper marked enc 4. This focused mostly on the moves of staff and services. JG noted that there had been good staff and community engagement throughout this process and this would continue until all moves completed. There had had been a clear day to day work programme to enable this process to run smoothly and that the entire process had generally gone well and on time.

7. AOCB

Inflation – DR presented a Supplementary Paper in Inflation, confirming the agreed contractual position was renegotiated for inflation tracking. The base date moved from 1st January 2009 to 1st January 2010, which mitigated potential impact through 2010 of excessive inflation above Board accepted risk position. Current projects for Office of Budget of Responsibility indicate average RPIX over the coming period to be slightly above the accepted 2.5% position. RPIX Inflation impact to be monitored and reported on an ongoing basis.

BW raised the question of the project team resources due to the scale of the project and the heavy workload involved in the design and construction of the facilities. AS advised that his team were working hard to keep within the project deadlines but acknowledge there were obvious pressure points. He advised that his team shared the workload in critical areas in order to have wider team knowledge and be able to continue tasks if team members were not available.

9. Date of Next Meeting.

The next scheduled meeting of this group would take place on **5th May at 11.30** – please note this meeting will take place at **NHS GG&C Headquarters at JB Russell House, Gartnavel Royal Hospital**

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

5th May 2011 at 11.30am in Meeting Room F, NHS Board Headquarters

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division, NHS GG&C
Jim Rundell	External Auditor, Audit Scotland

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Carmel Sheriff	Scottish Government (on behalf of Stephen Gallagher)
Douglas Ross	Commercial Director, Currie & Brown

Apologies

Brian Cowan	Medical Director, NHS GG&C
Douglas Griffin	Director of Finance, NHS GG&C
Mike Baxter	Deputy Director Capital Planning & Asset Mgmt, Scottish Government
Norman Kinnear	Major Capital Projects Advisor, Scottish Government
Stephen Gallagher	Deputy Director Health Delivery, Scottish Government

Minute Taken by

Shiona Frew	Project Administrator, NHS GG&C
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1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 2nd March 2011 accepted as an accurate record.

2. Matters Arising

AS advised that in the absence of an ASSB meeting he had met with RC and JG to agree a proposal to install a temporary pneumatic tube system between the old hospital and the new Laboratory Facility which was necessary and would mitigate additional revenue. AS requested that the pneumatic tube proposal be accepted formally by ASSB members as a change which would change the target cost by £79,547. RC commented that it had been agreed that a) the pneumatic tube should be installed, b) Brookfield Multiplex Construction Limited (BMCL) would be asked to carry out the works and c) the cost would be covered by the Board's Capital Plan and would be additional to the £841.7m. JG confirmed that it would be operationally very difficult and very expensive to provide a delivery service to the new Laboratory Facility in the interim period without the pneumatic tube system

RC advised that there had been a £20,000 movement from the Barr Contract to the BMCL Contract which was an internal Board accounting task whereby £20,000 is to be moved from the Board accounts into the control of the Project Team for the BMCL additional works.

RC requested that AS prepare a brief for circulation to ASSB members to advise of the pneumatic tube and car park 1a works which were to be carried out by BMCL and funded from operational monies not from the £841.7m.

BW requested that in future the minutes are circulated sooner after the meeting. RC agreed that in future the minutes should be issued in draft to members within 7 to 10 days after the meeting.

3. New Hospitals and Laboratory Update

AS spoke to the paper marked enclosure 2. AS advised that the Laboratory Facility remains on programme and on cost. The fit-out proposals for the Laboratory Facility were on-going and the Project Team were coping well in relation to ensuring decisions are taken timeously. In terms of the Labs Facility being stand alone whilst the new hospitals are constructed interim arrangements for access, control, safety, etc, were being finalised. The Fire Procedures and Processes for the building was currently work in progress.

Sub-station – AS reported that work to the sub-station was ongoing and back on programme. Scottish Power would be onsite to commence the fit out works from 25th May 2011.

Enabling works – AS reported that key enabling works taking place includes the new drainage and the new culvert diversion on Langlands Drive. The culvert diversion was currently running 4 weeks late due to a number of unforeseen circumstances however the NHS Team were continually liaising with BCL to ensure no further programme slippage.

Scottish Water Infrastructure proposal – AS advised that the Scottish Water infrastructure works would commence soon. The testing and design had been concluded and the tenders for the infrastructure works had been received. Once the tenders had been assessed the works would commence as soon as possible thereafter.

Relocation of Oxygen Tanks – AS reported that the relocation works for the oxygen tanks was on programme and ongoing, all the invasive works had been concluded and the tank change-over would be concluded on 17th May 2011.

Adult and Children's Design Review – AS commented that the paper provided a sample table of some of the departments which were being met. The design review work continues to be on programme and the sign off process continues to be on programme. Discussions with theatres were on-going regarding the setting out of the Adult Hospital interventional theatres. At the end of the 1:50 process in July the NHS Team will have a definitive equipment list.

Stage 3 – AS reported that the stage 3 works had commenced. BMCL had received some of the site access earlier than anticipated in order to undertake some enabling work (pile mat, etc). The pile mat was currently being installed and piling works were ongoing. The helipad had been closed on 29th March 2011 therefore there were no more helicopter landings taking place on the SGH site. As part of giving BMCL access to the construction site the new multi-storey car park had been opened on a phased basis but that the car park was now fully open. There was minimal work to be concluded at the car park however as these works would impact on the BMCL drainage works it was agreed that Barr's would hand-over the finishing works to BMCL (as discussed earlier).

Community Benefits – AS reported that BMCL had a school's learning programme with Govan High and this was progressing well. BMCL were also linking in with other local schools. The Training and Recruitment Centre was due to open in late May which would be run by Glasgow South West Regeneration Agency. BW enquired if there were figures available on the number of apprenticeships and AS confirmed that he could provide information on the number of apprenticeships and training opportunities. AS reported that the community benefits targets were being met and in some instances exceeded.

Scottish Water Land – AS advised that the Board had purchased a strip of land from Scottish Water in order to create the new boulevard. As part of this purchase it was agreed that the NHS would re-provide a roadway on the remaining Scottish Water land. The new road works were on programme and BMCL would take ownership of the strip of land later that month.

Helipad – As previously discussed the helipad on the SGH site had been closed on 29th March 2011 and the Scottish Ambulance Service were making provision for the temporary helipad across the road from the SGH. Works to make the temporary helipad operational had been carried out and it was hoped that planning approval would be obtained within the next 6-8 weeks. Currently Emergency helicopters are landing at the SECC and Royal Alexandra Hospital.

BW sought clarification that the 1:50 process would complete as programmed. AS advised that the 1:50 process had entailed, prior to conclusion of Stage 2, having 2 sessions with Users whereby the Architects attended and drew up drawings. Further sessions (pre UGM Meetings with only Project Team members) took place between January and March whereby the drawings were checked to ensure that everything that had been requested had been incorporated onto the drawings and any omissions confirmed and the drawings further updated as necessary. Thereafter the updated drawings were presented to the Users to seek agreement that the drawn room(s) was as requested. As part of this process consideration was given to equipment for each room and this was currently ongoing. The equipment list was being managed against that of the BMCL bid. BW enquired who was involved in the 1:50 meetings and AS confirmed that BMCL, Architects, NHS and QS's were involved in the 1:50 meetings. BW enquired about the programme of workshops and whether consideration was being given to flow of the hospitals i.e. security access, staff bases, patient call alarm systems. AS advised that further workshops would be held to develop the organisational arrangements for each department. AS advised that it was expected that the whole design development including Mechanical and Electrical would be concluded by end of December 2011.

4. Finance

- Compensation Events – DR advised that there was no change to the information presented in table 1 as there had been no further compensation events since the previous meeting with the last compensation event being for the on-going monitoring of site gases as discussed at the last meeting.
- Potential Compensation Events – DR reported that the inclement weather compensation event was nearing conclusion as the weather reports had been received from the Met Office the previous week. He anticipated that the inclement weather compensation event would be concluded within the estimated cost as identified in table 2.

The potential compensation event for the Car Park 1A interface works as identified earlier was being progressed i.e. moving a sum of money from the Barr contract and Brookfield being requested to undertake works. The scope of these works had been agreed and was currently being costed. The cost quoted in the table was an estimate at this time.

The potential compensation event for the Changes to Statutory Requirements (Labs) had been recorded in the table in order to formalise the request to change

requirements. These changes had no impact on the cost.

The potential compensation event for the extension of the period for ground water monitoring had been raised due to a request by GCC Planners as part of the planning application. Costs had previously been identified for monitoring through the Labs construction period however the GCC Planners had subsequently requested that monitoring take place through the full construction period. The cost for the extension to the monitoring had been identified at £18k.

- Movement since last report – DR advised that the movement since the previous report was -£38k.
- Defined Cost Update
 - DR advised that the Labs Project was currently on track and estimated to be £1.25m below target price. DR commented that there was only very minor works still to be procured for the Labs Project.
 - DR reported that the final costs for Stage 2 had been agreed which was circa £50k below the target price.
 - DR advised that the Stage 3 main works had all been let. BCL were testing the market for the other packages. Currently still projecting that current estimates remain within the Target Price.
- Overall Project Budget – AM advised that the target price budget had increased by £120k due to potential compensation events (circa £40k movement since the last report plus £80k for pneumatic tube extension.). The other costs in the table remained unchanged. The risk provision remains as £69m at Target price level and £60m at Maximum Price level. RC requested that for audit purposes the overall budget table be updated to indicate the £120k budget transfers.

DR advised that monitoring would continue and any issues would be raised as appropriate. DR left the meeting.

5. Additional Technical Adviser (TA) Fees

Since agreeing the contract with Brookfield Construction on 18th December 2009 the construction of the new Laboratory/FM Building and new Sub-station commenced (Stage 1) in February 2010. The knowledge gained in carrying out this work using the new NEC3 form of contract has led the project team to re-evaluate the technical adviser requirements as we move into constructing the much larger and more complex new hospitals.

The rescoping of the TA requirements has been carried out taking cognisance of the additional work required when using the NEC3 form of contract e.g. Payment & Assessment Process and Programme Management input, and this had led to requesting approval for additional fees.

The current expenditure to date for technical adviser support is £2.617m leaving a balance of £0.733m still to be used over the next 5 years. As stated above there are additional requirements now required to ensure appropriate technical management and cost control, and the project team's assessment of this additional work is £0.76m giving a total technical adviser expenditure of £4.110m.

With regard to the original tender submissions for the appointment of technical advisers in August even with the additional cost added to the Currie & Brown's original tender it is still lower than the other tenders. All other companies would have required the additional costs to be added to their tender submissions. RC commented that the Board had asked and received

confirmation for their Procurement and Financial Advisers that the value of the C&B commission could be increased to £4.1m without breaching EU Procurement rules.

BW confirmed that he absolutely agreed that the project needed to be appropriately resourced. He commented that he had raised this point at the previous ASSB meeting and that he agreed that the project team needed to be appropriately resourced as level of payments expected was circa £20m per month and it was crucial to ensure proper scrutiny of payments.

BW sought clarity in relation to the previous increase in the C&B Fees from the bid fee of £2.749m to FBC fee of £3.35m. AMc advised that section 2 of the paper detailed the previous £0.61m increase in fees.

6. Accelerated ASR Update

JG spoke to enclosure 6 which describes the closure and transfer of inpatient services at Stobhill to Glasgow Royal Infirmary (GRI). JG acknowledged that everyone had worked enormously hard to ensure the successful transfer of patients and allow for the services to be re-profiled. She commented that she had close liaison with the Medical Staff Association Sub-group members through-out the service transfer and they had acknowledged that the transfer of services to the GRI had been successful.

Vascular Services: the position hadn't changed since the last meeting and the re-profiled service was working well.

Renal Services: the re-profiled service on the Western site is working well

Urology Services: after some initial teething problems the service is settling down.

Phase 2 – Stobhill: this phase had been managed as appropriate

ASR Acceleration Schemes – Capital Plan (2010/11 to 2012/13): The only change to the table was in relation to Gartnavel Infrastructure where circa £1m had been moved out per year to aid the Board's Capital Plan balance.

Staff Engagement: as identified in previous papers i.e. Staff briefings, engagement with a number of fora.

Community Engagement & Communications Campaign: minimal problems encountered. Good progress achieved by the Community Engagement and Communications teams.

The acute in-patient beds at Stobhill had now been closed and the services reprofiled at GRI. CS acknowledged that from the Minister's perspective the closure of the inpatient beds at Stobhill had been successful and the engagement and communications programme was very good.

RC advised that the next stage was the ASR Acceleration during the period 2012/2015 would be discussed with the new Government and the Board would test sensitivities. The Board were getting to the stage that the next series of changes would need to be progressed due to a combination of achieving efficiency savings and service pressures however the Board would work with the Government as the next series of changes may have political sensitivities. The Board also foresaw challenges maintaining orthopaedics at multiple sites through to 2015 and there were also opportunities to be considered in relation to day surgery and elective targets in Clyde. There were some moves which could be carried out in the spirit of ASR including the potential rationalisation of ENT and Ophthalmology.

7. AOCB

BW suggested that it would be useful that at the next meeting consideration should be given to a paper on the Payment and Assessment process building upon the explanation about how the process worked which had been provided at a previous meeting. BW requested that the paper should advise on a) how much scrutiny is undertaken and b) any issues arising from the scrutiny, in order that ASSB members could be reassured by the level of scrutiny.

8. Date of Next Meeting

The next scheduled meeting of this group would take place on 8th July 2011 at 10am in the Boardroom, Construction Site Offices, SGH.

**New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board
May 2011**

Technical Adviser Fees – Position Statement January 2011

Recommendation:

The members of the Acute Services Strategy Board are asked to approve additional fees for Technical Adviser services to complete the New South Glasgow Hospital Project.

1.0 Background

The original technical adviser appointment in August 2008 was based on using a lump sum JCT Design & Build form of contract with contractors design. The original fee for technical advisers was £2.749m and the term of the contract was from August 2008 until 3rd quarter 2015.

2.0 Procurement Strategy

Through the process of developing the procurement strategy, in conjunction with Partnership UK, Scottish Government Capital Department and the Board's Financial and Legal Advisers, it was agreed to deliver the project through a different form of building contract which would be more attractive to the market and enhance the opportunity to maximise competition.

The form of contract chosen was the new National Engineering Contract (NEC3) and it was chosen following extensive market sounding carried out by Ernst & Young as the most appropriate form of contract which would a) attract the market, b) provide the Board with greater cost assurances and c) offered a good incentivisation mechanism.

This change in procurement route had an immediate impact on the technical adviser requirements and these had to be changed in line with the new procurement strategy. Subsequently, there was an additional cost for the technical adviser support of £0.61m hence increasing the technical adviser fee to £3.35m and this included work to:

- Change the Employer's Requirements (our brief)
- Complete additional design works
- Additional input to competitive dialogue
- Carry-out additional surveys

3.0 Re-evaluation of TA Requirements

Since agreeing the contract with Brookfield Construction on 18th December 2009 the construction of the new Laboratory/FM Building and new Sub-station commenced (Stage 1) in February 2010. The knowledge gained in carrying out this work using the new NEC3 form of contract has led the project team to re-evaluate the technical adviser requirements as we move into constructing the much larger and more complex new hospitals.

Although the Laboratory Project is a large scale construction project it is clearly not in the same scale or complexity of the new hospitals. Therefore, after reviewing what will be required from

our technical advisers to support the construction of the new hospitals it is clear the Board needs additional input in the following critical areas:

The Technical Adviser team will provide support to the Board's Project Team to manage the following key activities that form part of the NEC 3 contract structure and delivery.

Monthly payment assessment – monthly payments are based on the defined cost of works. Monthly requests for payment from the contractor require detailed review to drill down and undertake audits to a level of detail to allow for full and proper scrutiny and validation of costs.

Monthly valuations are currently running at a value of £7m and will escalate throughout the summer months to match this year's anticipated cashflow of c£124m and the following years of £200m and £150m.

The payment assessment process is more rigorous and more time consuming than a traditional approach and will ensure the NHS only pay for costs properly incurred.

Programme management – the contract requires monthly review and approval of all the project programmes. At present the Project Team monitor and review around 9 separate programmes for the new hospitals projects and the largest of which is 20 pages. To maintain a detailed working knowledge of the programmes and monitor against work on site requires more dedicated resource input from the Technical Adviser to the Board's Project Manager. The programme review and acceptance is a formal contract requirement for the project manager and as such the scrutiny prior to acceptance is greater than in non NEC3 managed contracts.

Project Management support – the requirements over the next 5 years will require the Board team to be dynamic and respond to actions necessary to maintain progress during the construction stage of the project. A broad range of skills will be required to react to a fast moving construction project, to manage issues proactively where there maybe risk of potential cost escalation or programme slippage.

Key over the next 6-12 months is input to the 1:50 room layout process and further development of the detailed equipment list. The Technical Adviser will assist the Board to develop Brookfield's design drawings to the next level of detail with user groups and also with Board's procurement arm in terms of new and transfer equipment for the new facilities.

Due to the extension of the project programme by the successful tendered (i.e. stage 3a) this requires additional input from the technical advisers.

4.0 Full Business Case Fee Budget

The total fee budget within the approved Full Business Case (FBC) amounts to £7.07m and is built up as follows;

• Laboratory Fees - 2009/10	£2.092m
• Currie & Brown (Technical Adviser) fee	£3.350m
• Capita Symonds supervisor fee	£0.970m
• Fees and surveys, etc	<u>£0.658m</u>
	£7.070m

5.0 Technical Adviser Expenditure - Benchmarking

The current expenditure to date for technical adviser support is £2.617m leaving a balance of £0.733m still to be used over the next 5 years. As stated above there are additional requirements now required to ensure appropriate technical management and cost control, and the project team's assessment of this additional work is £0.76m giving a total technical adviser expenditure of £4.110m.

With regard to the original tender submissions for the appointment of technical advisers in August 2008 a summary of the three best bids for comparison purposes is provided in table 1. As can be seen from the table, even with the additional cost added to the Currie & Brown's original tender it is still lower than the other tenders. All other companies would have required the additional costs to be added to their tender submissions.

Table 1 - Technical Adviser Bids - Top 3 Combined Offers (Adult & Children's + Labs)

Stage	Currie & Brown	2nd Bid	3rd Bid
Employers Requirements	841,365.00	849,295.00	1,521,687.00
Competitive Dialogue	348,850.00	994,695.00	1,475,936.00
Design Development	784,370.00	1,291,969.00	1,741,436.00
Construction	625,099.00	3,512,292.00	3,453,938.00
Commission	99,095.00	394,542.00	523,530.00
Post Project Evaluation	49,909.00	373,133.00	260,052.00
Total	2,748,688.00	7,415,926.00	8,976,579.00

6.0 Project Budget

With regard to the additional work the overall project budget is not changed as there is an allowance within the non-works budget to address this type of situation. The non-works budget currently sits at £1.8m and the project team are requesting that £0.76m be transferred from the non-works budget to the technical adviser budget hence no impact on maintaining the overall project budget of £841.7m.

7.0 Recommendation

The members of the Acute Services Strategy Board are asked to approve additional fees for Technical Adviser services to complete the New South Glasgow Hospital Project.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

8th July at 10am in the Board Room, Project Offices, Construction Site

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division, NHS GG&C
Ian Lohead for Jim Rundell	External Auditor, Audit Scotland
Paul James	Director of Finance, NHS GG&C

In Attendance

Alan Seabourne	Project Director, NHS GG&C
David Hall for Douglas Ross	Director, Currie and Brown

Apologies

Brian Cowan	Medical Director, NHS GG&C
Mike Baxter	Deputy Director Capital Planning & Asset Mgmt, Scottish Government
Norman Kinnear	Major Capital Projects Advisor, Scottish Government
Stephen Gallagher	Deputy Director Health Delivery, Scottish Government
Douglas Ross	Commercial Director, Currie & Brown

Minute Taken by

Allyson Hirst	PA Project Team
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1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 5th May 2011 accepted as an accurate record.

RC welcomed Paul James as the Board's new Director of Finance to the group.

2. Matters Arising

The previous minutes had requested a presentation on the Monitoring and Assessment of the works being undertaken. Due to the fact that DR was on holiday and was not available to attend this meeting it was agreed that DR and AS would meet BW and brief him on the process and the outcome of this will be fed back at the September meeting.

3. New Hospitals and Laboratory Update

AS advised on the progress made to the key milestones of the laboratories project. In addition, he advised that the laboratories project had achieved a Building Research Establishment Environmental Assessment Method (BREEAM) excellent at the design stage with a score of 72.29%. BREEAM was the world's foremost environmental assessment method and rating systems for buildings and had been first launched in 1990. BREEAM sets the standard for best practice in sustainable building design, construction and operation and had become one of the most comprehensive and widely recognised measures of a building's environmental performance.

RC asked who was responsible for service commissioning of the new laboratory facility. AS responded that Lorraine Peebles was the Commissioning Officer and is currently working within the project team. RC requested a project plan showing the programme of

service moves and also the plans for the residual accommodation vacated by laboratory services. AS reported that the Bio-Chemistry building was programmed to be demolished in August 2012 and this was on the main contract critical path. PJ asked about timings of car park construction and RC advised that AS would discuss this detail with PJ as part of his induction.

BW asked if BREEAM Excellent was mandatory for BMCL. AS indicated that it was mandatory for all new health buildings to achieve a BREEAM rating of excellent. AS went on to explain the energy consumption would achieve an EPC rating of B and that the Co₂ target was 80kg Co₂ per M².

Stage 2 A&C Design - AS reported that the 1:50 process was concluding and there would be generic workshops to address issues such as fire, security, M&E, IT and emergency power etc. The issues emerging from the 1:50 process relate to detailed design issues with users regarding interventional theatres, children's therapy pool and conversion of ENT consulting room to hearing test room. AS explained to PJ the sign off procedure for design changes and the process of any design alterations being documented and requiring sign off by JG and RC for approval before any changes were taken forward. AS reported that other than above there had been no major changes although the process isn't concluded yet.

Equipment - AS advised that a product of the 1:50 process would be a complete equipment list for the two hospitals. The list would identify the equipment categories ie Group 1 to 5. Main focus initially is the Group 1 which is supplied by BMCL. A comparison of Group 1 between the new list and BMCL's bid was the first priority. Initial feeling is that the new equipment list was below BMCL's bid cost. With regard to the other equipment Groups ie 2,3,4 and 5 these will be compared to an equipment transfer list to be compiled by the Project Team and the service and a Gap Analysis then produced showing the difference ie the equipment to be purchased. This work is planned to be completed around October 2011. AS advised that the 1:50 process outputs would be signed off by Acute Directors. JG noted that the service areas moving onto the new site had been working on the premise that any future equipment purchases would be procured taking an NHS GG&C wide approach to ensure continuity as this is transferred to the new hospitals. It was noted that from previous experience in transferring equipment to hospitals there had been a high level of transfer. PJ raised the issue of equipment write off and AMcC acknowledge this as an issue he was sited on.

Retained Estate - AS reported that his team were currently working with Acute Services Directors to look at the buildings that would be retained within the SGH and how best to utilise them. The Project Team had compiled a list of all staff at Victoria, Western Infirmary, Yorkhill and Southern General Hospital and Acute Directors would be asked to agree those moving to Southern General site.

Ground Works - AS reported on the ground works taking place within the SGH at present. He noted that the piling works currently taking place for the A&C site was currently running about 2 weeks late due to unforeseen complications but in order to resolve this, further piling rigs had been brought on to site. It was noted that ground conditions was still a high risk as at present as BMCL are currently only working on around 40% of the site. AS reported that by the next meeting of this group in September around 60-70% of piling works should be completed.

Helipad – AS reported that the temporary helipad became operational on 5th July 2011. The first landings had taken place although no night time landings had been undertaken.

Scottish Water – AS reported that legal works would be now completed imminently and that contractors had been working on the land under license. AS reported that a budget of £500k had been allocated and the final costs for the purchasing process had been concluded around £265K

4. Finance

AMcC spoke to the paper marked enc 3. AMcC reported that the project's core budget remained unchanged at £841.7m but noted that for reasons of efficiency, BMCL are to undertake minor supplementary work of c.£111k under the existing contract. As this supplementary work relates to capital schemes outwith the scope of the core NSGH project, funding for this had been transferred from the Board's Capital Plan as reflected in section 9.0 of Table 1. It was emphasised that the inclusion of this work within Table 1 simply allowed budget responsibility to transfer from the Board's Capital Plan to the NSGH Project Team and in no way represented an increased pressure on the core budget. AMcC also confirmed that Table 1 incorporated a funding transfer of £760k from non works to direct fees to reflect the revised scope of works that had been agreed by both this group and the Performance Review Group, to be carried out by the Technical Advisors.

RC requested that a full audit process should continue to run to allow a clear and concise view of monies being spent and costs monitored.

AS spoke to paper marked enclosure 4 - Two items previously noted on Table 2 had now been moved to Table 1 these being the additional ground gas monitoring requested by Glasgow City Council and the exceptionally adverse weather conditions during the latter part of 2010. A review of Table 2 explained in some detail the reasons behind each of the items including the new Home Office requirements for CAT III Laboratory and the potential savings from reduction in site wide heating capacity which would be reviewed more fully when AS completes an energy analysis of the whole site.

Table 3 – shows the movement since the last report in April 2011 in favour of the project costs.

BW made a request for the group to be provided with information on planned and actual expenditure to date to act as an additional indicator of progress. BW advised that it was very important to know that the contract was keeping in line with project cashflows. This was agreed and would be produced for the next meeting. In addition, AMcC noted that there was a monthly meeting with BMCL which discussed the project cashflows and associated progress. of works

BW noted that inflation was running high and asked the impact on the project. RC explained that BMCL had previously agreed to move the initial base date for the inflation impact calculation from January 2010 to January 2011, thereby mitigating the impact of the inflation experienced during 2010. The final inflation figure would be calculated at the end of the contract. AMcC reported that finance were closely monitoring the inflation projections however noted that the monthly comparisons of independent forecasts published by HM Treasury illustrated that a wide range of different views were currently held as to where future inflation levels would sit. The other variable in relation to the eventual impact of inflation was the final level of defined costs incurred under the contract and how this would affect any subsequent gain/ pain share calculation. It remained the intention to set aside an annual inflation provision based on the latest information and forecasts available. It was agreed that an update paper on the inflation position would be brought to the November meeting of the group.

5. Briefing papers – At the last meeting of the group it was minuted that AS would produce two briefing papers explaining in detail the reason for the change in contractual arrangements for Car Park 1a and the Pneumatic Tube connection within the project. These two papers were noted by the group. AS went on to explain that the continuation of the current works on the Car Park 1A would have cost extra monies had Barr continued and completed the works as BMCL would then have to come along and remove finishes to allow them to continue with there own works. Full explanation will be forwarded to the

group in an amended briefing paper to be sent out with the draft minutes.

6. ASR

JG gave a verbal update on the Acute Services Review noting that the process was now concluded with all planned service changes in place. JG reported that a formal group along with sub-groups had been set up to compile a report on the impact the changes had made and a review of the pulling together of the two Health Boards, this was due to be released in the summer of 2012 and this would conclude the 2020 Vision. This will lead to a review of the rationalising of property with NHS GG&C as this was one of the main costs which requires reduction but also having as little impact on patient services as possible

7. AOCB

An update on the Risk Register was requested for the September meeting of the group. BW raised the question of working relationships with BMCL ie compliance with requests etc. AS reported that he was happy with the working relationship as were members of the project team. BW also noted that with little or no significant change to the design it was to the credit of the project team to achieve such an outcome.

Items of work for review at September meeting

High Level Laboratory Transition Plan including plans for vacated property
Set up Audit trails showing budget and payments to BMCL with explanations
Cashflows – planned v's actual
Review of risks to the project

8. Date of Next Meeting

This was to be scheduled into diaries for early September

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

20th September at 2pm in the Meeting Room D, JB Russell House

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division, NHS GG&C
Jim Rundell	External Auditor, Audit Scotland
Paul James	Director of Finance, NHS GG&C
Mike Baxter	Deputy Director Capital Planning & Asset Mgmt, Scottish Government
Carmel Sheriff	Health Delivery, Scottish Government

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Director, Currie and Brown

Apologies

Brian Cowan	Medical Director, NHS GG&C
Norman Kinnear	Major Capital Projects Advisor, Scottish Government

Minute Taken by

Allyson Hirst	PA Project Team
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1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 5th July 2011 accepted as an accurate record.

2. Matters Arising

There were no matters arising to note that were not already on the agenda.

3. New Hospitals and Laboratory Update

AS spoke to enc 2 on the progress to date on the New South Glasgow Project. AS reported that on the Laboratory Project that programming was on schedule and going well. AS highlighted a key issue for the Laboratory Project was the equipment list which is currently being pulled together. AS explained that this was an important issue as the laboratory build comes to a conclusion. This work would continue in unison with Brookfield over the next 4 or 5 months and was key to ensuring a smooth transition of services into the building. AS went on to explain the grouping structure of responsibilities between the NHS and Brookfield with a key issue being the major equipment being within Group 3 1 and noted that his deputy was working with the Managed Service Contractor (MSC) to ensure that key items were installed within the building. AS reported that himself and DR were working with Brookfield to ensure that items for MSC installed within the building before opening that there is clarity on warranties/responsibilities and this was an on-going process.

AS noted that technical commissioning of the building had already begun and work was being carried out with Capita to ensure compliance with employers requirements in all aspects of services within the build. It was also noted that Capita would be working closely during the "lock-down" of the building to ensure that rooms and equipment meet with the exacting standards set out at the beginning of this process.

AS reported that a handbook was being compiled for staff working within the building and would be taken to the October meeting of the ASR Group for approval before being distributed to staff. This handbook lays out relevant information for staff from changing facilities to telephone systems and security arrangements.

Site visits by staff are continuing over the next few months. Staff have reported positive feedback from those who have visited the site.

PJ raised the question of the weather affecting the construction progress. AS reported that this is monitored and although there had been a very harsh period over the latter part of 2010 this had not slowed down construction. He did note however that Brookfield had raised an Early Warning in relation to 2 instances of bad weather (rain) impacting on building works in May and June but himself and DR were working to negate this potential claim. It was not considered to become an issue as it is very difficult for Brookfield to demonstrate any adverse impact on programme.

Enabling works within the Southern General continue to progress well and AS noted that major works to change over of sub-station was being carried out at present.

AS noted that his staff were working hard to complete the 1:50 process and this would conclude within the next month or so and noted the few items of design change that had arisen from this process. AS referred the group to the 5 key changes noted in the meeting progress report. Costs will be presented at a later date, but are not considered significant and will be contained within the overall Group 1 and 2 equipment reconciliation.

BW queried the change in size of interventional theatres at this stage in the project. AS confirmed that the space is contained within the overall footprint of the department with minimal building work.

AS reported that the next major piece of work to be carried out by the project team would be the RDD. This work would be carried out in conjunction with the Boards advisors namely Currie and Brown and Capita to ensure that employers requirements and specifications of equipment are to required standard.

AS provided an overview of the multi-storey car parks to be built on the site over the coming years and highlighted the timeframes for each of these and the financial implications to the Board. RC requested that at a future meeting of this group a Business Case be presented for the car parks as the costs of these would be taken into the project budget.

AS noted that the main construction works on the new hospitals was progressing well despite some early issues with ground works and that piling was currently running 2 days behind original programme. AS reported that ground water works are now being tested on a monthly basis and it was noted that during quality monitoring the PAH levels had risen. This was considered by the BM advisors to be caused by the major excavation and dewatering works being undertaken and would settle once this was complete. If this wasn't the case then there is a financial risk to the project. The cost for the increased monitoring was noted by the group and agreed. AS was requested to provide an update

on this issue at the next meeting of the group.

AS briefly reported the progress on community benefits from the project and the positive outcomes from the different meet the buyer events held by Brookfield enabling local companies to win contracts for supplies and contract work within the site. He also highlighted the opening of the new Brookfield Healthcare and Science Suite at Cardonald College attended by the Cabinet Secretary.

JG spoke to enclosure 3 which detailed the work to be carried out in order to enable a smooth transition of staff to the new laboratories. The document also details the decommissioning plan for the vacated buildings and the plan to communicate information over the coming months to staff. JG noted that feedback from staff had been positive throughout this process. JG noted that a critical area of the transfer of staff and services was to ensure that specimen tracability was as robust as possible as this would be a high risk item during this time. It was noted that through this process the diagnostic and project team had worked closely together to ensure that all eventualities have been discussed.

The group noted that part of the contractors critical pathway was the demolition of the Biochemistry lab on the SGH to ensure continued construction compliance.

JG advised she was dealing with the transfer of City Mortuary staff.

4. Finance

AMcC spoke to paper marked enc 4 and noted that the presentational style of the report had been updated to take account of comments and suggestions made at previous meetings. Alterations included splitting subsequent budget movements between those which had an impact on the risk provision and those which did not, together with the inclusion of expenditure to date figures. AMcC noted that the core NSGH project budget remained unchanged at £841.7m. This excluded the non-core NSGH work which was being carried out by BMCL and which was described in detail at the previous meeting. Chiefly as a result of recognising a forecast underspend of £235k on the Scottish Water Land acquisition, the balance of the risk provision, at Target Price, had increased to £69.4m – up from £69.2m in July 2011. It was noted that, as highlighted earlier in the meeting, the risk provision requires to cover the costs of the three remaining Car Parks to be constructed on the site and, as such, MB requested that the car parking costs are shown outwith the risk provision for future updates. AMcC agreed to do this. It was also noted that the previously requested audit trail of the full amount payable to BMCL was included within the notes contained in Appendix 1 of the enclosure.

PJ asked if any work had been carried out to source areas of VAT recovery within the project. AMcC reported NHSGGC had been working with Ernst & Young, the project's Financial Advisors, on potential areas of VAT Recovery. Various discussions and correspondence had already taken place with HM Revenue & Customs and work on VAT Recovery was continuing, particularly in relation to elements of the construction that will relate to future areas of Business Activity e.g. Restaurant areas and retail outlets.

DR spoke to enc 5 noting the changes to this since the last meeting of the group highlighted in Table 3 totalling £13,447.90. DR went on further to explain the process of purchasing and monitoring of Brookfield spend and noted that this was very closely monitored with regular monthly meetings to review. DR agreed to provide defined costs to the next meeting of the group for their information.

