

3Ts Programme Board

Report to the Board of Directors, 29 March 2016

Summary Status

1. The summary dashboard below sets out an assessment made of the progress/status of each of the key workstreams in the 3Ts programme. The report reflects the discussions at the meeting of the Programme Board held on 18 March 2016.
2. The summary assessment uses the Major Projects Authority (MPA) Gateway classifications (attached as Annex 1 to this report) which is a five point scale.
3. This rates overall progress as Amber.
4. This provides a consistency with the Gateway classifications which the 3Ts Programme Board is also using to formally assess the status of the programme against the National Audit Office/OGC “Common Causes of Project Failure” on a quarterly basis.

	Schedule	Scope	Budget	Resource	Risks	Issues	Summary
Decant							
Main scheme							
Stakeholder Engagement							
Modernisation & Workforce							

5. The most recent external Gateway Review undertaken on the 3Ts Programme from 10th-12th November 2014 rated the programme “Amber/Green”.
6. The overall rating has been stepped up from Amber/Green to Amber to reflect the delays to various elements of the decant programme.

Reasons for Red/Amber Ratings

Decant

7. The Courtyard and Hanbury buildings are currently scheduled for completion in April and June respectively and plans for occupation and operational commissioning are currently being prepared.
8. The Planning Application which was submitted for the Clinical Administration Building in the north east corner of the site was approved at the end of October and the Decision Notice was released on 10 December.
9. This will provide accommodation for parts of the decant programme and some additional capacity to assist with space constraints in the emergency department. The Full Business Case which will authorise the final component of Trust Capital is being discussed at various committees before onward transmission to the NHS Improvement.
10. As previously reported, Galliford Try has forecast a delay in completion from the original date of Christmas 2015 to a revised date of Christmas 2016. This has occurred because of several factors: the structural challenges of the retaining wall at the North of the RSCH site and the approval of the main scheme Full Business Case in December 2015 which included a substantial element of the funding for the building. Alternative office accommodation for those located on the 3Ts Stage 1 site area will be made available from April 2016 on the St. Mary's site in temporary modular buildings.
11. Also as previously reported, CIRU has been located in the space in the Children's Hospital which had been earmarked for Paediatric Audiology.
12. An alternative solution has been identified which relocates Adult Audiology to Sussex House, and the Paediatric Audiology issue is therefore resolved with regards to the decant and 3Ts programme. It is still intended to relocate the service to the Children's Hospital, but alternative accommodation will be required for CIRU. This is currently being developed outwith the scope of the 3Ts Programme.
13. Work is therefore developing to investigate mitigations to the issues involved in a phased site handover. This involves staggering the evacuation of the Stage 1 site and "double decanting" the services which will be affected.
14. There is also the requirement to accommodate additional personnel as part of the process, which was not envisaged in the original decant plan.

Workforce Modernisation

15. 3Ts will almost double capacity in some of the hardest-to-recruit specialties. Turnover Trust-wide is on an upward trend, and Directorate vacancies at senior clinical level (Bands 6+) were up to 16% as at October 2015. The Trust Long-Term Financial Model (LTFM) assumes that additional capacity in 3Ts can be staffed at marginal rates (50-75% of tariff, i.e. significant economies of scale) in addition to average 3% year-on-year Trust pay cost reductions in the intervening period.

16. Therefore achieving the workforce requirements set out in the 3Ts FBC presents a number of challenges, including the following:

- significant increases in some of the hardest-to-recruit specialties (e.g. Critical Care nursing);
- long lead-in time for workforce change (e.g. Foundation Degrees for completion in Summer 2019 for 3Ts Stage 1 will need to be commissioned in May/June 2016);
- assumed year-on-year pay cost reductions in the intervening period; and
- further workforce efficiencies/economies of scale in 3Ts – while also increasing single rooms and floor areas.

17. Significant progress has been made in establishing foundations for sustainable workforce transformation (as per presentation to Trust Board Education Seminar in November 2015), including a shared vision with Chief Nurse/Heads of Profession, worked-up project/pilot plans, Staffside and staff engagement, and close partnership working with HEKSS (Health Education Kent, Surrey & Sussex).

