

NHS GREATER GLASGOW AND CLYDE

**Minutes of a Meeting of the  
Performance Review Group held at 9.30 am  
on Tuesday, 3 November 2009 in  
the Board Room, Dalian House,  
350 St. Vincent Street, Glasgow, G3 8YZ.**

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**P R E S E N T**

Mrs E Smith (in the Chair)

Mr P Daniels OBE	Cllr. D Mackay
Ms R Dhir MBE	Mr D Sime
Mr P Hamilton	Mr K Winter
Mr I Lee	Cllr. D Yates

**OTHER BOARD MEMBERS IN ATTENDANCE**

Dr C Benton	Ms R Crocket
Mr R Calderwood	Mr D Griffin
Dr B Cowan	Mr G McLaughlin
Mr B Williamson	

**I N A T T E N D A N C E**

Ms M Anderson	..	Property Manager, Capital Planning & Procurement (for Minute 68)
Ms H Byrne	..	Director of Acute Services Strategy Implementation and Planning
Mr G Beattie	..	Head of Procurement
Mr J Crombie	..	Director, Surgery & Anaesthetics – Acute Services Division (to Minute 66)
Ms S Frew	..	Team Secretary, New South Glasgow Hospitals Project (to Minute 66)
Mr P Gallagher	..	Finance Director – Acute Services Division (to Minute 66)
Mrs J Grant	..	Chief Operating Officer - Acute Services Division
Mr D Hall	..	Divisional Director, Currie & Brown (to Minute 66)
Mr J C Hamilton	..	Head of Board Administration
Ms A Harkness	..	Director – Rehabilitation & Assessment – Acute Services Division (for Minute 68)
Ms R Harper	..	Partner, Shepherd & Wedderburn (to Minute 66)
Mr A Lindsay	..	Financial Governance & Audit Manager – NHS Board (for Minute 69)
Mr A MacKenzie	..	Director, North Glasgow CHCP (to Minute 68)
Mr A McLaws	..	Director, Corporate Communications – NHS Board
Mr M McVeigh	..	Assistant Director: Infrastructure, Ernst & Young (to Minute 66)
Mr A Nicol	..	Acting Head of Corporate Reporting & Performance
Ms C Renfrew	..	Director of Corporate Planning and Policy/Lead Director, Glasgow CHCPs (to Minute 69)
Mr D Ross	..	Director, Currie & Brown (to Minute 66)
Mr J Rundell	..	Audit Scotland
Mr A Seabourne	..	Project Director, New South Glasgow Hospitals Project (to Minute 66)

**ACTION BY**

**63. APOLOGIES**

Apologies for absence were intimated on behalf of Mr R Cleland and Mr A O Robertson OBE.

**64. MINUTES**

On the motion of Mr D Sime and seconded by Mr K Winter, the Minutes of the Performance Review Group meeting held on 15 September 2009 [PRG(M)09/05] were approved as an accurate record.

**65. MATTERS ARISING**

a) Proposal to Re-provide Accommodation currently used at Dalian House and Tara House

In relation to Minute 56 – Mr Griffin reported that with the date of the Performance Review Group being brought forward to accommodate the timescale for the New South Glasgow Hospitals Project, the work to complete the Full Business Case was still ongoing and, once completed, would be submitted to Members shortly.

**Director of  
Finance**

NOTED

b) Review of NHS General Services Contract – Progress on Monitoring Access to GPs

In relation to Minute 45(a) – Review of NHS General Services Contract – Progress on Monitoring Access to GPs – Ms Renfrew advised that with the date of the Performance Review Group meeting being brought forward to accommodate the timescale for the New South Glasgow Hospitals Project, the outcome from the work carried out would not be available until the next meeting.

**Director of  
Corporate  
Planning &  
Policy/Lead  
Director, Glasgow  
CHCPs**

At the Chair's request, Ms Renfrew provided Members with an update on the two meetings held to date of the Joint Partnership Board with the Glasgow CHCPs. The work was progressing well with positive exchanges around some of the previously difficult areas and it was planned to submit a revised Scheme of Establishment to the NHS Board for approval in December 2009. There were some handling issues around the processes required for agreeing savings plans but these were being worked through with the Council.

**Director of  
Corporate  
Planning &  
Policy/Lead  
Director, Glasgow  
CHCPs**

NOTED

**66. APPROVAL OF TENDER FOR NEW SOUTH SIDE GLASGOW HOSPITALS AND LABORATORY PROJECT**

Mr Peter Daniels declared an interest in this item in that he had a relative who was a partner in one of the Architects supporting one of the Bidders who had tendered.

