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Health Gateway Review
Review 1: Business justification

Version number: Final

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SRO: Duncan Selbie

Organisation: Brighton & Sussex University Hospitals NHS Trust

Health Gateway Review dates: 03/08/2009 to 06/08/2009

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Health Gateway Review 1: Business justification

Project Title: Brighton & Sussex University Hospitals NHS Trust 3Ts Programme

Health Gateway ID: DH 393

Background

The aims of the project:

The Brighton and Sussex University Hospitals NHS Trust (the Trust) plans to invest £420.1m in the development of the Royal Sussex County Hospital (RSCH) site to create the regional centre for Teaching, Trauma and Tertiary Care (the 3Ts programme).

The 3Ts programme plans to provide a modern, fit for purpose environment for patients from Brighton & Hove and across Sussex and the South East. It will mean that many patients who currently have to travel to other centres outside the region can be treated closer to where they live and cut travel times and distances for them and their relatives and carers.

The driving force for the project:

The investment objectives of this programme are:

- Replace the wards and other clinical accommodation currently in the Barry and Jubilee buildings on the RSCH campus with accommodation that is 'fit for purpose' and meets standards of privacy and dignity, in line with existing and emerging national priorities.
- As agreed through the *Best Care, Best Place* consultation (2004), transfer the Regional Centre for Neurosciences from Hurstwood Park (on the Princess Royal Hospital site) and expand its capacity, in line with the Sussex-wide *Tertiary Services Commissioning Strategy* (2008) and other commissioning intentions. This will allow patients from Sussex who currently have to travel to other centres (mainly in London) to be treated closer to where they live.
- Develop and expand non-surgical cancer services, in line with the Sussex Cancer Network's *Service Delivery Plan* and the Sussex *Tertiary Services Commissioning Strategy*. This will allow patients across Sussex to receive radiotherapy and chemotherapy treatment closer to where they live and will enable the Network to continue to meet national waiting times standards.
- Develop the RSCH as the Level 1 Major Trauma Centre for Sussex and the South East, as set out in the NHS South East Coast strategy *Healthier People, Excellent Care* (2008) and in line with Lord Darzi's report, *High Quality Care for All* (2008).
- Develop teaching, training and research activities within the Trust, in partnership with the Brighton & Sussex Medical Schools to achieve Lord Darzi's vision of high quality teaching and research supporting high quality care.

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The procurement/delivery status:

The programme has moved from its approved Strategic Outline Case (in mid 2008) to the generation of an Outline Business Case (OBC). This has been recently published and submitted to NHS South East Coast (the Strategic Health Authority for the region) for approval and onward transmission to the Department of Health. It is anticipated that NHS South East Coast approval will be granted in September 2009. The preferred solution within the OBC involves a publicly funded development that is planned to be delivered through the national ProCure21 framework. The next phase is to further develop the programme, continue the ProCure21 process to achieve Full Business Case status and to commence the decant projects.

Current position regarding Health Gateway Reviews:

A Health Gateway 0 (Strategic Assessment) on the programme was undertaken in June 2008. This Gateway 1 (Business Justification) has been timed to accompany the OBC approval process.

Purposes and conduct of the Health Gateway Review

The primary purpose of a Health Gateway Review 1: Business justification, is to confirm that the business case is robust – that is, in principle it meets business need, is affordable, achievable with appropriate options explored and likely to achieve value for money.

Appendix A gives the full purposes statement for a Health Gateway Review 1.

Conduct of Health Gateway Review

This Health Gateway Review 1 was carried out from 3/08/2009 to 6/08/2009 at the 3Ts Programme Office in Sussex House, Abbey Road, Brighton, BN2 1ES. The team members are listed on the front cover.

The people interviewed are listed in Appendix B.

The Review Team would like to thank the Programme Director and the Programme Team for their support and openness, which contributed to the Review Team's understanding of the programme and the outcome of this review.

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Delivery Confidence Assessment

Delivery confidence is assessed as **Amber**.

The Review Team found significant and universal support for the 3Ts programme. We are under no doubt that all stakeholders firmly believe that the programme represents a “strategic moment” for the national, regional and local NHS. It is an opportunity to address issues around poor building infrastructure and the development and delivery of services to meet the needs of the local and regional population well into the twenty first century.

The Programme Team should be complimented for achievements to date. The Strategic Outline Case has moved in a controlled and well managed manner into a comprehensive Outline Business Case that has now been submitted for NHS South East Coast and, ultimately, Department of Health approval.

The 3Ts programme has been well resourced, managed and led and will benefit from further enhancement of technical resources and capabilities (skilled in ProCure21 development), programme controls and governance as the programme moves forward. Further work is needed to prepare for the proposed decant arrangements and to model changes in assumptions and their impact e.g. on workforce and affordability.

Despite the excellent commitment from all stakeholders and parties to the programme and the progress made to date there are a number of critical issues that may well undermine or adversely influence the planned way forward.

These issues are all well recognised by the Trust and the Programme Team but further consideration should be given to prepare for, and accommodate change, without undermining the underlying vision of the 3Ts programme.

The existence of significant external factors outside the direct control of the programme team has influenced the delivery confidence assessment.