DR spoke to enc 6 and updated on the cashflow of the project to date. DR noted that the costs were defined by programme changes, resequencing and delays but in a monthly meeting with Brookfield's commercial team they kept on top of the spending and forecasting of future spends. It was noted that the spend for the month of August was

slightly lower than anticipated due to delay in the programme of the CAT III, items not delivered when anticipated and invoices not yet received. BW asked what risks were involved in this process. DR explained that key risks to cash flow were programme related, betterment or delay however due to the monthly meetings to monitor and predict financial cash flow issues can be identified early and action taken. He did note that Brookfield are looking at invest to save schemes which may impact on cash flow but indicated that the spend was on track and in sync with predictions to date.

5. Labs and FM Service Yard

AS spoke to enc 7 and requested the group to approve the upgraded security requirements for the laboratory block. He further explained that this was necessary due to the work that would be undertaken within this area was sensitive ie CAT III. The cost was noted by the group and approved. AS thanked the group for their approval.

6. ASR

JG gave a verbal update on the Acute Services Review noting that the process had been revamped in order to ensure readiness for occupation of the new builds and to ensure that patient flows were appropriate and worked. At this time she was working with relevant colleagues throughout the city to ensure the correct people were in place to take the threads of works forwards working with managers and clinical staff. JG agreed to provide a paper for the next meeting of this group in December.

7. Review of Project Risks

DR spoke to enc 8 noting the changes to the risks associated with the project.. DR noted that an increased risk would continue to be included for inflation as there was uncertainty surround the level of RPIX and that ground risk would continue for the foreseeable future until the Council were satisfied with the water table testing. Equipment risk was increased as a protection as the full implications of this was not yet known until all equipment lists were completed and transfers were fully known. RC noted that with the Boards capital plan allocation for equipment being reduced, the ability to continue to purchase new equipment on an annual basis for transfer had reduced. The increased allocation to the project budget is prudent at this time. It was noted that an element of the residual risk provision was now being allocated towards the funding of the three multi-storey car parks within the new site. MB confirmed that SGH are supportive of this approach. Although there were challenges associated with this as at present, based on the latest risk provision balance, there was a shortfall of c.£5.3M. It was agreed that in future financial reports this remaining challenge would be disclosed and monitored through the incorporation of an appropriate note. The planning risk noted should be negated as the Council would be required to sign this off before the end of this year and would enable this to be adjusted accordingly. The risk issue would be revisited at future meetings as the works progressed and risk issues were no longer valid. RC requested that at a future meeting, likely in the early stages of 2012 the group would require to focus on funding and procurement to take forward construction in 2013 of the car park and that a business case would be completed. During discussion on whether the current inflation risk provision was sufficient at £20m, DR noted that any final payment to Brookfield will be calculated in line with the existing contractual pain/gain share arrangements. DR and AMcC explained the difficulties of forecasting levels of RPIX given the current wide range of expert forecasts being issued at present, as evidenced in the monthly Economic Forecasts published by HM Treasury. However based on a review of the latest median figures it was felt that the provision noted in enc 8 was reasonable at the current time, and would continue to be closely monitored. RC requested that a ready reckoner, showing a range of potential inflation out-turns, including a worst case scenario, be prepared for future reference.

8. AOCB

No further items were raised

9. Date and Time of Next Meeting

12th December at 11.30 in JB Russell House – Gartnavel Royal Hospital

DRAFT

**Acute Services Strategy Board
September 2011**



Project Director – New South Glasgow Hospitals & Laboratory Project

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

PROGRESS UPDATE – STAGES 1, 2 & 3

Recommendation:

The members of the Acute Services Strategy Board are asked to note progress of Stage 1 (Laboratory Facility construction), Stage 2 (Design Development of the New Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals).

1. Introduction

The content of this paper sets out the progress of each of the stages of the New South Glasgow Hospitals and Laboratory project and identifies changes since the last Acute Services Strategy Board meeting in July 2011.

2. Stage 1 – Laboratories

a) General Progress

The Project remains on programme to complete on 10th March 2012.

The following sub contract packages are well underway on site;

- Internal Partitions (95%)
- Masonry works – 97%
- Unitised cladding system – (99%)
- Lift installation – 50%
- External render – 100%
- Screeding and flooring – 60%
- Suspended ceilings – 35%
- Decoration – 60%
- Laboratory furniture – 20%

General Comment on Progress

The main focus of work is the internal fit out on all levels which includes installation of M&E services, ceilings, decoration, flooring and fitted furniture.

b) Equipment Processes

The equipment issues need to be clearly separated into those which are to be installed in advance of the Practical Completion and those that are to be installed as part of the migration process after handover. As part of this, there is a need to separate those items within each group that are transferring from existing locations.

Group 1

All group 1 equipment has been identified and is to be supplied and installed by Brookfield as part of the contract. This equipment is included within the current equipment list and therefore, there is no outstanding information. This includes fume & safety cabinets which have been transferred from group 2.

Group 2

Group 2 equipment is to be procured or transferred by NHS GG&C and supplied to Brookfield for installation to meet the close out programme. This is any equipment that needs to be installed.

Group 3

Group 3 items are those items not requiring any installation and these are all post handover therefore have no contractual impact i.e. tables, chairs, freestanding bookshelves, appliances.

Group 31

Group 31 equipment items are to be split into two groups, pre and post handover installation. These items include:

- MSC Contract items (Abbott)
- Dissection Benches
- Ventilated Cabinets
- X-Ray Equipment

A plan is being developed with Users and Brookfield to identify a programme of works for all items requiring to be installed pre and post handover.

c) FM Tasks during 'Fit Out' period

The Site Facilities Management Team will oversee the commissioning and migration of services into the Laboratory Medicine & FM Building from handover on 10th March 2012. FM will undertake a range of tasks to ensure the building and staff are ready to become operational. A detailed plan with timelines and persons responsible for the tasks noted below will be completed by the end of October 2011. The table below identifies the FM tasks to be undertaken during the fit-out period.

1.	Manage Building Handover Procedures
2.	Develop FM building occupancy plan in alignment with Laboratory Services Migration; allocate Commissioning Team base for period.
3.	Key Management/Allocation process
4.	Access Control System: Programme Cards/ print for distribution following induction
5.	Induction/Orientation Process
6.	Fire Lectures/Fire Training for Wardens
7.	Fire Risk Assessments
8.	Fire Evacuation Plans (with users)
9.	Building Protection Installation for equipment delivery period
10.	Building Clean as required
11.	Allocation of toilets/disposal/lifts holds etc during migration
12.	Fit out DSRs/Disposal holds
13.	Vending Service Installation
14.	Meeting Room Booking System installation
15.	Interim Security during 'fit out' period/ control access to building/ sign in sign out process
16.	Security Arrangements during Migration Period
17.	Management of Service yard/waste compound, delivery schedule
18.	Relocate FM Management Team
19.	Fit Out Hospitality Pantry
20.	Supervision of removal company.
21.	Liaising with Procurement for new equipment delivery schedule
22.	Telephone handset allocation/testing/Telecoms/IT
23.	FM Staff Familiarisation Process.
24.	Help Desk Initialisation

d) Technical Commissioning Programme

A Commissioning Programme for the Laboratory Building has now been issued by Brookfield for review. The Commissioning Programme is set out and based upon systems that are completed and ready for commissioning. Formal Commissioning of the Laboratory Building has already started and based on the current programme the target for completing commissioning is the 27 February 2011. The table below shows some of the key dates in relation to commissioning.

Item	Start	Complete
Electrical Section Boards	17 August 11	20 October 11
Mechanical Boards Plant rooms	26 August 11	7 November 11
Lifts Power	29 August 11	24 October 11
Floor plates Lighting & Small Power	17 August 11	14 December 11
Emergency Lighting	17 October 11	28 November 11
Fire Alarms	1 August 11	23 December 11
LTHW Heating	24 August 11	14 December 11
Drainage Testing	1 June 11	18 November 11
Water Services	23 August 11	31 January 12
Flushing & Chlorination	16 January 12	31 January 12
Lab Gas	22 August 11	31 January 12
Air Systems (AHU)	1 September 11	14 December 11

The Commissioning Programme will be monitored on a monthly basis to ensure that target dates are met. Where the contractor fails to meet his own dates we will ensure that Brookfield programmes are re-sequenced in order to achieve their completion date of the 10 March 2012.

e) Laboratory Completion Plan

In order to complete the works in the Laboratory Building Brookfield have introduced a lock down strategy for the facility. Each floor level has been broken down in to areas, with each area being given a lock down date. This lock down date signifies the area does not require any further works to be carried out to complete. This will enable Brookfield to focus on each area in respect of the works still to be carried out and should limit or negate any return visit from their sub-contractors. The table below identifies the lock down dates for each area.

Level	Area	Lock down date
Level -1	Area 6	30 November 11
Level 0	Area 1, 2,3	18 November 11
	Area 4,5,6	29 November 11
	Area 7	22 December 11
Level 1	Area 1 & 2	20 October 11
	Area 3 & 4	24 October 11
	Area 5 & 6	11 November 11
	Area 7	29 November 11
Level 2	Area 1 & 2	7 October 11
	Area 3 & 4	25 October 11
	Area 5 & 6	30 November 11
	Area 7	12 December 11
Level 3	Area 1 & 2	2 December 11
	Area 3 & 4	18 November 11
	Area 5 & 6	14 December 11
	Area 7	22 December 11
Level 4	Area 3 & 4	15 December 11
	Area 5 & 6	23 December 11

f) Staff Handbook

Using the principals and methods used for the commissioning of the ACHs the Laboratory Medicine Project Group are developing a Staff Handbook aimed at all staff who will move to the new Laboratory Building this has been supplemented by the staff handbook developed by the Queen Elizabeth Hospital Birmingham.

The handbook will include guidance on the following subjects:

- Overview of the migration timetable
- Induction Session Timetable and contents of session including Fire Lecture
- Named contacts for each department
- Issue of swipe/access control cards
- Access points to building
- Building directory
- Staff rest areas
- Reception desk function
- Meeting room booking arrangements
- Hospitality booking arrangements for meetings/seminars
- Vending machines/catering retail outlets on campus
- Staff rest areas
- Staff changing facilities
- Car parking arrangements
- Telephone system
- Pneumatic tube system 2012 – 2015 interim arrangements
- FM help desk Guidance
- Local transport details
- Deliveries to building
- Mail services
- Telephone directory

It is proposed to have this handbook available electronically and with hard copies for those who do not have access to a pc.

A draft of this document will be submitted for approval to the Acute Services Redesign Group scheduled to take place in October 2011.

g) Site Visits

Visits to the New Laboratory Facility by staff who shall be moving into the facility have been ongoing throughout the month of August 2011. Feedback from staff to date has continued to be very positive.



Aerial view 31st August 2011

h) Project Support

The Director of Facilities has provided input from Ian Powrie (Sector Estates Manager – North East) to assist with the operationalisation of the 33kv sub station and Lab facility. Ian's role will involve him obtaining total familiarisation with all technical and operational aspects of the building to ensure that when the building is handed over in March 2012 the Board will have a good knowledge of how best to operate services within the new facilities.

3. Stage 1 – 33kv Sub Station

The fit out works to the 33kv substation continues. Scottish Power are predicting power on 22nd September 2011.

4. ASR II – Enabling Works

Culvert Diversion – works are now complete. The Project Director and Brookfield have agreed the level of delay costs attributed to the NHS due to the discovery of unforeseen services/ducts in the ground.

Surgical Substation – the new Substation is substantially complete. A switchover schedule has been developed and agreed with each user department. These switchovers will take place over the period 12th September to 23rd September 2011. A presentation on the switching process has been made to the Senior Facilities Team and Clinical Users.

Scottish Water Land Acquisition – The assignation of the lease by Orange to Everything Everywhere has now been signed by these parties and is now with Scottish Water for signing.

The completion of the purchase is now imminent and arrangements have been made to complete the financial transaction.

5. Stage 2 – New Adult & Children's Hospitals

a) 1:50 Process

The issues emerging from the 1:50 process are as follows:

- increase to size of one of the interventional theatres (Adult Hospital),
- the conversion of an ENT consulting room to a hearing test room (Adult Hospital),
- the conversion of a bedroom to a treatment room in ENT (Adult Hospital),
- adaptation to the therapy pool (Children's Hospital)
- install piped renal water system to a few specific departments in the Children's Hospital.

The detail and the costs of these are currently being assessed.

b) Equipment

A product of the 1:50 process would be a complete equipment list for the two hospitals. The list would identify the equipment categories i.e. Group 1 to 5. Main focus initially is the Group 1 equipment which is supplied by Brookfield. A comparison of Group 1 between the new list and Brookfield's bid is the first priority. With regard to the other equipment Groups i.e. 2,3,4 and 5 these will be costed and then compared to an equipment transfer list to be compiled by the Project Team and a Gap Analysis then produced showing the difference i.e. the equipment to be purchased. The timeline for this work was as follows:

Completed equipment list supplied to NHS	15/08/2011
Priced equipment list for Group 1 only completed by Brookfield	2/09/2011
Priced equipment list for all other Groups completed by NHS	20/09/2011
Complete equipment gap analysis	End December 2011

Currently, Brookfield are running approximately 3 weeks late with the Group 1 priced list as there are a number of clarifications being raised. This will have an impact on the costing exercise to be carried out by the NHS. This is not critical to the works programme.

c) Reviewable Design Data (RDD) Programme

As part of the on-going design development process there is a requirement within the contract from the Board to review and approve/accept/comment, as appropriate, a range of deliverables such as clinical functionality at department and room level, specifications, colour schemes, materials and components.

To support the construction programme Brookfield have developed an RDD schedule/programme which indicates that the majority of this will be required in the next 12 months. The schedule currently extends to in excess of,

- 5,100 drawings;
- 6,000 Room Data Sheets;
- 50 specifications;

and is expected to expand by at least a further 25%.

This volume of data review will require considerable resource focus from the Project Team and their advisors to satisfy contractual obligations.

d) Multi-storey Car Parks

As part of the overall Site Masterplan, agreed with Glasgow City Council, additional car parking spaces are required on the site in order to meet planning requirements and support the operational hospitals. The first Car Park (1A) has already been constructed and is operational, a further 3 Car Parks are required, namely;

Car Park 1B – Adjacent to car park 1A, and cannot be constructed prior to the new Hospitals being operational and the temporary catering unit removed. Therefore will need funded in year 2015/2016.

Car Park 2 – adjacent the new Children's Hospital main entrance and cannot commence construction until early 2013, and requires to be operational for Hospital opening. Therefore will need funded in year 2013/2014.

Car Park 3 – former Nursery site / across road from new A&E entrance and requires to be completed for the Hospital opening. Therefore will need funded in year 2014/2015.

6. Stage 3 Works**a) General Progress**

The Project remains on programme to complete on 28th February 2015.

The following sub contract packages are underway on site;

- Site Hoarding (90%)
- Excavations and earthworks (60%)
- Piling (65%)
- Concrete sub-structure and super-structure (5%)
- Main external drainage (23%)

General Comment on Progress

The main focus of work is the excavations, earthworks and the concrete sub-structure and super-structure. The piling works are anticipated to be complete by mid October 2011. The first slip core (Core G) has now been constructed to the full height.

b) Groundwater monitoring

As part of the conditions attached to the planning consent for the New Adult and Children's Hospitals Glasgow City Council Planners requested that monitoring of the ground conditions was undertaken. Brookfield have advised that ground-water lab analysis has been undertaken by WSP for quarter 2 2011 monitoring and the analysis indicates PAH contaminants far greater than previously recorded. Brookfield subsequently informed WSP that on-site dewatering of deep excavations had been initiated and this may be affecting groundwater conditions on site. Meetings with Brookfield & WSP have taken place to revise the monitoring strategy. It has been agreed with GCC Planners that groundwater monitoring frequency should be increased to monthly for the period during dewatering and 6 months post-dewatering ceasing (May 2012).



Aerial view 31st August 2011

7. Community Benefits

As of September the project has recruited 115 new entrants, Of this number 26 are apprentices. Recruitment for a further 10 apprenticeships is scheduled to commence in October 2011 with Mercury Engineering. The training and Recruitment Centre on site is now operational and staffed by Glasgow Regeneration Agency.

Supported by Glasgow City Council, Brookfield held a Meet the Buyer Session in Glasgow City Chambers on Tuesday 6th September attended by 60 businesses.

In October 2011, Brookfield and their supply chain will also be undertaking careers sessions with St Constantines and Pirie Park Primary schools aimed at P5 pupil to provide positive role models and explore career opportunities. In addition, Brookfield will also be attending a South Glasgow schools fair for school leavers on the 28th October 2011.

The Brookfield Multiplex Healthcare and Life Sciences Suite at Cardonald College will formally be opened by the Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy on Wednesday 21st September 2011.

New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board
September 2011

Overall Budget

The core Project Budget remains unchanged at £841.7m.

Following previous discussion at the Acute Services Strategy Board (ASSB) this has been supplemented by c.£112k in respect of two streams of ancillary work which are to be carried out under the Brookfield contract for reasons of efficiency, but which are funded from capital sources outwith the main NSGH funding.

The two schemes are

- Car-park 1 landscaping (£32K); and
- Pneumatic tube installation to existing buildings (£80K).

Full details of the movement in the overall core and non-core Project Budget (at Target Price), since Contract Award/ FBC Approval, are reflected in Table 1 below:

Table 1

New South Glasgow Hospitals & Laboratory Project						
Project Budget - Update as at September 2011						
	Opening Values (Contract Award/ FBC)	Subsequent Movements Impacting on Risk Provision	Subsequent Movements not Impacting on Risk Provision	Revised Budget (Target Price)	Spend to 31st July 2011	
1.0 Construction Costs						
1.1 Adult & Children's	£499,331,000	£0	£0	£499,331,000	£47,706,000	
1.2 Laboratory & FM Building	£75,780,000	£0	£0	£75,780,000	£54,532,000	
1.3 Original Estimated Total Build Cost (as bid)	£575,111,000	£0	£0	£575,111,000	£102,238,000	
1.4 Subsequent Movements	£0	-£670,169	£0	-£670,169	£0	
1.5 Revised Estimated Total Build Cost	£575,111,000	-£670,169	£0	£574,440,831	£102,238,000	
2.0 Other Costs						
2.1 Preparatory Works and Fees	£20,155,510	-£235,000	£0	£19,920,510	£8,400,000	
2.2 Irrecoverable VAT	£116,046,890	-£156,715	£0	£115,890,175	£19,816,791	
2.3 Gross Equipment Cost	£62,040,000	£0	£0	£62,040,000	£0	
2.4 Risk Provision	£68,346,600	£1,061,884	£0	£69,408,484	£0	
3.0 TOTAL CORE COSTS	£841,700,000	£0	£0	£841,700,000	£130,454,791	
4.0 Add: Funded from Board Capital						
4.1 Car Park 1A interface works	£0	£0	£31,896	£31,896	£0	
4.2 Pneumatic tube installation	£0	£0	£79,531	£79,531	£0	
4.3 Total to be funded from Board Capital	£0	£0	£111,427	£111,427	£0	
5.0 TOTAL CORE & NON CORE	£841,700,000	£0	£111,427	£841,811,427	£130,454,791	

Movements since the last ASSB meeting in July 2011

The movements since the last report presented to the July 2011 meeting of the Acute Services Strategy Board are:

- Monthly monitoring of water quality for 12 months £12k (ex VAT);
- Linthouse burn decrease in estimated cost £2k (ex VAT);
- The full business case contained a budget provision of £500k to allow the essential purchase of land from Scottish Water. The out-turn cost for this transaction is currently estimated at £265K and the resultant underspend of £235k has subsequently been returned to the remaining Risk Provision.

Consequently, the risk provision of £69.2m, at Target Price, reported to the July 2011 ASSB Meeting has increased to £69.4m as noted in line 2.4 of Table 1.

It should be noted that the New South Glasgow Hospitals Project requires funding for major car-parking infrastructure to support the new hospitals development. It has been agreed that this funding is to be absorbed from within the New South Glasgow Hospitals Core Project budget of £841.7m and will therefore be a call on the Risk Provision of £69.4m.

APPENDIX 1

Notes on Forecast Budget Analysis (Table 1)1. Subsequent Compensation Events (excluding Non Core Elements and Equipment) at Target Price

Concluded Compensation Events	£(214k)	
Potential Compensation Events	£(612k)	£(826k)
Less: VAT effect (included in line 2.2 in Table 1)		£156k

Subsequent Compensation Events – Target Price (Line 1.4)		<u>£(670)k</u>
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2. Summary of Preparatory Works and FeesDirect Fees

Design fees – Laboratory Build	£2,092k	
Design fees – C&B	£3,350k	
Design fees – Surveys etc	£250k	
Design fees – Others	£408k	£6,100k
Original Budget		

Subsequent Movements

Supervisor fees	£970k	
Additional C&B fees (transfer from Non Works)	£760k	£1,730k

Direct Fees		<u>£7,830k</u>
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Enabling Schemes

Site Wide upgrade of HV network		£681k
Site Wide upgrade of drainage infrastructure.		£1,191k
Renewal of Water Mains		£681k
Demolition of Chest Clinic for MacDonald House		£98k
Demolition of Psychiatric Block		£357k

Enabling Schemes		<u>£3,008k</u>
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Other Costs

Non Works Costs	£1,800k	
Less: Transfer to Fees	(£760k)	£1,040k
Section 75 Contributions		£5,000k
Mobile ITU		£1,500k
SAS Relocation		£1,277k
Scottish Water Land		£265k

Other Costs		<u>£9,082k</u>
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Total Preparatory Works and Fees (Line 2.1)		<u>£19,920K</u>
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4. Revised Brookfield Target Price

Original Target Price (ex VAT) (Line 1.3)	£575,111k
Subsequent Core Compensation Events (ex VAT) (Line 1.4)	£(670k)

Car Park 1 Interface Works (Gross) (Line 4.1)	£32K	
Less VAT	£(5K)	£27k

Pneumatic Tube Installation (Gross) (Line 4.2)	£80k	
Less VAT	£(13k)	£67k

Fume Cupboards and Safety Cabinets (Gross) (incl. Line 2.3)	£350k	
Less VAT	£(59k)	£291k

Revised Target Price (ex VAT)	£574,826k
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New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board



12th December at 1.30pm in the Board Room, Project Offices

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division, NHS GG&C
Helen Russell	External Auditor, Audit Scotland
Brian Cowan	Medical Director, NHS GG&C
Stephen Gallagher	Health Delivery, Scottish Government

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Director, Currie and Brown

Apologies

Norman Kinnear	Major Capital Projects Advisor, Scottish Government
Paul James	Director of Finance, NHS GG&C
Mike Baxter	Deputy Director Capital Planning & Asset Mgmt, Scottish Government
Rosslyn Crockett	Board Nurse Director, NHS GG&C

Allyson Hirst (notes)	PA Project Team
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1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 20th September 2011 were accepted as an accurate record.

2. Matters Arising

There were no matters arising to note that were not already on the agenda.

3. New Hospitals and Laboratory Update

AS spoke to enc 2 on the progress to date on the New South Glasgow Project. AS reported the Laboratory Project was on schedule and going well with current works directed at finishing, witness testing and quality assurance testing. AS noted that electrical works were still completing but planned to complete in early January. Specialist equipment installation ie safety cabinets and dissection benching were being delivered now and installed in January. Due to the legislation changes the CAT III laboratory programme was now due for completion in February 2012.

Managed Service Contract (pre-handover) – enabling works being carried out at this time with full installation of equipment planned for after building handover.

BW asked if there were any hold ups with utility companies. AS noted that although these services were difficult to pin down his team had worked hard to get these connections completed.

Stage 2 – AS reported that the 1:50 process was almost complete with only a few areas to be signed off with no anticipated issues. AS reported one small change to ENT from bedroom to a treatment room.

Stage 3 – AS reported that project was still programmed for completion for February 2015. Energy Centre was slightly off programme but was resequenced to complete on time.

Piling works were almost finished with only 4 still to complete scheduled for 13th December. Piling at the neuro building was now complete but noted that an early warning was raised due to the fact that an unknown slab was located in the ground that required some work to break up and remove therefore added time and cost.

AS had previously reported high levels of PAH but recent test results had reduced substantially. This will continue to be monitored until May 2012 at which time an assessment of results will be made by Brookfield's advisors.

AS noted the good work being carried out within Community Benefits. A more detailed report on Social Enterprises and Small to Medium Enterprises will be produced for the next meeting in February 2012.

Price Waterhouse Copper Audit Report – the report was forwarded to members for their information – there were no issues raised by this audit and was noted by group.

BW raised the question of any Local Authority approvals or consents required prior to local elections. AS reported that there were no outstanding issues to consider.

4. Overall Budget

AMcC spoke to enc 3 and noted that the overall core project budget remained unchanged at £841.7m. As requested at the last meeting, the initial Car Park provision of £15.4m (ex VAT) had been extracted from the Risk Provision and shown separately. A related adjustment had also been made in respect of irrecoverable VAT. The paper also noted the balance of the indicative Car Park costs (£5.3m) which remained to be resolved through further risk mitigation.

It was noted that the other main movement since the last meeting was a reduction to the Target Price of £1.57m (incl VAT) which arose as a result of reduced Group 1 and 2 Equipment requirements.

These adjustments resulted in a revised risk provision, at Target Price, of £52.4m.

Change Control

DR noted movement in Approved Compensation Events was in relation to the Energy Centre Security Gates etc moving from potential to approved following agreement at the last ASSB.

Changes to the Potential Compensation Events highlighted were:-

- increase in the saving for changes agreed Group 1 & 2 equipment to app. £1,880,000
- additional of potential further saving of £200,000 to group 1 & 2 equipment for additional items identified that may be achieved subject to design development
- provision of £30,000 additional costs arising from delay to neurosurgery due to unforeseen ground conditions (concrete slab)

Defined Cost

DR noted Stage 1 remains on track to be delivered below Target price.

In Stage 3 it was highlighted:-

- 63% of contract works committed within Target Price allowances inclusive of allocation of risk / inflation.
- 37% of Contract Works remain to be procured (13% in final stages of procurement and contracts to be finalised).
- Current estimate of outturn costs to be within Target Price allowances.
- BMCL Target Price risk / contingency allowance amounts to £10.2M (inclusive of carry over from Stage 1).

Cash Flow

DR noted 2011/12 cashflow remains on target at £125M.

Cashflow is monitored and updated on a monthly basis to capture defined cost movements, programme re-sequencing etc and provide accurate forecast for Board budgets.

Inflation

AMcC spoke to the previously circulated paper on inflation. This contained a number of different high level inflation scenarios based on the range of RPIx/ RPI Forecasts published by HM Treasury and which had been calculated using different gain share assumptions. Following a question raised by BW it was noted in discussion that the final calculation at the end of the contract would be undertaken with reference to the actual annualised spend incurred. It was therefore agreed that the paper would be updated to reflect this element of the calculation, using information contained in the latest cashflow models, and brought back to the next meeting for further discussion in February 2012. This would also allow for the actual rate of RPIx to be used for 2011 as well as the inclusion of updated forecasts for future years. It was agreed that following discussion and agreement on the appropriate level of inflation risk to be set aside at the next meeting, the amount should be separated out from the general risk provision to aid transparency in future financial reporting.

5. ASR

JG gave a verbal update on the next stage which involved the refocus or work onto the redesign process, identifying workstreams with Directors and taking this work forward for the future. JG agreed to prepare a paper for the next meeting of this group in February 2012.

6. AOCB

BW noted his appreciation of the fact that during the 1:50 process the Project Team had kept any change and hence additional costs to a minimum and asked if AS felt that he had enough staff to continue this good work into the next stages. AS noted that he felt that he had sufficient staffing at the moment and noted that his staff were flexible in their approach to meeting the challenges of the project.

RC suggested that a site visit would be appropriate for the next meeting and AS agreed

that this could be arranged.

As there were no further items to be discussed RC thanked attendees and closed the meeting.

7. Date and Time of Next Meeting

14th February 2012 at 2pm in Board Room – Project Offices

DRAFT

**Acute Services Strategy Board
December 2011**

Project Director – New South Glasgow Hospitals & Laboratory Project

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

PROGRESS UPDATE – STAGES 1, 2 & 3

Recommendation:

The members of the Acute Services Strategy Board are asked to note progress of Stage 1 (Laboratory Facility construction), Stage 2 (Design Development of the Adult and Children's Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals).

1. Introduction

The content of this paper sets out the progress of each of the stages of the New South Glasgow Hospitals and Laboratory project and identifies changes since the last Acute Services Strategy Board meeting in September 2011.

2. Stage 1 – Laboratories

The project remains on programme to complete on 10th March.

Work on site continues to focus on finishing trades, commissioning, witnessing and testing of main building services handover inspections by the Project Supervisor and the external works and roads packages.

Key activities ongoing are noted below, and these are at various stages of completion working from lower areas up to Level 4, this being the last area to complete;

- Final decoration
- Installation of mortuary tables and benching
- Installation of fume and safety cabinets
- Completion of laboratory furniture package – Level 4 only
- Fitting of locks to doors
- Final builders inspections and snagging
- Final builders clean
- External roads (now tunnel complete below road)
- Completion of service yard north exit (once MP heating mains complete)
- Hard landscaping and fencing

The Board have two additional specialist equipment supply contracts that are not covered by either Brookfield's works or the Managed Service Contract (MSC). These contracts are for the manufacture, supply and installation of Pathology ventilated cabinets and pathology dissection and staining tables. The ventilated cabinets will be delivered to site and installed during December 2011 and the tables will be delivered and installed during January 2012.

Key Issues

- The CAT III Laboratory on level 4 is now well underway with all walls and ceilings in place. The building services installation is also being installed, and all

H&V ductwork is in place above ceilings. As reported in November, this suite of 4 rooms has been delayed due to changes in Home Office legislation and partitions have now been upgraded and inspected by representatives from Strathclyde Police Anti-Terrorist Branch.

- As noted above, the installation of fume and safety cabinets is now well underway throughout the building, the planned completion of 20th February still stands.
- Meetings are taking place on a weekly basis to establish the requirements of the Managed Service Contract (MSC) with key focus to have all enabling works for the track analysers complete by 10th March 2012. Abbott have requested a number of works to be carried out to enable the installation of their equipment.
- The Board plan to install all MSC equipment post completion of the building on 10th March 2012. A detailed plan has been developed and is currently being tested to ensure its robustness to support laboratory service continuity.

3. Stage 2 – New Adult & Children’s Hospitals

1:50 Process

No further changes have been formally requested by the users. The 1:50 process is now coming to a conclusion with all rooms and their fixtures and fittings about to be signed off. This will include a completed list of all equipment groups.

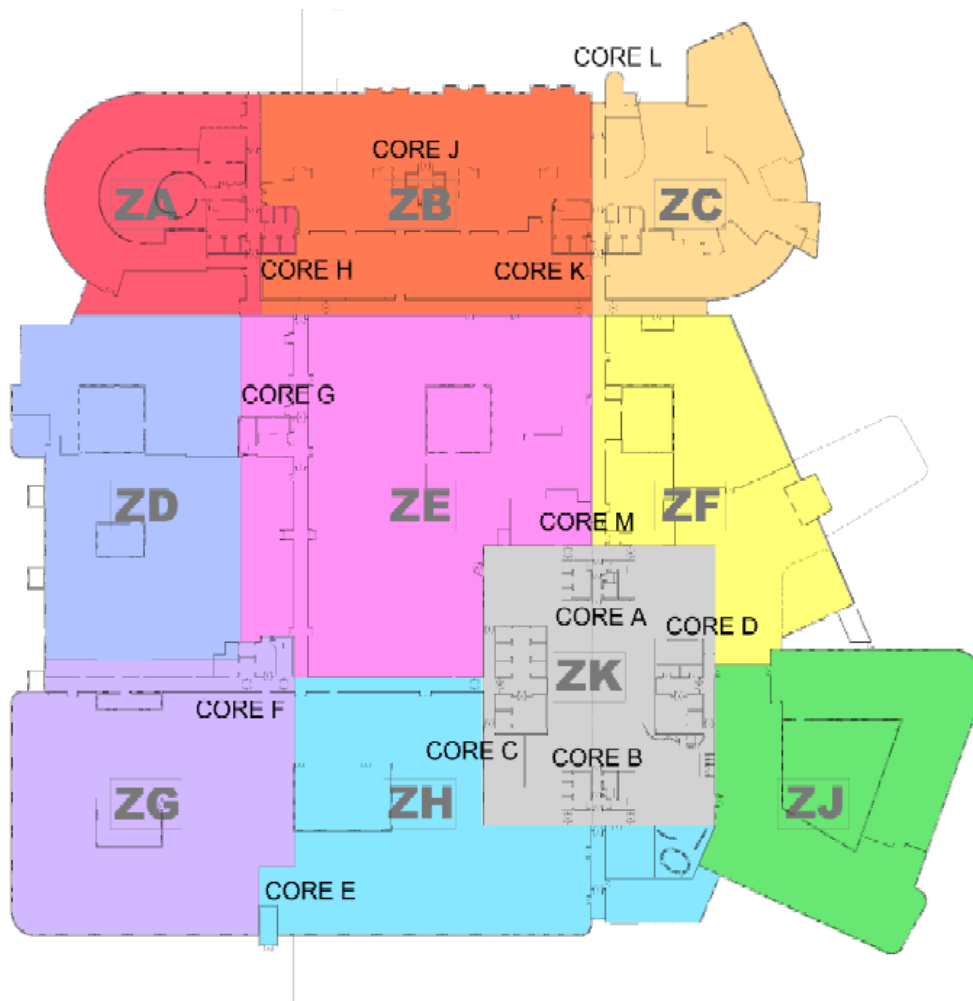
4. Stage 3 Works

Summary status of the works.

Date of completion	28 February 2015 (Week 271)
Contract Duration	204 weeks
Elapsed contract period at 27.11.11	35 weeks (17%) as at 27.11.11
Period Remaining	170 Weeks

Phase	+/- In period	Comments
Stage 3 Adults & Children’s Hospital Construction	0	On programme
Stage 3 Energy Centre Construction	0	On programme note envelope and fitting out works reprogrammed since last report.

Adult & Children's Hospitals



Zoning Plan and Core References for following report

Piling Mat - Completed.

Piling - High level piling completed. Basement/Low Level piling will be completed for the 9th December 2011.

Well Point System - Ongoing with no issues.

Bulk Excavation/Foundations - Foundations continue to be installed in line with the construction programme with works now advancing into basement area and Zones H, E and A. Core J foundation has commenced leaving Core K & L the remaining cores to be completed.

Slip Core - Cores F, G and C are now complete. Core E (Jumpform) is due for completion before Christmas. Core H slipping has commenced and is due for completion before Christmas. Core B will commence slipping early December.

