

**PWYLLGOR DATBLYGU STRATEGOL A CHYFLENWI GWEITHREDOL  
STRATEGIC DEVELOPMENT AND OPERATIONAL DELIVERY COMMITTEE**

|                                                  |                                                                                                    |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>DYDDIAD Y CYFARFOD:<br/>DATE OF MEETING:</b>  | 26 October 2021                                                                                    |
| <b>TEITL YR ADRODDIAD:<br/>TITLE OF REPORT:</b>  | Women and Children Phase II Project – Update Report                                                |
| <b>CYFARWYDDWR ARWEINIOL:<br/>LEAD DIRECTOR:</b> | Andrew Carruthers, Director of Operations                                                          |
| <b>SWYDDOG ADRODD:<br/>REPORTING OFFICER:</b>    | Paul Williams, Assistant Director of Strategic Planning<br>Keith Jones, Director of Secondary Care |

**Pwrpas yr Adroddiad (dewiswch fel yn addas)  
Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

This paper is presented to the Strategic Development and Operational Delivery Committee (SDODC) as an update on the progress of the Women and Children Phase II Project.

**Cefndir / Background**

Approval to progress with the Women & Children Phase II Project on the Glangwili General Hospital (GGH) site was provided by Welsh Government (WG) in April 2018. The project commenced on site in October 2018 and was originally planned for completion by November 2020.

As anticipated in the Full Business Case (FBC), the complexity of delivering this multi phased project and constraints of building in a confined space on a live site has proved challenging. These challenges have contributed to a series of issues affecting the handover of the initial phases of the scheme with consequential time delays to the overall scheme. The forecast completion date has been further compromised by the outbreak of the COVID-19 pandemic and the impact of social distancing legislation and performance issues with the Supply Chain Partner (SCP). The current accepted programme anticipates a completion date for the project of September 2022. This programme does not currently reflect any possible delays in the delivery of the last phase of works on the project.

**Asesiad / Assessment**

Since the report presented to the Committee in June 2021 there have been other issues that need to be highlighted which have led to further delays on the handover of Section 2 and the prolongation of the scheme completion.

## Timeline and Performance Management

The original contract completion date of November 2020 has now been extended to an actual project completion date of 15<sup>th</sup> September 2022. The details of the delays are being reported monthly to the Project Team, the Project Group and into the Capital Estates & IM&T Sub Committee (CEIM&TSC) with regular updates and dashboards submitted to Welsh Government (WG).

The delivery timeline has been impacted by several issues since the commencement of construction. Some of these relate to site and ground complexities which could not have been foreseen by the contractor. However, other elements of the scheme delay are associated specifically with the contractor and the cost consequences of these weeks will be borne by them directly.

| Phase             | Extension of time granted weeks | Culpable delay weeks | Total Delay weeks | Anticipated Completion Dates C36 | Best Current Prediction |
|-------------------|---------------------------------|----------------------|-------------------|----------------------------------|-------------------------|
| Labour Ward       | 14.4                            | 8.9                  | 23.3              | 30/01/2020                       |                         |
| Neo Natal         | 13.6                            | 49.8                 | 63.4              | 27/09/2021                       | 08/10/2021              |
| Theatres 1 & 2    | 7*                              | 4.9                  | 11.9              | 11/07/2022                       | 22/07/2022              |
| Changing Rooms    | 7.2*                            | -2.3                 | 4.9               | 26/10/2022                       | 08/11/2022              |
| <b>Completion</b> | <b>42.2*</b>                    | <b>61.3**</b>        | <b>103.5</b>      | <b>15/11/2022</b>                | <b>28/11/2022***</b>    |

\*Including COVID-19 and impact of social distancing legislation.

\*\* Culpable delays on future phases are due to the resequencing of work.

\*\*\* Current timelines for last 2 phases of sectional completion is based on current contractual timelines.

These timelines are based on the Project Manager's October 2021 report.

Since the last update to this Committee, the SCP has informed the Health Board (HB) and Project Manager that their appointed structural engineers have not undertaken a full assessment of work on the existing structure as part of the Section 2 work. Confirmation in writing has been provided that the building is safe, however further assessment work has been instructed to confirm whether additional work is now required to ensure long term stability of the building. This report was due to be issued to the HB on 6<sup>th</sup> October 2021 however this has not yet been received. There is a risk that the content of this report could delay the handover of Section 2 further. The length of the delay will be dependent on whether any structural work is required to remedy any potential issues. These potential delays are not factored into the timelines detailed above.

Issues around theatre flooring and a structural shear wall that will form part of the work in Section 3 will impact on the overall scheme completion and these are also not currently factored into the above timelines.

### Cost

The current cost report for the project states the project outturn cost of £29.413m and takes into account the delays currently agreed.

In addition to the All Wales Capital provided to deliver the scheme, the following contribution from the HB's discretionary allocation has previously been agreed:

| <b>Commitment from Discretionary Capital</b> |               |           |
|----------------------------------------------|---------------|-----------|
|                                              | £m            | Agreed    |
| 2019/20                                      | 0.341         | July 2018 |
| 2020/21                                      | 0.400         |           |
| 2021/22                                      | 0.428         |           |
| 2022/23                                      | 0.300         | June 2021 |
| <b>Total</b>                                 | <b>1.469m</b> |           |

The current cost report and updated construction risk register is however indicating that a further minimum additional contribution of £0.1m - £0.2m is required to deal with the identified risks.