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The delivery confidence assessment status uses the definitions below.

Colour	Criteria Description
	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
	Successful delivery appears likely. However attention will be needed to ensure risks do not materialise into major issues threatening delivery
	Successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the programme/project if addressed promptly.
	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.
	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

A summary of recommendations can be found in Appendix C.

The Review Team was pleased to note a comprehensive response and implementation of the recommendations arising from the earlier Health Gateway Review 0 carried out in June 2008.

Findings and recommendations

1: Policy and business context

The 3Ts programme is the opportunity for numerous national, regional and local policies to be turned into real service improvements for people of Brighton & Hove, Sussex and the South East. The Programme provides an enormous opportunity to facilitate significant improvements across a wide range of services including trauma, cancer and elderly care services.

The increase in single room provision from 5% to 70% and replacement of all pre Florence Nightingale accommodation will be a major contribution to meeting the government's privacy and dignity policies.

The Programme will help transform Lord Ara Darzi's *High Quality Care for All* vision into a reality across Brighton and the South East. It is for this reason that NHS South East Coast has made this programme its number one priority for investment.

The Trust has grasped the opportunity of a new hospital redevelopment to redesign its models of care and develop new clinical networks and achieve service transformation. Service improvements have already been achieved and these will continue as the Trust makes further important investments and appointments, particularly the appointment of a Trauma Lead.

The Trust is aware that it must continue to improve its financial position, service delivery performance and maintain current consensus within the local health economy to ensure the likelihood of successful delivery of the 3Ts programme.

The national economic context has resulted in an acceptance that Treasury funding for large capital developments is uncertain, which presents a challenge to the programme.

The vision promulgated by the Trust is that this is a major single redevelopment to deliver an integrated 3Ts solution. Should the outcome of the approval process result in alternative funding sources or timing of funds then the Trust should work carefully to ensure that the principles of integrated care pathways and service delivery are not compromised.

2: Business case and stakeholders

The Review Team was impressed with the scope and contents of the OBC which has been constructed in a relatively short period of time for a major programme with significant complexity. The Programme Team are to be congratulated for the enormous progress made since the last Health Gateway Review. The appointment of an experienced Programme Director and supporting team has clearly contributed to the achievement of a comprehensive programme plan of activities to deliver a robust OBC.

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The financial modelling is underpinned with clear assumptions and understanding of the financial impact for individual PCTs. The broad agreement between all parties on these assumptions with independent verification is to be commended. The financial planning within the OBC demonstrates the continued development of the Trust's financial planning capability in general and the introduction of service line accounting in particular. This is an effective approach given the difficulty of forward financial planning in the current economic environment.

The OBC provides a compelling case for change which is well supported by stakeholders. The clinical transformation process has been initiated with effective clinical leadership.

The Review Team was made aware by a number of those interviewed that workforce planning is at an early stage and underdeveloped. It is recognised that this work is now a higher priority. It is important that a "bottom-up" service by service workforce plan is developed and reconciled with the financial assumptions within the OBC e.g. the marginal cost of additional activity and the impact of the introduction of 70% single rooms.

The current challenging economic situation and changing activity and funding assumptions within the NHS mean that it will also be essential to regularly update the assumptions within the OBC and develop appropriate sensitivity plans. This is recognised within the Trust but as yet there is not a clear integrated process for managing the agreement to changes in the OBC assumptions and their consequences e.g. for workforce planning.

The Trust and PCTs are all working closely together with NHS South East Coast to implement the shared vision for a redeveloped hospital. It will be important to establish an appropriate process to maintain that unanimous view and agreement on changing assumptions as the OBC develops into an FBC. This will enable NHS South East Coast, PCTs and the Trust to continue to have a shared assurance on assumptions and implications.

Recommendation 1: Establish a process for modelling and agreeing changes in the underlying assumptions within the OBC to enable a clear reconciliation between activity, income, marginal cost and workforce plans to provide the assurance to key stakeholders within and outside the Trust.

The OBC reflects a complex proposal. There is an acknowledgement of some remaining key issues to be resolved between OBC and FBC. These include neurosurgery, radiotherapy, outpatients and ITU / HDU provision. The Trust may wish to consider adding clarification of the use of the R&D / education space and funding relationship with the University to this list.

The OBC outlines why the Trust has chosen to go down the ProCure 21 route rather than the Public Finance Initiative (PFI). It is clear that the financial evaluation shows little difference between ProCure 21 and PFI procurement but that the PFI route will take significantly longer to deliver.

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The urgency for the new development, given the current state of the Barry and Jubilee buildings, and the timeliness given national policy on the development of major trauma and tertiary centres is clear. There is an opportunity to be grasped now. However, we also found, and the Programme Team recognise, other reasons why the public procurement route should be favoured which have perhaps not been fully reflected in the OBC.

These include the opportunity for greater flexibility in the build (both now and in the future) which will be very important in a redevelopment of this scale and complexity in the current economic environment. A new PFI scheme may also be complicated given the context of an existing PFI scheme on the site and potential interfaces with existing buildings and engineering services. In addition the future of PFI in general and the current availability of PFI private funding are also factors.