18. Future actions to be undertaken include:

- Establish Workforce Modernisation as a discrete Trust-wide programme, with Executive Senior Responsible Owner (SRO) – as set out in the draft Trust Operational Plan 2016/17;
- Fully integrate the Workforce Modernisation and CIPs Programmes for 2016/17, and ensure 3Ts/Trust workforce requirements are factored into Sustainability & Transformation Plan (STP);
- 3Ts Programme Director to convene a Working Group to progress 3Ts-specific workforce issues, including the Recruitment & Development Strategy (DH condition of 3Ts approval).

Main Scheme

19. The phased handover of Stage 1 has begun: Preliminary survey works have taken place in the Thomas Kemp Tower in readiness for construction of the helideck and the new energy centre for the site.
20. Liaison with Trust operations continued to be positive, and planning for the timed closure of eastern section of the South Service Road on 22 April progressing adequately. The main issue remains the logistical challenge associated with maintaining deliveries/essential services whilst these road closures take place. This has necessitated examining current practices, and working towards the use of smaller delivery vehicles.
21. The introduction of a staff park-and-ride scheme at Marina Way has provided capacity for the spaces which will be displaced on site as it is progressively handed over. Although still early days, it would appear that this has had a positive impact on waiting times for patients to park in the multi-storey car park.
22. The wider 3Ts team are also still assisting with the remaining decant schemes so as to keep as close as possible to the envisaged critical path towards demolitions (which are scheduled to start in late spring).

Stakeholder Engagement

23. A meeting with the Hospital Liaison Group is scheduled to take place on 23rd March. The road closures and other changes to the main site as the development picks up pace, will be the main focus of the discussion.

Risk and Regulatory

24. The top 13 BSUH risks with a score of 15 or greater are as follows:
 - **Trust Business Continuity (24)**. Closure of South Service Road. An in depth, accurate assessment of current and proposed traffic movements (mainly supplies and other deliveries) is being undertaken in order to plan appropriate mitigations. Targeted communications will be offered to those affected;
 - **Design Process 1 (33)**. This risk refers to the possible impact of construction on immuno-compromised patients. The mitigation includes the following: Review of evidence from other construction sites and further testing as work on site progresses. Risk and method statements are to be developed in partnership between the contractor and the Trust teams (including infection control) to identify key risks and strategies for mitigation whilst construction is underway. Good progress is being made in developing practical solutions to this issue;

- **Design Process 2 (53).** Interfaces/impacts from other projects on site during Decant - Trust/PFI/utilities contractors / capital works (LOR, Willmott Dixon infrastructure, Children's hospital, audiology) - Leads to delay (piling and ground anchors, leads to interference on other projects and start claims). Mitigation includes effective and timely communications, the main vehicle for which is the Site Logistics Group which has good operational attendance;
- **Design Process 2 (55).** There is a risk that stakeholders within, and outside, the Trust are unsatisfied with the construction, demolition, excavation and any other methodologies applicable for the delivery of the works as described in the Method Statements, causing significant delay to construction. Mitigation includes early identification of key stakeholders and formal sign off of method statements. Clear authorisation for works on site, or any requests to cease work on site is also imperative. Preparatory work is underway on the identification of these issues and detailed work has started on the development of the risk and method statements;
- **Workforce Planning 2 risks (4 and 2).** One risk is a revenue risk, one is a service/operational risk. Trust LTFM and 3Ts FBC assume 3% year-on-year pay cost reductions, and 3Ts staffing at marginal cost (50-75%). 3Ts design (single rooms, floor area) will also require new staffing models. A significant programme of workforce modernisation is therefore required. Long lead-in time, requires Trust-wide action. Current slow progress in implementing approved schemes is significant risk to 3Ts delivery. From 2016/17, workforce modernisation and CIPs schemes to be fully integrated, and considered as part of Business Planning. However challenge of funding 'invest to save' in current NHS financial climate remains;
- **Decant all (9).** Failure to maintain all services whilst they are decanted is a business continuity risk. Mitigation includes detailed operational commissioning plans to be developed. Fully detailed operational plans are being drawn up;
- **Trust Business Continuity (19)** Site electrical Infra-structure is inadequate. The Clinical Administration Building will provide further generator capacity for the site, but the delay to that project may require additional mitigations to be identified;
- **Main Scheme Capital (6)** Failure to sign up partner Trusts / Medical School /CCG to the brief. Discussions are ongoing with regard to the BSMS element of the project;
- **Main Scheme Capital (30).** Prudential Borrowings used as procurement route instead of Public Dividend Capital could add £15.6m to CIPs programme over next 10 years and have an adverse effect on Trust's liquidity position. Mitigations include ensuring borrowing is under best possible terms for BSUH and the release of the final approval letter should frame the discussions on this. A meeting with the Department of Health to discuss this is being organised;