It is currently assumed and reported to WG that any costs associated with COVID-19 and social distancing will be fully funded by WG in line with NHS Wales Shared Services Partnership-Special Estates Services (NWSSP-SES) Notification 20/17. Potential financial consequences resulting from COVID-19 on existing Building for Wales Framework contracts. These costs are currently estimated at £1.670m and assume that COVID-19 restrictions will apply for the remainder of the project. The Project Manager and Cost Advisor are continuously engaging with NWSSP-SES to review the COVID-19 costs submissions by the SCP and updated guidance being issued by WG. As previously reported, there is a risk that should WG not fund these costs through the All-Wales Capital Programme, this liability will become a charge against the HB's Discretionary Capital Programme.

### **Audit and Lessons Learnt**

Of the 12 audit recommendations made by NWSSP Audit and Assurance on report SSU-HDU-2021-03, only 2 now remain open, as reported to CEIM&TSC:

| <b>Recommendations</b>                                                                                                                                                           | <b>Management Actions Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management will seek NWSSP: SES Framework support in dealing with the SCP performance – particularly for the anticipated period where the SCP will be operating without payment. | <p>Discussions with NWSSP: SES have occurred with regards to this point which has included seeking legal opinion on the formal contractual options that may be available to the HDdUHB to influence performance. The advice given is that HDdUHB's options appear to be limited to:</p> <ul style="list-style-type: none"> <li>• Ensuring that the Project Manager is as proactive as possible.</li> <li>• Instruct the SCP to quote for acceleration of works at an increased price.</li> <li>• Refusal by the SCP to progress the work would be a breach of contract. HDdUHB would then have the right to terminate the contract.</li> </ul> <p>SCP have, at meetings with the Framework Managers, stated their commitment to completing the works, and they will be meeting with the SCP bi-monthly. This will require ongoing monitoring by HDdUHB for the duration of the Project</p> |

|                                                                                                                   |                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
|                                                                                                                   | <b>In progress</b>                                                                                      |
| Signed agreement should be obtained from the Supply Chain Partner with regard any variation in contractual terms. | Project Manager is in the process of providing audit with documentation to review<br><b>In progress</b> |

A lessons' learnt review was undertaken in June 2021 and July 2021 with participation from the Project Team, Project Group, external advisors and staff members. The Lessons Learnt Report was presented to the CEIM&TSC in July 2021 where all lessons learnt for the Women and Children's Phase II were noted, and an assurance provided that subsequent phases of the project will consider these lessons learnt in project planning and delivery, with an action plan developed to ensure that any remaining actions required from this review are completed.

### Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- Note the content of this report
- Note the project completion timescale
- Note the ongoing risks to project delivery given at least 12 months of construction and commissioning still to be managed
- Endorse the potential additional commitment of an additional £0.200m that may be required from the Discretionary Capital Programme in 2022/23
- Note the progress made against the audit recommendations

| <b>Amcanion: (rhaid cwblhau)</b>                                                                                |                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>Objectives: (must be completed)</b>                                                                          |                                                                                                                           |
| Committee ToR Reference:<br>Cyfeirnod Cylch Gorchwyl y Pwyllgor:                                                | 3.11 Consider proposals from the CEIM&TSC on the allocation of capital and agree recommendations to the Board             |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:<br>Datix Risk Register Reference and Score:                      | Not applicable                                                                                                            |
| Safon(au) Gofal ac Iechyd:<br>Health and Care Standard(s):                                                      | All Health & Care Standards Apply                                                                                         |
| Amcanion Strategol y BIP:<br>UHB Strategic Objectives:                                                          | 1. Starting and developing well                                                                                           |
| Amcanion Llesiant BIP:<br>UHB Well-being Objectives:<br>Hyperlink to HDdUHB Well-being Objectives Annual Report | 4. Improve Population Health through prevention and early intervention, supporting people to live happy and healthy lives |

| <b>Gwybodaeth Ychwanegol:<br/>Further Information:</b>                                                                                                                                                                                 |                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>Ar sail tystiolaeth:<br/>Evidence Base:</b>                                                                                                                                                                                         | Capital Allocation and prioritisation process. Capital Investment procedure and all relevant Welsh Government guidance.         |
| <b>Rhestr Termau:<br/>Glossary of Terms:</b>                                                                                                                                                                                           | Contained within the body of the report                                                                                         |
| <b>Partion / Pwyllgorau â<br/>ymgynhorwyd ymlaen llaw y<br/>Pwyllgor Datblygu Strategol a<br/>Chyflenwi Gweithredol:<br/>Parties / Committees consulted prior<br/>to Strategic Development and<br/>Operational Delivery Committee:</b> | Individual Project Boards of Capital Schemes<br>Welsh Government Capital Review Meeting<br>Capital Estates & IM&T Sub-Committee |

| <b>Effaith: (rhaid cwblhau)<br/>Impact: (must be completed)</b> |                                                                                                                                |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Ariannol / Gwerth am Arian:<br/>Financial / Service:</b>     | Capital values noted within the report. Included within individual business cases and capital prioritisation process.          |
| <b>Ansawdd / Gofal Claf:<br/>Quality / Patient Care:</b>        | Included within individual business cases and capital prioritisation process                                                   |
| <b>Gweithlu:<br/>Workforce:</b>                                 | Included within individual business cases and capital prioritisation process                                                   |
| <b>Risg:<br/>Risk:</b>                                          | Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB |
| <b>Cyfreithiol:<br/>Legal:</b>                                  | Included within individual business cases and capital prioritisation process                                                   |
| <b>Enw Da:<br/>Reputational:</b>                                | Included within individual business cases and capital prioritisation process                                                   |

|                                    |                                                                                                                     |
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| <b>Gyfrinachedd:<br/>Privacy:</b>  | Included within individual business cases and capital prioritisation process                                        |
| <b>Cydraddoldeb:<br/>Equality:</b> | Equality assessments are included within individual business cases and capital prioritisation process when required |