

## CAPITAL PROJECTS

## CONTROL MANUAL

### Document control sheet

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### Appendices

- I Project Checklist
- II Abbreviations

The forms to be utilised are available electronically via hyper-links from the Checklists - **Appendix I**. The relevance and use of these forms is dependent on the scale and type of Project, however, these forms should be utilised where possible to ensure best practice. The non-utilisation of these forms is subject to approval by a member of the Senior Capital Management team.

## **1.0 INTRODUCTION**

This Capital Projects Control Manual is intended to provide a toolkit for managing all capital projects and must be read in conjunction with the Health Board's Standing Orders and Financial Control Procedures. However, it is not intended that all aspects of the manual will be implemented on all projects and each project will be assessed individually to ascertain the level of compliance required.

It is considered that use of the manual and its attached checklists will allow a greater level of control on each project, allocate responsibility for key tasks, ensure that accountability is demonstrated and that actions are fully auditable.

The manual provides a checklist for use in Capital Schemes. A checklist will need to be completed to cover each stage of a project from inception to completion and evaluation. They will provide examples of the control documentation required or recommended at each stage and this manual is intended to explain the purpose and use of each document.

The manual is intended to be a guide and the checklist will need to be tailored to the scope, size and complexity of each individual project. In some smaller schemes not all of the documentation will need to be completed dependent on complexity and cost but such omissions must be approved by a senior member of the Capital Management team.

The Project Manager is required to liaise with the Estates Department to ensure that each project meets the Standards that will allow the Health Board to retain its BS EN ISO 14001: Environmental Management Systems (EMS), accreditation. Further information on these Standards is available from the Estates Department.

The Project Manager, in collaboration with the Project Director (where applicable), will be responsible for agreeing timescales and responsibilities at the inception of the project. The Project Manager on each scheme will be responsible for ensuring the checklist and all relevant documentation is completed.

Where external Project Managers are appointed on a project they must be made aware of the requirements of this manual and be provided with a copy at the outset of their appointment. Companies would be authorised to utilise their own control documents only with the approval of the Project Manager.

## **2.0 MANAGING THE CAPITAL PROGRAMME**

The investment of capital is a vital part of the success of any organisation and contributes greatly to its continual development. The allocation of capital monies must be objective and ensure that investment is only made into schemes and projects that have proven quantifiable benefits which are supported by robust calculations of both costs and savings.

The Business Case Scrutiny Group (BCSG) will undertake a strategic role. The role of the Group is to agree and recommend capital investment to the Health Board by:

- Agreeing a Discretionary Capital Plan for approval by the Health Board.
- Consider and approve changes to the Capital Plan.
- Receive and consider business cases.

The Capital Management Group (CMG) will monitor all aspects of the progress of the Capital Plan on a monthly basis and recommend any changes to scheme budgets.

The Capital Priority Management Group (CPMG) will receive and consider all new risk assessed capital bids originating from Service Groups and Corporate Directorates. The review will assist in the construction of the annual capital plan and will continue on a regular basis throughout the financial year to take account of any new or changes to existing risk levels and to prioritise bids against additional funding and or slippage that may be granted to the Health Board.

### **3.0 APPROVALS**

Prior to the commencement of any construction works all necessary approvals and formal contracts will be processed, completed and documented. In the event of any delays in completing the contract documentation the Assistant Director of Strategy (ADS) – Capital will be informed of the circumstances and their direction sought as to the preferred course of action.

Any requests for approval of award of contracts should be sought in accordance with the Scheme of Delegation, Schedule 1 of Standing Orders.

Additional expenditure above the approved scheme budget or extension of programme that would result in incurred unforeseen revenue or capital cost should be reported to the Project Board for major projects and CMG for all other projects in the first instance. Thereafter approval should be sought in accordance with the Scheme of Delegation, Schedule 1 of Standing Orders.

When such approval is sought cost details, potential risks and consequences will be reported so that an informed decision may be reached.

In the event of an urgent decision being required, action may be taken on receipt of verbal approval at the correct level. However, a full report detailing the situation and identifying costs, potential risks and consequences will be produced and submitted to the appropriate forum at the first opportunity. It must be made clear within the report that action has already been implemented.

For all Welsh Government funded business cases any proposal to proceed with construction works ahead of formal approval of business cases/award of funding will require Health Board approval to fund the works from Discretionary Capital and notification of the action be provided to Welsh Government.

**4.0 INITIATING A CAPITAL SCHEME**

For schemes being funded through the Health Board’s Discretionary Capital Programme, the following process will need to be implemented.

In order to initiate a capital scheme a Service Delivery Group/Corporate Directorate will need to seek funding from the Health Board or an outside organisation. Priority will be given to those developments included and approved as part of the Health Board agreed plans and Integrated Medium Term Plan (IMTP).