Precast stairs are currently being installed to Core G up to level 0 and will continue to be installed into the end of January 2012.

Link Tunnel Labs/A&C - Phase 2 of the A&C/ Lab link tunnel has been completed with excavation for Phase 3 link to the hospitals ongoing.

Basement Tunnel – The tunnel running from Core F to C will be completed early December.

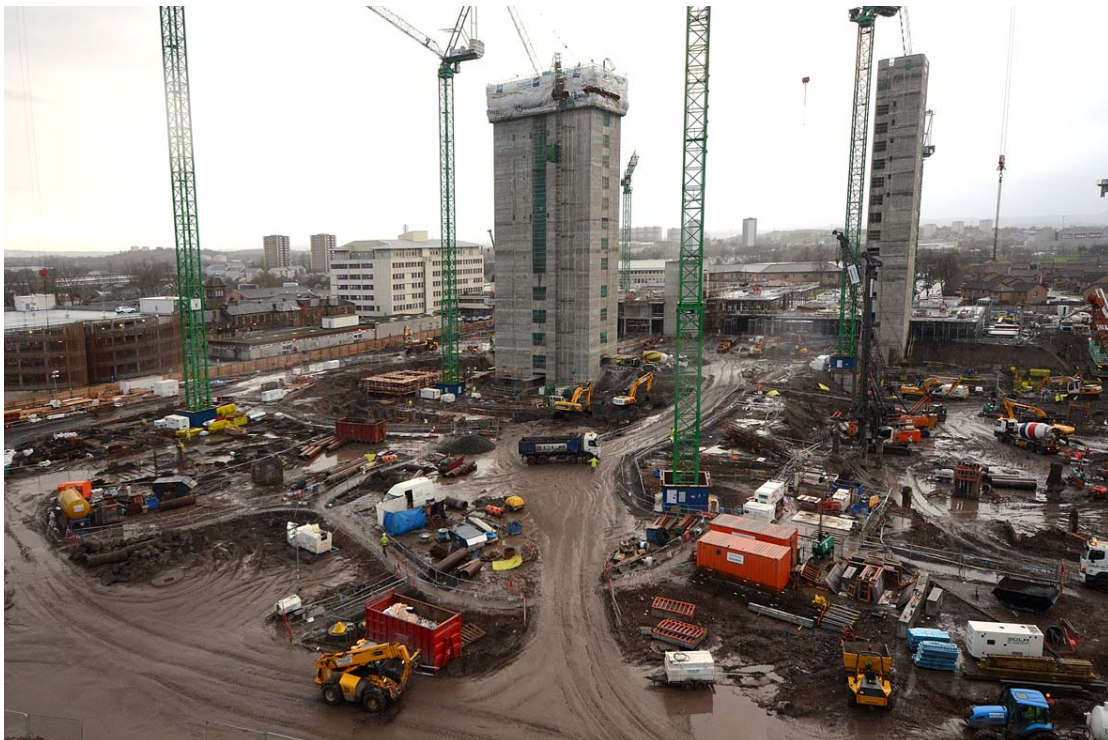
Tower Crane Erecting - The last crane, TC3, will be in place by early December.

Link Bridge Piling – Neuro & Maternity – Complete.

Main Concrete Frame - Zone D & G continue to progress in line with the construction programme with a level 3 pour due for mid December in Zone D with Zone G Level 3 pour on programme for mid January 2012.

Energy Centre

- General progress - The Energy Centre Programme has been revised to take into account logistical restrains resulting from MTHW and LTHW pipe installation and the preparation for the concrete yard slab between the Laboratory Building and the EC.
- Blockwork has been able to progress satisfactorily. Roof Steelwork is complete, and roof sheeting commenced 5th December.
- Structural Steelwork is also complete and cladding rails continuing to West elevation and to the revised sequence of elevations.





5. Community Benefits

The projects Community Benefit Strategy continues to make good progress. The on site training and recruitment centre is now fully operational. The facility is staffed by Glasgow Regeneration Agency who manage a dedicated recruitment portal to match individual skills to available opportunities www.nsqhjobs.com. As of November 2011, Glasgow's Regeneration Agency has been notified of 302 vacancies and have successfully filled 223 posts.

Of the vacancies filled, 140 have been filled by new entrants, this includes 31 apprentices. In addition to the above, 109 work placements have been offered to schools, young people and students. Moving forward, a further intake of apprentices will be recruited through the Skill to Build programme between January – March 2012 and a 12 week construction learning programme with six secondary schools in South West Glasgow will commence in January 2012.

The project is proactively targeting SME and Social Enterprises to engage in the project and has participated in over 30 events over the previous 18 months to encourage and support participation in the procurement process. All procurement opportunities are advertised on the project portal www.nsqhproject.com and Glasgow Business Portal.

Over and above construction related activity, NHSGGC has proactively engaged with partners in South West Glasgow. Developed in partnership with NHSGGC, at Cardonald College the new state of the art healthcare training facility was officially opened by Nicola Sturgeon MSP, Cabinet Secretary for Health, Wellbeing and Cities - Strategy in September 2011. The state of the art facility will deliver a new HNC/D in Healthcare as well as Healthcare Science qualifications.

In October, staff from NHSGGC engaged with pupils from Govan High School to raise awareness of the range of roles undertaken by NHS staff. Over 300 pupils participated in the event and a video of the event will be available for use with other schools.

6. Internal Audit Report 2011/12

In August 2011 PWC undertook the 4th Internal Review of the New Hospitals Project. The review examined the sub-processes and related control objectives in the following areas:

- Project Governance Arrangements
- Project Management Methodology
- Project Risk Management
- Project Financial Management

The Audit purpose of the Audit was to:

- Obtain an understanding of the project management arrangements of the project through discussions with key personnel, a review of the systems of documentation and “walk through” tests
- Identify the key risks of the project management arrangements
- Evaluate the design of the controls in place to address the key risks
- Test the operating effectiveness of the key controls and sign off the controls in place to address the key risks

Each area was reviewed during the audit and no findings were noted in relation to the areas reviewed. The audit was classified as *low risk*. The full audit is appended to this report.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

11th May 2012, Board Room, Project Offices, Construction Site

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Jane Grant	Chief Operating Officer Acute Division, NHS GG&C
Paul James	Director of Finance, NHS GG&C
Mike Baxter	Deputy Director Capital Planning & Asset Mgmt, Scottish Government

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Commercial Director, Currie & Brown
Helen Russell	External Auditor, Audit Scotland

Apologies

Jennifer Armstrong	Medical Director, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C
Stephen Gallagher	Deputy Director Health Delivery, Scottish Government

Minute Taken by

Allyson Hirst	PA, NHS GG&C
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1. Apologies and Previous Minutes

Apologies noted above. Previous minutes of 8th March 2012 accepted as an accurate record.

2. Matters Arising

There were no matters to be discussed that were not noted on the agenda.

3. New Hospitals and Laboratory Update

AS spoke to the paper marked enclosure 2.

Laboratory (Stage 1)

AS reported that the laboratory staff were moving into the laboratory building over a 20 week migration plan. The project team were managing this in addition to day to day issues as they arose. AS noted that the Cat 3 laboratory was now fully tested and approved for use. He also noted that blood freezer/fridges had passed their test regimes and the final documentation had still to be agreed.

It was noted that Abbott who provide the MSC equipment were keen to use the laboratory work as a PR exercise and in consultation with the PR department of NHS GG&C to pull together an event which would reflect the success of the project.

Design (Stage 2)

AS reported on the key design development issues currently being worked on by the project team i.e

- Services for all areas of the hospitals
- Interior design
- Pendants, ultra clean canopies for critical clinical areas
- Equipment process to manage and coordinate all equipment that's not within group 1

AS advised that approval to change a treatment area was requested and agreed

Compliance with new atria guidance (SHTM81 part 3) was still under discussion

Construction (Stage 3)

AS updated on the construction progress for the new hospitals. He highlighted the diagram which indicated the zones of the hospital and took members through the progress on those zones currently being worked on. He advised that works were on scheduled to complete on time. Highlights

- Piling - mini piles on target to complete by beginning July 2012. Damage claim to insurers still under consideration and there will be a deductible cost which should be a defined cost.
- Energy Centre progressing well and side 'A' should be handed over at the end of August 2012
- Car Park 1 - AS reported that as per the last discussions of this group the proposal was taken to the Quality and Performance Committee for approval and this had been given. The VEAT notice had been posted and no objections had been raised within the timeframe and that they were now waiting a further 3 months to ensure companies had the appropriate opportunity to raise any issues. PJ asked how confident were the project team assuring value for money as part of the negotiations. AS reported very confident as the benchmarking cost data was known and reviewed. The design (RIBA Stage D) of the car park had been tendered and Hypostyle had been successful as the preferred design team (but only for car park 1). Hypostyle had already started on the work. AS would update the group on progress periodically.
- Community Benefits - AS reviewed the benefits as noted in Enc 2 and the group noted it would be beneficial to promote these to the wider community.

4. Finance

Change Control - AS reported on the change control process and noted that with the now agreed equipment change had no change since last reported and the adverse weather costs increased by £50,000. PJ asked if the impact of weather was likely to reoccur. AS reported that they were now almost out of the ground for the majority of the building and therefore the potential impact/risk is reducing. The wind impact would become an increasing risk as the tower progresses but this was a BMCEL risk and not NHS. Snow fall remains an NHS risk at this stage as the building progresses and roofs are completed. April forecast from the Met office were not yet released but not anticipating any further bad reports from this.

Defined Costs - DR reported that defined costs were £2.7M below target for Stage 1, Stage 3 remains on target with 20% of works remains to be procured. BMCEL were using their own contingency in purchasing packages. £8.97M remains, on assumption that insurer fully covers (less deductibles) the full cost of piling remedials.

DR reported that audits continue to take place of the main and sub-contractors. DR agreed to provide an update for the next meeting of the group.

Overall budget - AMcC reported that the overall core project budget remains unchanged at £841.7m. Movements in the risk provision since the last meeting were confined to Compensation Event adjustments for Adverse Weather (£50k) and Ophthalmology Out-patients (£2k) which had been highlighted under the Charge Control discussions. Additionally, in line with the agreements reached at the last meeting, a further £6.9m had been transferred from the risk provision to bring the total Car Parks' budget to £25.4m. This comprised the original forecast of £23.8m (incl. VAT) plus an affordability provision of £1.6m (incl. VAT). In discussion it was confirmed that, under the terms of the contract with BMCEL, the forecast underspend of £2.7m within Stage 1 automatically rolls forward to Stage 3 and therefore does not form part of the Board's risk provision at the current time.

MB noted his thanks to NHS colleagues for their assistance in managing the Board's overall capital spend position during 2011/12 to meet national requirements

Key Risk - it was noted that there was no major movement since the last meeting but it was noted that ground work testing is continuing.

An update on key risk would be provided for the next meeting.

Inflation - DR reported that tracking the inflation rated was based on median as previously agreed.

HM Treasury predictions for 2012/2013 remain generally in line with previous information with a slight downgrade in 2013

	2012	2013
HM Treasury February 2012 Report	2.7%	2.6%
HM Treasury April 2012 Report	2.8%	2.5%

The HM Treasury maximum predictions for 2012/2013 have not changed.

DR confirmed that previous inflation Compensation Event utilising the median forecast was £16.8M (incl VAT) using a scenario of 0.5% increase above the median prediction each year, a potential Compensation Event would be £21.4M (inc VAT)

The current risk allocation of £20.0M (inc VAT) for inflation remains a realistic provision

5. On the Move Redesign Update

JG reported on paper marked Enc 6 - JG noted that the re-design processes were being planned keeping in mind the lessons learned from previous change programmes within Glasgow and, although there was still time before the new buildings were fully operational, work was commencing now. The structure of the workstreams was based on the separation of planned and emergency patient flows. Within paediatrics, it was important the same principles were followed and that they were aligned to similar processes within the adult sector. A separate group has been formed to deal

specifically with the workforce issues and the staff side representatives were involved in that process.

MB asked about GP involvement within the process and JG reported that there was GP representation on all the groups either via CHCPs or GPs themselves.

BW asked about the financial benefits that will flow from the completion of the developments. RC advised that, due to good progress being made with the Board's Acute Services Programme of change many of the intended benefits had already been achieved and counted. He indicated that the new modern facilities would provide additional benefits and, at the same time, be a catalyst for maintaining progress. It was highlighted that savings would also be incurred from the disposal of the vacated sites once the new hospital is open.

6. AOCB

RC updated the Board on the progress of resolving the embedded space (ie space provided by Glasgow University) within the hospitals as we transfer out of these facilities. RC advised that this should be concluded by end of June. Once space/area has been agreed the University Quantity Surveyor and NHS Quantity Surveyor would agree a replacement rate hence determining a quantum to be offered to Glasgow University.

RC advised that progress had been made on planning a new teaching and learning centre in conjunction with Glasgow University. A paper on progress would be submitted to the next ASSB.

BW asked that a review of the terms of reference for this group be brought to the next meeting to ensure that the group were working towards the goals initially set out. RC agreed that this was appropriate and would be added to the agenda.

BW raised the issue of project team resources and if they were still adequate. AS responded that although the workload at this time was considerable he was comfortable that he had sufficient resources in place to meet the projects requirements.

RC thanked the members for their time and input and the meeting was closed.

7. Date and time of next meeting

Next meeting scheduled for 14th August at 2pm - JB Russell House

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

Meeting Held on Friday 26th October 2012 at 9am in the Board Room, Project Offices

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Jane Grant	Chief Operating Officer, Acute Division, NHS GG&C
Paul James	Director of Finance, NHS GG&C
Carmel Sherriff	Representing Stephen Gallagher, Depute Director Health Delivery, Scottish Government
Jennifer Armstrong	Medical Director, NHS GG&C

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Commercial Director, Currie and Brown
Angus Brown	For Helen Russell, External Auditor, Audit Scotland

Apologies

Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government
Rosslyn Crockett	Director Nursing, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C

Minute Taken By

Allyson Hirst	PA, NHS GG&C
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1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 14th August 2012 were approved as an accurate record with the exception of item 5 Teaching and Learning Facility paragraph 6 "BW noted.... was satisfied that this initial assessment should.... And not project should go ahead as previously noted.

2. Matters Arising

There were no matters to be discussed that were not noted on the agenda.

3. nSGH Project Update

AS spoke to paper marked Enc 2

Stage 2 Design

All on programme with no critical issues to report

Stage 3

AS gave an update of progress on stage works. He highlighted areas of good progress (examples in picture gallery) and advised that there were no critical issues to raise.

The energy centre works are progressing well and remains on target for completion on 31st October 2012. However, the facility will not be handed over until after the New Year holidays as there are training schedules to be completed by local staff.

3. nSGH Hospital Update cont'd

It was also felt it was better not to switch energy generator services onto laboratory over the holiday period.

AS advised the final piling assessment highlighted that a further 3 piles were out of tolerance and needed remedial works. Brookfield are still in discussions with insurers over piling damage claim.

Car Park 1

The Scottish Government Capital Investment Group approved the FBC for Car Park 1 on 22nd October. The Project Team now working with Brookfield to confirm construction programme.

BW reported that some of the team from Scottish Futures Trust had recently had opportunity to visit the construction site and it was noted that they were very impressed with the site set up and management and added it was one of the best organised he had seen. AS thanked BW and colleagues for their comments.

4. Teaching and Learning Facility

AS spoke to paper marked Enc 3. AS reported that meetings have commenced with University colleagues and with users from both sides alongside meeting with Bam and project advisors in order to develop the Outline Business Case. The timeframe for submissions of the Outline Business Case was January to NHS Board and February to the Capital Investment Group of the Scottish Government. It was noted at this stage all was progressing as planned.

AS noted that key workshops were being planned in regards to M&E/energy and BREEAM compliance with specialists from NHS and University being involved.

Fees for the project were reviewed and noted by the group

AS noted that in order to support this project and to reduce the impact of project staff's time it had been decided that a project manager for the teaching and learning centre be appointed and with the support of RC, AS approached colleagues in HFS and Scottish Healthcare Service to seek the appropriate team member with relevant experience and skills. To this end Anna Daley was interviewed and appointed as Project Manager for the teaching and learning facility and will commence employment on a secondment basis, from NHS Grampian, for 2 years on 5th November 2012.

RC noted that the teaching and learning centre was an evolving project. Glasgow University have applied for funding from Scottish Enterprise. If this funding is granted it may be possible to add a 3rd floor to the centre which will be used for life sciences companies to rent from the NHS/University. It was noted however, that due to the programme of business case, this would need to be decided upon before the end of the year or it would not be viable to put in the business case. The next meeting of this group would receive an update on progress of this funding bid.

JA asked if there would be a simulation unit within this building – AS responded that there would not be – JA noted that at this time clinical staff had to be sent to Aberdeen or Forth Valley for this training and a site in Glasgow would be useful to have. AS did note however that there would be clinical skills area set up rooms for teaching purposes. AS suggested that JA speak to Mairi Macleod and discuss the thoughts behind the decision not to include this service within the teaching and learning.

5. **Compensation Events**

DR reviewed paper marked Enc 4. DR noted the two additions to Table 1 of continuation of monthly assessment and for adverse weather noting the change since last meeting report. BW asked about the potential reduction in boilers. AS explained that to install and upkeep and run the extra boilers would prove to be inefficient and it was decided at this time to hold off until the usage of the whole site set up was known (ie removal of buildings and additional buildings being constructed). Once this was known the potential change can be confirmed and the figure adjusted. AS advised that it was likely that the £200K in table 2 would be committed. PJ raised the issue about further adverse weather events. AS advised that they were likely to be more adverse weather events but as the building gets closed up then their impact will reduce.

6. **Budget**

AMcC spoke to Enc 5. Overall the budget remains the same with only a minor change incorporated to reflect the previously discussed adverse weather costs. Following the approvals given at the last meeting, the forecast fees for the teaching and learning centre have now been transferred to the Direct Fees Budget from the Non Works line as detailed in Appendix 1. Expenditure to the end of September 2012 is largely in line with the latest forecasts submitted by BMCL which show that the company continues to forecast that the previously agreed spend for 2012/13 will be achieved. The spend profiles will continue to be closely monitored by DR and AMcC

7. **Financial
Inflation**

DR spoke to paper marked Enc 6. DR reported that this was under constant review as this was a risk for NHS. The table on the paper has been created using the long-range forecast from HM Treasury and noted that there has been a slight decrease. It was noted that this had a £20M risk attached but, based on the predicted out turn costs and scenario testing, the estimate of most that would be paid out (at median inflation forecasts) was £16M. RC asked the group to approve reducing this risk from £20M to £16M and the other £4M be moved to other projects. BW raised the question of the national statistics redoing the RPI measure and does this change the contract if this is altered? It was noted this was a good point to raise and AS was asked to review the contract and seek legal advice.

PJ asked what would then happen if BMCL spend more then the compensation event will be higher? It was explained that the Boards liability would be capped at the Compensation Event value, and excess costs above the adjusted contract would be borne by Brookfield.

Key Risk

DR spoke to paper marked Enc 7. DR reviewed each of the risk items in turn and explained carefully the reasons behind each one remaining, or being reduced in turn. RC recommended that at the December meeting of this group the group formally take the decision to adjust the Risk Register monies. RC noted that this would allow time for confidence to be assured in the spend forecast and to take forward these monies in the creation of a teaching and learning facility. BW noted that it would be useful to discount the monies set aside for car parks 1,2 and 3 out of risk monies and into the project budget. RC agreed. It was agreed that AMcC will create an audit trail of the spend and DR will show how inflation is forecast to decrease.

This will allow a clear picture of where the funding for the teaching and learning centre will be coming from.

8. **On the Move – Update**

JG spoke to paper Enc 8. JG noted that this paper shows the progress of the workstreams and work being carried out to ensure the redesign of services as the new hospitals are brought into use. This will include work to reduce bed days, enhance recovery and the impact on workforce of the single rooms planned for the adult hospital, along with a review of workforce planning within the Diagnostic Directorate to examine the feasibilities of an extended day. Paediatrics are carrying out a similar work stream for their patient base.

A review of the front door intake and how this affects the other services ie ambulance, FM, diagnostics is also being undertaken.

It was noted that the clinical services review will play a large role in the way the new hospitals will be used and the services to be provided and the flexibility of these new buildings will allow this to be taken forward. National and UK wide policy changes will impact on the new hospital and this will be taken into account when this group and its sub-groups take their work forward

9. **AOCB**

BW asked that a health and safety update was to be provided for the next meeting of this group and thereafter periodically through the project

10. **Date and Time of Next Meeting**

This was scheduled for 7th December at 3pm – due to other commitments by members it was asked if this could be altered to a morning meeting. It was agreed and a new time would be circulated to members in due course.

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

Meeting Held on Friday 7th December 2012 at 9am in the Board Room, Project Offices

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Tony Cocozza	Representing Alan McCubbin Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Peter Gallagher	Representing Jane Grant Chief Operating Officer, Acute Division, NHS GG&C
Lynda Hamilton	Representing Jane Grant
Paul James	Director of Finance, NHS GG&C
Stephen Gallagher	Depute Director Health Delivery, Scottish Government
Jennifer Armstrong	Medical Director, NHS GG&C

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Commercial Director, Currie and Brown
Angus Brown	For Helen Russell, External Auditor, Audit Scotland
Gavin Cobb	Specialist Trainee in Public Health shadowing Jennifer Armstrong

Apologies

Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government
Rosslyn Crockett	Director Nursing, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C

Minute Taken By
Allyson Hirst

PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 26th October 2012 were approved as an accurate record.

2. Matters Arising

There were no matters to be discussed that were not noted on the agenda.

3. nSGH Project Update

AS spoke to paper marked Enc 2

Stage 2 Design

All on programme with no critical issues to report. Equipment discussions continue with regard to the fit out of major imaging rooms and the programme of installation of key equipment. IT active equipment and telephone equipment purchase is progressing.

Stage 3

AS gave an update of progress on stage works. He highlighted areas of good progress (examples in picture gallery) and advised that there were no critical issues to raise.

3. nSGH Hospital Update cont'd

Compensation Events

AS reported that as part of the ongoing ground monitoring two areas of remedial work had been actioned TP224 (Asbestos) should conclude with no further action and TP226 (PAH) would need further remediation beyond the boundary fence in stage 3A.

Energy Centre (Hand Over of A side)

AS noted that the emergency back up for the laboratory is housed within the energy centre but is currently being covered by the generator on loan from Gartnavel Hospital. It was now possible to retain the Gartnavel emergency generator for a longer period of time and therefore decided to allow Brookfield to complete further works to the 'A' side and other electrical inter connections before handover. This will mean that the energy centre will now not be handed over until April 2013. This plan allows a cost saving to the NHS due to Brookfield maintaining until complete handover.

Car Park 1

AS reported that approval had been received from Scottish Government Capital Investment Group to proceed with the contract. Before issuing the compensation event to Brookfield AS advised that he had a couple of planning issues to conclude. Brookfield were currently doing some site investigation work and compiling the design and construction programmes. Initial indications are that construction will commence last week in April 2013.

Awards

AS was pleased to report that the project had won a GO award (The Government Opportunities Excellence in Public Procurement Awards for Sustainability and Corporate Social Responsibility Initiative of the Year award) and were also short-listed for the Team of the Year award for the Laboratory project.

AS also noted that BMJ architects for the laboratory project collected an award from Glasgow Institute of Architects – a design commendation for health care architecture.

4. Teaching and Learning Facility

AS spoke to enclosure 3. It was noted that this project was going well with full interaction with both sets of users. AS reported stage 3 sign off by user groups. AS reported that a presentation on the progress and design to-date had been given to Jane Grant and Anna Dominiczak and both were happy to move forward with submitting the OBC. The OBC is scheduled for its first draft today and will be submitted to the Quality and Performance Group NHS GG&C on 15th January and thereafter to the Scottish Government Capital Investment Group on 26th February 2013. Works costs are currently sitting at £12.11M with value engineering analysis works continuing. The accommodation split is now sitting at 51½% and 48½% respectively between University and NHS after reviewing the initial Bennetts Report. Total budget is £20.3M.

4. **Teaching and Learning cont'd**

BW asked if the project was running to programme. AS advised it was slightly ahead of RIBA Stage 3. AS advised that the University must advise of any additional floors before January or there would be significant disruptive work. Demolition works on mental health and pharmacy site were due to be carried out in July/August. Start on site was scheduled for November 2013 with completion May 2015.

5. **Compensation Events**

As noted earlier in the notes the additional compensation event was noted for ground work testing which equated to £7,115.46

Defined Costs

DR noted that Brookfield are now using their own contingency for sub-contract packages that have been of higher value than previously thought. BW asked about Brookfield risk money – DR noted that there had been a variation to Dunnes for reinforcement of around 750,000 approximately and also the aseptic unit being more expensive as well as other smaller packages. DR noted that Project Team have full access to the Compensation Events issued by Brookfield

6. **Budget**

TC spoke to Enc 5. Overall the budget remains the same with only a minor change incorporated to reflect the previously discussed CE with regard to investigation of ground contaminants discovered during excavations.

Expenditure to the end of October 2012 is largely in line with the latest forecasts submitted by BMCL which show that the company continues to forecast that the previously agreed spend for 2012/13 will be achieved. The spend profiles will continue to be closely monitored by DR and AMcC.

RC requested that the description on line 4.1 of table 1 be changed from Car Park 1A interface works to Car Park 0 Interface works.

7. **Financial Inflation**

DR spoke to paper marked Enc 6 which provided an updated on potential scenarios for Board inflation liability. Utilising the median treasury forecasts the maximum liability to the Board was noted as £16.5M, with various scenarios up to £16.5M depending on Brookfield's actual defined cost incurred. The group were requested to consider reducing the risk allowance from £20M to £16.5M for inflation. The group were concerned that although the forecast was positive to a lesser amount being required they requested some assurance on potential liability to cover worst case scenario. DR noted that utilising treasury highest forecasts, and the £10M overspend scenario, the Board liability would be £15.3M. The group reviewed the scenarios and were satisfied to reduce the inflation risk provision to £16.5M as requested.

8. **Key Risk**

DR reviewed the risk paper and the group noted the contents. BW asked if all were clear on the equipment £10M and its purpose. AS noted that all involved in the equipment process are well aware of the limitation of the budget and this £10M is there as a safeguard and nothing more. PG noted that no new builds have ever been completed with 100% new equipment and staff are aware that the budget for equipment is £60M only, the risk provision is not widely circulated. As a result of ASSB agreement to reduce the inflation risk provision, the sum for unallocated risk

now amounts to £12.6M. This sum is now available for the T&L Centre and will be included in the OBC.

9. **Health and Safety**

AS presented status on Health and Safety. He also advised on how this was communicated throughout the workforce. He gave an explanation of the reportable accidents and advised that they were better than industry norms. BW noted that the accident/incident rates seemed good for a site of this scale. A regular update on a 6 months frequency will be provided.

10. **On the Move Update**

In Jane Grant's absence – Lynda Hamilton spoke to paper marked enclosure 9. LH gave an overview of the work of this group and its sub-groups. Which were focusing on

Developing Operational policies

Redesign of clinical pathways

Activity prediction and planning

Capacity for patient flow and diagnostics

Community engagement and communication

Visits had taken place to Queen Elizabeth University Hospital Birmingham and the Royal Free Hospital London for our staff to review their patient self-check in systems and volunteer wayfinding in Outpatients and consider their suitability for the new hospital Patient Panel representatives will be given the opportunity to view a similar set up in visits being arranged to Dumfries and Galloway Royal Infirmary. The findings will then be discussed and a decision taken on using self-check in kiosks in the new hospital.

JA asked if haemato-oncolgy had been reviewed and if it would transfer to the new hospital. AS noted that this was part of the inpatient work groups focus. LH agreed to clarify and respond by e-mail to JA.

11. **AOCB**

The question was raised about any complaints or issues from the local residents. AS reported that there has been continual involvement of the local residents since before building work commenced on site with opportunities for residents to meet with Brookfield and have questions answered and a telephone number to call if there are any concerns.

AS noted that at the beginning of the project 10 houses were surveyed and these same houses were recently resurveyed and the reports indicated that there is no degradation due to construction site proximity. A full complaints recording process and follow up has been put in place to enable prompt response.

OBC for T&L Facility – AS noted that this was in the process of being prepared for its first draft and review by the Project Team. This will be forwarded to the Group members for review before submission to the Quality and Performance Committee in January. Members should expect to see this document either just before the Christmas Holidays or on return to work in early January.

There was no further business to discuss at this meeting RC wished all a very happy festive season and thanked them for their attendance.

12. **Date and Time of Next Meeting**

This was scheduled for 25th February 2013 at 2pm – Venue will be Meeting Room B, JB Russell House.

DRAFT

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

Meeting Held on Monday 20th January 2013 at 2pm in Meeting Room A, JB Russell House

Robert Calderwood (RC) (Chair)	Chief Executive, NHS GG&C
Alan McCubbin (AMcC)	Head of Finance, NHS GG&C
Barry White (BW)	Chief Executive, Scottish Futures Trust (via telephone)
Jennifer Armstrong (JA)	Medical Director, NHS GG&C
Grant Archibald (GA)	Chief Operating Officer, Acute Division, NHS GG&C
Paul James (PJ)	Director of Finance, NHS GG&C

In Attendance

David Loudon (DWL)	Project Director/Director of Facilities and Capital Planning, NHS GG&C
Douglas Ross (DR)	Commercial Director, Currie & Brown
Angus Brown (AB)	External Auditor, Audit Scotland
Jonathan Best (JB)	Director – Regional Services, NHS GG&C

Apologies

Rosslyn Crockett (RCr)	Director Nursing, NHS GG&C
Carmel Sheriff (CS)	Depute Director Health Delivery, Scottish Government
David Stewart (DS)	Associate Medical Director, NHS GG&C
Mike Baxter (MB)	Deputy Director, Capital Planning and Asset Management, Scottish Government

Minute Taken By Allyson Hirst	PA, NHS GG&C
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1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 11th November 2013 were **approved** as an accurate record.

2. Matters Arising

There were no matters arising not included within the agenda.

3. Workstream Updates

JB – Regional Director (JRB) attend the meeting to give a short presentation on the On the Move Outpatients, Daycases and Ambulatory Care workstream. The presentation will be forwarded to group members for their information. Highlights of the presentation were noted

Areas of work - The work of this workstream is focusing on the main entrance of new hospital, medical day unit, therapy centre and renal dialysis patient groups. Working with patient groups and increase activity undertaken at the two ACHs within Glasgow.

Direction of Travel – Reduction in the length of stay, better use of home community services and pharmacy/outpatient led treatments. Cancer therapies are changing with a revision of the drug protocols allowing more treatments to be undertaken outwith main wards and Medical Day Units and within ACHs. Incorporated within the workstream groups are representatives from SAS and representation from WIG/GRI and includes colleagues from

the facilities staff to allow a full patient journey to be planned and to prevent clogging up areas such as main entrance and A&E. Patient flow – visits to several other hospitals – Birmingham was a good example for self-check in with additional support from volunteers and the new building it is hope to have a similar set up to allow the flow of patients their appointments to happen efficiently. There is a plan to pilot self check in kiosks within Yorkhill and SGH OPD over the coming year and transfer kit and new kit into the nSGH after handover. A Business Case and operational policies are being refined, Patients panel discussions and presentations undertaken and some enthusiasm for new systems, shown actual layouts.

Volunteering – good way forward and propose main entrance is manned by volunteers to assist and strategy is in place to take this forward – meeting with volunteer services and with head of nursing and to work through issues and problems known. Potentially large numbers of volunteers required

Primary care – representation within the groups – noted that don't want to know things to far in advance, keep communication with the patients and how best to do this – strategy underway

Challenging areas – staffing – MDU, reception roles – medical records and a review of job profiles

4. nSGH Project Update

Adults and Children's Hospitals

DWL reported on paper marked Enc 2 and noted that the project is on schedule for the contractual completion date in February 2015 with the target completion date being end of January 2015. DWL noted that he was to meet Brookfield Multiplex (BM) to review the programme and the likelihood of an early completion date being achieved.

Brookfield have achieved their objective of the adults and children's hospitals being substantially wind and water tight in time for the Christmas vacation. It was noted that some of the corners on the adult hospital remained open to facilitate the distribution of materials. BM and the Project Team's focus is now on installation and commissioning of the M&E services and external works.

The outrig work on the helideck is completed and the project team is in initial discussions for commissioning phase. BW asked if any questions have been raised by members of the public about safety aspects after recent events in Glasgow. It was noted that helicopters have operated at SGH for many years with no questions had been raised to date regarding the recent accident in Glasgow. The Scottish Ambulance Service and NHS GG&C have agreed that helicopter operations will continue at the SGH. It was estimated that there will be approximately four hundred operations per annum.

PJ asked if there had been much damage after the recent storms – DWL reported that there had been some minor damage to the ETFE roofing membrane and the affected panels will be replace before project completion.

Car Park 1 is currently running fourteen days behind programme but does not impact the A&C critical path. DWL noted that the planning consent has operating restrictions in place and discussions will commence to discuss options to enable the Board to partially use the building

Teaching and Learning Centre – The FBC had been approved on 14th November and construction was now underway with more than 50% piling completed. The project was on

programme to achieve complete 29th May 2015.

New Office (Accommodation) Block – DWL reported that the FBC was currently with Scottish Government for consideration at CIG on 28th January. If approval is granted, construction will commence on 10th February. Due to the tight timescale to sign the contract, DWL has asked CIG for their decision to be relayed as soon as possible after the meeting.

Equipment – DWL noted that Service Transfer Owner's have been identified and work has commenced to identify the equipment to be transferred from the demitting sites to the new hospitals.

5. Compensation Events

DR reported on paper marked Enc 3 – since the last meeting there has been no new compensation events to report.

Defined Cost Update – DR reported that the majority of packages have now been let with a few minor packages outstanding.

Predicted Outturn Costs – DR is confident that this will fall within expectations as all positive and on track.

6. Budget

AMcC noted that there had been limited movement with Table 1. The risk provision has been extracted for clarity as previously requested for T&LC and Office and 2.8 shows the risk for both schemes which is in addition to the existing construction cost of £3.8M. Split for the T&LC is 40% NHS and 60% University. RC asked for further clarity on how the figures are split

Key Risks

Little movement since last reporting aside from the T&LC and office being moved to show their own allocations. Expenditure against the risk allocation will continue to be closely monitored. DWL noted that this risk allocation in the T&LC budget is a combined risk for both University and NHS. NHS share being £422K. BW noted that considering the target price and the works to be completed the risk for the project is sufficient. BW requested more information regarding the equipment. DWL agreed to ask R Stewart, Deputy Head of Procurement to provide a further breakdown of the equipment at the next meeting of ASSB. RC noted that potentially, £10M may be contributed from the endowment funds in the event that the equipment budget required some additional contingency funding.