There was submitted a paper [Paper No. 09/43] by the Director of Acute Services Strategy Implementation and Planning, which sought Members' approval to the appointment of a Preferred Bidder for identified stages of the project. Ms Byrne reminded Members that the Outline Business Case had been approved by the Scottish Government Health Directorates in May 2008 and, thereafter, Members had been kept up to date on a regular basis by receiving updates on the Procurement Strategy, Gateway Review, Tender Process and Next Steps.

Members were advised that 5 potential Bidders had participated in the Pre-qualifying Questionnaire process following the notification of the Project which had been placed in the European Journal in February 2009. From this, 3 were shortlisted on the basis of their demonstrative ability to construct a health care project in this scale and complexity. The 3 Bidders taken forward to Tender stage of the Project were:-

Balfour Beatty Group Limited  
 Brookfield Europe LP  
 Laing O'Rourke Construction Limited

This had led to the receipt of Tenders for the project on 11 September 2009 following the competitive dialogue process.

An Evaluation Team was established and a detailed evaluation programme undertaken covering design, logistics and commercial matters. The Tender prices submitted were assessed for errors, inconsistencies, exclusions and caveats and then equalised to adjust for bid allowances and any missing items. The out-turn adjusted bid prices reflecting the estimated targets were then calculated. The most economically advantageous Tender scores, calculated as a ratio of quality and price were then generated using the full quality score and adjusted bid prices with a higher score representing better value for money.

The conclusions of the Evaluation Group were presented to the new South Glasgow Hospitals and Laboratory Project Executive Board on 22 October 2009. This included the attendance and involvement of the NHS Board Chair, Vice Chair and a Non-Executive Member of the Board. Consequently, on 26 October 2009, the Project Executive Board considered the comments from the 22 October meeting and formally endorsed the outcome and recommended that the preferred bidder be submitted to the Performance Review Group for approval. The NHS Board Chair had been unable to be present at today's meeting: however, had submitted a paper which had been provided to Members on his assessment of the outcome and conclusions of the process.

Mr Seabourne introduced the Evaluation Team who were present and provided Members with a presentation of the key aspects of the evaluation of the 3 Bidder Tenders. The presentations focused on design, quality and quantitative evaluation, legal and contractual considerations and most economically advantageous Tender scores. The Director of Finance of the NHS Board presented on the affordability of the capital and revenue aspects of the Project.

The financial analysis of the submitted bids had found that:-

- All the bids received were within the affordability limits set by the NHS Board.
- Only one Bidder offered the opportunity of less than 50/50 sharing of cost over-runs reflecting their confidence in the pricing.
- The bids submitted by 2 Bidders offered a high degree of certainty around pricing when risks were statistically assessed. One Bidder, however, as a result of its consideration of the fewer larger risks offered a less certain price outcome.
- Based upon the statistical analysis there was realistically no prospect of price out-turns occurring that would change the order of preference for Bidder proposals.

The most economically advantageous scores had clearly identified a Preferred Bidder and this was the basis of the Project Executive Board's recommendation to the Performance Review Group. The Legal Adviser concluded by advising Members that the evaluation process had been robust and compliant with the Regulations and had produced a clear and credible preferred bidder to take the contract forward. The contractual aspects offered were acceptable.

Mr Winter congratulated the NHS Board team on an excellent presentation of the detailed work supporting the recommendation that Brookfield Europe LP be appointed the Preferred Bidder. He asked about the provision of main services, i.e. drainage for the Laboratory Project and the possible dependency on these services if they were being provided as part of the main contract. Mr Seabourne and Mr Hall/..

advised that the Laboratory facility would be connected to an independent system and thereafter would be linked at a later date to the main services being provided as part of the main contract and therefore there would be no impact on the Laboratory Project if there was any delay in commencing with the main building contract for the hospital.

Mr Lee appreciated the details contained within the paper and the presentation and requested further information about Brookfield Europe LP. Mr Seabourne advised that the company was formed following the acquisition of Multiplex, the Australian international construction company in 2006. The parent company employed 10,000 staff with over 600 in Scotland. As a major construction company it sought to attract world class construction projects and had a demonstrable track record in the delivery of major health care schemes, including the £350m Peterborough City Hospital.

In responding to Mr Lee's question about seeking assurance around the compensation events, Mr McVeigh advised that while none were anticipated, small changes to the outputs could see the price moving marginally up or down and they could only proceed if the NHS Board agreed to the change and impact on the pricing structure. If such events occurred, they would be considered on an ongoing basis and not stored up for discussion at the end of the contract.