The first step in the process will be the completion of either a Discretionary Capital Bid form (new schemes of a value less than £50k or replacement of capital asset items) or a Business Case (new schemes/assets of a value greater than £50k). Both forms would outline the proposed scheme, detail the anticipated capital cost, summarise the benefits the scheme will bring to the organisation and identify the revenue consequences should the scheme proceed.

Service Delivery Groups and Corporate Directorates will need to approve all appropriate capital bids, considering the potential funding source and the overall scope and purpose of the funding bid prior to submission to the appropriate corporate forum for approval.

Where funding is being sought from Welsh Government, then the type of Business Case will be determined by the financial investment, complexity of the scheme and number of available options. Any such bid must be submitted in compliance with the Welsh Government Infrastructure Investment Guidance.

In general, schemes requiring an investment of less than £4m may require a single BJC (Business Justification Case).

For schemes in excess of £4m these projects may have to follow up to four phases identified in the Infrastructure Investment Manual. In some instances a larger programme may also require a SOP (Strategic Outline Programme).

- Phase 1 - Scoping Study:  
Must be undertaken before progressing any Business Case
- Phase 2 - Strategic Outline Case (SOC):  
Making a Case for Change
- Phase 3 - Outline Business Case (OBC):  
Identify the preferred option
- Phase 4 - Full Business Case (FBC):  
Assess and plan the preferred option in detail

Delivery Groups are advised that they must obtain the approval of the BCSG to proceed along this route.

The assistance of the Capital Planning Department should be sought to obtain estimated Capital Costs.

## **5.0 CAPITAL JOB REQUEST FORM**

The capital job request form must be completed for every scheme included within the Capital Programme that contains construction works or consultant fees and to seek the issue of a capital job number.

Once the form is completed, it will be checked by the relevant members of the Projects Team and Capital Finance Team. Only when a scheme has received the necessary approval from the Capital Finance Team, will a job number be issued.

It is for the Project Manager make the initial assessment of VAT recovery on each scheme. This will be reviewed by the Capital Finance Team who may seek additional advice from the Health Board's VAT advisor.

## **6.0 FRAMEWORK ARRANGEMENTS**

All capital works that are proposed to utilise the NEC suite of contracts by the Health Board will be undertaken in accordance with a Framework Agreement as follows:-

- **Local Framework**

Where the initial estimate of costs for a scheme amount is below £2m the Local Framework Agreement shall be utilised for both contractors and consultants. The conditions of use for the Local Framework is available from the Capital Planning Department and approval must be obtained for any appointments before they are confirmed. Any variations to the standard agreement documentation must be discussed and agreed with the Capital Planning Department before being implemented.

- **Major Construction Framework Arrangements**

Where schemes with a value of between £2m – £4m are proposed the Health Board will consider what appropriate Frameworks are available in the market place that would be suitable and obtain professional and legal advice to determine which agreement shall be utilised.

- **NHS Building for Wales Framework**

Capital projects with an estimated cost exceeding £4m should be undertaken using the current Building for Wales Framework Agreement. The conditions of use for this Framework can be obtained from NWSSP - SES who must be involved in the appointment process. The approval/advice of NWSSP - SES must be sought if

works above the £4m threshold are proposed to be undertaken outside of this Framework. Any variations to the standard agreement documentation must be discussed and agreed with NWSSP - SES before being implemented.

## **7.0 FEASIBILITY STAGE**

Where a scheme is being considered, which requires the appointment of an external advisor to determine whether the proposal is feasible to proceed to design and/or business case development, the ADS - Capital may approve a budgetary allocation appropriate to the potential cost of the scheme. Such approvals will be reported to the CMG at their next meeting.

## **8.0 ESTABLISHING A PROJECT BOARD**

Once approval has been obtained to proceed, it will be necessary to establish a Project Board for major Capital schemes over £1m works cost. It will also be necessary to establish this to help in the preparation of the appropriate Business Cases. A Project Structure and Terms of Reference will be developed which will be signed off by the Project Board.

The CMG will act as the forum for reviewing schemes with a value of less than £1m. These schemes will also establish a progress team.

### **8.1 PROJECT BOARD**

The Project Board will be responsible for the overall direction and management of major project from development and approval of the Business Case(s) through to construction and commissioning.

For minor schemes the creation of a steering group will be at the discretion of the relevant capital manager based on the complexity of individual schemes.

### **8.2 PROJECT TEAM**

The Project Team will be responsible for the delivery of the project through the design, construction and commissioning stages, including post project evaluation.

The three senior roles in the Project will be:

### **8.3 SENIOR RESPONSIBLE OWNER (SRO)**

This can be an Executive Director or applicable senior Health Board member who will define the project objectives and will be responsible for ensuring that they are met to the agreed time, cost and quality constraints. Appointments will be agreed on a scheme by scheme basis and will reflect the complexity of the scheme and the service group arrangement. The SRO will provide a broad specification of what the project should deliver and ensure that any change in circumstances affecting the project is evaluated and appropriate action taken.