7. On the Move

GA gave an update to the paper marked Agenda Item 8 to follow – Highlight points of the paper were as follows –

CEG and MEG groups both now up and running – CEG is chaired by David Stewart with high level discussions with clinicians on proposed clinical service delivery and clinical pathways for departments and services. MEG – is chaired by GA and is a decision making group which oversees the work of the CEG and keeps the sub-groups informed of progress. Although the groups are still developing, the focus is on assessing risk and decision making and to ensure that the sub-groups take forward their tasks and initiatives. Work is progressing with colleagues

in paediatrics to ensure that the transition from children's to adult services is as smooth as possible. It is imperative to ensure that there is clinical support in place to take on the new ways of working and systems to be implemented within the new buildings and it is key to ensure that the IT processes and procedures are in place to allow the hospitals to function. Workforce planning is critical to ensure that the appropriate staffing is in place and is sustainable and work continues with HR colleagues and Directorates in that respect. Organisationally it is important that all staff are ready to embrace the new ways of working and OD are developing programmes with service managers to support this. Sub-groups are looking at patient flows and the lessons learned from colleagues in other new hospital builds are being taken on board. A further review of the Medical Day Unit is being evaluated to explore whether it could provide services that are not currently planned within the hospital.

8. **AOCB**

RC noted that the next meeting of the group was to be 10th March and asked if members were happy to, a site visit would be incorporated into this meeting. AH will check that this is possible and ascertain members availability.

DWL gave a short presentation on some images of the campus including the T&LC and Office site. A copy will be forwarded to members for their information.

PJ asked about car parking capacity. RC noted that one multi story car park was to be constructed on site adjacent to the already completed multi story car park. DWL advised that discussions are ongoing with Glasgow City Council and SPT regarding public transportation onto the site and dates to commence the Fastlink service.

9. **Date and Time of Next Meeting**

The group agreed that the next meeting will take place on 10th March at 10am. It was decided that this meeting should incorporate a site visit for the group. AH will check diary commitments to allow a site visit and meeting to take place and update members.

**New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board**

Meeting Held on Monday 25th February 2013 at 2pm in Meeting Room A, JB Russell House

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White via teleconference	Chief Executive, Scottish Futures Trust
Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Commercial Director, Currie and Brown

Apologies

Jane Grant	Chief Operating Officer, Acute Division, NHS GG&C
Paul James	Director of Finance, NHS GG&C
Rosslyn Crockett	Director Nursing, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C
Stephen Gallagher	Depute Director Health Delivery, Scottish Government
Jennifer Armstrong	Medical Director, NHS GG&C
Angus Brown/Helen Russell	External Auditor, Audit Scotland

Minute Taken By

Allyson Hirst PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 7th December 2012 were approved as an accurate record.

2. Matters Arising

MB asked what the actual saving had been in delaying the handover of the Energy Centre. AS noted that it was not so much a cost saving as a cost avoidance of around £450,000 - £500,000

RC asked if AS had received any further contact from Scottish Enterprise (SE) regarding Teaching and Learning (T&L). AS noted that no response as yet but had arranged a meeting with SE. Architects and cost advisors to progress discussions and reaffirmed the deadlines in place to ensure the project continued to current programme. RC noted that a presentation had been given to Glasgow City Council (GCC) on the proposals for the T&L Centre and SE additional floor and they had agreed £1.5M to pursue the completion of the innovation centre. SE had previously indicated they would be more likely to participate if there was another major supporter and the funds offered from (GCC) maybe enough to allow them to pursue this. It was noted that the CEO of SE had been out of the country but it was hoped that a response could be sought this week.

AS noted that at this time two parallel planning applications were running – T&L and T&L with the additional research facilities.

3. nSGH Project Update

AS spoke to paper marked Enc 2

Stage 2 Design

AS updated the group that the project was making good progress with the project team working to complete review and develop design as well as progressing the equipment groups. At this time a large part of the focus was on the large imaging equipment (40 rooms to be developed and delivered) and subsequently the commissioning of these. AS noted that groups were working well to progress this. MB asked if the design had taken into account the MRI on the 2nd floor to enable future installations. AS noted that, with the assistance of imaging colleagues, a path had been developed along with removable wall units and reinforced floors in the appropriate areas along with designated crane zones on the grounds to carry out this work.

Stage 3

AS gave an update of progress on stage 3 works. AS noted that the energy centre A side was scheduled for handover on the 18th April although there were further works to be completed on B side. AS presented the pictures and asked the group to note the progress from the same time last year. BW asked if these images could be uploaded to the project webpage as they showed the movement in the project. AS reported beneficial access to 2 lifts was being taken forward to allow easier access for construction.

Car Park 1

AS reported that the design team were completing details, sub-structure, main frame and general layout. Site preparation will take place in March with the current office parking being moved off site to allow works to prepare the piling mat for starting piling process which is scheduled to commence at the end of April.

Car Park 2

AS noted that due to the proximity to local housing, work is being taken forward along with local residents. Planning conditions to be purified include, noise, lighting and overlooking. Meetings with the most affected residents were taking place to take forward their issues and suggestions on how to alleviate their concerns through the design process. The CP structure would be ground floor and 1st with space for circa 300 cars. Also included in this area was a VIE which will reduce the parking provision. Hypostyle have been employed to take the design through the planning process and discussions have taken place with Semperian colleagues who are happy with the plans and have no issues with drawing of a new boundary as long as the Health Board approve change to their hard FM duties. BW asked about the timing for completion and AS noted that this was crucial to the opening of the hospitals and AS required to have the VIE installed for the commissioning phase in order to fully test the medical gases.

Section 75

AS advised this item was for information only. As part of the S75 agreement £750,000 was being made available to ensure that walkways and cycle paths into and around the hospital were of sufficient quality. The project team are working with Sustrans to facilitate this and obtain match funding of £200K.

3. nSGH Hospital Update cont'd

Teaching and Learning

The Outline Business Case was submitted to the Capital Investment Group scheduled to take place on Tuesday 26th February. MB noted that this would be shared with colleagues in NES and it was anticipated that their support would be offered. MB hoped to be able to have a response for the project team within a week. BW noted that he had forwarded some comments to AS – one of his questions was the need for a 500+ auditorium and would this size of auditorium be required within this facility and what it would be used for. RC noted that the University will bring together their undergraduates, approximately 350, around 50 times a year

and with 10,000 NHS staff on site this could be used for large set meetings of different groups and with the innovation centre co-located there would be opportunity for SME and R&D to use this facility for large meetings and "conferences" with the potential for this to be frequently used over time. BW noted that this had not been clear in the OBC and AS responded that it would be clearly stated in the FBC.

M&E

AS reported that ZBP (M&E contractors of BMCL) had gone into administration at the end of January and they have now been bought over by Wallace Whittle our current technical M&E advisors. AS has been in contact with the NHS legal team to ensure that the Board will have the same contractual arrangements as previous. Although AS has not yet seen the detail his main concern is that Copy Write and warranty assurances have been met. There was no impact to the project as the majority of the team who initially worked on the project were continuing with the new owners so there would be continuity. BW noted that that there was nothing further AS could do and was happy that the legal aspect had been covered.

Medical Gas Validation

AS asked the group to approve fees of £150,000 incl VAT in order to take forward piped medical gas very specialist validation testing. AS had initially thought that this could be carried out via Health Facilities Scotland (HFS) Framework but unfortunately this was not possible at this time and would be taken through a tender process. AS noted that this is time sensitive to allow the validation to keep pace with BMCL testing process during construction.

Community Benefits

AS reported that the project was nearing its three key area of achievement and the project team will continue to work with BMCL to achieve this.

4. Compensation Events

DR spoke to paper marked Enc 3 and noted that the only changes to be noted were in table 2 - site wide heating capacity was now one less boiler than originally thought, and new item for pattress supports which would future proof the adult hospital for future patient entertainment installation.

Defined Cost update - DR noted that as part of procurement process BMCL continue to draw down on their contingency fund to fund packages that are over expected budget. BW asked about the 15% still in tendering or not yet awarded and the possibilities of them exceeding target price. DR noted that although smaller value packages remaining, there remained risk of overspend, for example the helipad works are currently more expensive than Brookfield budgeted and this may require a further draw down of funds. DR noted there are cost pressures on BMCL achieving procurement within target price, and would continue to monitor and update the Group.

5. Financial Budget

AMcC reported that the overall budget remained as previously reported with the only changes incorporated within Table 1 being those in relation to the two Compensation Event adjustments reported by DR in respect of site wide heating and additional pattress plates. The net effect of these adjustments resulted in a movement of £155k out of the risk provision to leave a remaining balance of just under £45m. AMcC noted that the cumulative spend to the end of January amounted to £393M and confirmed that spend profiles continued to be closely monitored in conjunction with C&B and BMCL as the financial year end approached. MB noted that the recent work undertaken on local delivery plans had provided the opportunity to

incorporate adjustments to the planned phasing of expenditure in line with the increased accuracy contained in the latest forecasts supplied by the main contractor.

Inflation

DR spoke to Enc 5 - this was updated to reflect the latest treasury forecasts with the main change in the median forecast with an increase from 2.5% to 2.8% in 2013. DR did note that the long-range forecast has not yet been updated. He noted that this change had increased the theoretical compensation event impact to £17.9M from £16.5M. It was noted that all scenarios still sat within the risk element noted and at the worst case scenario the £16.5M covered. BW asked what event could lead to £10M defined cost overspend. DR noted that 2 key risks sat within BMCL risk register. These were 1. BMCL failing to manage the project with their sub-contractors and increased co-ordination / claims costs and 2. Sub-contractor failure. The biggest of these sub-contractors being Mercury as the others have smaller packages. DR noted that the major plant was purchased and therefore reduces risk. BW asked if Mercury's financial health was known. DR noted that this was being looked at and he would be happy to report back to the next meet of this group. BW agreed that this would be useful.

Key Risk Update

DR reported that there was no real change - a review was taking place and it would be possible to note any potential items for removal over the coming months. Planning still has some residual to be cleared off, client changes are coming to a close as the 1:50 process concludes, RDD process will conclude around the summer of 2013. BW asked that for the next meeting that a reconciliation back to the original risk as this report looks as though risk monies has been spent but in fact the majority has been moved to other parts of the project ie - Car Park. AS agreed that a paper would be provided to show the movement. MB noted a reconciliation be provided to the next meeting demonstrating the main drivers that have resulted in movement on the risk provision since the start of the project. In noting that the majority of risk had been utilised to cover items such as VAT increases and car park provision, the reconciliation would in turn demonstrate the effective control of the risk provision that had been evident to date. MB noted the importance of ensuring that the reconciliation recognised that such effective control had resulted in the beneficial use of risk to cover the car park requirements which otherwise would have been a pressure within the national capital programme. AMcC confirmed that a similar schedule was already maintained and agreed to provide the requested information to the next meeting.

6. On the Move Update

RC noted the paper and asked that, in JG absence, if there were any issues or questions to be raised with JG for update at the next meeting. There were no questions or issue and the paper was accepted.

7. AOCB

There was nothing further to report and RC thanked the members for their input and time.

8. Date and Time of Next Meeting

This was scheduled for 25th April 2013 at 11am – Venue will be Construction Offices, SGH Site

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

Meeting Held on Thursday 25th April 2013 at 2pm in Meeting Room A, JB Russell House

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White via teleconference	Chief Executive, Scottish Futures Trust
Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government
Jane Grant	Chief Operating Officer, Acute Division, NHS GG&C
Paul James	Director of Finance, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C
Jennifer Armstrong	Medical Director, NHS GG&C
Angus Brown	External Auditor, Audit Scotland

In Attendance

Alan Seabourne	Project Director, NHS GG&C
Douglas Ross	Commercial Director, Currie and Brown

Apologies

Rosslyn Crockett	Director Nursing, NHS GG&C
Stephen Gallagher	Depute Director Health Delivery, Scottish Government

Minute Taken By
Allyson Hirst

PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 25th February 2013 were approved as an accurate record with the following amendments – under section marked M&E – contracts of BMCL should read designers of BMCL. Typographical error in the word copyright was noted and BW asked that the final sentence be removed and replaced with “BW was satisfied that the new contract with Wallace Whittle fulfilled the same conditions as that with ZBP”

2. Matters Arising

BW asked if there was going to be an update on Mercury's financial stability as per request at previous meeting. DR noted that he intended to give a verbal update to the group noting that an external credit check has been carried out and nothing untoward has been found within their financials and noted that as far as can be ascertained from available reports their financial standing is satisfactory.

3. nSGH Project Update

AS spoke to paper marked Enc 2

Stage 2 Design

A53347386

AS noted that the construction continues to make good progress and remains on programme. The project team are continuing to work with BMCL and users on equipment requirements including specialist equipment liaising with both BMCL and users on specifications. Group 1 provided by BMCL and progressing, Group 2 installation progressing within finished areas, Group 3 and 4 equipment list produced and now meetings with users to determine transfer potential in order to create a final purchase list, AS has met with Alex McIntyre and with some minor amendments Alex McIntyre is content that this moves forward, Group 5, progress made on procuring equipment and discussions with colleagues to ascertain if any can be leased in order to take some pressure from the budget which includes some 33 pieces of imaging equipment.

AS noted that the £60M budget figure now looks like a reasonably robust figure and further testing will be run to satisfy this, hence, the £10M contingency can be directed to other projects.

Stage 3

AS reported that 100 weeks to complete and all is going well with substantially no issues with programme. AS did note that the energy centre was running approximately 2 weeks behind programme. Due to the recent weather conditions on Arran and power outages Scottish Power, who are involved in the testing and commissioning process, had to divert resources although this created an opportunity for NHS staff to familiarise themselves further with the systems before handover.

AS highlighted the pictures included with the update and asked the members to note progress from this time last year. AS noted that it was progressing well and internally services, finish and IT installation were all considered to be a good standard of fit out. There had been some issues with high winds having an impact on glass cladding and it was noted that BMCL were confident that they could catch up over the coming months. Images of the internal atrium have been issued to the press and also on Staffnet.

AS noted that the highest ward would be level 12 with accommodation for helipad equipment and thereafter helipad on top of that. Topping out ceremony will be planned around June/July. BW noted that it was now good to see the profile of the building and how it will eventually look. JA asked about the links to the building from NICU to NCH as it was difficult to see where the connection would be. AS noted that there was a large window area that would be used to take the Maternity through to the NCH and this is to link the departments rather than link by bridge as is the design of the RHSC and QMH. PJ asked about completion timing and AS noted that it was currently sitting around 1 month ahead of programme but could not see it being more than this at completion.

Car Park 1

AS noted that the pile mat was being completed and piling rigs would arrive on site in the next week. There have been no issues to note with this section of works. The group agreed that it had been a good decision to allow BMCL to take forward this construction as it would have been difficult to incorporate another contractor due to the space and practicalities of site required to complete the works.

Car Park 2/VIE

AS reported that VIE construction was being scheduled and planned for commencing construction in the Autumn of 2013. This work is important as it is required to test the medical oxygen system within the hospitals.

For Car Park 2 a range of options are being reviewed with planners and architects in order to alleviate any of the local residents concerns. During routine review of the area a mine shaft was noted and this will require further investigation and a decision taken on how this can be resolved. AS noted that in order to resolve parking issues on the hospital site that it would be

prudent to delay the construction of CP2 until CP1 was constructed and this could be used to take up some of the lost spaces until CP2 is completed.

Teaching and Learning

AS reported that the OBC had received approval of the Scottish Government at the Capital Investment Group. A meeting to sign off Stage D was scheduled to take place on Friday 26th April and AS noted that all was progressing well.

3. nSGH Hospital Update cont'd

Teaching and Learning cont'd

AS reported that the First Minister had visited the site to announce the Innovation Centres planned for Scotland and that the T&L Facility had been awarded funding from the Scottish Funding Council in order to provide a fourth floor to the original plan to achieve this. AS reported that he has been in discussions with Property advisors to the Board and University in order to conclude Heads of Terms which will be included in Full Business Case when submitted. RC noted that formal papers will be taken through the regulatory process within the Board and University.

AS noted that the ground clearance is scheduled to start in early June in order that the building programme can be taken forward in November. MB asked if there were on-going discussions for other additional funding. RC noted that the majority of funding was in place but that subtlety of the funding was being worked through between Scottish Funding Council (SFC) and Scottish Enterprise with clarity on the £5M awarded by SFC to ascertain if there are any conditions attached to the award of this grant. BW noted that Wallace Whittle were technical advisors under Currie and Brown and who would make the final decisions. AS responded that as in many similar instances there is a Chinese wall set up between Wallace Whittle staff working for Brookfield and working for NHS GG&C.

Medical Gas Validation

AS was pleased to report that Hulley and Kirkwood have been awarded the contract for Medical Gas installation advisors to the Board for the NSGH project. It was noted that their cost had been less than the considered costs.

4. Compensation Events

DR reported that there had been no movement since the last meeting. Defined costs were noted as follow 88% contract works tended and contracts awarded, 2% contract works tendered and awaiting formal contract award, 5% of contract works currently at tender stage, 5% of contracts works remain to be procured. DR noted that BMCL contingency was now under £1M and there was a high risk that the target price will be breached. PJ asked for the reason for this. DR noted that there had been changes in design, material cost increase, packages differing from original budgets, helideck costs. PJ asked if there was pressure on Board. DR noted that the Board has full sight of the spending. AS reported that it is a daily pressure – reviewing the scope of the project and AS noted that our scope is satisfactory to ensure there is no impact. BW asked if they can use the £2.7M underspend from the laboratory project. DR noted that they can use some of this and the £1M in its entirety and carry over from Stage 1. If no contingency in Stage 1 then all risk monies would have used all their risk money.

JA noted that in discussions with colleagues there were thoughts on the haemato-oncology area within the hospital and if this could be expanded to support more patients. AS noted that the only soft areas within the building were clerical areas and meeting rooms. RC noted that the building could be flexible but only if the funds to make the changes available. This will be required to go through the Change Control Process and signed off at the appropriate level. It was suggested that JA forwards the proposals in detail initially and AS can take this to BMCL for costing before discussions are completed so that the costs are known and incorporate before the building completes further and the costs will change and it may not be possible to change without too much costs involved.

5. Financial
Budget

AMcC reported that, as there had been no new compensation events since the last meeting, the budget figures contained within Table 1 of Enclosure 4 remained unchanged. The cumulative expenditure incurred on the project to the end of February 2013 amounted to £418.4m. As requested at the previous ASSB, a short summary of the movements in the risk provision had been provided within Appendix 2 of Enclosure 4 which highlighted the main uses of the risk monies related to funding the increased VAT following the uplift to the current 20% rate, and the inclusion of the construction costs of the three remaining car parks – the inclusion of which had avoided the need for additional funding to be made available from the national capital programme. MB noted that the balance of risk remaining per the summary differed slightly from that shown within the Risk Update (Encl 6) scheduled to be discussed later in the meeting. It was noted that this difference arose as a result of the risk figure contained in Enclosure 4 including the compensation events reported to the February 2013 meeting of the ASSB whilst the figure contained in Enclosure 6 used the risk provision as at December 2013 as the baseline for comparison purposes.

Inflation

DR reported on inflation and the impact of the most recent forecasts from HM Treasury. Table 1 noted the significant change in the forecasts for 2013 and 2014, increasing by 0.5% each year. This increase results in a significant difference to the notional compensation event due to BMCL, increasing from £17.9M to £19.6M.

DR highlighted to the Group a potential range of actual liabilities due to be paid by the Board arising from a combination of inflation and actual defined cost forecasts. Based on median inflation forecasts, actual liabilities could be in order of £12M to £15.4M

RC noted that BW asked for sensitivity analysis and these were circulated separately in advance of the meeting. With inflation forecasts at 0.25%p.a. below the median forecasts the potential Board liability could be in order of £11.4M to £15.1M and based on 0.25%p.a increase above the median the liabilities increase to £12.7M to £15.8M

RC noted that he and Ross Ballingall had discussed inflation and the driving factor for BMCL is the sensitivity around their limited risk provision to complete the project below original target and their desire to continue to report positively to their Board. BMCL have noted to RC that they would be prepared to transfer the risk to BMCL for a one off payment of £12M incl VAT and RC asked the members of the group for comments or questions at this stage.

BW noted the range of scenarios as being helpful and highlighted that the offer by BMCL, if accepted, would be a sensible approach and cap the Board liability. He did note that the scenarios are based on range of potential defined cost outcomes, and queried the robustness of the forecasts, any associated risks, and the commercial arrangements of the settlement position. DR noted that inflation settlement would be added to the ring fenced profit within the target price, and if the defined costs were less than the lowest scenario, the Board would still be entitled to a gain share and if above the target then BMCL would still suffer pain The Board

retain the downside benefits of gain share and upside benefits of BMCL still being subject to pain if costs exceed original target price.

This payment would allow inflation to be removed from the Boards risk provision MB noted that the timing of the offer is helpful crystallising the Risk provision. JA noted that it would remove the major risk from the Board which could give certainty in an uncertain climate. PA noted any settlement would maintain the Boards positive relationship with BMCL.

RC confirmed that there is no budgetary impact to the project, with the settlement funded from the current £16.5M risk provision, and that there is no cashflow impacts

BW asked if £12M was the best deal. RC noted he had discussions with Ross Ballingall and that RB had noted that this was BMCL best offer. DR noted that the initial discussions between RC and RB took place before that latest HM Treasury forecasts were published, and that BMCL will be tracking the forecasts and will know that the inflation position has changed since they made the £12M offer.

The Group agreed that accepting the BMCL offer is a sensible approach to capping the Boards liabilities and that a recommendation will be taken forward to the Q&P Group to formally endorse progressing close out of the inflation risk. It was noted that close out of the risk at £12M releases £4.5M from the risk provision set aside for funding inflation liabilities.

Risk Register Update

DR reported to changes to register – ground risk down from £2M to £1M as a result of ground water monitoring and although there were a few more tests to be carried out it was not considered a high enough risk to warrant the £2M. Planning risk sits at £100K down from £500K due to further discussions with Glasgow City Council and the risk was considered to be less.

6. On the Move Update

JG updated the group on the work of the On the Move groups taking forward the Acute Services Redesign work. JG noted that there were 7 main groups taking this work forward in preparation of the move into the new hospital and the paper details this by area/speciality. JG noted that this work is mostly focusing on – Front door services (testing the new models), outpatients (scheduling and impact on diagnostics from this and other areas) and capacity of the hospital.

JG noted that a migration workshop is scheduled for 23rd May to put forward the proposals from the Clinical Migration Sub-Group which consists of a mixture of clinical, senior clinical and planning members of staff. This workshop will be led by David Stewart as Medical Director for Acute Services in South Glasgow – this will give an opportunity to ensure that interdependencies are all considered and taken into account during the migration of the hospitals into SGH. BW asked if concerns around transport, especially within the older generation, have been taken into consideration. JG noted that this is the type of question that is raised through Community Engagement and this is being worked through by colleagues in this area. JG noted that there is still some work to be taken forward on order of moves, equipment purchase (so that all using same systems before move over) and the merging of teams. Lessons learned from previous moves indicated that merging teams over a period of time before any big move increases the likelihood of successful transfer and integration of staff. MB asked that for every other meeting of this Group a workstream is chosen and an update given in more detail on the work that they have progressed with. JG and RC had previously discussed bringing a dedicated selection of these groups to this meeting to give the opportunity to give these groups a more project feel to them. It was agreed that a paper is brought to the next meeting of the group to set this proposal in further detail.

7. AOCB

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RC noted that a replacement for AS had now been appointed – David Loudon – David will commence with the project team from 20th June and will succeed Alan from 1st August. David currently works with Currie and Brown and has a background within Education and Facilities Management. RC also noted that in agreement with Grampian Anna Daley will join the team/NHS GG&C permanently from 1st August 2013.

8. **Date and Time of Next Meeting**

This was scheduled for 28th June 2013 at 10.30am – Board Room, Construction Offices, SGH Site

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

Meeting Held on Tuesday 9th July 2013 at 10am in Conference Room, First Floor, Project Offices

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government
Jane Grant	Chief Operating Officer, Acute Division, NHS GG&C
Paul James	Director of Finance, NHS GG&C

In Attendance

Alan Seabourne	Project Director, NHS GG&C
David W Loudon	Project Director/Director of Facilities and Capital Planning
Helen Russell	External Auditor, Audit Scotland

Apologies

Rosslyn Crockett	Director Nursing, NHS GG&C
Carmel Sheriff	Depute Director Health Delivery, Scottish Government
David Stewart	Associate Medical Director, NHS GG&C
Jennifer Armstrong	Medical Director, NHS GG&C
Douglas Ross	Commercial Director, Currie & Brown

Minute Taken By
Allyson Hirst

PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 25th February 2013 were approved as an accurate record with the following amendments – page 3 under compensation events it should read “tendered” not “tended”

AH to amend and update the minute

2. Matters Arising

BW noted that the energy centre was running 2 weeks behind schedule and was this still the case? AS advised that the ‘A’ side of the Energy Centre had now been taken over by NHS. BW asked for an update Car Park 2 residents issues – AS noted that this would be discussed within his A&C update

3. NSGH Project Update

AS spoke to paper marked Enc 2

Stage 2 Design

AS noted that the design process continues to make good progress and remains on programme with final design choices on specialist equipment and its procurement and work continues with the users to ensure that requirements are met. AS noted that tenders are being returned for the procurement of Group 5 equipment items. AS noted that the majority of these items purchased were being sourced from Framework suppliers. The budget estimate for this portion of equipment was £15M.

AS reported that the preliminary design work had been completed for the VIE and formal planning consent is now being sought by BMCL. Construction of VIE will commence in early autumn and is programmed to take place over a 6 month period. RC asked for clarity on the location and size in relation to the surrounding buildings. AS advised that the positioning of the VIE was within the south area car park as indicated on the approved master plan.

AS reported that approval has been given by Quality and Performance Committee for some design changes to infrastructure to support the installation of patient kiosks and patient calling technologies within the adult atrium (compensation event No 042).

AS highlighted the construction elements of the project as noted within the paper including the installation of the "pods" within the adult atria. AS noted that there will be around 1500 operatives on site by Christmas 2013 with the figure currently standing at 1350

Car Park 1 - work continues on Car Park 1 and AS reported that there were no contractual issues and the programme was on schedule and costs are stable. It was noted and agreed by the group that the decision to award the build to Brookfield was proving to be a good decision as the work area encroaches onto the site by some considerable margin.

Car Park 2 – AS reported that after ground investigation works had been carried out a mine shaft was located within the proposed area for construction and the ground conditions are very poor. This has now changed the design of the car park foundations which the project team are advised will require rotary piles solution. This work would probably be unacceptable to the local residents and probably not pass environmental assessment required by Planning. Cost implications would see poor value for money with each space costing circa £30K. AS noted that he had not yet had opportunity to have a detailed conversation with RC to discuss the way forward that would create sufficient space allocation without causing so much disruption to local residents and patients. AS reported that he has instructed the architects to review the spaces available on site to ascertain if there is possibilities to increase the parking capacity at this end of the site due to the need for quick drop off into A&E, and access to maternity and older people's services. Some further thought to be given to the creation of very short term (30 minutes) in the direct vicinity of the A&E entrances, allocating the spaces at this part of the site purely for visitors and patients and directing staff and others to park at the opposite end of the site. BW noted that the structural load would not be massive but AS noted he had been in discussions with structural consultants who won't change their conclusions. Parking spaces can be created in other areas of the site. It was noted that not having effective parking on site will become an issue and MB noted that if there were cost issues that he would be happy to discuss further. A paper detailing car parking proposals will be submitted to the next meeting of this group.

DWL to prepare paper

Teaching and Learning – AS reported that this is progressing on programme with planning approval anticipated for mid August. Target costs will be completed around the end of July with the Full Business Case going to the Quality and Performance Committee in September 2013. AS noted that the stratified medicine floor was included in the programme. Due to the size of the building it had been necessary to complete public consultation and this has been completed and outcome submitted within the planning application. The completed ground first and second floors will be split 50/50 between University and NHS but the fourth floor is entirely at the disposal of the University and their partners.

Reprovision of Office Accommodation – AS reported that an Initial Agreement paper was submitted to and approved by the Quality and Performance Committee of the NHS Board. This will now be submitted for consideration by the Capital Investment Group for their meeting on the 13th August. This accommodation will house the staff to be located within the SGH who would not have access to space within the new hospital buildings. The paper set out the difference between retained estate and new build and highlight that the benefits of a new build far outweigh refurbishment of the retained estate and that it will be possible to complete the office proposal in time for the hospital opening in order to accommodate the staff necessary on site to support the new hospitals. AS reported that the Outline Business Case will provide details of the lifecycle costs and operational costs which are not included in this current paper. The funding for this project will come from the slippage on the £842M project budget with any shortfall being allocated from the Boards Capital Plan. RC noted that the buildings that were originally to be retained due to their listed status will now provide some strategic opportunities for the site. BW asked that a more detailed comparison would be helpful in the OBC to ensure there was a clear explanation on why this is the best way forward. He supported the concept of open plan flexible working. AS noted that his team have taken the opportunity to visit other sites that have a similar type of accommodation and have taken on advice from those already using such layouts including the Glasgow City Council office accommodation at 220 High Street and Forth Valley Acute Hospital. BW asked how many storeys this building will have and AS noted 3. BW suggested that it might be beneficial to include some basement parking to increase the levels of the parking in that area. RC noted that this could be considered being mindful of the cost and time for completion. AS noted that this could increase the build time from 16 to 20 months. RC asked that this information is brought to the next meeting of this group. BW noted that the budget looked positive at this stage and that contingency funds could be allocated to progress this project.

Basement parking proposal to next meeting – DWL

4. Compensation Events

AS reported on paper marked enclosure 3 changes included – equipment, inflation agreement and the installation of the infrastructure to support patient kiosks. RC spoke to the change identified in Table 3 and described why Bone Marrow Transplant Service was to transfer to NSGH. The transfer of this service required substantial changes to level 4 which had already progressed significantly with regard to its fit out. AS advised that the current costs of £840,000 was a best estimate until Brookfield had carried out design works in August, after which this cost would be firmed up. These changes were agreed at the QPC. BW suggested that as this was a significant change requested by the Board it would be positive for the project if those costs outwith the project control were identified separately. Thus showing the project less than the original target price – these being, inflation uplift and Bone Marrow Transplant Services

Compensation Events paper to be updated to reflect - DWL

5. Budget

AMcC reported on paper marked enclosure 4, and highlighted that the remaining balance on the project's risk provision amounted to just over £33m as reflected in Table 1 of the paper. AMcC noted that the movement on the risk provision since the last meeting recognised all the concluded Compensation Events discussed earlier in the meeting, but did not include the recent pending Compensation Event for £840k in respect of the increase to bed numbers for use by Haemato-oncology. It was noted that the cumulative spend on the project to 31st May 2013 amounted to £486.1m. In response to a question by BW, AMcC explained that this included VAT and noted that the level of spend incurred against the main construction contract with BMCL, exclusive of VAT, was included within line 1.5 of Table 1.

Key Risks

AS noted that a wrap up meeting was being scheduled for future and any remedial works and this may reduce some of the contingency costs for ground risks from £1M.

6. On the Move

JG spoke to the group on enclosure 6 – at the previous meeting it had been decided that a detailed report on defined areas would be brought to the group for each meeting. JG noted that a new project manager has been allocated the task of providing this but had been involved in some training prior to the meeting and therefore this update would encompass the works of all areas but for future meetings it would include a more specific area. Key points of the paper included the pre admission and pre assessment and integration of policies for patients attending the hospital. Theatre templates are being reviewed so that when the three theatre complexes come together there is no overload on the supporting diagnostics and bed numbers to ensure that the hospital functions smoothly over an entire working week. Community models are being reviewed along with patient information models within both hospitals. The operation of the helipad discussions are progressing to set up procedures and training. Emergency receiving work continues and now being managed under a single management process. Discussions have commenced with Scottish Ambulance to ensure they are involved at the appropriate junctures. Workforce are aligning current with new hospitals to ensure that there is sufficient staffing to enable the hospital to work effectively. JG noted that the discussions around clinical migration are moving forward and a paper will be brought to this group to review further the stages and proposed order of moves which currently stands as SGH, Vic, WIG with Yorkhill moving in between these taking account of seasonal peaks. This will require discussion before the final order is decided.

JG to prepare paper on clinical migration for next meeting

7. AOCB

BW noted that he would like to be reassured that there was sufficient staffing resources within the project whilst the office block was being taken into the project. AS noted that Anna Daley who was working on the Teaching and Learning project was taking the lead on this project along with the CRF. This allows the project team allocated to the A&C to continue their work with only minimal input to the office development. Anna will work with HR and Directors to pursue this project to completion. RC noted that he was mindful of this and it will be kept under review as the project moves forward.

DWL will take over from Alan Seabourne until around 2014 then take over the management of facilities and during the interim period between Alex McIntyre's retirement there will be an opportunity to have a member of facilities act up. BW noted that retaining the knowledge of staff involved within the projects was key to keeping the project moving forward and thereafter the moves of staff and patients into the new buildings.

BW asked that a review of the Health and Safety record of the site would be useful to have sight of as well as the risk register and an update on community engagement work.

Agreed to provide risk register for the next meeting and community benefit before the end of the year

RC noted that this would be AS last meeting before his retrial at the end of July. RC wished him well in his retirement and his appreciation for all his and his teams work to get the project to this stage.

RC also informed the group that JG was moving to a new position within Forth Valley as their CEO at the end of September and the group wished her well in her new post.

8. Date and Time of Next Meeting

The group agreed that the next meeting will take place on Tuesday 10th September at 10am and will be held in the Conference Room, 1st floor within the project offices.

DRAFT

Change Control Process

The following tables provide an update of the changes that have been assessed and approved by the Acute Services Strategy Board through the projects change control process and an indication of pending changes that are being reviewed prior to formal approval.