Ms Dhir asked about the car parking contract and also public transport links to the new hospital development. Mr Calderwood advised that a separate car parking contract would sit outwith the main contract but had been included as part of the overall design. In relation to public transport links, FastLink formed part of the planning application and the Scottish Government Health Directorates had agreed to provide funding to assist with this project. Cllr. Derek Mackay was chairing a meeting of relevant stakeholders to discuss the steps that would be required to be taken to try and secure this project. In addition, currently 12 bus routes entered the Southern General Hospital site and it was hoped in discussions with Strathclyde Passenger Transport to increase this to 36 different bus routes with bus stops within the site at different key locations.

Mr Williamson enquired about the flexibility that had been built into the design recognising the evolving clinical practices and changes which would occur over the lifetime of the building. Mr Hall advised that 25% extra capacity had been built into the services within the building and the main hospital would be based on single room accommodation. In addition, the type of construction used would allow internal alterations as it had been recognised that the site was restricted with little option of expanding externally.

In relation to Brookfield Europe LP, Mr McVeigh explained that the normal financial checks had been undertaken and this was a major multi-national company with a net worth of £40 billion. It was recognised it was pursuing a growth strategy and had committed recently to seeking major projects such as the new Southside Hospital Development. The normal performance bonds would be acquired as part of the protection against possible insolvency.

Cllr. Mackay welcomed the description of the financial stability of Brookfield and asked if any commitment had been given to accessing local employment. Mr Seabourne advised that there were indeed local economic benefits and the company would be targeting and training new recruits with targets around new entrants. They had committed to working with social enterprise and regeneration agencies as well as providing a training centre for staff.

In response to a question from Mr Hamilton, it was explained by Mr Crombie that a new City Morgue had been discussed with the City Council, Fiscal and Police. This would replace the current Morgue.

On the invitation of the Chair, Mr Rundell advised that he had been pleased with the progress made, the detailed work undertaken and the role of the professional advisers and the different levels of scrutiny had been helpful in bringing the Project to NHS Board Members for a decision.

Members welcomed the detail provided, the presentation and the assurances that had been provided by the Evaluation Team during the course of questioning.

Mr Daniels left the meeting.

Mr Calderwood advised that once a decision was taken there would require to be a debriefing for the 3 companies involved. On that basis, Members were asked to treat the information in confidence until a public announcement on the appointment of a Preferred Bidder was made on Thursday, 5 November 2009.

The Chair, on behalf of all Members, thanked Ms Byrne and Mr Seabourne and the New South Glasgow Hospitals and Laboratory Project Team for all the work undertaken to bring this huge project to approval stage and she asked that all members of staff involved be made aware of the Members' appreciation of the effort put in to bring this particular stage to a conclusion.

**DECIDED:**

1. That Brookfield Europe LP be appointed Preferred Contractor for the following Project stages:-

Stage 1 – The design and construction of the new laboratories (subject to Scottish Government Health Directorates Capital Investment Group approval of the Full Business Case)

Stage 2 – Detailed design of the new Adult and Children's Hospitals.

Stage 3 – Construction of the new Adult and Children's Hospitals.

Stage 3a – Demolition of the Surgical Block and associated buildings and completion of the soft landscaping.

Noting that the end of Stage 2 (when the Full Business Case for the new Hospitals would be considered for approval by the NHS Board) there would be a break point in the contract.

2. That the Full Business Case for the laboratories component of the Project (Stage 1), subject to Scottish Health Directorates Capital Investment Group approval, be approved.

**Director of Acute  
Services Strategy  
Implementation &  
Planning**

**Director of Acute  
Services Strategy  
Implementation &  
Planning**

Mr Daniels returned to the meeting.

**67. APPROVAL OF FINAL BUSINESS CASE – POSSILPARK HEALTH CENTRE**

There was submitted a paper [Paper No. 09/44] by the Director, North Glasgow Community Health Care Partnership, which sought agreement to the approval of the Initial Agreement for submission to the Scottish Health Directorates Capital Investment Group.

Mr MacKenzie advised Members that the current Possilpark Health Centre was built in the 1970s and served a population of 8,000. The current fabric of the existing Health Centre was very poor and space restricted. As a result, the building was barely fit for purpose and was not Disability Discrimination Act compliant.

The development of the replacement Possilpark Health Centre was seen within the wider regeneration programme for the Possilpark area. The North Generation Agency has led on the development of a joint master plan for the Saracen Street site with the aim of contributing to the socio-economic and physical urban regeneration of the area. The Glasgow North Regeneration Agency were also leading on a town centre regeneration bid for the area adjoining the Saracen Street development and, if successful, there was an opportunity for sustained development and investment in the area.