## **8.4 PROJECT DIRECTOR**

This role will be undertaken by an Executive Director, a Member of the relevant Delivery Group Management Board, a Clinical Director or a suitably qualified senior person. Appointments will be agreed on a scheme by scheme basis and will reflect the complexity of the scheme and the service group arrangement. This person will be the single point of responsibility for the project brief and product design and for the day to day oversight of progress. A formal letter of appointment setting out the roles and responsibilities of the post will be issued by the internal Project Manager and signed off at the start of the project.

## **8.5 PROJECT MANAGER**

The holder of this post may be internally appointed or recruited from an external organisation. Their task will be to manage the day-to-day activities of the project and to anticipate, identify and resolve any problems that occur. The Project Manager will report to the Project Director and be a member of the Project Board.

A formal letter of appointment setting out the roles and responsibilities of the internal project manager will be issued by the Project Director and signed off by the Project Manager at the start of the project.

The duties and responsibilities of each of these three roles are set out in the Infrastructure Investment Guidance.

## **9.0 OVERALL PROJECT MANAGEMENT**

### **9.1 PROJECT EXECUTION PLAN (PEP)**

It is the responsibility of the Project Manager to prepare a PEP for all major Capital schemes above £1m, unless otherwise agreed by the Project Director, and must be developed at the outset of the scheme. However, it will not be required for minor schemes.

The format of the PEP has been standardised to a large extent and an example document is included in the checklist. It must however, be emphasised that this is not a definitive document and this example PEP must be individualised to meet the particular circumstances of each project and updated where necessary, throughout the duration of the scheme. It is the scope of the project that will dictate the size and complexity of the PEP.

### **9.2 PROJECT PROGRAMMES**

Programmes will be established at the outset of each scheme and will be updated throughout the course of the works. They will incorporate additional programmes for separate activities, such as construction, equipping and commissioning.

### **9.2.1 MANAGEMENT CONTROL PLAN (MCP)**

An MCP is to be developed by the Project Manager at the outset of each scheme depicting high level timelines from feasibility stage through to post project evaluation. Programme to be updated regularly throughout the course of the works.

### **9.2.2 CAPITAL HIGHLIGHT REPORT**

A report will be prepared on a monthly basis by the Project Manager. This will include information on cost, programme, relevant events, quality control and risk. The report will be utilised to update Project Board or CMG with regard to the status of schemes.

### **9.2.3 CONSTRUCTION PROGRAMME**

In addition to a project programme a construction programme will be established and updated regularly by the contractor. Once a contract is let the programme will be updated to show the key construction activities from pre-construction to handover and contract completion and will identify any long lead items.

## **9.3 CONTRACTOR/CONSULTANT APPOINTMENT REQUEST**

When a scheme is approved utilising the Health Board Framework, authorisation to appoint Consultants and/or Contractors must be sought from the Health Board's Capital Business Manager in accordance with the established procedure.

## **9.4 FINANCIAL VETTING**

Before appointing any Contractors above £25k or Consultants above £50k a financial vetting pro-forma must be completed and submitted to Capital Finance for authorisation to appoint. If a company fails the vetting procedure they cannot be appointed and advice must be obtained from Capital Finance on their status.

## **9.5 PROFESSIONAL SERVICES CONTRACTS**

For all appointments for Consultants, not subject to a purchase order, a Professional Services Contract must be completed by both parties. The contract must be completed and returned to the Health Board prior to works commencing on site.

## **9.6 NEW CONTRACT PRO-FORMA**

When a contract commences the Capital Finance department will be advised of all the details of the agreement by the completion and submission of the new contract pro-forma which will be utilised to update the contracts register.

## **9.7 DECOMMISSIONING POLICY**

Where applicable, the Project Manager is to make user groups aware of the Health Board's decommissioning policy. This will ensure that areas are decommissioned in readiness for contractor occupation or for release back to the Health Board. It is not the responsibility of the capital team to ensure the area is decommissioned merely to make the relevant users aware. The policy is available on the staff intranet.

## **9.8 Key Performance Indicators (KPI's)**

At the appropriate time the project manager will ensure that KPI's are completed for all disciplines and submitted to the Capital Support Officer. Frequency of KPI's will be agreed on a scheme by scheme basis based on size and complexity of the scheme.

## **10.0 DESIGN**

### **10.1 DEVELOP BRIEF WITH END USERS**

A brief will be developed by the User Group addressing all areas set out in the Project Brief template. Once the Brief has been agreed the User Group will be required to sign the brief. As the scheme develops, changes will be conveyed via the Capital Highlight Report.

