

RISK MANAGEMENT – LEGISLATION CHANGES AFFECTING HOSPITAL DEVELOPMENT

CLIENT

SKANSKA

VALUE £1BN



PROJECT

In December 2003 Skanska (Barts & The London) became the Preferred Bidder for the redevelopment and refurbishment of the Barts and The London hospitals PFI project. The contractual arrangements made Skanska responsible for the financial consequences of complying with any foreseeable changes in law and standards that affected the project between their appointment (Dec 2003) and Financial Close of the project (April 2006).

At financial close, Skanska would be obligated to carry out the required works in accordance with all applicable law and standards. Skanska would then (with some exceptions for NHS specific requirements) be entitled to recover costs as a variation resulting from changes in law only if these could not have reasonably been foreseen by them at financial close. Clearly on a large project of this nature it was important for Skanska to ensure that their information was as comprehensive as possible so as to avoid any potentially damaging price escalations on the project and here they sought the assistance of BRE.

CONTRIBUTION

In November 2005 BRE was appointed to provide a schedule of all known and therefore foreseeable changes in law and standards that might impact on the project. Some examples of the areas researched are as follows:

- The Building Regulations and Approved Documents.
- Hospital HBMs and HTMs.
- The Workplace (Health, Safety and Welfare) Regulations.
- The Fire Precautions Act.
- The Disability Discrimination Act.
- European Directives.
- BSI Standards.
- ISO Standards.

The following topics were considered:

- Fire Precautions, means of escape, escape lighting.
- Security.
- NHS Estates HGNs, HTMs & HBNS.
- Building fabric.
- Building regulations.
- Health and Safety.
- Disabled access.
- M&E services.
- IT infrastructure.
- CDM regulations.
- Planning.
- Energy efficiency and sustainability issue including waste liability and landfill issues.

BRE's approach was to search its library database to identify potential standards and legislation that could impact on the design and construction of new hospitals. The information identified was then reviewed by panel of BRE experts to confirm whether it was relevant to the Barts and The London hospitals project.

BENEFITS

BRE's role as members of regulatory advisory committees and its involvement in the development of a range of standards, codes of practice, building regulations and ability to think across disciplines meant that it was ideally suited to this project. It was able to provide a panel of experts made up of members who worked in the areas of concern and who were up-to-date on legislation in their relevant field. Skanska could thus be confident that any foreseeable legislation together with national and international standards that may impact on the design and construction of the PFI project would be identified.