The replacement of Possilpark Health Centre had been conditionally funded subject to Scottish Government Health Directorates Capital Investment Group approval, from the Primary and Community Care Premises Modernisation Programme for 2009/10 and 2010/11. An application to delay the scheme by one year in line with the current programme in the Initial Agreement would be made. The financial gap associated with capital charges which would be incurred had partially been bridged thus far and work was continuing to close the gap with details to be finalised in the Outline Business Case.

Members welcomed this Project.

**DECIDED:**

That the Initial Agreement for submission to the Scottish Government Health Directorates Capital Investment Group be approved.

**68. RE-DEVELOPMENT OF BLAWARTHILL HOSPITAL, GLASGOW**

There was submitted a paper [Paper No. 09/45] by the Director of the Rehabilitation & Assessment Centre – Acute Services Division, and the Property Manager, Capital Planning & Procurement, setting out proposals relating to Blawarthill Hospital, Glasgow.

Ms Harkness reminded Members that following public consultation in 2000, the NHS Board had agreed to develop the Blawarthill Hospital site from a stand-alone frail elderly facility to one which provided a range of health and social care services – the relevant NHS Board paper had been attached as Appendix 1 to the paper. The detailed requirements were developed jointly with Glasgow City Council and in light of the ongoing need for health care use and the planning restrictions placed on the development by the Council in 2005, it was agreed to progress the development as a land transaction with restrictions linked to the required elements of development –

- 60 beds for NHS continuing care;
- 60 care home beds;
- 16 very sheltered housing units; and
- 8 disabled access housing units.

It was acknowledged that any attempt to separate the NHS service provision from the sale of the site would jeopardise the potential value of the site and the marketing strategy reflected this position.

The ongoing requirement for frail elderly continuing care beds was described in papers submitted to the NHS Board in 2008 and early 2009 and in February 2009 the NHS Board had reaffirmed its commitment to the redevelopment of the Blawarthill Hospital site. Through joint planning arrangements Glasgow City Council identified the need for 20 specialist dementia places and 40 places providing nursing and enhanced residential care and this had been confirmed at an Executive Committee meeting in 2008 and reconfirmed at the end of October 2009. The support for the housing element had also been reconfirmed by the City Council.

Members were advised that the Tender process was carried out in two stages from seeking expressions of interests followed by the selection of 5 companies who were requested to submit Tenders in February 2007. 3 of the companies submitted a Full Tender and James Walker (Leith) were selected as the Preferred Developer in the year 2007. Due to the complexity of the brief for the transaction there had been significant detailed discussions on the Heads of Terms and this had taken some time to resolve. The Heads of Terms have now been agreed subject to endorsement by the Performance Review Group and the main aspects of these terms were as follows:-

- The nominees for the 4 aspects of the transaction to be delivered as part of the Project, i.e. 60 beds for NHS Continuing Care; 60 Care Home beds; Sheltered Housing provision and Mainstream Housing agreed as follows:-
  - Southern Cross Health Care for the Care Home site and either Southern Cross Health Care or other member of James Walker (Leith) Group for the NHS provision;
  - Yoker Housing Association for the Sheltered Housing site
  - Dundas Estate and Development Company for the mainstream Residential site.

The Central Legal Office had confirmed that they would be in a position to provide the necessary assurance that the transaction met the requirements of the Scottish Government Health Directorates – Property Transactions Handbook and the price structure indicated an estimated capital receipt of £1.37 million. This price had been agreed and supported by the Board's property advisers and independent adviser and included provision to protect the Board should the property market recover.

Ms Dhir indicated that she was pleased to see the partnership approach come together and Mr Calderwood advised that Members would be aware that this was a key part of the proposals for the west sector which had an impact on St Margaret's Hospice. The proposed development for this area addressed a deficit within the west sector of Glasgow and it was an attempt to provide the right type of beds, within the right area. There was support from the City Council and local politicians and the West Glasgow CHCP were pleased to see the fruition of a valuable resource within this area of the west of the city.

In response to a question from Mr Winter, it was explained by Ms Anderson that the land transaction negotiations were attempting to try and cap the impact of any site abnormalities should they be identified by the developer when they were able to carry out their full site tests. Mr Winter was pleased to have the assurance that there was a valuing mechanism in place for the extent of any abnormalities identified within the site.

Mr McLaughlin was keen to understand the communications aspect of this proposal and Mr Calderwood advised that he was meeting with Ms Harkness shortly to ensure that St Margaret's Hospice were aware of the decision and of the consistency with the approach agreed by the Board in February 2009. He was keen to continue to try and engage St Margaret's in discussions about providing services for a different client group but that had proven difficult thus far. Members hoped that efforts would continue to be made to try and work with St Margaret's Hospice recognising the changes taking place.