The changes approved and impacting the Contract Target Price are as follows:-

Table 1

Item	CE No	Status	Date Completed	Stage 1 costs (inc O/H, Profit & VAT)	Stage 3 costs (inc O/H, Profit & VAT)	Total costs (inc O/H, Profit & VAT)	Variation
Testing of Building Board Material on Site	001	Concluded	23/02/2010	£311.73	-	£311.73	-
Japanese Knotweed Removal	002	Concluded	26/02/2010	£25,361.95	-	£25,361.95	-
Excavated Building Materials/ Spoil	003	Concluded	05/03/2010	£66,759.04	-	£66,759.04	-
Labs Project – Diversion of Water Main	004	Concluded	05/05/2010	£13,341.83	-	£13,341.83	-
Laboratory Block – Mortuary basement Level -1 (Allowance for X-Ray builder works)	005	Concluded	24/06/2010	£5,872.90	-	£5,872.90	-
AGV System – Cart Washer Removal	006	Concluded	24/06/2010	-	-£616,239.32	-£616,239.32	-
Labs Project – Copper Cladding to External Columns (Required by Planning)	007	Concluded	28/06/2010	£31,924.89	-	£31,924.89	-
Labs Project – Removal of Foundation from Old Rec Pavilion	008	Concluded	12/06/2010	£0.00	-	£0.00	-
Kitchen relocation from level 3 to basement	009	Concluded	02/07/2010	-	£72,723.89	£72,723.89	-
Reconciliation Labs – Stage D to E	010	Concluded	29/03/2010	£904,002.67	-	£904,002.67	-
Mortuary basement (Allowance for power and structural x-ray requirements) (Links to CE005)	011	Concluded	23/08/2010	£17,107.47	-	£17,107.47	-
Haemato Oncology Area – reduction to Hepa filtration requirements	012	Concluded	27/08/2010	-	-£8,165.49	-£8,165.49	-
Reduction to site wide electrical load requirements (potential to omit 2 generators)	013	Concluded	07/10/2010	-	-£752,756.10	-£752,756.10	-
Removal of the partitions between the trolley spaces in theatre recovery (NCH)	014	Concluded	07/10/2010	-	-£25,517.16	-£25,517.16	-
Removal of Bay dividing walls to Adult Hospital Critical Care	015	Concluded	07/10/2010	-	-£229,654.40	-£229,654.40	-
Gas found in Labs Ground area	016	Concluded	07/10/2010	£33,334.63	-	£33,334.63	-
Nitrogen Supply to Tandem Mass Spectrometer	017	Concluded	18/01/2011	£356.56	-	£356.56	-
Additional on-going monitoring of site gases and water as requested by GCC Planning Dept (until 1 st Quarter 2012 (Potential for request to extend monitoring until 2015). Enhanced DPM for Energy Centre as requested by GCC Planning Dept	018	Concluded	10/02/2011	-	£82,930.76	£82,930.76	-
					£25,836.12	£25,836.12	-
Laboratory block – Changes to statutory requirements	019	Concluded	13/05/2011	0.00	-	0.00	-

Additional groundwater and gas monitoring from 2012 to 2015 as subsequently requested by GCC	020	Concluded	24/06/2011	£18,034.25	-	£18,034.25	-
Exceptionally Adverse Weather Conditions	024	Concluded	24/06/2011	£117,155.56		£117,155.56	-
GCC Planning Conditions – Borehole to monitor groundwater has failed therefore a further borehole will need to be drilled for continuous monitoring.	025	Concluded	04/08/2011	-	£3,827.57	£3,827.57	-
Additional security measures to CATIII Laboratory imposed by change to Home Office Regulations. Legislative changes are the Board's risk	026	Concluded	24/06/2011	£38,202.90	-	£38,202.90	-
Delay to diversion of Linthouse Burn works and connecting major drainage systems due to discovery of unforeseen services in the ground	027	Concluded	20/08/2011	-	£75,000.00	£75,000.00	-
Reduction from 24 hour water storage to 12 hour water storage as dual mains supplies provide the necessary resilience. (Fully risk assessed)	028	Concluded	24/06/2011	-	-£38,275.73	-£38,275.73	-
Increase to frequency of ground water monitoring required due to increased levels of PHA contaminants discovered. Monitoring to May 2012 (GCC Requirement)	029	Concluded	20/09/2011	-	£15,000.00	£15,000.00	-
Installation of security fencing and automatic entrance gates to secure the operational area around the new Laboratory and FM Centre to assist with the 24hr management of vehicles arriving with goods for the hospitals, laboratory samples and mortuary management.	030	Concluded	20/09/2011	£45,461.81	-	£45,461.81	-
Agreed changes to Group 1 and 2 Equipment lists	031	Concluded	14/12/2011	-	-£1,871,457.82	-£1,871,457.82	-
Disruption to piling operations for Neurosurgery Link Bridge due to discovery of unforeseen existing concrete foundations	032	Concluded	09/02/2012	-	£30,000	£30,000	-
Adverse weather conditions - during later half of 2011 there has been a series of isolated 1 in 10 year weather events. Individually they have nominal impact, however commutatively there is a potential for a Compensation Event to be due under the contract.	033	Concluded		-	£300,000.00	£300,000.00	-
Alteration of Ophthalmology Out-patient Treatment room to clean room specification	034	Concluded	26/03/2012	-	£2,178.25	£2,178.25	-
Continuation of monthly assessment/reporting until February 2013. Cross reference CE 029	035	Concluded	19/10/2012	-	£15,565.47	£15,565.47	-

Adverse weather encountered during June & July 2012.	036	Concluded	19/10/2012	-	£42,000.00	£42,000.00	-
Further investigation at 2 specific locations to identify the extent of ground contaminants discovered during excavations	037	Concluded			£7,115.46	£7,115.46	-
Reduction to site wide heating capacity (Detailed assessment indicates 7 boilers required not 8)	038	Concluded	25/02/2013	-	-£85,983.88	-£85,983.88	-
Addition of pattrass plates to bedheads in Adult Hospital	039	Concluded	25/02/2013	-	£49,561.28	£49,561.28	-
Changes to Group 1 and 2 Equipment lists	040	Concluded			-£277,069.07	-£277,069.07	Transfer from table 2
Employer Accepted Risk for inflation agreement as set out in the contract. The Board have no future inflation liability. ** Cross Reference Key Risk Update below **	041	Concluded		-	£12,000,000.00	£12,000,000.00	NEW
Installation of the infrastructure and associated adult atrium design works to support patient calling/patient self-check (Additional data and power points)	042	Concluded		-	£28,047.50	£28,047.50	NEW
Total				£1,317,228.19	£8,844,667.33	£10,161,895.52	

The costs stated have been shown at the relevant rate of VAT.

1.1 Potential Compensation Events

The table below lists other changes currently under discussion which will impact on target price.

Table 2

Item	Status	Stage 1 costs (inc O/H, Profit & VAT)	Stage 3 costs (inc O/H, Profit & VAT)	Total costs (inc O/H, Profit & VAT)
Changes to NSGH level 4 due to clinical requirement to increase the number of beds available for use by haemato-oncology (hepa filtration).	Approval of clinical change received from QPC on 2 nd July 013. BMCL have been instructed to stop all fit-out works in this area in order to mitigate the risk and cost of remediating any further unnecessary works. This is an estimated cost which requires significant design detail to conclude the cost and programme. The RDD process to develop the design has been instigated The changes will be funded from the £1.5m client change risk allocation (Cross reference key risk summary).	-	£840,000.00	£840,000.00
Total		£0.00	£840,000.00	£840,000.00

Table 3 – Compensation Events – Movement since last ASSB report (April 2013)

	Total costs/savings (inc O/H, Profit & VAT)
Compensation Event value at April 2013	-£1,789,082.91
Compensation Event value at July 2013	£11,001,895.52
Movement since April 2013	£12,790,978.43

1.2 Defined Cost Update

Current status of procurement is as follows:-

- 90% of Contract Works tendered and contracts awarded
- 2% of Contract Works tendered and awaiting formal contract award
- 5% of Contract works currently at tender stage
- 3% of Contract Works remain to be procured

Based on BMCL current cost projections and risk estimates, the estimated outturn final cost to the Board is estimated to be in the range of £577M - £580M. This is within the revised Target Price incorporating all Compensation Events of approximately £584M.

New South Glasgow Hospitals Development

Acute Services Strategy Board

Meeting Held on Tuesday 10th September at 10am in Conference Room, First Floor, Project Offices

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government
Jane Grant	Chief Operating Officer, Acute Division, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C
Jennifer Armstrong	Medical Director, NHS GG&C

In Attendance

David W Loudon	Project Director/Director of Facilities and Capital Planning Designate
Angus Brown	External Auditor, Audit Scotland
Douglas Ross	Commercial Director, Currie & Brown
Grant Archibald	Interim COO
Alex McIntyre	Director of Facilities
Peter Moir	Deputy Project Director

Apologies

Rosslyn Crockett	Director Nursing, NHS GG&C
Carmel Sheriff	Depute Director Health Delivery, Scottish Government
Paul James	Director of Finance, NHS GG&C

Minute Taken By

Allyson Hirst	PA, NHS GG&C
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1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 9th July approved as an accurate record with the following amendments – page 3 under reprovision of office accommodation - remove slippage and replace with "allocated from risk provision". On the same page but under compensation events - this was an external change to the project which was required due to service changes within the NHS and not as a change by either users or NHS GG&C.

Grant Archibald was welcomed to the meeting as he will be taking over, in the interim, for Jane Grant once she moves to her new position at Fourth Valley. Alex McIntyre, Director of Facilities was in attendance to provide an update, via presentation, on the work carried out overall by the On the Move Group in preparation for the hospital opening.

AH to amend and update the minute

2. Matters Arising

All issues would be covered by the agenda.

3. nSGH Project Update

DWL spoke to paper marked Enc 2

Stage 2 Design

Some RDD works to complete focusing on the specialist items and their fit within the building.

On that matter the Group 5 procurement was progressing well with this concluding with final review being completed by the end of September. Final sign off being concluded on ceiling plans, fixtures and fittings plans and internal finishes.

Link bridge design is concluded and is at present being constructed at the haul road within the site boundary. The first bridge is scheduled for installation in late October.

VIE foundation design is being reviewed as the ground conditions in this part of the campus were not considered suitable for traditional foundations resulting in a piled solution being necessary. There are additional issues with this phase of the project and planning consent is currently awaited from the Council.

As previously noted, the design change to include Haemato-oncology was at the final stages of design and costs awaited from BMCL - C&B will review the costs to assess value for money.

Stage 3

A summary of the works status is noted within the paper.

DWL reported that good progress was being made. Steel works are progressing with the two ETFE roofs and helipad construction. Pods have been installed as have the atrium link bridges. DWL noted the pictures within the report showing the pods and atrium as well as the ETFE roof. It is programmed to have the building wind and water tight by the end of 2013. Quality checks reveal that the quality of the work is satisfactory and is in line with programme. MB noted that DWL had given him and colleague the opportunity to have a site visit a few weeks ago and he was extremely impressed with the work and commended the team for their input. RC agreed that the size of site and work being carried out had had limited impact on the surround hospital campus and appears to be well organised with good logistics in place.

Car Park 1

DWL reported that the piling works were completed at the end of June and noted the progress made to date. This aspect of the project was on time and to budget with no issues anticipated.

Car Park 2

DWL noted that as previously reported this car park was not progressing as previously planned. After ground condition checks had been carried out the level of piling required, due to bad ground conditions, would not provide a value for money solution. It was also noted that indications had been that the Town and Country planning process was likely to have been protracted. In light of this, as noted at the previous meeting, surface car parking had been reviewed and outcome would be reported further in the agenda by PM.

Teaching and Learning Facility

DWL reported that the Full Business Case was to be presented to the Quality and Performance Committee on the 17th September if the members of ASSB were satisfied. Thereafter, it will be submitted to the Capital Investment Group on the 2nd October. Planning consent was scheduled to be given on 6th September but had been delayed. The delay is not programme critical at this stage and was anticipated very soon. Demolition works are on programme to commence next week and all relevant surveys have been carried out. Target Price work is progressing and no issues were anticipated. Full consultation with University of Glasgow partners has continued and they are satisfied with progress. DWL noted that the Project Manager had resigned and he was seeking a replacement.

MB noted that UNITE had been in communication with BAM re black listing of staff but this appears to be resolved and no further issues are thought to arise from this.

Staff Accommodation

DWL noted that the Initial Agreement has been endorsed by the Scottish Government and subject to approval from the ASSB, the Outline Business Case will be submitted to the Quality

and Performance Committee on the 17th September and thereafter to the Capital Investment Group on 2nd October. The planning application has been submitted to Glasgow City Council with the outcome of this expected in December 2013. The project team continue to work on Target Price which is scheduled to conclude at the end of October.

Site Health and Safety Update

As previously requested by the ASSB, DWL presented the paper marked enclosure 3.

There are currently 1,485 operatives working on site. This is anticipated to rise in the final part of the year by a further 100-150 workers. During this reporting year there has only been one reportable accident, trapped hand, 106 minor injuries which required first aid. This equates to a cumulating accident reporting of 0.07 with rolling accident reporting of 0.05 this compares to a BMCL company target of 0.10 and a project target of 0.32. 2800 operatives have been inducted to work on site with 6290 person hours of health and safety training carried out on site. BMCL have a strict policy on drug and alcohol use on site and carry out testing with a zero tolerance policy. Operatives are removed permanently from site if they test positive but it was noted that in the last three test days there had been no non-negative results. BMCL have provided English lessons for non-English speaking workers with a further two sessions planned.

Community Benefits

As requested at the last meeting, DWL updated members on the work undertaken as part of the project on community benefits noting that the targets set out at the beginning of the project have been exceeded ahead of target. BMCL and NHS continue to work with local education facilities to offer work experience placements and an independent learning programme. DWL noted that this aspect of the project has been well managed and it is hoped to continue the good work with a review of the possibility of taking on some of the trained apprentices to work within the estates of the new hospitals.

4. Compensation Events

DR reported that there were no new events to report to the group but did note that the Haemato-oncology works (table 2) value was anticipated to be with the project team on Friday 13th September with a programme date to instruct by the end of September and DR reported that this was on track to submit. Table 3 indicated no movements. Table 4 now shows the outcome of comments made at the last meeting to add an additional column to show the variations to the scope of works and changes to the clinical brief and inflation costs included. Table 5 shows items funded from elsewhere ie Yorkhill Children's Charity YCC or Board capital. It was noted that the defined costs has not really moved as majority of items are now procured. Residual items to be procured of relatively lower values and include signage and hard and soft landscaping and the like. Outturn forecast indicates that there are no major impacts to the target price. DWL asked the group if it would be acceptable to remove the concluded events from the table and only show any new events and keep note of a running total. ASSB members agreed to the alteration of the format

5. Overall Budget

AMcC reported on paper marked enc 6 and noted that the overall core budget remains unchanged at £841.7M. AMcC explained that additional external funding from (YCC), which had been utilised to fund the installation of sky ceilings and distraction therapy equipment, has been incorporated within the overall budget table in order to show the total resources being applied to the project.

The pending compensation event in respect of Haemato-oncology, discussed at the last meeting, had also been reflected within the budget table and results in an £840k reduction to the risk provision. AMcC highlighted that the risk provision now stood at £32.18M, as noted in

line 2.5 of table 1, and advised that a high level review of the movements since contract award was contained with Appendix 2. AMcC noted that cumulative spend on the project, up to and including July 2013, amounted to £521.4M and that expenditure profiles were currently being reviewed, particularly in relation to the equipment budget. MB noted the importance of managing the cashflows over the coming years within the forecast levels as the national programme had very little flexibility at the current time. This was accepted and noted by RC. RC reported that the potential early completion should have no impact on construction cashflow as the facilities would still complete within the same fiscal year. However, it was noted that the impact of equipment phasing was currently being reviewed. DWL agreed to liaise with MB and keep updated on progress.

RC noted that there has been continuing dialogue with charitable organisations and that this would become an increasingly significant aspect of additional funding going forward. RC described recent discussions which had taken place with The Fraser Foundation, particularly in relation to the issue of naming rights, and also noted that charitable support would be provided from both Board Endowment Funds and the Ronald McDonald charity.

On the matter of art work for the hospital, JA noted that she had recently visited Barlinnie Prison Art Centre who were keen to provide some of their art work for the new hospitals. DWL noted that PM was leading the arts for the hospitals and suggested that JA liaise with PM on details.

6. Key Risk Update

DR reported on enc 7 - Ground Water Monitoring - it was possible that this could be removed from the risk and was currently with Glasgow City Council for consideration.

- Surgical block should be retained within the risk register.
- Planning - there were still some potential issues and therefore, the completion £100K will be retained.
- Client changes - this reflected the recent Haemato-Oncology addition and BW asked that this was recorded appropriately and why this change had been made and also to be noted that the majority of these risks has now passed due to the status of the buildings progress.
- BW asked when the equipment requirements would be cleared from the risk - RC noted that the major diagnostics kit was currently being evaluated and this should be identified by end of September. RC also noted that a paper has been taken to the Board to aggregate endowment funds in order to provide additional funding to the new hospitals for equipment so that the Board had full control of the monies. It was anticipated that this could be concluded by the end of the year and it may be possible thereafter to release some of the risk from the hospital project. RC was optimistic due to the scale of purchases that the costs can be kept lower - it is hoped that at the next meeting of this group it will be possible to release some if not all of the risk under equipment. BW asked about the transfer of equipment and it was noted that the Board has been proactive in recent purchases with a view to move into the new hospitals for example bed purchasing - it was noted that these will assist in the migration into the new hospital to allow pre-equipment of wards to move patients in. Standardisation of equipment to allow movement into the new building. Robert Stewart - procurement was now working with the project team to ensure that procurement was appropriate. BW asked if the endowments would assist with purchasing - RC noted that it was previously projected that all new equipment would cost £73M and he was therefore confident with transfers, endowment monies and rigorous tendering process that the budget would be under. New technologies are constantly appearing on the market but for the Board the newest equipment will be purchased - robotics are advancing but it was not thought that these will be available for when the hospital is to be equipped. The back stop for procurement process to kick off is June 2014 to ensure that this will be completed in time to equip the new hospitals for opening.

7. **On the Move**

JG gave a brief overview of the content of enclosure 8. JG noted that AMcl will review the progress of the On the Move Group during his presentation. Highlights included - 2 new groups being established - Clinical Executive Group (CEG) and Migration Executive Group (MEG) as vehicles to drive forward the more detailed debate, make decisions and take these forward. The On the Move Project Manager has now taken on the role and is currently developing a high level project plan that highlights the work of each of the workstreams, creating a task log to ensure proper governance arrangements. RC noted that colleagues are more involved as the project concludes –operational policy decisions need to progress as well as the project plan. Individuals' input to workstreams is identified with overarching review to ensure that all interactions are appropriate and there is no doubling of effort. BW asked about operational efficiencies – RC noted that this was being tracked back to note the savings being made over the last few years ie selling WIG, early release of capital. Some of these savings have been received by the Board others have not yet been realised due to policy changes. The cost impact of the new hospital is considered neutral although for a period of time there will be minimal double running costs whilst the hospital is commissioned and staff and patients moved. There will be some changes to hospital running, changes to contractual working hours, 7 day running, and intensity payments will stay and possibly increase. It was to be noted however that funds are currently spread over several services over several sites – as these sites come together there may be opportunities for savings as this happens. RC noted that we are planning fiscally for the non-recurring double running and final configuration costs – BW accepted the complexities but would like a future meeting of the ASSB to show clearly how these figures are reached. RC agreed that this was acceptable as the Board requires to understand where costs occur and where they are saved.

AMcl presented to the group – On the Move Clinical Support Services, Facilities Services and Building Operational Group. A copy of the presentation will be forwarded with the minutes.

Highlighted points below -

- Workstreams – the workflows and interactions
- Milestones – implementation of policies before new hospital opens
- Patient Pathways – FM input to support the patient flows
- Facilities Planning Assumptions – cleaning, AGV, managing the new buildings
- Next Steps through 2013 - review procedures and develop operational plans, budget
- IM&T Planning Assumptions and next steps
- Building IP systems – how these will be implemented and work
- Diagnostics – support of services and early install of equipment
- Pharmacy – robotic dispensing, protocols, patient pathways, extended working, stock handling/moving
- Road to Transition – phasing changes
- Site Services – helipad, emergency planning, fire, traffic management, new and retained estate and security
- Commissioning – advanced preparation for the moves via procurement, planning and partnership working
- Decommissioning of vacates site – planning, resources and disposal

BW asked about electronic patient records (EPR) – it was noted that outpatients are currently working with EPR and inpatients being developed and trialled with a gradual move to the EPR system being rolled out. Only live management of patients will have paper which will then be scanned and stored electronically and paper destroyed. It was noted that this has been in planning for a number of years with teething issues being resolved before rolling out to front line staff. JA asked what then happens to patients clinical records – these will be stored

appropriately following national guidelines and a working group is in place to review the procedure including duplicate records held on several sites. The same process is in place for administration paperwork with changes in policy also being reviewed. DS noted that surgical areas may have a slightly different set up and all sites work slightly differently but work was progressing to improve working practices in the run up to the moves to the new hospital. JA noted that these changes will have an impact on staff and had consideration been given to allowing time to adjust to the new working. GA noted that plans were in place to implement changes with reasonable time before moving to new site and practices.

8. Car Parking

Feasibility Study – DWL reported that as requested at the last ASSB, a review of possible options for additional parking within the office accommodation. Two options were considered – raising the building and constructing car parking on the ground level or digging into a basement area and creating underground parking. DWL noted that both options had been considered and costed and did not present value for money. Additional impact to the construction programme, adding around 6 months to the build and thereby the building would not be delivered on time for the opening of the new hospitals.

DWL recommended that £500k be spent to create a new surface car parking model creating a saving of around £2M to the budget. Further details of the proposals will be explained within PMs presentation which will show how the car parking will be managed up to 2015 including a drop off point at A&E and better use of the spaces at the Langlands building, other grounds and roadways.

ASSB agreed that the two options should not be progressed.

PM presented the high level plans for car parking –

July – Dec 2013 – 1779 spaces – this incorporates the fenced off BAM construction area, demolition of pharmacy and mental health and also the portacabin

Jan – June 2014 – 1691 – incorporates loss of spaces for BAM construction and VIE building commence.

July – Dec 2014 – 1935 – bring on line the first 2 levels of NCH car park, commissioning group 5 equipment and Ronald McDonald commence on site.

At this point it was noted that the BMCL construction car park may be able to accommodate some spaces, further investigation on their lease required, as their workforce reduces at this time. Further discussion with GCC planners required.

Jan – June 2015 – 2585 as the moves of SGH into new hospital, completion of T&L, office accommodation and Ronald McDonald completed by late spring. All of NCH car park in use and existing buildings being decommissioned

July – Dec 2015 – 2529 - further staff on site with demolition of surgery, A&E, out-patients and possibly therapies, out patients demolition carried out. Old pathology block, removal of catering module and CMB will allow the commencement of the other multi-story. PM noted with the additional staff, continuing demolitions this will be a stressful point in the process.

Jan – June 2016 – 2829 – use of cleared A&E site for 300 ground based spaces, park area works will be completed by summer of this year and multi-story construction underway.

Jul – Dec 2016 – 3500 with further opportunity for development within the site which will take to the masterplan level of car parking which has been approved.

PM noted that the 2nd multi-story is reduced by 91 to accommodate the filter road to access. If additional deck added this would make a huge difference. Agreed that pressure point is at A&E and it was suggested that the area at the front could be used for short-term drop off and ambulance. Even with additional spaces it was noted that parking will still run as 55% to patients and 45% to staff. 2015-2016 noted as a period with significantly less spaces than required.

JA asked if there was opportunity similar to that provided at airports for off site parking and bus

into the hospital. PM noted that if opportunity to use the Ogilvie site then yes but previous objections from staff on the proposal to bus them into the hospital ground was noted. BW noted that during the 1000 space reduction from capacity a plan will be required in how best to get staff to work and relieve the pressure on parking. RC acknowledged there were issues. PM will check on the lease agreement that BMCL have with Ogilvies. An update on car parking will be given to the group at the same time next year.

9. **Teaching and Learning Facility - FBC**

DWL reported that if approved by ASSB then, the FBC will be presented to Quality and Performance Committee for approval before being submitted to CIG on 2nd October. DWL reviewed the Executive Summary and noted that the Board's contribution to the capital costs would be funded from the overall project budget. The capital commitment from University is now clarified at 60% as a result of the Stratified Medicine floor being added. The University will be liable for 50% of the capex for Levels 1 -3 and 100% of Level 4. Heads of Terms were to be agreed for 45 year occupancy with ability to extend by 15 years then free of liabilities at year 60.

MB asked that page 25 Project Management be made more inclusive

JA asked about the clinical skills lab use for University only. RC noted the space would be for NHS use as University had indicated it did not require access. DWL noted that University has agreed and signed off floor plans. BW asked for clarity on the requirements for the auditorium – RC noted that staff meetings, especially as the hospital is being filled for inductions, fire lectures etc, medical inductions, Boards annual meetings and conference facilities. It is intended to market the building as a resource for third parties to hire when not in use by University or NHS. It was recommended to allocate £9.6M for this project and DWL agreed that the Q&PC paper will identify the funding source. MB noted that it should be clear in the submission to CIG that further funding investment from Scottish Government was unlikely. It was noted that it should be recognised that due to prudent management of the project budget meant that the project could be funded.

The ASSB agreed to the FBC progressing to Q&PC for approval and onwards to CIG for further approval.

10. **Staff Accommodation - Outline Business Case**

DWL reported that the Staff Accommodation Outline Business Case was being presented to the ASSB for approval for onward submission to the Q&PC and thereafter to CIG for final approval.

DWL reviewed the options considered for the project – refurbishment of retained estate or new build. After consideration and financial analysis, the preferred value option was progress the new build. It was noted however, that the construction programme was challenging and required completion for the new hospitals opening in order to accommodate the staff to be located at SGH. It was noted that a funding gap currently exists. RC noted that there should be clarity on the endowments position and equipment budget by the November meeting of this group. It was noted that the costs of imaging equipment, which is a large proportion of the equipment budget should be clear by end of September. MB noted that if this information was available to CIG beforehand then it would make the decision making process easier.

DWL noted that the project was unable to accept any significant design changes as they would impact on the programme. RC was satisfied that the project would not be required to accommodate any further significant changes to the design. The ASSB agreed to the progression of the OBC to the Q&PC.

11. **Project Resources**

DWL reported to the ASSB that as requested at the last ASSB, a review of project resources has been undertaken. DWL is satisfied that the project has sufficient staff to complete the construction phase of the project with contingency arrangements in place for staff absences

The Project Resource Plan is in place so there is fully clarity on who is responsible for different aspects of the project and this will be reviewed quarterly to ensure it remains adequate. T&LF/CRF and Offices have their own Project Manager – currently a vacancy – but a replacement is being sought. PM is overseeing this aspect of the project at this time. In summary, DWL is satisfied, with the support of Consultants, there is sufficient staff to provide the required input to the project and will provide an update to the group next year.

12. **AOCB**

Due to the timing of the next meeting of ASSB, it was agreed that any updates or feedback that are required to allow the OBC to progress will be dealt with either by video conferencing or by e-mail correspondence.

It was agreed that by 3rd week of October, an update will be submitted to the group with a narrative paper on funding Group 5 equipment and the possibility of endowment funding.

12. **Date and Time of Next Meeting**

The next meeting is scheduled for 11th November at 10am in Board Room, Project Offices

**Acute Services Strategy Board
September 2013**

Project Director – New South Glasgow Hospitals & Laboratory Project

NEW SOUTH GLASGOW HOSPITALS AND LABORATORY PROJECT

PROGRESS UPDATE – STAGES 2 & 3

Recommendation:

Members are asked to note progress of Stage 2 (Design Development of the New Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals).

1. Introduction:

The content of this paper sets out the progress of each of the stages of the New South Glasgow Hospitals and Laboratory project.

2. Stage 2 – New Adult & Children's Hospitals (Design):

In the period to 4th August 2013, good progress has continued in finalising the remaining 1:50 design issues which are now generally limited to those items which are influenced by the procurement of specialist equipment. The tenders for the Group 5 imaging equipment have been received and are currently being evaluated to allow selection of the preferred suppliers by end September 2013.

Other design work undertaken in the period includes the sign-off of further reflected ceiling plans, fixtures and fittings plans and internal finishes plans. The design for the links to both Neuro and neo-natal have been concluded and the link bridges are now in production to be installed late October 2013.

- **Vacuum Insulated Evaporator Compound (VIE):**

As previously advised, the new VIE compound will be located between the new Emergency Department and the PDRU Unit on the south side of Langlands Road. The Board have now received the final detailed design drawings and these have been subsequently reviewed and returned to BMCL with a number of minor comments for action. Thereafter, BMCL will liaise with the Project Team to agree the construction programme and related logistics. The application for planning approval has been submitted to Glasgow City Council.

- **Changes to the Design**

The Project Team has confirmed to BMCL the changes required to accommodate additional haemato-oncology activity in the adult hospital. The detailed design for this area is currently being prepared by BMCL for submission to the Project Team week commencing 16th September 2013 for approval and sign-off. Subsequent to the design being approved BMCL will then confirm the costs associated with the revised design week commencing 20th September 2013.

3. Stage 3 Works

a) Summary status of the works (as at 4th August 2013).

Stage 3 Start Date	28 March 2011
Stage 3 Contract Completion Date	28 February 2015
Stage 3 Contract Duration	205 weeks
Elapsed contract period at 4 th August 2013	123 weeks
Period Remaining	82 weeks

Phase	+/- In period	Comments
Stage 3 Adults & Children's Hospital Construction	0	Maintaining progress this period.
Stage 3 Energy Centre Construction	0	Maintaining progress this period
Car Park 1	0	Superstructure maintaining progress

b) General Progress of Key Construction Activities

The Level 13 metal deck/concrete floor was completed at the end of August 2013. The plantroom steelwork has been completed to three of the legs. The secondary steelwork for the helipad is due to commence in September 2013. The pods and glazing to the atrium link bridge have been installed. The completion of the upstands and crane infills is ongoing.

The mechanical and electrical fit out continues to be in line with the programme for both buildings and internal partitions are well progressed on Level 4 of the adult hospital.

The link bridge to the Neuro Surgical Building is now in production and BMCL are liaising with the Project Team to agree the logistics required to lift the link bridges into place. The Neuro Surgical link bridge is programmed to be lifted into place over the weekend 20-21st October 2013.

i) Changes to the Construction Site Over the last 12 months.

Progress to July 2012



As at end of July 2013



In July 2012, the focus was on creating the structures of both the children's and adult hospitals and the formation of the first floor level of the adult hospital and main entrance areas was underway (i.e. out patients and main entrance areas). All of the cores were clearly visible and the footprint of the buildings was just becoming apparent. The final construction detail of the link bridge structure had been completed and the installation of the link bridge was due to be commenced mid July 2012.

In the most recent picture, it is only the top of the cores that can now be seen in the adult hospital as the children's cores are now hidden by the roofing structure. The external cladding to both hospitals is steadily being installed up the buildings are becoming increasingly enclosed. The plantroom steelwork on the adult hospital is nearing completion which provides a true picture of the total height of the building. The secondary steelwork for the helipad is due to be commenced in early September 2013. The installation of the pods to the link bridge is now completed with the final finish of the link bridge floor due to be installed.

ii) Changes to the Construction Site since the last report (May 2013)



The atrium link bridge is nearing completion with the installation of the pods and surrounding glazing having been completed and the internal finishes to the link bridge underway (Picture 1a).

The cladding works to the adult hospital has continued to progress well throughout the reporting period and is almost at full height on one of the ward legs (Picture 1b). The cladding to the higher levels will be installed using the tower cranes lift to the panels into place.

The building is increasingly being enclosed with glazing being installed. Picture 1c shows the glazing being installed to the adult atrium area. An indication of how the final building will look is becoming more visual with the installation of the stone cladding to the area which includes the adult rehab and OPD patient areas (Picture 1d).

The roofing works to the New Children's Hospital are continuing to progress well with installation of the final sections of ETFE roof awaiting the removal of the tower crane to allow these to be installed (Picture 1e). The cladding to the south courtyard in the children's hospital is well underway (Picture 2b).

The mechanical and electrical fit out also continues to progress at a pace. The internal fit-out continues to progress as programmed with full partition wall construction in many areas continuing. The picture at 2a shows a regeneration kitchen within the adult hospital (level 1).

In summary, the project continues to be progressing in accordance with expectations, and remains on programme for completion in February 2015.

4. Car Park 1

The piling works to Car Park 1 were completed at the end of June and the substructure works commenced on 3rd June. The ground floor tarmac surfacing to the first section is complete and the first floor concrete works commenced mid August 2013. The construction of the car park is continuing to progress well. A third tower crane was erected at the end of August 2013. The Picture below shows the extent of the changes to the car park construction area since the end of April 2014.

In summary, construction of the car park remains on programme for completion by April 2014.



5. Car Park 2

As previously advised, the Board has undertaken a radar survey of the build site in order to understand the prevailing ground conditions which would inform the design solution for the site. The structure of the car park required a piled solution resulting in a unit cost of £30,000 per space compared to a unit cost of £13,000 per space for a less complex design solution. The unit cost for CP2 does not represent a value for money option. Also, taking cognisance of the negative feedback from residents adjacent to the site, the anticipated prolonged planning process and the results from the survey and site investigations, it is not recommended that NHS GG&C proceed with the proposed car park. An alternative proposal is included in Section 8 of the Agenda.

6. Teaching and Learning Facility:

The project continues to be on programme and is progressing satisfactorily. The following activities have been progressed in line with the Stage 3 FBC programme:

- Tracker and preparation of the Full Business Case (FBC) is being developed in line with the 2nd October 2013 submission date to the Scottish Government.
- Formal Planning Submission for the 4 level New Teaching & Learning Facility was submitted on the 27th May 2013 and approval expected not later than 6th September 2013.
- Fully prepared equipment list issued to Procurement for costing.
- Pharmacy and Mental Health buildings were handed over to BAM Construction on 3rd June 2013 for their Utility Diversions. The site hoarding commenced on 29th July 2013.
- Asbestos surveys have been carried out in Mental Health Buildings and Pharmacy. Notifiable Asbestos has been reported to the Health & Safety Executive, and has been programmed to be removed during the demolition period. Demolition is due to commence with the strip out of asbestos on 26th August 2013 with full demolition of the Pharmacy building commencing on 2nd September 2013.
- BAM continue to cascade their work packages for sub contract tendering to ensure Target Price certainty.
- Early BREEAM credits targeted by relevant representatives. At present, it is intended to achieve an Excellent rating.