### **10.2 SKETCH PLANS AGREED & SIGNED OFF BY CLIENT**

Once the Sketch Plans have been agreed and approved, user representatives will be required to sign off copies of the plans and in addition the certificate will be completed to signify approval for design to proceed. Electronic sign off via email confirmation, noting the details of the approved plans, will be accepted.

### **10.3 ROOM DATA SHEETS AGREED AND SIGNED OFF**

Where applicable, once the room data sheets have been agreed, key stakeholders will be required to sign off the master copy. Electronic sign off via email confirmation will be accepted.

### **10.4 INFORMING HSE FORM F10**

The Project Manager will ensure that a F10 form is completed and submitted to the HSE at the appropriate stage of the project and in accordance with the current regulations. An amended form may need to be submitted if programme dates are affected by the construction process.

## **10.5 CERTIFICATE OF READINESS TO PROCEED TO DETAILED DESIGN**

Once the Sketch Plans and Room Data Sheets have been signed-off, a certificate will be completed to signify approval for design to proceed.

## **10.6 DEROGATIONS**

During the design process where derogations are required away from HTM's, HBN's or any other standard design guidelines a Derogation schedule shall be completed by the Project Manager and signed off by Project Board.

## **10.7 PRODUCTION OF PRE-TENDER HEALTH & SAFETY PLAN**

On schemes where CDM regulations apply the project manager shall ensure that a pre-tender health & safety information pack will be developed and issued to the contractor.

## **10.8 PRODUCTION OF RISK REGISTER**

When required, for schemes over £1m, the project manager will ensure that a risk register is developed for the scheme and updated on a monthly basis. The format of the register will depend on the size and complexity of the scheme.

## **10.9 BREEAM / AEDET**

At the appropriate point in the design process BREEAM and AEDET evaluations shall be undertaken, if warranted by the size of the project.

## **10.10 CHILD PROTECTION ISSUES**

On relevant schemes the Project Manager will ensure that any issues involving Child Protection will be addressed and that the Contractors are advised of any specific requirements that must be met. This will be addressed at the Pre-contract Meeting.

## **10.11 MENTAL HEALTH ACT ISSUES**

On relevant schemes the Project Manager will ensure that any issues involving mental health will be addressed and that the Contractors are advised of any specific requirements that must be met. This will be addressed at the Pre-contract Meeting.

## **10.12 REPRESENTATIVES OBSERVATIONS**

The project manager will ensure that all parties who may have a professional interest in the design of the scheme are informed of the scope and content and invited to submit any comments they feel necessary to ensure the design meets their requirements.

### **10.13 DESIGN PRESENTATION**

Where applicable, a meeting will be arranged to review the scheme in detail and to ensure Health Board representatives are fully aware of the detailed specifications of the scheme.

### **10.14 PLANNING/ BUILDING REGULATIONS SUBMISSION/APPROVAL**

The project manager will ensure that any planning, building regulation and sustainable drainage applications are submitted in a timely manner and all approvals are in place before work proceeds. Any pre-approval work shall be agreed with the relevant authority.

The project manager is to liaise with the local authority and consultants throughout the process.

### **10.15 GROUP 2, 3 OR 4 EQUIPMENT SPECIFIED AND ESTIMATED COSTS RECEIVED**

Information should be provided to the Procurement Department / Equipping teams who will produce a priced equipment schedule, the cost of this will be included in the budget for the scheme. Where available, room data sheets should be issued.

## **11.0 NEC CONTRACT**

### **11.1 REVIEW SCHEME COST**

The contractor shall submit their cost with all supporting information. Where appointed, the Cost Advisor will review and evaluate the submission and produce an evaluation report for consideration by the Health Board to ensure that value for money has been achieved.

### **11.2 VALUE MANAGEMENT REVIEW**

If at this stage of the design the estimated cost of the scheme is above the budget figure a value management review shall be undertaken to attempt to identify areas of cost savings.

### **11.3 RE-VET PREFERRED CONTRACTOR**

If the financial vetting on the Contractor was undertaken more than TWO MONTHS previously – the company will need to be re-vetted in accordance with financial procedures. If the company fails the re-vetting procedure they cannot be appointed and advice must be obtained from the Capital Finance Manager on their status.

### **11.4 CAPITAL SCHEME APPROVAL MEMO**

When the scheme is ready to proceed approval must be sought in accordance with the requirements of Standing Orders and in accordance with the Scheme of Delegation. The Project Manager will utilise the memo appropriate to the scheme value.

#### **11.5 CONTRACTOR HEALTH & SAFETY PLAN REVIEWED**

The Project Manager will ensure that a Construction Health and Safety Plan is provided by the Contractor in accordance with the current regulations and, where appropriate, is reviewed by the Clients Principal Designer.