#### DECIDED:

1. That the transaction as outlined on the understanding that Missives for the sale of Blawarthill Hospital be concluded by 31 January 2010 be approved.

**Director of  
Rehabilitation and  
Assessment**

2. That the transaction was dependent on the NHS Board agreeing a 5-year bed contract with the developer and Glasgow City Council agreeing a 5-year care home contract with the developer and their nominees be noted.
3. That the transaction also required that a specification was agreed with Yoker Housing Association for the sheltered housing aspect of the development be noted.
4. That the proceeds from the sale would not be received until 2012/13 be noted.

**Director of  
Rehabilitation and  
Assessment**

**Director of  
Rehabilitation and  
Assessment**

**Director of  
Rehabilitation and  
Assessment**

## **69. TAXI CONTRACT**

There was submitted a paper [Paper No. 09/46] by the Director of Finance which set out the current position with regard to the taxi contract for NHS Greater Glasgow.

Immediately prior to the NHS Board meeting on 18 August 2009 further disclosures were made to officers of the NHS Board by Strathclyde Police. As a result, the NHS Board decided that the award of a contract for taxi services for Greater Glasgow to Network Private Hire Ltd (NPH) be granted conditional approval and asked the officers of the Board to establish whether the additional information was materially significant.

There was a full discussion of the additional information provided by Strathclyde Police, NPH, and Counsel Opinion. In the course of the meeting, deep reservations were expressed at the award of a contract to NPH in the light of the information which had been provided by Strathclyde Police. Board Members expressed their support for the aims of Strathclyde Police in seeking to tackle the issue of serious and organised crime. However, there was also concern that based on the legal framework within which the Board was required to operate in procuring of services; the very clear legal advice and the potential high risk of legal action and substantial damages, the Board had a clear responsibility to award the contract. The Performance Review Group decided that a further paper should be provided to the full NHS Board, setting out these issues.

### DECIDED:

That the issue of the Taxi Contract be referred to a meeting of the full NHS Board which it was hoped could be arranged for 17 November 2009.

**Chief Executive**

## **70. COMMUNICATION ISSUES: 16 SEPTEMBER TO 27 OCTOBER 2009**

There was submitted a paper [Paper No. 09/47 from the Director of Corporate Communications covering communication actions and issues from 16 September to 27 October 2009.

Mr McLaws highlighted the following:-

- The preparation of a draft plan covering both internal and external communications to ensure the local public were made aware of the existing and new services being provided at the Vale of Leven Hospital.
- He expressed concerns that local newspapers in the area were portraying a very negative view of the Vision for the Vale of Leven and that some local campaigners were diving the negative comments without due regard being given to the positive support for the future services from the Government, the NHS Board and the Local Authority. He said that meetings were planned with senior newspaper editors/managers to discuss how best to achieve more balanced coverage of the ongoing developments on the Vale of Leven campus and would involve senior representatives from the Council.

- The support provided to the staging of the Annual Review on 19 October 2009 where over 300 members of the public attended the afternoon session and participated in the question and answer session which ran from the planned 30 minutes to one hour and 15 minutes.
- The official opening of the Dental Suite at Greenock Health Centre by Shona Robison, Minister for Public Health.
- The setting up of a webcam at the Southern General Hospital site to provide images of the new multi-storey car park and beginnings of the work of the new Children's Hospital and new adult acute facility.
- The launch of the NHS Credit Union by the Cabinet Secretary for Health and Wellbeing. Mrs Smith wanted to take the opportunity of thanking Mr McLaws and his team in her position as Chair of the NHS Credit Union and was delighted at the arrangements around the management of the event and formal launch by the Cabinet Secretary.
- The launch of the Influenza H1N1 Vaccination Programme from the new Victoria Hospital by the Cabinet Secretary with every national title and broadcaster in attendance.
- The Winter Health and Annual Review/Report edition of the Health News was in the final stages of production and when printed, would be inserted into the Herald, Evening Times and Sunday Herald and also distributed through the Board's normal distribution network. This was an integrated Communication Strategy which would see the production of a local winter patient booklet to coincide with the national winter health campaigns.

NOTED

**71. DATE OF NEXT MEETING**

The next meeting of the Performance Review Group will be held at 9.30 am on Tuesday, 19 January 2010 in the Board Room, Dalian House, 350 St. Vincent Street, Glasgow, G3 8YZ.

The meeting ended at 12.45 p.m.