- **ICT (28). Continuing Alignment with Trust IM&T developments.** Mitigation includes discussions about the potential for savings within ICT developments, as well as the initial costs of implementation;
- **Business Continuity (22) Commissioners cannot afford scheme (changes in the size and allocation of resources for health care) which undermines FBC.** Mitigating this risk includes further discussions and negotiations via Strategic Partnership Board and National Programme Board. Downside scenarios have been outlined within FBC and now require further modelling;
- **Main scheme Capital (1)** Support with transitional costs is withdrawn. Transitional costs have been agreed with commissioners to be funded by 2% top slice. Invoice has been raised for 2014/2015 and monies received. Mitigations will be included in the negotiations regarding the FBC approval;

25. These risks have been refreshed at Programme Board level since the last Board report.

Finance

26. The monthly finance report is summarised below:

- The current actual spend this financial year is £28.94m against a forecast of £33.77m. Actual spend is slightly behind programme due to timing of design work and decant delays. The forecast reflects a ramp up of Main Scheme activity in January 2016.
- Revenue expenditure is within budget, with the programme making a £0.17m contribution to the Trust's Efficiency Programme. However this will not be possible within the financial year 2016-2017 owing to a tighter budget forecast.

Programme and Project Management

27. Gate 3 Action plan: As reported to the 3Ts Programme Board, the recommendations continue to be reviewed and implemented.

28. A Gateway Review (Gate 0) is due over the next twelve months and will be the subject of a further Board report closer to the time. This will be a programme-level review to provide assurance to the SRO that there is continuing strategic alignment of the programme with the internal Trust environment and the wider strategic context.

29. The programme governance arrangements are being refreshed as we move into a phase 4 construction contract and will be aligned with the overall Trust governance arrangements.

30. The National Programme Board (comprising DH, NHS Improvement, NHS England and Clinical Commissioning Group representatives) will continue to meet: the next meeting is scheduled for 20 April.
31. It has also been agreed to establish a Strategic Partnership Group between commissioners and the Trust to ensure that there is continued alignment between the Trust's clinical strategy and commissioning intentions as we move through the implementation period of 3Ts and to ensure that emerging risks are identified and appropriately managed. A meeting of the Group was held at the end of January 2016 and the next meeting is currently being arranged.

Conclusions/Recommendations

32. The Board is asked to note this report and the mitigations which are in hand to manage the key risks. The Board is also asked to note the progress which, whilst logistically challenging, continues to be made.

Duane Passman
3Ts Programme Director and Senior Responsible Owner
21 March 2016

Annex 1 – Gateway Criteria Descriptions

Colour	Gateway Criteria Description
	<p>Green: Successful delivery of the project/programme appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.</p>
	<p>Amber/Green: Successful delivery appears likely. However attention will be needed to ensure risks do not materialise into major issues threatening delivery.</p>
	<p>Amber: Successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the programme/project if addressed promptly.</p>
	<p>Amber/Red: Successful delivery of the project/programme is in doubt, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed.</p>
	<p>Red: Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget, required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project/ programme may need re-baselining and/or overall viability re-assessed</p>