#### **11.6 PREPARE & EXCHANGE CONTRACT DOCUMENTS WITH CONTACTOR**

As soon as possible the contract documents will be prepared and issued to the contractor for their completion. Once signed, they are submitted to the Director of Corporate Governance to arrange for counter completion by the Health Board.

#### **11.7 COLLATERAL WARRANTIES**

Where Collateral Warranties are required to be provided as part of the contract they will take the form of the example included within the current Framework Agreement and will be completed by all parties prior to the contract commencement.

Where an alternative form of Warranty is proposed a check will be undertaken to ensure that all clauses contained on the Framework Agreement version are included within the alternative document.

#### **11.8 AGENDA PRE-CONTACT MEETING**

The standard agenda will be utilised for all pre-contract meetings. The Project Manager will ensure that notes / minutes are taken at meetings and distributed in a timely manner.

### **12.0 TRADITIONAL TENDERS & QUOTATIONS**

#### **12.1 TENDERS AND QUOTATIONS**

Where a contract is to be let via a tender or quotation the capital projects team will liaise with the Procurement Department to ensure that all Health Board processes are followed in accordance with Standing Orders, Schedule 6 standing Financial Instructions.

#### **12.2 CONTRACTOR HEALTH & SAFETY PLAN REVIEWED**

The Project Manager will ensure that a Construction Health and Safety Plan is provided by the Contractor in accordance with the current regulations and, where appropriate, is reviewed by the Clients Principal Designer.

### **12.3 EXCHANGE CONTRACT DOCUMENTS WITH THE CONTRACTOR**

As soon as possible the contract documents will be prepared and issued to the contractor for their completion. Once signed they are submitted to the Director of Corporate Governance to arrange for counter completion by the Health Board.

### **12.4 AGENDA PRE-CONTRACT MEETING**

The standard agenda will be utilised for all pre-contract meetings. The Project Manager will ensure that notes / minutes are taken at meetings and distributed in a timely manner.

## **13.0 CONSTRUCTION & EQUIPMENT SUPPLY**

### **13.1 AGENDA SITE PROGRESS MEETINGS**

The standard agenda will be utilised in all site progress meetings. The Project Manager will ensure that notes / minutes are taken at meetings and distributed in a timely manner.

### **13.2 DEVELOP COMMISSIONING PLAN**

The Project Manager will work with the Commissioning Manager to establish a commissioning plan in preparation for scheme handover.

### **13.3 PRODUCTION OF MONTHLY VALUATIONS**

Monthly valuations will be issued as required under the contract and in accordance with the Health Board's established procedures. Once approved, an interim certificate will be raised. The certificate will be processed via Capital Finance for inclusion on the contracts payments register. Following issue of the certificate a corresponding VAT invoice will be requested from the contractor.

### **13.4 COST REPORT**

A report will be prepared on a monthly basis by the Cost advisor. This will include information on cost, interim payments and current status, including variations to the contract sum. The report will be utilised to update Project Board or CMG with regard to the status of schemes.

### **13.5 CAPITAL RESOURCE LIMIT (CRL) & PROJECT PROGRESS REPORTS (PPR)**

CRL's to be updated on a monthly basis in accordance with the Health Board's established procedures. Where requested by Welsh Government, PPR's will be

produced and are to be updated on a bi-monthly basis in accordance with the Health Board's established procedures.

### **13.6 EARLY WARNING NOTICES & REGISTER**

The Project Manager shall ensure that a register is developed and maintained to record all Early Warning Notices and any resulting actions.

### **13.7 PROJECT MANAGERS INSTRUCTION & REGISTER**

The Project Manager shall ensure that a register is developed and maintained to record all Project Managers Instructions and any resulting actions.

### **13.8 UPDATE COMPENSATION EVENTS & REGISTER**

The Project Manager shall ensure that a register is developed and maintained to record all Compensation Events and any resulting actions.

### **13.9 GROUP 2 EQUIPMENT DELIVERED & RECEIPTED**

The Contractor shall be provided with a list of all Group 2 equipment that will be procured for the scheme and instructed to retain all delivery notes which will be passed to the Project Manager who will ensure that receipting is undertaken in a timely manner.

## **14.0 TECHNICAL COMMISSIONING & HANDOVER**

### **14.1 PRE-HANDOVER INSPECTION CARRIED OUT & SNAGGING LIST PRODUCED**

The Site Works Officer and members of the Design Team will undertake a final inspection of the scheme and produce a snagging list to be submitted to the Contractor.

### **14.2 AGENDA FOR HANDOVER MEETING**

The standard agenda will be utilised in handover meeting. The Project Manager will ensure that notes / minutes are taken at meetings and distributed in a timely manner.