7. Re-provision of Administration Block:

The Initial Agreement has been endorsed by the Scottish Government and the Board has been invited to progress the Outline Business Case. It is intended to submit the OBC not later than 2nd October 2013. The planning application will be submitted to Glasgow City Council in September and approval expected in December 2013.

The project team continue to work with the PSCP to finalise the Target Price by the end of October 2013.

8. Recommendation:

Members are asked to note progress of Stage 2 (Design Development of the New Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals).

**New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board
September 2013**

Overall Budget Update

The core Project Budget remains unchanged at £841.7m, supplemented by £112k in respect of the car-park landscaping (£32k) and pneumatic tube installation (£80k) funded from core capital. Additionally, funding is to be received from the Yorkhill Children's Foundation in respect of work in connection with the installation of sky ceilings to specific rooms within the New Children's Hospital (£150k) and changes to data, power, lighting and structural supports within the main atrium outpatient areas, also, within the New Children's Hospital (£30K). These are presented within the table below on lines 5.1 and 5.2.

Table 1 continues to reflect the key elements of the project budget, including the previously approved allowances for car parking.

Full details of the movement in the overall core and non-core Project Budget (at Target Price), since Contract Award/ FBC Approval, are reflected in Table 1 below:

Table 1

New South Glasgow Hospitals & Laboratory Project Forecast Budget Analysis - As at August 2013						
	Opening Values (Contract Award/ FBC)	Subsequent Movements Impacting on Risk Provision	Subsequent Movements not Impacting on Risk Provision	Revised Budget (Target Price)	Spend to 31st July 2013	
1.0 Construction Costs						
1.1 Adult & Children's	£499,331,000	£0	£0	£499,331,000	£345,727,390	
1.2 Laboratory & FM Building	£75,780,000	£0	£0	£75,780,000	£74,550,469	
1.3 Original Estimated Total Build Cost (as bid)	£575,111,000	£0	£0	£575,111,000	£420,277,859	
1.4 Subsequent Movements	£0	£9,187,149	£0	£9,187,149	£0	
1.5 Revised Estimated Total Build Cost	£575,111,000	£9,187,149	£0	£584,298,149	£420,277,859	
2.0 Other Costs						
2.1 Preparatory Works and Fees	£20,155,510	£90,000	£0	£20,245,510	£11,348,000	
2.2 i Carparks 1,2 & 3 Approved Budget	£0	£19,562,500	£0	£19,562,500	£3,327,920	
2.2 ii Carparks 1,2 & 3 Affordability Provision		£1,333,334		£1,333,334	£0	
2.3 Irrecoverable VAT	£116,046,890	£5,993,913	£0	£122,040,803	£84,303,533	
2.4 Gross Equipment Cost	£62,040,000	£0	£0	£62,040,000	£2,021,853	
2.5 Risk Provision	£68,346,600	-£36,166,895	£0	£32,179,705	£0	
3.0 TOTAL CORE COSTS	£841,700,000	£0	£0	£841,700,000	£521,279,165	
4.0 Add: Funded from Board Capital						
4.1 Carpark 0 interface works	£0	£0	£31,896	£31,896	£31,896	
4.2 Pneumatic tube installation	£0	£0	£79,531	£79,531	£79,531	
4.3 Total to be funded from Board Capital	£0	£0	£111,427	£111,427	£111,427	
5.0 Add: Other Funding Incl Donated Assets						
5.1 Installation of Sky ceilings to specific rooms	£0	£0	£150,081	£150,081	£0	
5.2 Changes to data, power, and lighting	£0	£0	£30,101	£30,101	£0	
5.3 Total Other Funding	£0	£0	£180,182	£180,182	£0	
6.0 TOTAL CORE & NON CORE	£841,700,000	£0	£291,609	£841,991,609	£521,390,592	

Movements since the last ASSB meeting in July 2013.

The movement since the last ASSB meeting in July 2013 is as follows:

- Incorporation of changes to NSGH level 4 due to clinical requirements to increase the number of beds available for use by Haemato-oncology (£840k) which was previously noted and discussed at the July meeting.

As a result of recognising this pending CE in the period, the risk provision now stands at £32.18m at Target price as noted in line 2.5 of table 1 above. A high level analysis of the risk provision movements since contract award is also provided within Appendix 2.

Cumulative actual expenditure incurred since the project commenced up to and including July 2013 is £521.4m. This is largely in line with the latest spend profiles received from Brookfield Multiplex and is incorporated into the Board's latest capital plan.

APPENDIX 1

Notes on Forecast Budget Analysis (Table 1)

1. Subsequent Compensation Events (excluding Non Core Elements and Equipment) at Target Price

Concluded Compensation Events	£8,487k	
Potential Compensation Events	£700k	
Subsequent Compensation Events – Target Price (Line 1.4)		£9,187k

2. Summary of Preparatory Works and Fees

2.1 Direct Fees

Direct fees – Laboratory Build	£2,092k	
Direct fees – C&B	£3,350k	
Direct fees – Surveys etc	£250k	
Direct fees – Others	£408k	
Original Budget		£6,100k

Subsequent Movements

Additional fees re Car-parks 1,2 & 3	£325k	
Teaching & Learning Centre fees	£518k	
Supervisor fees	£970k	
Additional C&B fees (transfer from Non Works)	£760k	£2,573

Direct Fees		£8,673
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2.2 Enabling Schemes

Site Wide upgrade of HV network	£681k	
Site Wide upgrade of drainage infrastructure.	£1,191k	
Renewal of Water Mains	£681k	
Demolition of Chest Clinic for MacDonald House	£98k	
Demolition of Psychiatric Block	£357k	

Enabling Schemes		£3,008k
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2.3 Other Costs

Non Works Costs	£1,800k	
Less: Transfer to Teaching & Learning Centre fees	(£518k)	
Less: Transfer to Fees	(£760k)	£522k
Section 75 Contributions		£5,000k
Mobile ITU		£1,500k
SAS Relocation		£1,277k
Scottish Water Land		£265k

Other Costs		£8,564k
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Total Preparatory Works and Fees (Line 2.1)		£20,245k
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3. Revised Brookfield Target Price

Original Target Price (ex VAT) (Line 1.3)		£575,111k
Subsequent Core Compensation Events (ex VAT) (Line 1.4)		£9,187k
Car Park 1 Interface Works (Gross) (Line 4.1)	£32K	
Less VAT	<u>£(5K)</u>	£27k
Pneumatic Tube Installation (Gross) (Line 4.2)	£80k	
Less VAT	<u>£(13k)</u>	£67k
Fume Cupboards and Safety Cabinets (Gross) (incl. Line 2.4)	£350k	
Less VAT	<u>£(58k)</u>	£292k
Work to be funded from Yorkhill Children's Foundation:		
Installation of sky Ceiling (Line 5.1)	£150k	
Changes to data, power, lighting and structural supports (Line 5.2)	<u>£30k</u>	
	£180k	
Less VAT	<u>£(30)</u>	£150k
Revised Target Price (ex VAT)		<u>£584,834</u>

APPENDIX 2

Risk Movement Summary

Introduction

The opening risk provision at contract award was £88m at target price.
 The risk provision now stands at £32.2m as a result the following key drivers presented in the table below.

	<u>£m</u>
Opening risk provision	88.0
<u>Key drivers utilising risk</u>	
Vat rate increase 17.5% to 20%	-13.2
Incorporation of Enabling Schemes	-3.5
Scottish Ambulance & land purchase	-2.0
Supervisor Fees	<u>-1.0</u>
Risk provision at FBC	68.3
Scottish Ambulance & land purchase Adj	0.2
Introduction of car parks 1,2&3 (The inclusion of which avoids the requirements for funding to be set aside from the national capital programme)	-25.4
Compensation Events	<u>-10.9 *</u>
Balance per risk provision	<u><u>32.2</u></u>

Analysis of Other Including Compensation Events *

		<u>£m</u>
Compensation Events (CE)	Others	0.9
Compensation Events (CE)	Inflation	-10.0
VAT		<u>-1.8</u>
		<u><u>-10.9</u></u>

New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board



Unapproved Minutes of Meeting Held on Monday 11th November at 10am in Board Room,
First Floor, Project Offices, Southern General Hospital

Present

Robert Calderwood (Chair)	Chief Executive, NHS GG&C
Alan McCubbin	Head of Finance, NHS GG&C
Barry White	Chief Executive, Scottish Futures Trust
Grant Archibald	Interim COO, NHS GG&C
David Stewart	Associate Medical Director, NHS GG&C
Jennifer Armstrong	Medical Director, NHS GG&C
Paul James	Director of Finance, NHS GG&C

In Attendance

David W Loudon	Project Director/Director of Facilities and Capital Planning - Designate
Helen Russell	External Auditor, Audit Scotland
Douglas Ross	Commercial Director, Currie & Brown UK Ltd
Anne Harkness	Director - Emergency Care & Medical Services

Apologies

Rosslyn Crockett	Director Nursing, NHS GG&C
Carmel Sheriff	Depute Director Health Delivery, Scottish Government
Mike Baxter	Deputy Director, Capital Planning and Asset Management, Scottish Government

Minute Taken By

Allyson Hirst	PA, NHS GG&C
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1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 10th September were approved as an accurate record of the discussion.

Noted

2. Matters Arising

All issues would be covered by the agenda.

3. On the Move – Workstream Update

Ms Anne Harkness attended this ASSB to give an update to the group on the workstream progress in relation to Emergency Patient Flows. A copy of Ms Harkness's presentation is available to group members on request. The workstream progress was noted by the ASSB.

4. nSGH Project Update

DWL presented Enclosure 2 reporting the progress of the hospitals development and associated projects within the SGH campus.
DWL reported that the Group 5 equipment tender process was ongoing and a decision to proceed was imminent. Group 3 equipment requirements were being assessed and the outcome would be known in the next few weeks. Discussions continue with BMCL on requirement classification, location and transfer.

VIE works are programmed to commence on 18th November. Local residents and staff have been informed of the potential disruption during the piling works.

Design Changes - Changes to the design incorporating haemato- oncology revisions are below the budget costs and approved by the Q&P on 17th September.

A summary of the construction programme was highlighted and noted that it is on programme with the exception of Car Park 1 which is running 14 days behind programme – issues with design have been resolved and BMCL are confident that the programme will be recovered. DWL noted to the group the changes on the site over the previous 12 months through a series of images noting the changes in the structures and the completion of the atria roofs. BMCL target to have the buildings wind and water tight by Christmas. It was noted that the finishes to the building are of very good quality and the Project Team is satisfied with progress to date.

Teaching and Learning

Construction activities are programmed to commence on 18th November and confirmation is awaited from Scottish Government's CIG on the FBC to enable construction to commence.

Staff Accommodation (Office Building)

The OBC was submitted to Q&PC on 17th September with approval granted to submit to CIG for their approval to progress the FBC. A number of questions from CIG were answered before their November meeting and a revised OBC submitted. Confirmation to proceed to FBC was now awaited and (subject to approval) it will be submitted by 20th December for consideration at the January meeting of CIG.

Equipment

The procurement exercise was completed for Group 5 equipment and also for Group 3 equipment transferring is under review.

Project Risk Register -

DWL presented a copy of the project risk register and reviewed a selection of risk areas associated with the project. DWL noted that some risks will reduce at the conclusion of discussions and work carried out by the project team ie imaging – details are being finalised with BMCL.

In response to a question on the early completion, DWL noted that it was possible that the buildings will be completed ahead of the contract completion date. BMCL will not commit to an early completion date until the early New Year. The Board has requested feedback by February 2014 in order to plan and put resources in place for an early completion date. Once Adult and Children's buildings are complete, Stage 3 works will commence to progress demolitions and landscaping.

PJ noted that a review of risk process for the whole of NHS GG&C was being undertaken at this time and advised the DWL liaise with Michael Gillman to incorporate the projects risk

DWL presented a slide show of images of the site in a timeline format to show the group the changes to the grounds and building over the past year.

Community Benefits

Mark McAllister was invited to join the meeting to present on the work of the Community Benefits undertaken by the project and BMCL since the beginning of the project. A copy of

MMcAllister's presentation is available to members on request. The group noted the excellent progress and a credit to the Project Team and BMCL on the work carried out to date.

5. **Office Accommodation**

The proposed capex funding stream was previously circulated to the members of the ASSB for their comments. DWL noted that no comments had been received from members.

BW noted that there was a balance of £3.8M left in the risk allowances and the project had around £300M of value left to complete the construction works. It was agreed that there was sufficient funding within the risk allowance estimated to cover remaining issues if necessary.

6. **Compensation Events**

It was noted that the presentation of the CE paper was amended as proposed by the Project Director at the previous meeting..

Two changes were noted – Haemato-oncology additional works and inclusion of Group 5 equipment insurance – both had been previously approved in principle by RC.

DR noted the defined cost updated and that this fell within the target price incorporating the compensation events. DR continues to have regular meetings with BMCL to ensure costs stay within target.

7. **Overall Budget**

AMcC reported on paper enc 6 and noted that the overall core budget remains unchanged at £841.7M. The pending compensation event in respect of Haemato-oncology, discussed at the last meeting, had also been reflected within the budget table and results in an £157K reduction to original cost. AMcC highlighted that the risk provision now stood at £3.779M. AMcC noted that cumulative spend on the project, up to and including September 2013, amounted to £557.6M this falls largely in line with the latest spend profiles received from BMCL.

BW noted that the majority of additional costs to the project had been through the additional VAT increase and inflation; both being outwith the control of the project team.

8. **Key Risk Update**

DR reported on enc 7 – This risk update now includes the £2.02M transfer back from CP2 budget with remainder of this provision being set aside to complete the surface car park revision. A sum of £0.16m which was saved for the haemato-oncology alterations has also been relocated back into risk monies. Additional monies from endowments can be used if required and thereby removing the requirement for equipment risk provision. The balance of risk monies can now fund both the T&L and office building. Balance of risk monies is now £3.779M in the main project allowance. It was noted that the T&L and Office building both have their own contingencies and it was considered wise to pull these into one combined allowance. Once T&L is out of the ground then risk lessens and their risk monies moves back into the general risk monies. It is advisable to show risk register with separate section showing this money. Any monies left over can be used to feed back to other possible areas of the site. RC noted he was happy that the equipment provision removal and general risk provision will be sufficient.

9. **On the Move**

GA gave an overview of the workstream progress of the On the Move Group being

- Established both MEG and CEG groups, membership and Terms of Reference

- The Project Manager has developed a high level project plan for On the Move in conjunction with Workstream leads and a risk register is being developed
- The Inpatient/Elective Workstream is reviewing pathways to streamline the process for patients coming into the hospital for treatment
- Joint working taking place between Adult, GP Out of Hours and paediatric colleagues to review the pathways between the Emergency Department and Out of Hours care
- Proposals being developed for volunteers to assist with wayfinding for patients and those brought to hospital by ambulance transport for appointments
- Several groups are now actively progressing plans for telecommunications, IT, Diagnostics and pharmacy on best ways of working as different teams are brought together to work on SGH
- Rota requirements for staffing the new buildings, especially with junior or middle grade staff and with consultant rotas, also set for a review
- Workforce advisory colleagues undertaking analysis of the workforce predictions for the hospital moves and best ways forward to support staff
- CEG group will produce a more detailed migration plan to reach a definitive decision on the order and timing of moves to SGH, to be ratified by CEG
- Community Engagement work is well underway looking at transport, working with local councils and ensuring that patients and staff are being kept apprised

BW asked about the resilience of IT for the moves – GA responded that the systems were being rolled out, where possible, before the moves in order to allow staff to become accustomed to the new ways of working before moving thereby debugging beforehand. Early involvement of staff in the migration as well as early workforce planning and engagement with staff will ensure that all are aware of the timings of the moves and plans to be put in place. For consultant staffing, electronic job planning is being reviewed to ascertain possible areas of use for all staff within NHS. At the next meeting there will be a presentation of Regional workstreams by Jonathan Best – Regional Services Director.

10. **Ronald McDonald House.**

DWL updated the group on progress of the project to relocate Ronald McDonald House to the new South Glasgow Hospitals Development. Legals are currently being concluded and site boundaries agreed. Legal completion is also progressing for the gifting of the land in favour of Ronald MacDonald House at the SGH. RMcD are in the process of selling the assets at Yorkhill which is required to fund the completion of the new building at the SGH.

It is proposed that clearance work will commence on 18th November 2013, construction commences in late June 2014 with a completion programmed for 20th July 2015

11. **AOCB**

None.

12. **Date and Time of Next Meeting**

The next meeting is scheduled for 20th January 2014 at 2pm at JB Russell House, Gartnavel Hospital Campus.

Acute Services Strategy Board

November 2013

Project Director – New South Glasgow Hospitals Development

NEW SOUTH GLASGOW HOSPITALS DEVELOPMENT

PROGRESS UPDATE – STAGES 2 & 3

Recommendation:

Members are asked to note progress of Stage 2 (Design Development of the New Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals).

1. Introduction:

The content of this paper sets out the progress of each of the stages of the New South Glasgow Hospitals Development. The paper also includes a progress update on the proposed Teaching & Learning Centre and New Accommodation (Office) Building.

2. Stage 2 – New Adult & Children's Hospitals (Design):

In the period to 31st October 2013, the Project Team have continued to review the updated equipment list which has been derived from the 1:50 layouts.

The Group 5 equipment procurement process has been concluded and the outcome of the tender process has been received by the Project Team. The Project Team continue to meet with BMCL to discuss the requirements for other large equipment identified to be transferred into the new hospitals in order that rooms are completed in such away as to enable the equipment to be installed on transfer with minimum disruption.

- **Vacuum Insulated Evaporator Compound (VIE):**

Due to the proximity of the piling works to the Neuro-sciences Building and local residences, the Project Team visited a site which currently using driven piles to assess the levels of dust and noise pollution which may be created from this piling method. The visit established that the noise and general pollution was no worse than alternative methods of piling. Therefore, it was agreed with Brookfield that driven piles would be acceptable subject to noise reduction practices being in place. Planning permission has been received. Construction works are due to commence by 18th November 2013. The Board's Community Engagement team will advise neighbours of the intended works and related timescales.

- **Changes to the Design**

The revised architectural design of the renal ward area incorporating the additional haemato-oncology requirements was reviewed and signed-off by the Project Team. BMCL subsequently confirmed the cost for the changes which were analysed by the Project Team and were found to be within the previously agreed maximum price which had been approved at the Quality & Performance Committee on 17th September 2013. Consequently, BMCL have been instructed to progress the changes in accordance with the signed-off drawings. The value of the works will be reported in the Section 6 of the agenda.

3. Stage 3 Works

a) Summary status of the works (as at 3rd November 2013).

Stage 3 Start Date	28 March 2011
Stage 3 Contract Completion Date	28 February 2015
Stage 3 Contract Duration	205 weeks
Elapsed contract period at 3 rd November 2013	136 weeks
Period Remaining	69 weeks

Phase	+/- In period	Comments
Stage 3 Adults & Children's Hospital Construction	0	Maintaining progress this period.
Stage 3 Energy Centre Construction	0	Maintaining progress this period
Car Park 1	-14 days	Superstructure maintaining progress Design information delays occurred during September however these have been resolved and BMCL are progressing measures to be taken to regain time

b) General Progress of Key Construction Activities

In summary, construction of the new hospitals remains on programme for handover at end February 2015. The construction of the Multi-storey car park is currently behind schedule. However, BMCL are in dialogue with their sub-contractors to identify areas within the programmes which could be re-sequenced or accelerated and are continuing to report that the completion date remains unchanged.

c) Changes to the Construction Site over the last 12 months (October to September)



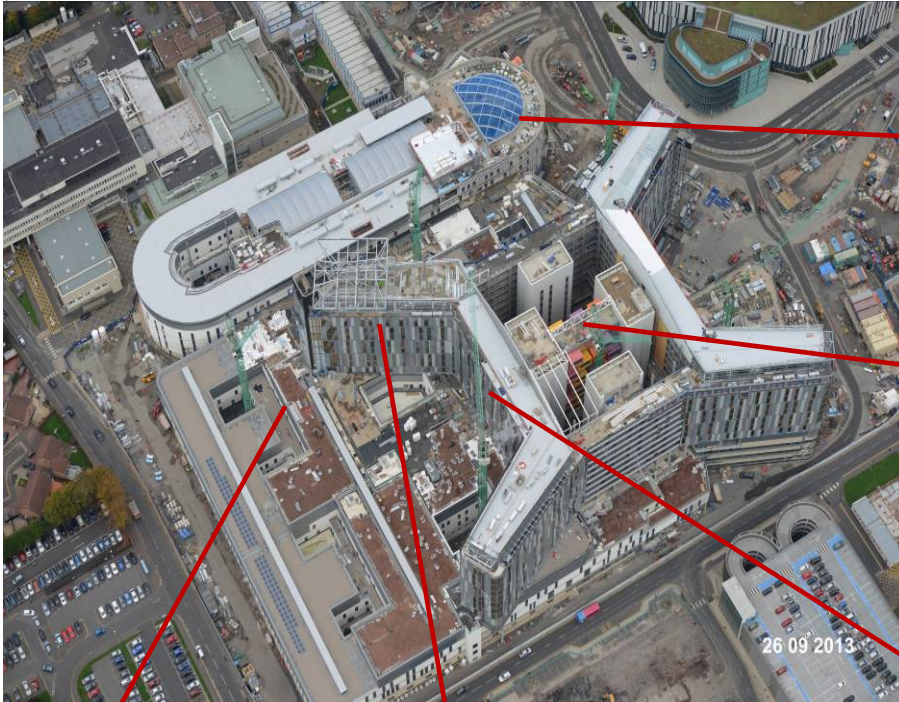
In October 2012, construction works were focused on forming the structure for both hospitals with the shape of the both hospitals becoming increasingly visible. Works were being progressed on all fronts including the concrete structural frame, steelwork and internal fit-out. The works to the south elevation of the adult hospital were focused on the installation of the cladding and windows which was nearing completion and the roofworks which were ongoing. The installation of the link bridge between the adult atrium towers had recently been completed and snagging of the link ridge structure was underway in preparation for the installation of the pods. Internally, BMCL had commenced the construction of a number of exemplar rooms within critical care which

were anticipated to be available for inspection early 2013.

As can be seen from the photograph taken late September 2013, the site has changed dramatically with the buildings now being at full height and the roofing works to both hospitals well underway. The concrete structure works have been completed and the cladding, window and render installation is well underway to the elevations and on the south elevation is nearing completion. BMCL are targeting to have the hospitals wind and water-tight by the end of 2013.

d) Changes to the Construction Site since the last report (September 2013)

1



1a – ETFE Roof being installed to the NCH



1b - Installation of the steel for the adult atrium roof



1c – Reception base within Emergency Dept (Adult – majors)

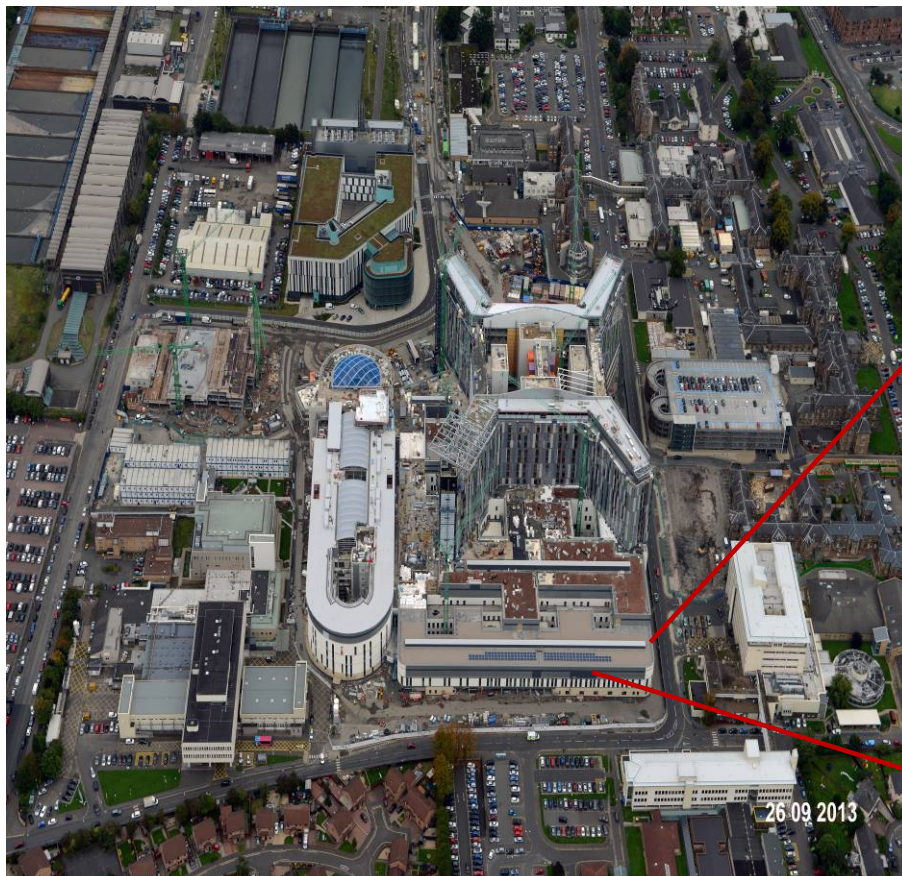


1d – Helipad steelwork



1e – South east ward tower elevation

2



2a – Installation of the Neuro link bridge



2b – Bed head and en-suite within Critical Care

The ETFE roofworks to both the adult and children's hospitals are progressing well with the final roof covering to the NCH main atrium being installed and the steelwork for the adult atrium ETFE roof being installed. (Pictures 1a and 1b).

The internal fit-out is progressing well with second side boarding of partitions being carried out on levels 4, 5 and 6. The installation of staff bases and reception desks throughout the lower levels of the buildings is assisting with orientation as each staff base is recognisable for having its own specific colour finish. The adult emergency (majors) department reception desk is shown in picture 1c which gives an indication of the size of this waiting area.

The steelwork to the helipad and ramp has been completed which has allowed the enabling works for the installation of the heli-deck to be commenced during October 2013. (picture 1d).

The cladding and render works to both the hospitals continues to progress well with some areas nearing completion. Picture 1e shows the elevation of the south east ward tower.

The finish and quality of the internal fit-out continues to be to a good standard as can be observed in the picture at 2b of a typical bedhead and en-suite within the critical care area. The mechanical and electrical fit-out to the higher levels continues to progress as programmed.

In summary, the project continues to be progressing in accordance with expectations and remains on programme for completion at end of February 2015.

4. Car Park 1

The car park construction progress has been delayed by fourteen days due to the design detail of the interface of the car park with the sub-station being delayed. BMCL are in liaison with their sub-contractor to identify how the current works can be re-sequenced/accelerated to mitigate the delay. BMCL are however reporting that the construction of the car park will be completed by April 2014 as programmed.

The steelwork to core 2 was commenced during w/c14th October 2013. The vehicle ramps to the second level of the car park have both been formed and works have commenced to the construction of the upstands for the ramp which will take vehicles from the second to the third level.



5. Car Park 2

The Project Team have identified draft proposals to provide replacement surface car parking and these proposals are currently being tested and pricing for consideration by the Acute Services Strategy Board in 2014.

6. Teaching and Learning Centre

The Full Business Case (FBC) for the Teaching & Learning Centre has been submitted to the Scottish Government Capital Investment Group (SGCIG) for consideration at the meeting on 6th November 2013.

The project will progress to construction phase subject to approval of the FBC by SGCIG. Construction work is planned to commence on 18th November 2013.

7. New Staff Accommodation (Office) Building

The Outline Business Case was approved by the Quality and Performance Group at its meeting of 17th September and was subsequently submitted to the Scottish Government for the consideration of the Capital Investment Group at its meeting on 6th November 2013. The Board has responded to a number of questions from SGCIG and has resubmitted a revised OBC that incorporates the responses.

A recommendations report has been issued to members of SGCIG confirming the proposed funding streams for the capital expenditure and will be discussed in detail at the ASSB meeting on 11th November 2013. The paper will be addressed in Section 5 of the agenda.

8. Equipment

The tendering exercise for the Group 5 equipment has been completed on programme. The value of Group 3 equipment has been estimated and an exercise is ongoing to finalise the volume of existing equipment to be transferred against new purchases.

9. Recommendation:

Members are asked to note progress of Stage 2 (Design Development of the New Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals), the Teaching & Learning Centre and the New Staff Accommodation (Office) Building.

David W Loudon
Project Director
November 2013

New South Glasgow Hospitals and Laboratory Project
Acute Services Strategy Board
November 2013

Overall Budget Update

The core Project Budget remains unchanged at £841.7m, supplemented by £112k in respect of the car-park landscaping (£32k) and pneumatic tube installation (£80k) funded from core capital. Additionally, funding has been secured from the Yorkhill Children's Foundation in respect of work in connection with the installation of sky ceilings to specific rooms within the New Children's Hospital (£150k) and changes to data, power, lighting and structural supports within the main atrium outpatient areas, also, within the New Children's Hospital (£30k). These are presented within the table below on lines 5.1 and 5.2.

Table 1 continues to reflect the key elements of the project budget.

Full details of the movement in the overall core and non-core Project Budget (at Target Price), since Contract Award/ FBC Approval, are reflected in Table 1 below:

Table 1

New South Glasgow Hospitals & Laboratory Project						
Forecast Budget Analysis - As at November 2013						
	Opening Values (Contract Award/ FBC)	Subsequent Movements Impacting on Risk Provision	Subsequent Movements not Impacting on Risk Provision	Revised Budget (Target Price)	Spend to 30th September 2013	
1.0 Construction Costs						
1.1 Adult & Children's	£499,331,000	£0		£499,331,000	£373,988,534	
1.2 Laboratory & FM Building	£75,780,000	£0	£0	£75,780,000	£74,561,461	
1.3 Original Estimated Total Build Cost (as bid)	£575,111,000	£0	£0	£575,111,000	£448,549,995	
1.4 Subsequent Movements	£0	£9,056,151	£56,085	£9,112,236	£0	
1.5 Revised Estimated Total Build Cost	£575,111,000	£9,056,151	£56,085	£584,223,236	£448,549,995	
2.0 Other Costs						
2.1 Preparatory Works and Fees	£20,155,510	£51,000	£0	£20,206,510	£10,925,213	
2.2 Carparks 1 & 3 Approved Budget	£0	£19,245,000	£0	£19,245,000	£4,509,919	
2.3 Teaching & Learning Facility		£8,126,667		£8,126,667	£784,339	
2.4 New Administration (Office) Block		£17,355,000		£17,355,000	£354,948	
2.5 Irrecoverable VAT	£116,046,890	£10,733,879	£11,217	£126,791,986	£90,251,630	
2.6 Gross Equipment Cost	£62,040,000	£0	£67,302	£61,972,698	£2,075,802	
2.7 Risk Provision	£68,346,600	£64,567,697	£0	£3,778,903	£0	
3.0 TOTAL CORE COSTS	£841,700,000	£0	£0	£841,700,000	£557,451,846	
4.0 Add: Funded from Board Capital						
4.1 Carpark 0 interface works	£0	£0	£31,896	£31,896	£31,896	
4.2 Pneumatic tube installation	£0	£0	£79,531	£79,531	£79,531	
4.3 Total to be funded from Board Capital	£0	£0	£111,427	£111,427	£111,427	
5.0 Add: Other Funding Incl Donated Assets						
5.1 Installation of Sky ceilings to specific rooms	£0	£0	£150,081	£150,081	£0	
5.2 Changes to data, power, and lighting	£0	£0	£30,101	£30,101	£0	
5.4 Total Other Funding	£0	£0	£180,182	£180,182	£0	
6.0 TOTAL CORE & NON CORE	£841,700,000	£0	£291,609	£841,991,609	£557,563,273	

Movements since the last ASSB meeting in September 2013.

The movements since the last ASSB meeting in September 2013 are as follows:

- Reduction to the cost of providing changes to NSGH level 4 due to clinical requirements to increase the number of beds available for use by Haemato-oncology. Cost reduction of £157k. This was a pending Compensation Event in September at £840k. The Compensation Event was concluded at a value of £683k.
- Incorporation of the financial effects associated with the decision made at the last ASSB meeting to vary the plans associated with Car Park 2. This results in a transfer of £2.02m from car park costs to risk provision and recognises the agreement that £500k was to remain within the car park costs for remaining external costs.
- The incorporation of the costs associated with the Teaching & Learning Facility as contained within the Full Business Case approved at the September ASSB meeting. These costs of £9.752m (£8.127m plus VAT) are included within lines 2.3 and 2.5 of table 1.
- The incorporation of the costs associated with the New Administration (Office) Block, as identified within the Outline Business Case. The costs of £20.826m (£17.355m plus VAT) are included within lines 2.3 and 2.5 of table 1. *It is important to note that the treatment of the funding sources in connection with the Office Block, reflected within table 1, assumes that the recommendation contained within the update paper circulated to group members on 22nd October 2013 by the Project Director, is formally ratified by the ASSB at its meeting on 11th November 2013.*

As a result of recognising the above adjustments in the period, the risk provision now stands at £3.779m at Target price as noted in line 2.7 of table 1 above. A high level analysis of the risk provision movements since contract award is also provided within Appendix 2.

In addition, there has been a Compensation Event for Group 5 Equipment Insurance at a value of £67k. As this is funded from the equipment allocation, the impact has been reflected within Table 1 through a budget reallocation between line 2.6 and lines 1.4 and 2.5 to ensure the revised Target Cost currently agreed with Brookfield Multiplex is reflected in Table 1.

Cumulative actual expenditure incurred since the project commenced up to and including September 2013 is £557.6m. This is largely in line with the latest spend profiles received from Brookfield Multiplex and is incorporated into the Board's latest capital plan.