### **14.3 BUILDING CONTROL CERTIFICATE OBTAINED**

Where applicable, a Building Control Certificate will be obtained from the Local Authority or Building Control Inspector and copies included in both the scheme file and Deeds of the property.

#### **14.4 RECEIPT OF TECHNICAL MANUALS & DRAWINGS FROM CONTRACTOR / CONSULTANTS**

At handover the Health Board will ensure it has a working copy of the manuals and drawings on-site. The Project Manager will ensure that remaining copies are fully updated and returned to Health Board within an agreed timescale.

#### **14.5 RECEIPT OF HEALTH & SAFETY FILE**

At handover the Health Board will ensure it has a working copy of the Health and Safety File on-site. The Project Manager will ensure that remaining copies are fully updated and returned to Health Board within an agreed timescale.

#### **14.6 HANDOVER OF MANUALS, DRAWINGS & ACCESS CONTROLS TO OPERATIONS & TECHNICAL STAFF**

The Project Manager will ensure that all information is made available to Estates via the Health Board shared drives. The Estates Department will be offered the opportunity to comment on the information provided.

#### **14.7 FINAL ACCOUNT PROCEDURE**

At the appropriate time the Audit Checklist will be produced and sent to capital finance.

#### **14.8 CERTIFICATE OF COMPLETION WITH FINAL SNAGGING LIST**

The Site Works Officers and members of the Design Team will undertake a final inspection of the scheme and produce a snagging list to be tabled at the handover meeting and attached to the Completion Certificate. A programme will be agreed for the rectification of all outstanding snags.

#### **14.9 DEFECTS – PROCEDURE FOR REPORTING DEFECTS**

All defects should be reported to the main contractor. The Project Manager shall ensure that a register is maintained to record all defects and any resulting actions.

### **15.0 POST COMPLETION**

#### **15.1 DELIVERY OF GROUP 3 EQUIPMENT & RECEIPTING**

The Equipping Team will be responsible for the ordering, delivery and receipting of all Group 3 items.

#### **15.2 DEFECTS – END OF DEFECTS CHECKLIST**

At the end of the defects period an inspection shall be arranged of the scheme and a schedule of any outstanding defects produced and submitted to the Contractor. A timescale for the remedial works will be agreed.

### **15.3 AUDIT CHECKLIST PRODUCED**

Once the Completion Certificate is issued the Final Account will be negotiated and agreed with the Contractor and details provided to the Project Manager. The Project Manager will complete a Final Account Checklist schedule and, together with a copy of the Final Account, will submit the same to the Capital Business Manager. A log of all risk assessments and the associated documents will be maintained and made available for review by NWSSP Audit and Assurance when requested.

The completed checklist will be passed to the ADS - Capital for review. Where the completed Checklist schedule indicates a risk the ADS will investigate and determine the cause and impact of the risk. Once satisfied that the final account is correct the ADS will authorise the checklist form and confirm all necessary investigations/actions have been undertaken.

The Capital Finance Team will confirm that the checklist has been completed before releasing final retentions on the scheme.

At the next CMG meeting the ADS will report on the findings of his investigation on highlighted risks for information.

### **15.4 DEFECTS – CERTIFICATE OF MAKING GOOD DEFECTS**

On completion of remedial works final inspection will be undertaken and a certificate will be issued.

### **15.5 FINAL CERTIFICATE ISSUED & RETENTION RELEASED**

Once agreement has been reached on the final account figure the final certificate may be issued and the remaining retention released.

## **16.0 OPERATIONAL COMMISSIONING**

### **16.1 OPERATIONAL COMMISSIONING CARRIED OUT TO COMMISSIONING PLAN**

In conjunction with the Commissioning Manager the Project Manager shall ensure that all activities detailed in the commissioning plan will be undertaken in a timely manner.

### **16.2 ESTATES DEMONSTRATION OF PLANT & EQUIPMENT**

The Contractor shall work with the Project Manager and Estates Department to develop a schedule of requirements and demonstrate to the Estates Department.

### **16.3 INDUCTION FOR END USERS**

The Contractor shall work with the Project Manager to carry out induction and familiarisation demonstrations for the end users.

## **17.0 LESSONS LEARNED**

### **17.1 LESSONS LEARNED**

Within 12 months of occupation a meeting with all parties involved in the Design, Construction, Commissioning and Operation of the scheme will be held to identify any issues that could be used to benefit future schemes.

### **17.2 ALL WALES CAPITAL POST PROJECT EVALUATION**

When requested by NWSSP – SES Post Project Evaluation will be undertaken in accordance with the procedures established by Welsh Government.

## **18.0 FINANCIAL MONITORING**

The Director of Finance has a duty to monitor expenditure within approved estimates for capital works contracts.