APPENDIX 1

Notes on Forecast Budget Analysis (Table 1)1. Subsequent Compensation Events (excluding Non Core Elements and Equipment) at Target Price

Concluded Compensation Events	£9,112k	
Potential Compensation Events	£nil	
Subsequent Compensation Events – Target Price (Line 1.4)		£9,112k

2. Summary of Preparatory Works and Fees2.1 Direct Fees

Direct fees – Laboratory Build	£2,092k	
Direct fees – C&B	£3,350k	
Direct fees – Surveys etc	£250k	
Direct fees – Others	£408k	
Original Budget		£6,100k

Subsequent Movements

Additional fees re Car-parks 1,2 & 3	£286k	
Supervisor fees	£970k	
Additional C&B fees (transfer from Non Works)	£760k	£2,016k

Direct Fees		£8,116
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2.2 Enabling Schemes

Site Wide upgrade of HV network	£681k	
Site Wide upgrade of drainage infrastructure.	£1,191k	
Renewal of Water Mains	£681k	
Demolition of Chest Clinic for MacDonald House	£98k	
Demolition of Psychiatric Block	£357k	

Enabling Schemes		£3,008k
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2.3 Other Costs

Non Works Costs	£1,800k	
Less: Transfer to Fees	(£760k)	£1,040k
Section 75 Contributions		£5,000k
Mobile ITU		£1,500k
SAS Relocation		£1,277k
Scottish Water Land		£265k

Other Costs		£9,082k
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Total Preparatory Works and Fees (Line 2.1)		£20,206k
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3. Revised Brookfield Target Price

Original Target Price (ex VAT) (Line 1.3)	£575,111k	
Subsequent Core Compensation Events (ex VAT) (Line 1.4)	<u>£9,112k</u>	£584,223k
Car Park 1 Interface Works (Gross) (Line 4.1)	£32K	
Less VAT	<u>£(5K)</u>	£27k
Pneumatic Tube Installation (Gross) (Line 4.2)	£80k	
Less VAT	<u>£(13k)</u>	£67k
Fume Cupboards and Safety Cabinets (Gross) (incl. Line 2.4)	£350k	
Less VAT	<u>£(58k)</u>	£292k
Work to be funded from Yorkhill Children's Foundation:		
Installation of sky Ceiling (Line 5.1)	£150k	
Changes to data, power, lighting and structural supports (Line 5.2)	<u>£30k</u>	
	£180k	
Less VAT	<u>£(30k)</u>	£150k
Revised Target Price (ex VAT)		<u>£584,759k</u>

APPENDIX 2

New South Glasgow Hospitals and Laboratory Project**Risk Movement Summary****Introduction**

The opening risk provision at contract award was £88m at target price.
 The risk provision now stands at £3.8m as a result the following key drivers presented in the table below.

	<u>£m</u>
Opening risk provision	88.0
<u>Key drivers utilising risk</u>	
Vat rate increase 17.5% to 20%	-13.2
Incorporation of Enabling Schemes	-3.5
Scottish Ambulance & land purchase	-2.0
Supervisor Fees	<u>-1.0</u>
Risk provision at FBC	68.3
Scottish Ambulance & land purchase Adj	0.2
<u>Incorporation of Items which avoid the requirements for funding to be set aside from the National Capital Plan</u>	<u>£m</u>
Introduction of carparks 1,2&3	-25.4
Removal of carpark 2 (net cost reduction)	<u>2.0</u>
	-23.4
Teaching & Learning Facility	-9.8
New Administration (Office) Block	<u>-20.8</u>
	-54.0
Compensation Events	<u>-10.7 *</u>
Balance per risk provision	<u><u>3.8</u></u>

Analysis of Other Including Compensation Events *

		£m
Compensation Events (CE)	Others	1.1
Compensation Events (CE)	Inflation	-10.0
VAT		-1.8
		-10.7

New South Glasgow Hospitals Project

Procurement & Equipment Work Stream

R Stewart – Deputy Head of Procurement and Project Procurement & Equipping Lead

Introduction

As requested by David Loudon – Director New South Glasgow Hospitals Project the following paper has been produced following a request by ASSB to provide a report on the equipment process and principles of new versus transfer applied to date. This report is required for the ASSB scheduled for the 10th March 2014.

Project Governance

The Equipping / Procurement work stream is one of four distinct work streams within the project reporting to the Project Steering Board. The group currently meets on a monthly basis and includes representation from Procurement, IT, Medical Physics, Finance, Project Manager – Adult Hospital, Project Manager – Children's Hospital, and Technical Project Manager.

The group maintains a project plan, (a summary extract attached at Appendix 1), a risk register (current version attached at Appendix 2) and an issues log, and reports progress to the Project Steering Board Chaired by David Loudon on a monthly basis.

The Migration Steering Group in turn reports to the Management Executive Group (MEG).

Equipping Processes

The equipment required for the New South Glasgow Hospital s project is identified within the 1:50 drawings (Individual Room Data Sheets) for the project. The list of required equipment is in excess of 137,000 lines of information. When consolidated there are over 2,000 unique items identified that will be subject to the equipping and procurement processes. In essence the list identifies all equipment required to completely equip / furnish the buildings to reflect the original design and service provision.

Equipment Classification

The equipment required to complete the project is classified in four main groups:-

Group 1 – Items are supplied and installed as part of the main build programme by the Contractor (Brookfield)

Group 2 – Items supplied and funded by GG&C to be fitted / installed by Contractor (Brookfield)

Group 3 – Moveable equipment funded and placed by GG&C post handover. This equipment may be new or transferred from demitting sites.

Group 5 – Equipment of a complex nature that requires installation to services including Power, Water, Drainage etc. In terms of this project the group 5 equipment can be categorised into two distinct groups:-

- a. Multi Modality Imaging Equipment (a combination of new and transferred equipment)
- b. Decontamination Equipment comprising Automatic Endoscope Reprocessors / Washers (AERs) and Endoscopic Drying Cabinets.

Equipment Value

The survey of equipment, both clinical and non-clinical currently held by departments in demitting sites is underway and will be concluded early April. An interim review of information currently provided by departments indicates that the total cost of equipping the development may reduce to circa £60M.

Identification of the Equipment Gap

NHSGG&C has indicated that with the exception of the equipping of public areas with new furnishings and pre equipping of 350 Adult and 100 Paediatric bed spaces to facilitate the initial phases of the migration process, that all other equipment should wherever possible should be transferred from demitting sites. This view is being reinforced at all departmental engagement meetings.

Currently, meetings are ongoing with Services Transfer Owners (STOs) to work through the equipment on a line by line basis to determine equipment available to transfer, and that requiring to be procured. This activity is scheduled to be completed by 31st March 2014.

The equipment identified for transfer will be used to inform the specification for removal services required to support the migration programme.

For information, it should be noted that for the New Victoria and New Stobhill developments the rate of equipment identified to transfer was 23.9% by value and that consisted in the main of electro medical equipment. As the individual departmental meetings to review the equipment list commenced in January 2014 it is not presently possible to provide information on the level of transfer that may be achieved for this project.

The Procurement Process

All equipment identified as required to be procured will be consolidated into commercial packages and individual strategies to determine route to market will be developed. The formal tendering of equipment requirement is scheduled to commence in April 2014 in accordance with OJEU procedures for a period of six to eight months. High value, more complex procurement processes are programmed for April – June 2014 with less complex and lower value procurements scheduled in the period July – October 2014. This will allow for contract award to be completed, orders placed and supplier engagement in respect of equipment placement to be concluded ahead of the twelve weeks equipping / commissioning period scheduled to commence on 26th January 2015.

Equipping Strategy

The current aim is for all suppliers contracted to supply equipment in significant volumes, to undertake the supply, delivery, offload and placement at precise locations within the buildings. Each supplier will have a clear brief of requirements and will be closely supervised. This will include scheduling of deliveries, method statement, risk management, security of equipment, and management of waste and packing materials generated by the delivery.

For suppliers with low volumes the equipment will be delivered to site and placed by GG&C staff.

Enclosures

Appendix 1 Equipment / Procurement Project Plan (summarised extract of key activities)

Appendix 2 Equipment / Procurement Project Risk Register

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

Meeting Held on Monday 19th May at 9am in Board Room, Project Offices

Robert Calderwood (RC) (Chair)	Chief Executive, NHS GG&C
Alan McCubbin (AMcC)	Head of Finance Capital Planning, NHS GG&C
Paul James (PJ)	Director of Finance, NHS GG&C
Jennifer Armstrong (JA)	Medical Director, NHS GG&C
Grant Archibald (GA)	Chief Operating Officer, Acute Division, NHS GG&C
David Stewart (DS)	Associate Medical Director, NHS GG&C
Mike Baxter (MB)	Deputy Director, Capital Planning and Asset Management, Scottish Government

In Attendance

David Loudon (DWL)	Project Director/Director of Facilities and Capital Planning, NHS GG&C
Douglas Ross (DR)	Commercial Director, Currie & Brown
Angus Brown (AB)	External Auditor, Audit Scotland
Margaret Campbell (MC)	Decommissioning Manager
Shona Urquhart (SU)	
Marie Farrell (MF)	General Manager (RAD)

Apologies

Rosslyn Crockett (RCr)	Director Nursing, NHS GG&C
Carmel Sheriff (CS)	Depute Director Health Delivery, Scottish Government
Barry White (BW)	Chief Executive, Scottish Futures Trust

Minute Taken By	
Allyson Hirst	PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 10th March 2014 were **approved** as an accurate record.

2. Matters Arising

There were no matters arising not included within the agenda.

3. Decommissioning Presentation

Decommissioning Presentation

MC presented to the group on proposals for decommissioning buildings within NHS GG&C. Details of the presentation included the governance of the groups tasked with decommissioning, the complexities of the process and liaison with the New South Glasgow Project Team as well as appropriate communications with staff and patients. A copy of MC's presentation was available if requested.

Property Strategy

SU presented to the group on how, in liaison with the decommissioning team, SFT planned to support and inform the disposal of the various properties over the coming years in such a manner as to limit the additional costs to the Board but with maximum benefit – the process is being viewed over a period of around 6 years to complete. It is proposed to take this work forward with external assistance (property consultants plus technical expertise) where required and will involve the recruitment of additional resources to supplement the in-house NHS staff. This requires to be taken forward as a priority in the coming months with costs discussion being taken forward with RC and MB. A copy of SU presentation is available on request.

4. nSGH Project Update

Adult and Children's Hospitals

DL spoke to paper Enc 2 – noting 36 weeks to completion with project on target to complete. Equipment Transfer – work is on-going and it was anticipated that a clearer picture will be available at the end of May 2014.

CRF

DL noted that this project is completed and handover to NHS for commissioning and thereafter transfer of staff and patients.

Office

The project team are in discussion to prepare a mock up of working space to allow staff to see what is being offered

Neuro Entrance

DL gave an update on the proposals for the redesign of the entrance to the Neurosciences building Enc 3 – proposal creates a link to the new buildings and a sense of arrival within for the patients and staff. A full funding report, prepared by C&B was included within the distributed papers. It is proposed that there is a reallocation of T&L risk and reprovision of project FF&E with any shortfall being source from endowments – procurement process will be similar to that of the main hospital project. It was noted that the presentation did not show the new proposals for creation of office space in place of an overflow for the coffee facilities which is now proposed.

The ASSB members noted the progress and supported the procurement strategy going forward to Q&P

5. Compensation Events

DR spoke to enc 4 – noting the changes – potential compensation event noted as exceptional weather in December & February currently under review with BMCL. Section 1.5 notes compensation events being charged to other funding outwith the project budget.

Contract works are largely tendered with 2% currently as tender stage or in negotiation.

Based on BMCL current cost projections and risks for the hospitals is within the revised target price and car park 1 is also within the target price previously noted.

The ASSB members noted the update.

6. Financial

Budget – AMcC spoke to enc 5 – noting that the core budget remains unchanged at £841.7m and is supplemented by £252k funding from the Board's Capital Plan for additional works outwith the scope of the core scheme. This includes £140k funding to cover the MTHW System Extension that was noted as a new Compensation Event within Enclosure 4. AMcC advised that the impact of the other new Compensation Events in the period, amounting to £169k, had also been reflected within the overall Budget Table. Following incorporation of these latest adjustments the balance on the risk provision stood at £3.672m as reflected in line 2.7 of Table 1. Budget adjustments arising from the work at the Neurosurgical Main Entrance, approved earlier in the meeting, will be incorporated in the next revision of the budget.

The ASSB members noted the update.

Risk – DR spoke to enc no 6 - noting that the risk monies stands at £3.6M

7. Workstream Update Presentation on RAD

Marie Farrell gave an update on the work being carried out by the RAD on patient pathways and co-ordination. MF noted that more efficient use of resources and technologies available e.g. Wardview and TrakCare will be vital to ensure that patient flow through and from the hospital is maximised.. Included within this work is a review of service requirements from other Directorates including diagnostics and laboratory and the importance of liaison with colleagues in agencies out with the NHS including local authorities and CHPs to progress better ways of working. MF noted that there are challenges ahead as the population ages the changes will be required for the workforce to deal with the change in demographics bringing geriatricians' to the forefront to enable this patient group to be better supported and progressed to the services required. A copy of MF presentation is available on request.

8. On the Move – Elective In-patients Workstream

Enc 7 had been distributed to members beforehand. GA gave a brief overview including MEG and CEG members continue to bring together relevant staff groups to progress decisions. Testing of assumptions is being taken forward by the outpatients/day surgery and ambulatory care workstream which will allow staff to see in practice if a process is working before rolling out to a wider user group. Facilities management group are progressing service level agreements for the Clinical research Facility and are developing a FM migration programme to support the clinical migration planning for the new hospitals.

IT sub group reviewing operational processes to ensure that Trakcare can accommodate and be supported within the new buildings. A challenging piece of work for our HI&T is to create a shared wireless system that can be used by both University and NHS staff working within the new buildings – currently trialling this within the Laboratory building with a potential roll out to all NHS GG&C sites.

Harmonising of departmental policies across the demitting sites is underway including ED, orthopaedics and stroke. This will ensure that when hospitals are pulled together there is a clear path and all staff should be working together.

Workforce issues being taken forward with an assessment of current and future working pattern being reviewed and discussed at MEG. Regular meetings with staff side representatives to ensure that full engagement is undertaken. Drop in sessions being offered to staff at various sites throughout NHSGG&C to ensure that information is being provided to staff.

Community Engagement are progressing their briefings with Community Councils, Local Area committees and community groups to give an overview of the future services to be provided at nSGH along with the discussions with GCC and SPT on travel links to and from the hospital for staff and visitors.

All of the discussions aim to lead to a co-ordinated delivery of services, staff and information to ensure the new hospitals are effective in delivering services to patients.

9. AOCB

There was nothing further to be discussed and the meeting was closed. RC suggested that as the next meeting is to take place within the Project Offices that this would be an opportunity for the member to have a further tour of the buildings

10. Date and Time of Next Meeting

21st July 2014 at 10am in the Board Room – Project Offices

DRAFT

New South Glasgow Hospitals Development**Acute Services Strategy Board****Meeting Held on Monday 21st July at 10am in Board Room, Project Offices**

Robert Calderwood (RC) (Chair)	Chief Executive, NHS GG&C
Alan McCubbin (AMcC)	Head of Finance Capital Planning, NHS GG&C
Paul James (PJ)	Director of Finance, NHS GG&C
Jennifer Armstrong (JA)	Medical Director, NHS GG&C
Grant Archibald (GA)	Chief Operating Officer, Acute Division, NHS GG&C
Barry White (BW)	Chief Executive, Scottish Futures Trust

In Attendance

Peter Moir (PM)	Deputy Project Director, NHS GG&C
Douglas Ross (DR)	Commercial Director, Currie & Brown
Janis Hughes (JH)	Planning Manager, Acute Services, NHS GG&C

Apologies

Rosslyn Crockett (RCr)	Director Nursing, NHS GG&C
Carmel Sheriff (CS)	Depute Director Health Delivery, Scottish Government
David Stewart (DS)	Associate Medical Director, NHS GG&C
Mike Baxter (MB)	Deputy Director, Capital Planning and Asset Management, Scottish Government

Minute Taken By

Shiona Frew	Project Administrator, NHS GG&C
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1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 19th May 2014 were approved as an accurate record.

2. Matters Arising

There were no matters arising not included within the agenda.

3. Paediatrics On The Move Presentation

RC welcomed Janis Hughes (JH) to the meeting and advised that JH would be providing a presentation on the On The Move Paediatrics Workstream. JH advised that she was providing the presentation on behalf of Kevin Hill who was unable to attend the meeting. The On The Move Paediatrics Workstream was chaired by Kevin Hill and was part of the wider On The Move Acute Programme. JH provided an overview of the paediatric workstream structure noting that there are 2 groups which feed into the workstream steering group i.e. the GP Interface Group which is led by Jim Beattie and also a Specialist Children's Services Group which is jointly chaired by Mark Feinmann and Kevin Hill. The Specialist Children's Services group ensures that GPs are involved through the full paediatric workstream redesign work in preparation for and in support of the migration of services from the Royal Hospital for Sick Children to the New Children's Hospital on the SGH Campus. JH explained that there are 5 sub-groups (Emergency, In-patients, Outpatients, Neo-natal and Theatres). Each of sub-groups has a clinical lead and has a number of working groups which progress specific elements of work within that sub-group and develop operational policies, etc.

JH advised that the bed model for the New Children's Hospital was based on 256 overall beds and work to finalise achieving this within the current bed complement was on target. BW enquired why the table indicated that there is zero beds against AAU and JH advised that RHSC does not currently have an AAU. The bed redesign works was currently focused on a pilot on the fourth floor at RHSC which has been set-up to mimic an Acute Receiving Unit.

Version 1 of the operational policies for all services has been prepared and links with Adult Services through the wider On The Move Programme established. Interface with diagnostics, oral health and Out of Hours services have also been established. The Out of Hours services for both adult and children's would be based in the outpatient department of the NCH. Updates are regularly provided to the WoS Regional Planning Group to make sure that other Boards are fully informed of the work being carried out in preparation for moving to the NCH in 2015.

Other works being progressed by the sub-groups include the following:

- *Inpatient sub-group*

The amalgamation of wards 4a and 4b in Yorkhill and the redesign required to create the 40 bedded ARU, working with Emergency Department consultants to define patient flow from the front door, critical high dependency and step down and utilisation of the huddle model to ensure that patients are discharged timeously, supported by twice daily ward rounds.

- *Outpatient sub-group*

Capacity planning to ensure that the facilities are being utilised fully and the sub-group are about to pilot an acute in the community clinic at Stobhill Hospital on the 8th August 2014 as part of the shifting to the community out-patient model. Piloting patient self check-in/patient calling at Yorkhill which is working well within the out-patient department.

- *Theatre sub-group*

Completed capacity planning and completing the template for the NCH and are working to increase day surgery rates to ensure the day surgery and 23hr hour ward facilities are used optimally. It is proposed that, when an electronic form is in place, all in-patient and day cases are pre-op assessed.

- *Neo-natal surgery*

Consideration is being given to the commissioning of the cots which will transfer from Yorkhill from the SGH Maternity Unit.

- *Emergency Dept sub-group*

ENP & ANP and Minor & Major models being developed within the emergency department. A pilot of

the Clinical Decision Unit is being considered in an area of RHSC. The flow of patients from the Emergency Department is being reviewed with all specialties to define pathways in the NCH.

Other key progress to date includes:

- Appointment of Lead Nurse and Lead Clinician who liaise closely with the Project Team and are responsible for work being undertaken in relation to the migration plan.
- Completion of Migration workbooks for all areas.
- Migration plan is currently being established. Lessons being learned from other hospitals i.e. Evelina and Manchester Children's Hospital moves.
- Staff visits to the NCH are underway.
- Staff communications are ongoing. 12 open staff meetings across site have been held with over 250 staff attending. A frequently asked questions document has been prepared and this is being shared with the workforce group who are conducting HR based meetings.
- Allocation of office accommodation has been a major piece of work. Dialogue with specialities and staff groups has been undertaken to identify office requirements and work with Mary Anne Kane has commenced to develop principles to ensure that the offices can be optimally used when RHSC moves to the SGH Campus. A 'day in the life of' template has been established for all the people who will be involved in the hospital however may not need to have a desk all the time in the new office accommodation facility. Lessons being learned from other sites i.e. Forth Valley who has open plan offices.

Challenges

- JH noted that there are redesign constraints in that not everything can be mimicked in RHSC due to estates confinement however where possible models are being put in place in advance of transferring to the NCH so that the model of service can be established i.e. the proposed development of a 23hour unit on the 3rd floor of RHSC.
- The move towards Paperlite/EPR is a big challenge and an audit of current practices is being carried out across all groups of staff and plans are in place to reduce the amount of paper information to ensure that unnecessary paper is not being transferred into the NCH as there is little storage in the NCH.
- Open plan working and desk sharing is a challenge to be overcome especially with those staff who currently have their own desk.

Allocation of office accommodation has been a major piece of work. Work with specialties and staff groups has been undertaken to identify office requirements and work with Mary Anne Kane has commenced to develop principles to ensure that the offices can be optimally used when Yorkhill moves to the SGH Campus. A 'day in the life of' template has been established for all the people who will be involved in the hospital however may not need to have a desk all the time in the new office accommodation facility. Lessons being learned from other sites i.e. Forth Valley who has open plan offices.

Next steps

- Continue the on-going staff engagement.
- Finalise that patient pathways to conclude the operational policies (currently underway with the clinical groups).
- Conclude discussions with directorates regarding the uplift in activity due to the change in age profile the NCH will deal with i.e. currently takes patient up to their 13th birthday and the NCH will take patients up to their 16th birthday.
- Carry out full evaluation of the pilot projects being undertaken i.e. Out-patient redesign, ARU, CDU, etc.
- Finalise the template for the theatres and out-patients and consequent job planning and

finalise the workplans for the staff groups.

BW enquired how the staff members felt about the changes i.e. was it radically different. RC advised that for the RHSC staff this was a large move both in terms of the change in geography and in respect to the different ways of working from the older style buildings i.e. private offices. In relation to all the staff transferring to the SGH site there was expected to be niggles i.e. allocation of car park permits, public transport alignment to start/finish times, change in clinical practices to ensure performance in improved, etc. GA noted that this an opportunity to work completely differently and to raise the performance of services into the upper quartile with working in bespoke buildings with slicker/sleeker ways of working whilst having the patient at the heart of their care. The challenge was to make the experience of moving from RHSC to the NCH as positive as possible. JH noted that staff who had visited the NCH had been very impressed by the standard and finishes in the NCH and realise the opportunities the NCH has given to look at new ways of working and that most are welcoming the opportunity to look at redesign opportunities. JH acknowledged that there would be challenges in certain areas to be overcome. JH noted that RHSC has a very efficient and busy day surgery unit however the NCH provided the ability to enhance this and to carry out day surgery on patients who may require to remain in hospital a bit longer but perhaps not overnight thereby utilising the new 23hour unit. This increase in day surgery activity allows the inpatient stay activity to be decreased. RC advised that a number of changes are not unique to NCH transfers and it was important to ensure that messages are not confused i.e. changes taking place due to the transfer of services from RHSC to NCH and changes due to Government challenges. RC noted that since the Business Case was written there had been a change in Government policy in relation to nursing models therefore the Board would not be able to realise the savings anticipated in the Business Case.

JA reported that it was good that RHSC was adopting some of the models now and that there would likely be a shift of services to the front door.

4. New South Glasgow Hospitals Project Update

PM advised that 27 weeks remained until target completion date of 26th January 2015. The design review/sign-off of the project is substantially complete for the vast majority of the design elements. The construction activities in the Adult Hospital were focused on the cladding of the main atrium, installation of underfloor heating, screeding of floors, completion of decoration throughout the hospital and completion of the sanctuary and main entrances. Generally all the departments on the podium were nearing completion if not already complete. Works continue to take place on all levels of the building and the focus is on progressing works up the building i.e. doors have been fitted up to level 11. The site walk-round taking place after the meeting would allow members to view a ward which is almost complete. The construction activities in the Children's Hospital are focused on the atrium and installing the underfloor heating and completing the floor screeding. The neo-natal link bridge works are well underway – due to be complete in 6-8 weeks.

The Project Team continue to carry-out rooms inspections and are challenged to carry out inspections to circa 1000 rooms, circa 900 inspections in August and circa 1000 rooms in September 2014. BW enquired if Health Board personnel are involved in carrying out the room inspections and PM advised that Capita have been employed through NEC3 to be inspectors of quality (Project Supervisors) however the Project Team are also going on site to check the rooms. Rooms are being quadruple checked for quality as the sub-contractor checks the room then hands over the room to BMCL who check the room and then hand over the room to Capita for checking. The Project Team are checking the rooms after Capita have carried out their inspections. BW enquired if the Project Team room checking resource was sufficient and PM advised that the Project Team is currently coping with the room checks and that there was sufficient resource within the team.

The group 5 equipment discussions are ongoing with Imaging colleagues and the specialist equipment suppliers. It was envisaged that the bulk of the equipment will be installed between September and December 2014 therefore all new group 5 equipment will be in place by December 2014 with only the transfer equipment to be installed between April to June 2015 as the hospitals move over.

The new multi-storey car park is nearing completion with the current focus being on the paintwork in the stair cores. The Board were not expected to be taking over this car park until 26th January 2015. The car park was expected to be complete in the next few weeks.

BW enquired when it was expected that there would be clarity and certainty about the transfer equipment and pricing. RC noted that initially to purchase all new equipment was reported to cost circa £75m however the equipment budget was circa £60m. The equipment transfer list is being refined and is currently in its 3rd iteration with the final iteration expected to be concluded in the next few weeks. The Board had also set aside £10m from endowments and additionally had an annual allocation for medical equipment contained within its core capital plan. Based on the last iteration of the equipment list and taking account of the funds set aside there should be no pressure on the equipment budget at this time. RC noted that the original intent was to purchase the vast majority of beds the previous year so that the Adult electric beds are with the patients. To enable the moves a further circa 200 beds were to be purchased to enable the SGH wards to transfer in. The SGH beds would then be utilised to enable the transfer in of the Western and Victoria. Over the previous 5 years the Board had been standardising the equipment across sites so that all departments are working with the same equipment. It is expected that equipment will be moving rather than having to purchase new equipment.

- *Teaching & Learning and Office Accommodation Block*

PM advised that the Teaching & Learning Centre and Office Accommodation Facility projects remain on time and on budget. The topping out for the Teaching & Learning Centre is scheduled to take place on Thursday 24th July 2014. The recent good weather has allowed progress to be good and the current focus is on installing the roofs. Both buildings are progressing at the same rate.

- *Site Wide Demolition & Car Park 3*

RC advised that there is an operational challenge in that the campus will be clinically full however the car parking will not be fully complete. DR reported that the appendix provided an overview of the 3 main elements which the Board were considering procuring to i.e. demolitions on the west side of Langlands Drive (A&E and Outpatients), b) demolitions on the east side of Langlands Drive (Management Building) and c) the procurement of car park 3. DR advised that the Project Team sought approval to enter into dialogue with BMCL to explore the works required to the west side of Langlands Drive which would be an extension to the central park with landscaping and surface carparking. The report recommended that a competitive procurement route for the demolitions on the East side of Langlands Drive be progressed and that a competitive tendering route for the procurement of Car Park 3 be progressed. The Board had a tried and tested design for the multi-storey car park and there was sufficient time for the Board to undertake the procurement. The use of the HFS Framework was considered not to maximize value for money. BW enquired about the indicative cost for the 3 elements and DR advised that Car Park 3 was circa £10m, Langlands Drive (West) was circa £300k - £400k dependent on the agreed strategy). RC suggested that consideration was being given to the Langlands Drive (East) potential package of works. BW acknowledged that if it was known what was wanted then it was understood why the HFS Framework route would not be followed. PM advised that Car Park3 would be the 3rd car park of the

same design and that further design issues discovered in car park 1 had been ironed out through the construction of the BMCL current car park and that a comprehensive brief for Car Park 3 could be prepared for going to market and to ensure a best price is achieved. BW suggested that a paper advising why the HFS Framework route is not to be followed should be written up. RC provided an overview of the proposed changes to the site. BW enquired who had constructed the previous car parks and it was confirmed that Barr had constructed Car Park 1 and BMCL/Dunne had constructed Car Park 2. BW noted that Car Park 3 was to be of a similar design however the costs for Car Park 3 would need to be understood for the competition aspect. BW enquired about the need for a design team and DR advised that the Board have a framework for the procurement of architectural services. PM advised that further to market testing a company had been procured to progress discussions with GCC Planners to obtain planning and that opportunities to maximize the number of spaces in the car park were being identified. RC noted that the Board wished to maximize the number of spaces and use the learning obtained through the construction of on car parks 1 and 2 which suggested that the entrance and exits of car park 3 could work better. RC sought approval from ASSB members to present the recommendations to the Board on the 19th August 2014. BW enquired if Dunne could potentially bid for car park 3 in their own right and DR confirmed that Dunne may bid for the package on their own or may bid through BMCL and the Board would get the advantage of the site accommodation already being onsite. DR noted that as Car Park 3 was a circa £10m package it was thought that this would attract other contractors to bid for the work. RC noted that a paper would be prepared for presentation to the Board for approval to proceed with the 2 procurement exercises.

5. Compensation Events

DR advised that there had been no new compensation events added to table 1.1 since the last meeting and therefore table 1.2 also remained unchanged. In relation to table 1.3, the Project Team was still working through the adverse weather impacts with BMCL but this wasn't being pushed as a priority. The design works for the INS Entrance works had been progressed as approved at the previous ASSB and a revised price had been obtained. A new potential compensation event had been added to the table in relation to the changes required to the Arrival Square following dialogue with GCC and the Project Team were working with BMCL to identify the impacts of these changes however the changes would be funded from the Section 75 monies therefore there would be no impact on the Project budget. Section 1.4 confirms the split in the compensation events and Section 1.5 confirms the compensation events which are funded from other sources. Section 1.6 of the report notes that 99% of the contract works have been tendered with 1% to be finalised and in the majority of these cases BMCL will be negotiating compensation events with their existing sub-contractors. The financial estimate remains as £583m-£585m which is within the contract sum so still remaining on track financially. BW enquired if the tier 2 and tier 3 pricing is still being reviewed and DR advised that as part of the assessment process that sub-contractors are audited. BW requested a full update on the scrutiny process being undertaken to include an update on the verification that is ongoing.

6. Overall Budget Update

AMc advised that the only changes to the overall budget were those that were agreed at the previous ASSB meeting i.e. £4.1m for the Neuro entrance works. The risk provision for the main construction now stands at £3.172m and for the Teaching & Learning and Office construction now stands at £888k. There had been no new compensation events to record. PJ noted that the note regarding revised target price advised that appendix 1/table 1 would be updated to reflect the CE for the Neurosurgical main entrance work and the revised target price. AMc advised that the Project Team was at the first stage of concluding costs with BMCL and once the cost had been concluded the table would be updated.

7. Key Risk Update

DR advised that there had been no real change to the key risk update. The risk provision for other projects had been updated to reflect the agreement at the previous meeting i.e. £500k for the INS Entrance works. The risk in relation to client changes was to be reviewed in July 2014. The client approvals risk would be reviewed in September 2014. The total risk provision was £3.17m for the Adult & Children's Hospitals Project and £0.888m for the Teaching & Learning and Offices projects. RC suggested that there was circa £1.1m - £1.4m whereby the risk would have passed by the next meeting and that at the next ASSB there should be a discussion regarding the reallocation of these risk monies. An update regarding the equipment position would be provided at the next meeting. PJ advised that it would be useful for DR to link in with Michael Gillman to ensure that any risks are captured on the Corporate Risk Register. DR noted that DL would link in with Michael Gillman.

8. On the Move Update

GA provided the following overview of the key elements to note which were contained within the "On The Move – Redesign Programme" update paper (Enc 6).

- A Clinical Migration Logistics Group has been established. The group is responsible for agreeing the mechanics and patient safety aspects of the transfers. David Stewart is leading on this key piece of work. The first meeting of the group has taken place.
- In-patient/elective workstream - the current focus of the is a) the equipping of the critical care unit and b) the testing of the electronic patient records in September 2014.
- Paediatric workstream update - as previously presented by JH. The key focus was on the establishment and development of plans to support the new ways of working within the Emergency Department.
- The out-patient sub-group are piloting the self-service check-in system at the SGH Out-patients dept and Yorkhill.
- IT sub-group - testing out the mobile tablet technology.
- Diagnostics sub-group – the fit-out of the laboratory in the Victoria ACH is complete.
- Emergency department sub-group – the head injury pathway had been agreed.
- Minor injuries sub-group – workforce profiles have been completed and discussions are ongoing regarding staff training requirements.
- Workforce – staff roadshows are continuing.
- Community Engagement sub-group - Review of staff data in relation to start and finish times being undertaken to align these as far as possible with public transport availability.
- Clinical engagement – testing as much as can in advance of moving to the new hospital.

RC noted that £10m had been set aside for the double running costs and the balance of the double running costs and induction/ training would be identified however it was estimated this would be circa £16m this year.

BW enquired if this was the first roof top helipad in Scotland and if so where GGC were getting examples of good practice from. PM advised that best practice has been learned from visits to the Royal London Hospital and Newcastle. The Helipad Operational Group were finalising the operational policy and management procedures. The group were liaising with Peter Rover who was the lead helipad specialist in the UK and were in dialogue with Glasgow Airport with regard to getting the fire fighting personnel trained up. BW enquired about the advantage of the rooftop helipad. RC

noted that the helipad had been sited on the roof after a lot of deliberation. Operationally there is benefit achieved as it allows access to patients straight into accident and emergency. It was expected that the helipad would be able to be used 305 days out of 365 days. The frequency of its use will be discussed with SAS later that week however the helipad can accommodate the new specification helicopter. The key aspect to operationalise the helipad is that there needs to be 4/5 porters trained to man the fire fighting equipment and carry pagers so that they can be notified when a helicopter is approaching. RC noted that the Air Sea Rescue helicopter contract had changed which had a new set of helicopters however the helipad was able to take all the current and new helicopters.

9. AOCB

BW enquired if there was any opportunity to incorporate Supported Businesses in either the New Teaching & Learning Facility or the New Office Accommodation Block. RC advised that Robert Stewart (Head of Procurement) has initiated a meeting with Ian Murphy to discuss opportunities such as the provision of desks (potential spend circa £10-15k). RS would ask for a note of the meeting from Robert Stewart to share with the group. BW suggested that it would be a shame not to be able to use Supported Business on the project in one form or another.

There was nothing further to be discussed and the meeting was closed.