### **18.1 CONTRACTS REGISTER**

As an integral part of this financial control the contracts register should provide a record of the main financial, scheme time related information and legal provisions included in each written contract. The information contained therein should enable a continuous control to be exercised over all design consultants and contractors certificates issued and payments made to each contractor and/or consultant without having to refer on each occasion to the legal documents, specifications, bills of quantities, consultants agreement or to the accounts previously passed for payment.

To facilitate this monitoring role capital contract register control sheets have been devised to perform the functions required. The sheets will be prepared by the Finance Department once a capital job number has been requested based upon information supplied by the Project Manager. The sheets will be continually updated throughout the course of a scheme.

The function of each sheet is described below:-

#### **Form A – Contractor Payment Sheet**

This sheet controls details of the interim certificates paid against that job number. It also has the facility to record details of the contractors name and address, creditor number, financial code and tax exemption details. This enables the officer entering the register to check that the payment to be processed is being made to the appropriate creditor. The benefits therefore are that the Director of Finance is able to be assured that:-

- A contract has been entered into;
- Appropriate contractual certificates have been issued on a timely basis;
- The financial code entered at the payment is correct;
- Duplicated payments are not paid;
- Total payments made do not exceed the approved sum and where they do that additional approval is sought and demonstrated at the register;
- A performance bond has been received on a scheme, if appropriate;
- VAT is being correctly recovered;
- Retentions have been correctly accrued and released;
- Scheme risk assessments have been completed on release of retentions

### **Form B – Consultant Payment Sheet**

As Form A except that it records payments made to consultants. The specific benefits of this sheet are that the Director of Finance is able to demonstrate:

- That an appointment has been made;
- That the appropriate NHS Agreement has been completed;
- The percentages for stage payments indicated at the agreement.

## **18.2 CAPITAL RESOURCE LIMIT (CRL)**

Achievement of the CRL is a statutory target. Any under-spend against the CRL is a “lost” resource, and therefore Health Boards must work to minimise this value. Overspending against the CRL is not permitted. An overspend of just £1k would result in qualification of the Health Board’s Annual Accounts. The following activities will be undertaken to minimise the risk of not achieving the CRL;

- Detailed expenditure profiles are developed and routinely updated to forecast achievement against the CRL.
- Monthly meetings between the Health Board and Welsh Government are undertaken to ensure queries are resolved and the CRL maintained and finalised before the end of the year.
- The Capital Programme will be monitored by the CMG.

# Appendix I



## Checklist

A checklist is to be completed for all Capital Schemes

Project Name:  
Project No:  
Project Manager:  
Scheme Budget:

Filing Ref	CDM Ref	Description	Status		Evidence
			MAJOR Over £1m (works cost)	MINOR up to £1m (works cost)	
	5.0	Capital Job Request Form			All schemes
	7.0	Feasibility Stage			Guidance Notes: To be updated throughout the scheme as required Not applicable to all schemes
	8.0	Establishing a Project Board			
	8.1	Project Board - structure and terms of reference			Major only
	8.2	Project Team			Major only
	8.3	Senior Responsible Owner appointed and letter signed off			Major only
	8.4	Project Director appointed and letter signed off			PM to action
	8.5	Project Manager appointed and signed off			For internal appointments only, external subject to contract
	9.0	Overall Project Management			
	9.1	Approvals - Board Papers/ Minutes			Information will vary depending on the type of scheme. Ref any Board papers, internal approvals, etc
	9.2	Project Execution Plan (PEP)			Major only
	9.2.1	Management Control Plan			All schemes
	9.2.2	Capital Highlight Report			High level timelines, update regularly
	9.2.3	Construction/Design Programme produced/Updated throughout the project			PM to complete for monthly submission
	9.3	Contractor/Consultant Appointment Request - Framework			Construction Design/Programme - Contractor/Architect Led
	9.4	Financial Vetting - USE FINANCE PORTAL			Request to be made via Capital Business Manager
	9.5	Prepare and Exchange Professional Services Contract with Consultant(s)			Construction Line
	9.6	New Contract Pro-forma - USE FINANCE PORTAL			Admin to send to finance to populate the Contractors/Consultants Register
	9.7	Decommissioning Policy			Policy to be referred to - scheme dependant
	9.8	KPI Reports			To be completed on all schemes at agreed intervals
	10.0	Design			
	10.1	Develop Brief with End Users			Update throughout design stage as required
	10.2	Sketch plans agreed and signed off by Client, including any derogations			Email sign off accepted
	10.3	Room data sheets agreed and signed off			Email sign off accepted
	10.4	Informing HSE - FID			
	10.5	Approval to Proceed to Detailed Design			Form to be completed
	10.6	Derogations			
	10.7	Production of Pre-Tender Health and Safety Plan			
	10.8	Production of Risk Register			Risk Register is required on all schemes over £1m, under £1m is at the discretion of the ADOP (Capital)
	10.9	BREEM/AEDET if applicable			BREEM Consultant to be appointed. AEDET information via hyperlink
	10.10	Chlorine Protection Issues			Covered under pre-contract agenda
	10.11	Mental Health Act Issues			Covered under pre-contract agenda
	10.12	Representatives Observations			Relevant parties to be invited to meetings
	10.13	Design Presentation			If required
	10.14	Planning/Building Regulations Submission/Approval			If applicable
	10.15	Group 2, 3 or 4 equipment specified and estimated costs received			
	11.0	NEC Contract			
	11.1	Review Scheme Cost			Report to CMG for Discretionary projects, Project Board for larger schemes
	11.2	Value Management Review			Report to CMG for Discretionary projects, Project Board for larger schemes
	11.3	Updated Financial Vetting - USE FINANCE PORTAL			Revet after 2 months if not appointed
	11.4	Capital Scheme Approval Memo (Contractors and Consultants)			Authorised Levels (ADF - £75K, DSF - £250K & CE - £500K)
	11.5	Contractors Construction Health and Safety Plan			As applicable to the CDM Regs 2007 (PM decision)
	11.6	Prepare and Exchange Contract Documents with Contractor - USE PORTAL			
	11.7	Collateral Warranties			
	11.8	Agenda Pre-contract Meeting			Standard agenda available
	12.0	Traditional Tenders & Quotations			
	12.1	Tender/Quotation Process			Liaise with Procurement
	12.2	Contractor Health and Safety Plan Review			As applicable to the CDM Regs 2007 (PM decision)
	12.3	Exchange contract documents with the contractor			
	12.4	Agenda Pre-contract Meetings			Standard agenda available
	13.0	Construction and Equipment Supply			
	13.1	Site Progress Meetings - Agenda			Standard agenda available
	13.2	Develop Commissioning Plan with Commissioning Manager, if required			Commissioning Manager to advise
	13.3	Production of monthly valuations			Complete payment certificates/VAT invoices
	13.4	Cost Report			
	13.5	Update CRL			Monthly for submission to Capital Business Manager
	13.5	PPM - WG schemes only - include Community Benefits information			Complete report for submission to WG
	13.6	Update Early Warning Notices and Register			Monthly update at Project Board, if applicable
	13.7	Update Project Managers Instructions Register			Monthly update at Project Board, if applicable
	13.8	Update Compensation Events Register			Monthly update at Project Board, if applicable
	13.9	Equipment delivered and receipted			Advice admin team to receipt deliveries
	14.0	Technical Commissioning and Handover			
	14.1	Pre-Handover Inspection Carried Out and snagging list produced			PM/Designer led
	14.2	Handover Meeting - Agenda and Minutes			Standard agenda available
	14.3	Building Control Certificate Obtained			If applicable
	14.4	Receipt of Technical Manuals and Drawings from Contractor/Consultants			PM to ensure available
	14.5	Receipt of Health and Safety File			PM to ensure available
	14.6	Handover of manuals, drawings and access controls to Ops/Technical Staff			Estates have access to e-files on the Z drive
	14.7	Final Account Procedure			
	14.8	Certificate of Completion with any outstanding snags attached			PM Led
	14.9	Defects - Procedure for Reporting Defects			Advise contractor
	15.0	Post-completion			
	15.1	Delivery of Group 3 Equipment and Receipting			Equipping to liaise
	15.2	Defects - Defects Certificate			PM led
	15.3	Audit Checklist Produced			PM Led
	15.4	Defects - Certificate of Making Good Defects			PM Led
	15.5	Final Certificate issued and retention released			
	16.0	Operational Commissioning			
	16.1	Operational Commissioning Carried out to Commissioning Plan			Liaise with Commissioning Manager
	16.2	Estates Demonstration			PM to liaise
	16.3	Induction for End Users			PM to liaise
	17.0	Lessons Learned			
	17.1	Lessons Learned			On all schemes within 12 months
	17.2	All Wales Capital Post Project Evaluations			As required by WG
	18.0	Financial Monitoring			
	18.1	Contracts Register			Capital Finance led
	18.2	Capital Resource Limit (CRL)			As noted under 13.5
		Supporting Documentation			Under separate tab - utilise if required

## Appendix II

ADS - Capital	Assistant Director of Strategy - Capital
BCSG	Business Case Scrutiny Group
BJC	Business Justification Case
CMG	Capital Management Group
CPMG	Capital Priority Management Group
CRL	Capital Resource Limit
IMTP	Integrated Medium Term Plan
MCP	Management Control Plan
NWSSP – SES	NHS Wales Shared Services Partnership – Specialist Estate Services
OBC	Outline Business Case
PEP	Project Execution Plan
PPR	Project Progress Reports
SRO	Senior Responsible Owner
SOC	Strategic Outline Case
SOP	Strategic Outline Programme