10. Date and Time of Next Meeting

22nd September 2014 at 2pm

New South Glasgow Hospitals Development

Acute Services Strategy Board

Meeting Held on Monday 22nd September 2014 at 2pm in the Conference Room, Project Offices

Robert Calderwood (RC) (Chair)	Chief Executive, NHS GG&C
Alan McCubbin (AMcC)	Head of Finance Capital Planning, NHS GG&C
Jennifer Armstrong (JA)	Medical Director, NHS GG&C
Grant Archibald (GA)	Interim Lead Director, Acute Division, NHS GG&C
David Stewart (DS)	Associate Medical Director, NHS GG&C
Gillian Woolman (GW)	Assistant Director, Audit Scotland (for Angus Brown/Helen Russell)

In Attendance

David Loudon (DWL)	Project Director/Director of Facilities and Capital Planning, NHS GG&C
Douglas Ross (DR)	Commercial Director, Currie & Brown

Apologies

Rosslyn Crockett (RCr)	Director Nursing, NHS GG&C
Carmel Sheriff (CS)	Depute Director Health Delivery, Scottish Government
Barry White (BW)	Chief Executive, Scottish Futures Trust
Mike Baxter (MB)	Deputy Director, Capital Planning and Asset Management, Scottish Government

Minute Taken By
Allyson Hirst

PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies as noted above. Minutes of the 21st July 2014 were **approved** as an accurate record with some amendments. **Site Wide Demolition.** *acknowledged that changed to noted that the reuse.* **On the Move Update.** *Inpatient/elective workstream addition of the word work in first sentence.* **AOCB final sentence addition of.** *for such a significant project and removal of on the project.* *The chair reviewed these changes and agreed to the amendments*

2. Matters Arising

All matters arising were reported on the agenda with the exception of an additional paper produced by DR following on a request at the last meeting and circulated to the group on Compensation Events. DR noted a monthly review of the costs incurred by the project were scrutinised both for direct and indirect costs. Disallowable costs are noted which usually fall under staff costings, travel for head office staff, sponsorship. None considered untoward but as part of the usual report process of the company that can sometimes slip through. As part of the contract BMCE are to ensure prompt payment to sub-contractors and as part of the checking process 14 different sub-contractors are also reviewed for their submitted costs which including Swisslog, artists, flooring contractor. Only minor items noted.

4. nSGH Project Update

Adult and Children's Hospitals

DWL spoke to paper Enc 2 – A recent review of the programme had been undertaken with BMCE noting 18 weeks to completion with project on target to complete on 26th January 2015. It was to be noted that there remain risks within the commissioning period and as with project of this size and complexity it was usual to have unforeseen issues at the latter stages. As per the distributed report DWL noted that work is continuing within the buildings highlighting :

- M&E continuing
- Underfloor heating is underway
- Cladding, glazing work is progressing
- NCH atrium flooring is completed with around 95% completed
- Equipment Group 5 – some equipment is currently on site and a programme for installation has been agreed with diagnostic colleagues and will be completed in Spring 2015
- Migration Workbooks – 91% return of migration workbooks version 1 have been returned with 59% of version 2 completed and returned – a further Workshop for STO is scheduled to take place on Tuesday 23rd September
- Allocation of equipment budget discussions are underway and progressing
- Scenario planning – BMCE have agreed to allocate a completed ward to allow some scenario planning for staff before the hospital opens fully. It is proposed to partially equip and run different scenarios to allow some staff the opportunity to test out not only the new environment but where possible new equipment and technologies in situ

Teaching and Learning/Office

All works on these projects are on programme and budget.

Energy Centre

Commissioning is progressing in line with SEPA permit conditions

DWL was pleased to report work on site was on programme and on budget at this time.

DWL presented to the group some images of external and internal areas of the hospital buildings.

Questions –

JA asked – re the helipad – there is no fencing – DWL responded that the helipad was fully compliant and had a catch net located on the underside. Concern noted for staff using the pad – DWL reported that staff will not be expected to receive patients on the pad but will be within the lobby below – staff using the pad will be training helicopter/SAS/Medical staff and specially recruited and training portering staff.

256 CT Scanner – had a decision been reached as yet – business case anticipated later that day but concern on the ability of the higher spec machine being able to progress the workload at speed that was required to get through the workload placed on the department on a daily basis. Revenue costs were also noted as a concern. Difference in cost for machines is circa £800,00 and consideration to be given to the ability to undertake the level of day to day work alongside the specialist aspects.

360 scanner – further discussions with University colleagues. GA noted a teleconference later this week should clarify the situation. 2nd machine is also unlikely as there is no space or

revenue stream to support this and is therefore unlikely to go ahead. GA agreed to share the discussions leading to these decisions to ensure that JA was fully aware of the situation.

5. Compensation Events

DR spoke to enc 3 – noting minimal changes – namely to CE No 49 which has been updated to reflect the reduction from the previous estimate, No 050 is an addition but funded via YCC, No 051 funded from Section 56 and No 052 funded by Section 75. Discussions on the 1 in 10 weather event was nearing conclusion. CE Classifications show no real change from last reporting. Defined costs show 99% tendered and awarded with only very small amounts of work to be sourced and most of these will be completed through current sub-contractors. DR noted that CP1 was completed within the monies set aside to complete this project

The ASSB members noted the update.

6. Financial

Budget – AMcC spoke to enc 4 – noting that the core budget remains unchanged at £841.7m and is supplemented by £252k funding from the Board's Capital Plan for additional works outwith the scope of the core scheme. A further £6K has been added for YCF works. Additional CEs have been added as also noted within CE paper. Risk remains the same at £3.172M. 1 in 10 year weather event will be called against risk provision and will be included in the next report to the group

The ASSB members noted the update.

Risk – DR spoke to enc no 5 - noting that the risk monies stands at £3.17M.

Ground risk will be reviewed in July 2016 once demolition works are completed.
Planning risk can be considered to be closed - release £100,000 top residual risk allowance
Client approval delays can be considered to be closed - release £500,000 top residual risk allowance
Client changes risk to be review on 22nd October 2014.
Group agreed to close Planning Risk and Client Delay risk and release £600,000 of the risk monies into residual risk for other projects ie Car park 3

7. On the Move – Update

MEG and CEG continue to meet

Mock Ward discussions taken place at CEG and agreed to progress as important to allow staff to understand the building and test out a range of scenarios

Clinical Migration Logistics Group – reviewing/discussing the following

- Limiting steps to the move
- Understanding the challenges for SAS
- Possibility of reducing electives for major and minor surgery and the impact on waiting lists thereafter
- Transport snapshot to be recorded on 4th October
- SAS meeting on Wednesday – a true reflection of time per patient is required

- Outcome of discussions with GCC and Police Scotland on road and events during migration periods

The Inpatient Elective Work Stream is undertaking a review of pathways and streamlining the administration process for pre operative assessment.

Within the Paediatric Work Stream the Job matching process has been discussed and agreed. Theatres and outpatient capacity planning developed and under review with The outpatient clinic at Stobhill established. Workforce plans and equipment requirements being finalised In the Outpatients, Day Cases and Ambulatory Care Work Stream, the self check in pilot continues with positive feedback and staff communication sessions continue along with the development of plans for the use of volunteers in the main entrances.

The Clinical Support Services and Building Work Streams have several sub groups which are managing the FM process, IT priorities, Diagnostics migration plans and Pharmacy redesign.

With regards to the Gartnavel model – GA noted that this was not yet completed and RC asked for an update and clarity that beds were not being duplicated in other areas and thereby closing areas that are currently in use.

Community Engagement – continue to work with community groups and it was now considered an opportune time to release information to update staff on proposals for parking, travelling to the site and the range of options available.

The On the Move Programme Board continues to co-ordinate and collate the work of the Work Streams to ensure the users are ready for the move into the new buildings

8. AOCB

DWL reported that Brookfield Multiplex have won two ROSPA awards for the New South Glasgow Site.

9. Date and Time of Next Meeting

24th November at 10am in JB Russell House

New South Glasgow Hospitals and Laboratory Project

Acute Services Strategy Board

**Meeting Held on Monday 17th November 2014 at 11.30am in the Meeting Room D,
JB Russell House**

Robert Calderwood (RC) (Chair)	Chief Executive, NHS GG&C
Alan McCubbin (AMcC)	Head of Finance Capital Planning, NHS GG&C
Jennifer Armstrong (JA)	Medical Director, NHS GG&C
Jonathan Best (JRB)	For Grant Archibald, Lead Director, Acute Division, NHS GG&C
Barry White (BW)	Chief Executive, Scottish Futures Trust

In Attendance

David Loudon (DWL)	Project Director/Director of Facilities and Capital Planning, NHS GG&C
Douglas Ross (DR)	Commercial Director, Currie & Brown
Helen Russell (HR)	Audit Scotland

Apologies

Rosslyn Crockett (RCr)	Director Nursing, NHS GG&C
Carmel Sheriff (CS)	Depute Director Health Delivery, Scottish Government
Mike Baxter (MB)	Deputy Director, Capital Planning and Asset Management, Scottish Government
David Stewart (DS)	Associate Medical Director, NHS GG&C

Minute Taken By	
Allyson Hirst	PA, NHS GG&C

1. Apologies and Previous Minutes

Apologies are noted as above. Previous notes were reviewed and to be recorded as an accurate record of the discussions

2. Matters Arising

A decision has been made on the purchase of 256 scanner – After much review it has been decided to proceed with a PO which will be forwarded to the company later today to ensure delivery for installation before the hospitals are handed over to staff and patients

3. nSGH Project Update

Adult and Children's Hospitals

DWL spoke to paper Enc 2 – Highlight points noted as follows

Good progress remaining to complete for handover on 26th January 2015

Car Park 1 is reported as completed at 26th January 2015 but is actually completed but not yet handed over to the project

Adult Hospital – the cladding of the columns to the main entrance is nearing completion – this had slightly gone off programme but was now recovered, revolving door is now installed with commissioning and M&E progressing, Progressing with works to the link bridge with break through into the INS in the latter part of November

New Children's Hospital – preparations underway for decoration at low level within the atrium. Entrance desk is programmed for installation in mid November with outpatients reception desk on-going. Science centre enhancements to the atrium will be installed during the 12 week commissioning programme. Final decorations and vinyl works being carried out with some areas completed

External landscaping is underway with pavers work progressing alongside NCH and Maternity and works ongoing at arrival square.

Mock Ward – the project team had been given the opportunity to carry out some clinical/FM scenarios in a completed ward area over the early part of November. These have proven to be successful and given opportunity to review practices and stock layouts and how the food and delivery systems will work within the new build. Due to the completeness of the ward area it also gave opportunity to test, within limitations, the IT and telecoms systems

Inspections – progressing with Capita Symonds – inspections to date include 6900 rooms with around 294 that remain to be inspected. These checks are part of a process of BMCE check, Capita check and then NHS team members check with their findings being fed back to Capita for onward reporting to BMCE

Completion Criteria – Fortnightly meetings have been established with BMCE to allow close monitoring to be carried out to ensure that practical completion is achieved to enable the Board to take possession.

Group 5 – regular meetings are continuing with colleagues in the imaging directorate. Installation of equipment is underway with preparatory works underway

Transfer equipment – progress is continuing with the Migration Workbooks with version 3 being issued to RHSC and those areas in adult which are confirmed – for those shared areas within the hospital these books are almost completed and ready for distribution in the coming weeks. In this version of the workbooks the STOs are being asked to provide additional details of their transfers and rooms in which these will be allocated

Procurement, IT and Medical Physics continue to meet to review their transfers with the output from this being fed into the equipment database currently sitting at 88% completed lines

Teaching and Learning and Office

The images shown in the report show the cladding installation and current progress. Internal work is progressing on all floors. Both projects are currently within programme and budget

INS

Planning permission was given on 11th November to progress this project and works are scheduled to commence around the end of January 2015 with a 57 week programme

Questions ?

When will the neonatal breakthrough be completed – DWL the break through has happened with a locked door to prevent access to the unit or to the construction site.

Do Capita jointly inspect with the Board – DWL no there are three separate checks with Board comments fed back to Capita to report to BMCE

Mock Ward – looks good with the floor to ceiling windows – this is a good feature for patients.

Inclusion of ICN – throughout the process and at each stage of design and procurement and with the set up of the mock ward to position Danni centres, soaps and hand drying facilities and also in the selection of furniture to enable it to be cleaned easily and appropriately

4. Compensation Events

DR spoke to the paper marked enc 3 noting that table 2 confirmed the Compensation Events (CE) from the last meeting

Section 75 and risk monies used to cover these CEs noting the £120k weather event which was first notified in May and has now concluded. There are no potential compensation events to report for this coming month or can be for seen.

Defined costs are has reported and within the anticipated costs

The members were happy to note the Compensation Events and the paper issued

5. Financial Budget

AMcC spoke to paper marked enc 4 – it was noted that the figures in table 1 are unchanged from the previous reported. CEs noted are funded through existing budgets. Appendix 1 table 1 breaks down the figures detailed in table 1 of the main document.

RC raised with the group the possibility of releasing risk monies from the T&L and office projects. A review was undertaken outwith this meeting and agreed that the project has gone beyond the stage of the risks noted and therefore satisfied to be able to move the monies into the general risk post. The report scheduled for next meeting will reflect this change. BW noted concern that all aspects remaining within the project would be covered within the remaining risk – DWL explained that the nature of this project did not require the same level of risk funds at its current stage.

BW asked about the inclusion of the INS being as a compensation event to BMCE not yet showing within the reports. AMcC noted that the budget was created and will be changed as the INS had just been awarded to BMCE. There are also additional works within the same area of INS being funded by the Board and this will be reflected in the next papers for this group.

It was noted that endowments of £11.4M with VAT exception would have a value of £13.4M if used for equipment purchase although AMcC did note that there are some exceptions to these rules. It will be necessary to have the high level equipment list signed off before the endowments can be progressed.

Risks

Risk noted in 2.4 will remain in place for T&L and A&C – DWL noted that he considered that there was no significant risk foreseen within A&C or indeed T&L aside from minor users changes Ground checks carried out at the surgical block have revealed nothing detrimental but remains as a potential risk due to its make up during its original construction and it may be possible to cap the area although it may require to be cleared and the cost will be incurred to the project.

Car Park

In terms of the funding proposals, AMcC noted that the approved funding for the remaining Car Parking Provision presently amounted to £9.364m. The paper noted the proposal to supplement this with the balance of £1.4m A&C's residual risk remaining available for other projects, as detailed within Enclosure 5 to the meeting, together with the amount of £239k additional remaining risk from the Teaching & Learning Centre and Office Block that had been discussed earlier in the meeting under Agenda Item 7. This would leave a sum of £2.4m remaining within the Risk Provision.

AMcC also explained that the remaining equipment budget for the NSGH development stands at £56.5m plus the potential contribution from the Endowment Fund, which had originally been set at £10m. Against this funding of £66.5m, AMcC noted that the work undertaken to date had currently identified a forecast equipment spend of £59.3m, leaving a remaining balance of £7.2m potentially available for alternative use. In addition, JH noted that with investment gains, the potential contribution from Endowments now amounted to c.£11.4m.

In reviewing the potential funding options of the Car Parking requirements, cognisance was taken of both the remaining balance on the risk provision (£2.4m) and the potential minimum underspend on equipment (£7.2m). On this basis it was felt that it would be realistic to assume that, based on the current information available, both these areas combined could generate a further contribution of £4m - £5m to potentially supplement the funding of the remaining Car Parking Provision.

It was further proposed that the balance of funding required to fully meet the car parking requirements, of up to £3m, be met from the Board's general Capital Plan in 2016/17. AMcC reminded members of the arrangements established during the preparation of the 2014/15 Capital Plan whereby accelerated equipment spend on the NSGH in 2014/15 was managed through restricting the level of new general commitments made from NHSGGC's general capital. The paper noted that the current balance of accelerated NSGH spend stood at £6.7m, and that the associated funding would be received in 2016/17. The recommendation was therefore to effectively ring fence an element of this reimbursed funding in 2016/17 to support the car parking requirements.

It was noted that the forecast costs and associated funding proposals set out in Enclosure 6, would be further developed and finalised as part of the exercise to complete the Full Business Case that would be brought back to a future meeting for approval prior to submission to SGHSCD's Capital Investment Group.

Following discussion, the Group:

- Approved the release of £1.4m from the residual risk allowance held within the Adult & Children's Hospital project to the budget for the remaining car park provision;
- Approved the release of £239k risk from the Teaching & Learning Centre and New Office Block to be reinvested in the car park completion plan;
- Agreed to recommend to the Q&P Committee that, pending completion of the Full Business Case for the Remaining Car Park Provision and finalisation of forecast Car Park costs and equipment requirements, an indicative allowance of up to £3m be set aside the Board's 2016/17 Capital Plan, to provide for the completion of the remaining Car Parking facilities.

6. On the Move Update

JRB reported on the paper submitted under enc 7 – the paper was noted and the following highlighted

Clinical Migration Logistics – project team await the information on day to day plans – JRB noted that this work was being completed

A first pass at theatres schedule had been completed which allows out-patients to progress their planning

Pilot of the patients' self check in had been put in place in SGH and was positive and it was

hoped to easily transfer this to the new building

Gateway review carried out on Western Infirmary Outpatients proposals and has achieved amber and is to be progressed to the Board's Quality and Performance Committee before being forwarded to Capital Investment Group at Scottish Government to approve funding

Workforce letters have been drawn up and forwarded to staff affected by the moves to the new hospitals

The group noted the progress

7. AOCB

The group agreed that the next meeting should take place after the hospitals handover and that this should include a visit to the new building by which time the costs for the surface car parking will be clear but not the MSCP which is anticipated in mid February. A date to be forwarded to the group for the next meeting.

DRAFT

Acute Services Strategy Board**11th November 2014****Project Director – New South Glasgow Hospitals Development****NEW SOUTH GLASGOW HOSPITALS DEVELOPMENT****PROGRESS UPDATE – STAGES 2 & 3****1. Introduction:**

The content of this paper sets out the progress of each of the stages of the New South Glasgow Hospitals Development. The paper also includes a progress update on the Teaching & Learning Centre and New Accommodation (Office) Building.

2. New Adult & Children's Hospitals**a) Summary status of the works (as at 10th November 2014).**

Stage 3 Start Date	28 March 2011
Stage 3 Target Completion Date	26 th January 2015
Stage 3 Contract Duration (Revised Target)	201 weeks
Elapsed contract period at 10 th November 2014	190 weeks
Period Remaining	11 weeks

b) General progress on site against programme

Phase	+/- In period	Comments
Stage 3 Adults & Children's Hospital Construction	0	Target handover date agreed as 26 th January 2015. Maintaining progress this period.
Stage 3 Energy Centre Construction	0	Maintaining progress this period
Car Park 1	0	Maintaining progress this period against the target completion date of 26 th January 2015.

c) Design

- The Project Team continue to focus on reviewing the wayfinding and signage proposals and the design strategy for dignified spaces.
- No further design changes have been requested at this time.

d) Construction Progress (Highlights)

i. New Adult Acute Hospital

The cladding of the columns to the main entrance is nearing completion.

The revolving door at the main entrance has been installed.

Tiling works to the adult atrium continues to be progressed and is 90% complete.

Commissioning of the M&E installations continues to be progressed in line with the programme and above ceiling service snagging will be completed by the end of November 2014.

Internal fit out to the atrium link bridge continues to progress in line with the programme.

Final commissioning of the lifts is programmed to commence 17th November 2014.



ii. New Children's Hospital

The atrium is being prepared for final decoration at low level.

The entrance reception desk is programmed for delivery mid November 2014 and the fit-out of the out-patient reception desks is ongoing.

The ceiling tile installation will continue throughout November and complete in December 2014.

The final cleaning works to the atrium area are programmed to commence at the end of November 2014.

The installation of the canopy at the main entrance is substantially complete.

The children's roof garden is nearing completion and the resin footpaths are due to recommence mid November 2014.



The final decoration and vinyl works to stair cores is being carried out on a phased basis and is progressing well with final decoration to stair core A within the Adult atrium commenced and decoration completed to stair core E located between CCW and Stroke Ward.

External landscaping works are ongoing with paving blockwork commenced along the west elevation and granite paving ongoing at the arrival square area.

e) Mock Ward

The Project Team, with assistance from BMCL, have set-up a mock-ward on level 5 of the Adult Hospital to provide the basis for scenario led exercises to test the patient services prior to the opening of the new hospital. The mock ward consists of 14 bedrooms (bed, pod locker, overbed table, 2 visitors chairs, 1 patient chair), ward office, Senior Charge Nurse office, Pantry, DSR all of which have been pre-equipped. Scenarios within the mock ward commenced on 3rd November and are scheduled to last 2 weeks. A small numbers of targeted staff are 'testing' the ward processes using scenarios which mimic both the routine and emergency processes that will impact on the organisation of patient care. To date have included HI&T, Telephony, Ward Product Management, Resuscitation, Pharmacy, domestic services, meals delivery and ward product management. All staff members involved have found the scenarios very beneficial. Learning points will be developed from the scenarios and changes to processes (if required) will be developed.



f) Internal Fit Out – Inspection Process

The quality control inspection process being undertaken by Capita Symonds (NEC3 Project Supervisors) is ongoing and to date, Capita have jointly inspected over 6900 rooms with circa 294 remaining to be inspected.

The NHS Project Team's zone checking is ongoing as areas become available for final inspection, the latest areas to which checking has been carried includes the theatre ward area of the Children's Hospital and generic wards on level 7 and 9 of the Adult Hospital.

g) Completion Criteria

Regular meetings have been established with BMCL so that the NHS Project Team can monitor progress of the Completion Criteria. The Completion Criteria is a list of the Inspections, Testing, Commissioning and Acceptances which BMCL need to obtain Practical Completion (PC) and thus enable the NHS Board to take possession of the hospitals.

h) Equipment

i. Group 5 Equipment (Imaging)

- The NHS Project Team continue to meet regularly with Imaging Directorate representatives in order to keep colleagues up to date on Group 5 Equipment progress and on other issues.
- The installation of imaging equipment in the new hospitals has commenced to the 13 general x-ray rooms and the 2 adult CT scanner rooms. Installation works to the interventional labs are programmed to commence mid November 2014. Initial prep works are due to be commenced in the MRI rooms in mid November 2014.

ii. Transfer Equipment

- The Migration workbooks (MWBs) process is ongoing and the roll out of MWB version 3 is underway. The MWB version 3 have been issued to all the children's services transferring into the new Royal Hospital for Sick Children and to those adult services where the final location within NSGUH is known. The MWB version 3 will be issued to the 'shared' areas imminently. The MWB version 3 provides information about the location that each specific service is transferring to within the buildings i.e. room schedule and departmental floor plans. The MWB version 3 also requests that the Service Transfer Owners provide details of the new location of equipment being transferred, provide staff transfer details (if known) and also review/update as necessary the previously completed equipment lists and COSHH list. A follow-up workshop with the Service Transfer Owners is being scheduled to take place at the beginning of December 2014.
- The meetings between Procurement, IT and Medical Physics to identify the final transfer rate of equipment are on-going and work to input the information to the equipment database has commenced working well and should, when complete, inform the tender processes for equipment required. To date 88% (63,753 lines of 72,406) of information by line has been uploaded.

3. Teaching and Learning Centre

- The construction of the Teaching & Learning Centre remains on programme and on budget for completion by end May 2015.
- The external cladding installation is ongoing to all elevations. The zinc cladding is progressing well and the “gold” mesh cladding to the lecture theatre drum has commenced.
- The mechanical & electrical installation is ongoing.
- The Lift installation is ongoing
- The internal fit out is progressing on all floors on all floors.



4. New Staff Accommodation (Office) Building

- The construction of the New Administration (Office) Block remains on programme and on budget for completion by April 2015.
- The mechanical & electrical installation is ongoing.
- The internal fit out is progressing well on all floors.
- The raised Access flooring installation is now complete.
- The Lift installation is now complete



5. Neuro-surgical Entrance

A planning application was submitted to Glasgow City Council for the proposed new entrance to the Neuro-surgical building and planning consent was subsequently granted on 11th November 2014. The Board will be issuing a Compensation Event to BMCL in due course. It is anticipated that the project will commence end January 2015 with a 57 week programme.

6. Energy Centre

- The commissioning of the mechanical and electrical systems is progressing in line with the SEPA Permit.

7. Recommendation:

Members are asked to note progress of Stage 2 (Design Development of the New Hospitals) and Stage 3 (construction of the Adult and Children's Hospitals), the New Teaching & Learning Centre and the New Staff Accommodation (Office) Building.

Author; David W Loudon, Project Director, New South Glasgow Hospitals Development

Tel No: [REDACTED]

Date : 11th November 2014

Acute Services Strategy Board – February 2015**Project Director – New South Glasgow Hospitals Development****NEW SOUTH GLASGOW HOSPITALS DEVELOPMENT****PROGRESS UPDATE****1. Introduction:**

The content of this paper sets out the progress of each of the stages of the New South Glasgow Hospitals Development. The paper also includes a progress update on the Teaching & Learning Centre and New Accommodation (Office) Building.

2. New Adult & Children's Hospitals**a) Summary status of the works (as at 26th January 2015).**

Stage 3 Start Date	28 March 2011
Stage 3 Target Completion Date	26 th January 2015
Stage 3 Contract Duration (Revised Target)	201 weeks
Elapsed contract period at 26 th January 2015	201 weeks
Period Remaining	0 weeks

b) General progress on site against programme

Phase	+/- In period	Comments
Stage 3 Adults & Children's Hospital Construction	0	Complete. Formal handover of the buildings took place on 27 th January 2015. Informal handover of the buildings took place on 26 th January 2015.
Stage 3 Energy Centre Construction	0	Complete. The Energy Centre was handed over alongside the Adult & Children's Hospital.
Car Park 1	0	Complete. Handover date in April to be agreed with BMCL.

c) Design

- No further design changes have been requested at this time.

d) Construction Progress

The BMCL builder's works within both hospitals is complete. There is a small amount of builder's works to be undertaken in relation to the installation of the Decontamination Washer Dyers which will be carried out by the Board's supplier.

The main construction activities which are ongoing are in relation to the external soft and hard landscaping works. The block paving is complete along the west (NCH) and north elevations and the areas to be planted out are now clearly visible. The arrival square area works have also progressed well in the period with the completion of the roadway.



e) Internal Fit Out – Inspection Process

The quality control inspection process being undertaken by Capita (NEC3 Project Supervisors) for the handover of the building was completed on 26th January 2015.

The focus now is on the rectification of items which have been identified as snags/defects at and from 26th January 2015. BMCL have established a dedicated helpline to assist building users to report any snags they discover as they progress install works in the building. BMCL have agreed a sequencing and programme of works for the rectification of snags.

In addition, BMCL have also agreed a programme to close out works which could not be completed by 26th January 2015 such as the areas where the Board's Imaging Equipment installers are working, the Neuro link bridge, etc.

f) Completion Criteria

The Completion Criteria which is a list of the Inspections, Testing, Commissioning and Acceptances which BMCL needed to obtain Practical Completion (PC) and thus enable the NHS Board to take possession of the hospitals are all in place. BMCL are currently uploading all the information onto the Zutec Web Based Document Management System so that the information is readily accessible by NHS reps.

g) Equipment

3. Group 5 Equipment (Imaging)

- Installation of new Diagnostic equipment is well underway: Fluoroscopy, Endoscopy and Interventional Labs are all completed, with CT Scanners and DEXA installations commenced week beginning 12th January 2015.
- Installation of 13no. DR rooms is steadily progressing and scheduled to complete by 23rd February 2015
- Pre-installation works for Hybrid theatres commence week beginning 12th January 2015 with completion scheduled for 9th February 2015.
- Pre-installation works for all 4 MRI installations (3 new +1 transfer) are well underway with delivery of new MR equipment commenced on 19th January and completion of installations by 15th February 2015.
- Installation of SPECT-CT installations commenced on 19th January 2015 for pre-installation works, delivery of equipment on 9th February 2015 and completion by 1st March 2015.
- The NHS Project Team continues to meet regularly with Imaging Directorate representatives in order to keep colleagues up to date on Group 5 Equipment progress and on other issues.

i. Transfer Equipment

- The Migration workbooks (MWBs) process is ongoing and the roll out of MWB version 4/5 is programmed to commence early February starting with those services that are moving during the commissioning period such as Medical Physics. The MWB version 4/5 is being issued for information only and provides the STO with a high level migration plan, departmental move plan and also reaffirms the agreed transfer principles. The removal company has been meeting with all the STOs individuals to confirm the equipment which will be moving to their new area of work.

ii Non Group 5 Equipment:

The Bill of Quantities (BoQ) continues to be updated as approved Change Control requests are received. The BoQ continues to be updated to reflect actual quantities of items and overall prices.

The Directorates have all commented on a review of their top equipment expenditure and their comments have been taken on board by the procurement team and feedback provided to the Directors. Additional requests for equipment have been referred to David Stewart and Grant Archibald for approval.

The team have been particularly focused on the placement of orders since October 2014 and the final deadline for placement of orders has been set as 6th February 2015 in order to have sufficient time to get the items delivered prior to 31st March 2015 to enable the Board to meet its financial obligations. A

significant amount of the medical device orders were placed during January as well as the remainder non medical equipment.

As orders are placed the team are updating the delivery schedule and deployment programme to ensure that equipment can be delivered into the hospital before the end of March 2015. Any equipment that cannot be delivered by end of March, but which is expected to be in place during April will be highlighted and tracked against the sum allocated for expenditure in 2015-16. Any equipment requirements identified late in the process will be dealt with on a case by case basis.

The Procurement team have been working closely throughout with the Project Team to ensure equipment requirements are identified and the procurement route identified.

4. Handover

BMCL formally handed-over the new hospitals to Robert Calderwood, Chief Executive, NHS GG&C on 27th January 2015. Immediately thereafter key members of the Project Team and the Procurement Team relocated into the building in order to be on hand to co-ordinate, supervise and manage all the commissioning activities which are programmed to take place over the 12 week commissioning period which commenced on 26th January 2015.

In preparation for the handover of the hospitals all staff due to relocate into the building were provided with an induction to the building and training on the wireless handsets being used in the building.

Induction sessions for all staff who will relocate to the buildings are being provided in 2 tranches:

- The first tranche is specifically for the Service Transfer Owners and these sessions took place on 2nd, 3rd and 4th February 2015. An online booking system was established to enable the STOs to book onto one of the induction sessions. Seven general induction sessions and some special sessions for STOs who require training on the hoists/baths were provided.
- The second tranche is for all staff who will be transferring into the hospitals who have not already attended an induction session. These induction sessions commenced 4th February and are set to conclude on 10th April. Sessions are being provided 7 days a week and there is generally 2 sessions on any given day however some days a 3rd session in the evening is also being offered in order to enable staff who work on shift patterns to attend.

Staff who attend the induction sessions will be provided with their access pass at the end of the session. Due to the volume of staff who are required to receive an induction into the new hospitals the Project Team and SGH Medical Illustration Department have prepared an Induction DVD to be shown at the sessions.

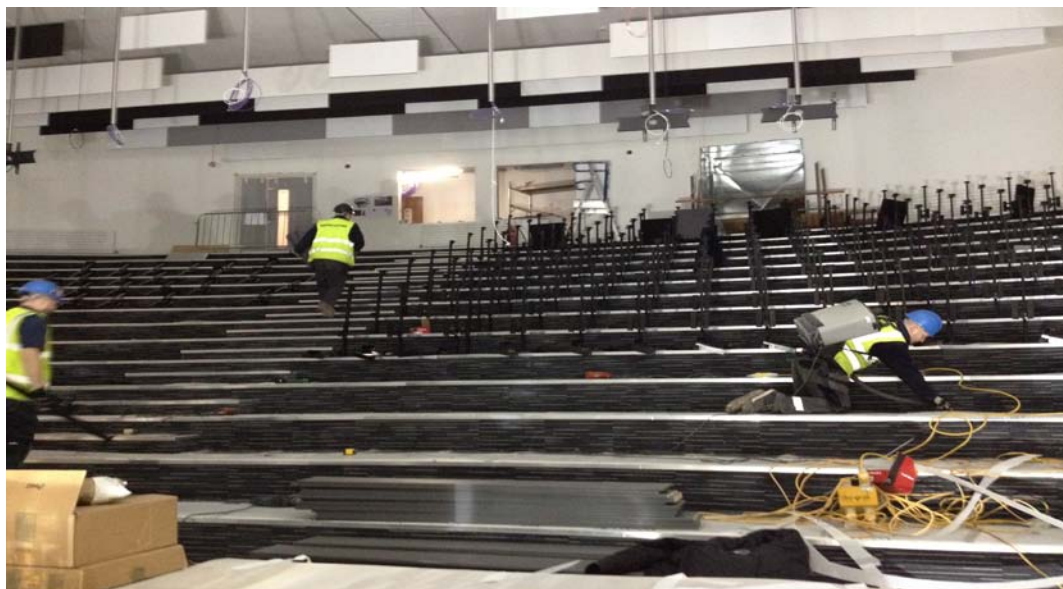
The orientation of staff into the buildings is being carried out on a "Train the Trainer" approach. The Project Team are responsible for orientating the STOs and the STOs will then be responsible for orientating the staff in their area of service into the buildings.

A detailed project plan which captures all the activities which need to take place within the 12 week commissioning period was prepared in advance of the handover and activities are progressing as programmed. Designated delivery routes have been identified for deliveries into the building in order to make full use of the opening hours of the building. All delivery routes within the building have floor protection in place to minimise the risk of any damage to the flooring.

5. Teaching and Learning Centre

- The construction of the Teaching & Learning Centre remains on programme and on budget for completion by end May 2015.
- The external cladding installation is virtually complete, with only Link bridge outstanding.
- The Contractor continues to progress the external landscaping works.
- The mechanical & electrical installation is ongoing and power is now on to the building.
- The internal fit out is progressing on all floors on all floors.
- The commissioning of the building has commenced.

The image below shows the fit-out of the auditorium underway.



6. New Staff Accommodation (Office) Building

- The construction of the New Administration (Office) Block remains on programme and on budget for completion by April 2015.
- The mechanical & electrical installation is complete and is being commissioned.
- The internal fit out is progressing well on all floors.
- The furniture installation has commenced and is in line with programme.

The picture below shows a typical open plan office space.



7. Neuro-surgical Entrance

- The site preparation works are ongoing.
- The programme for the entrance has been delayed to accommodate the completion of the Link Bridge breakthrough.
- The revised works programme is currently being reviewed by Brookfield.

8. Energy Centre

- The Energy Centre was handed over to the Board alongside the formal handover of the hospitals on the 27th January 2015. The Energy Centre is now under the control of the Board's Estates Department.

9. Recommendation:

Members are asked to:

- note progress of Stage 2 (Design Development of the New Hospitals);
- note progress of Stage 3 (construction of the Adult and Children's Hospitals), the New Teaching & Learning Centre and the New Staff Accommodation (Office) Building;

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Date : 3rd February 2015



SCOTTISH HOSPITALS INQUIRY

Bundle of documents for Oral hearings commencing from 16 September 2025 in relation to
the Queen Elizabeth University Hospital and the Royal Hospital for Children, Glasgow
Bundle 42, Volume 7 - Acute Services Strategy Board Minutes and Papers