The OBC is proposed to be the approval document for the decant proposals costing £29m. The Trust should consider making this and the source of the required funding clearer in the OBC or accompanying information. The Trust's decant proposals are currently being developed. This is a complex piece of work with a number of financial, planning and clinical risks. This work needs to be developed within a very challenging timeframe given the Trust's overall timetable. In particular the agreements with third parties, planning applications, HR implications, clinical interdependencies and costing all have considerable resource implications given the objective of beginning the decant process in January 2010. We commend the Trust's intentions to embed clinical change and redevelopment in the decant stage and not await the major hospital redevelopment, however this will add to the complexity of planning and consultation.

Recommendation 2: The Trust should establish a clear achievable, resourced plan for the decant project.

There is good enthusiasm and commitment to the new hospital and the associated change management programme throughout the Trust and amongst its partners. All the stakeholders are clearly supportive of the new hospital project. The Trust has established clear and effective means of communication with stakeholders.

Apart from some concerns from Neurosciences regarding the extent of the improvement in their facilities there is universal support for the proposed development. This includes significant clinical engagement and commitment from the Trust's partners including PCTs and NHS South East Coast. There is recognition within the Trust leadership of the need to retain this health community wide support at all levels. This will be particularly important in the move from a wider stakeholder engaged Programme Board approach to develop the OBC to a more focused and decisive approach in developing the FBC.

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3: Risk management

The Trust agreed an action plan following the Health Gateway 0 review at SOC stage undertaken in June 2008. This plan has been largely implemented to reduce the risks associated with delivery and to facilitate the rapid progress made since the last review.

A comprehensive risk register has been developed and is being updated on a regular basis by a limited number of members of the Programme Team. Wider engagement in risk assessment and review would help the Trust and Programme Team scan the horizon for new risks and could be used to embed the process at all levels of the programme.

The Programme Team aims to refresh the risk register for the next stage of the programme when a number of risks will be closed at OBC approval. This approach is an effective way of focusing on active risks at each stage.

The risk register records the risk of loss of the Programme Director / Manager as well as other programme staff. The Review Team would encourage the Trust to prioritise the mitigation plan to ensure skills and knowledge transfer.

Recommendation 3: The Programme Team should review the risk management process to widen involvement and embed the ownership and use of risk management at all levels within the Trust and the Programme Team.

4: Readiness for next phase – Delivery strategy

The programme has reached a key milestone and is now preparing to move into further scheme development and preparation of the Full Business Case (FBC).

To date the Programme Team has comprised a good blend of Trust and external adviser resources (including early involvement of a Principle Supply Chain Partner [PSCP] through the national ProCure21 capital project delivery framework).

The preferred procurement strategy envisages the continuation of involvement of a PSCP to develop the FBC and ultimately to deliver the construction phase of the programme. A build project of this scale represents one of, if not the largest, capital projects to be delivered under ProCure21. The Programme Team and the Trust will need to continue to consider and understand the implications of entering into such an arrangement.

A strong understanding of ProCure21 process and risks is essential to ensure effective interface with and control of the PSCP.

The Programme Team should continue to obtain support from the Department of Health P21 National Implementation Team to identify the skills and capabilities that the Team will require to manage this project through FBC, the agreement of a Guaranteed Maximum Price and onto the build phase.

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The Department of Health P21 National Implementation Team will also be able to advise on any issues or risks associated with the continued engagement of the incumbent PSCP.

The Review Team believes that the Programme Team should be supplemented by independent cost and technical advisers to support and protect the interests of the Trust throughout the remainder of the procurement. This comment is made particularly pertinent by the potential conflict of interest between the current Trust Cost Adviser and the incumbent PSCP.

Recommendation 4: The Programme Team should seek advice on the skills and capabilities required to manage the ProCure21 project through FBC and onto construction. The Team should be supplemented by independent cost and technical advisers to support and protect the interests of the Trust.

The Programme Board has served the 3Ts programme well to date. It has harnessed all stakeholders and has encouraged support and participation to the programme. This engagement should continue. We do believe, however, that now is a good time to refresh the governance arrangements and identify a clear delineation between stakeholder input, engagement and communications and Trust decision making and control of the programme.

We are aware that the Programme Team is currently preparing new Terms of Reference for the Programme Board. This will give an opportunity for the Programme Team to clarify and refine the roles and inputs from clinicians and all those involved in service change.

Recommendation 5: The SRO should consider a refresh of the governance arrangements to encompass an empowered decision-making Programme Board to serve the Trust and to continue the excellent harnessing of stakeholder support and participation.

The Programme Team has recently introduced some rigour and control into programme finances and the Review Team suggests that the controls are expanded and developed to encompass all key processes including full budget control (given the scale of the anticipated Programme Office funding), full contract and appointment control for external suppliers, risk, change, benefits and communications management.

The 3Ts programme represents the single major investment for the Trust (and the local health economy) to enhance and develop its business as it goes forward. The Review Team is aware that the Trust also has other projects and programmes (including the embarking on the application process to secure Foundation Trust status) and encourages the SRO and Programme Team to recognise and manage any dependencies, conflicts and risks that may arise from parallel activity within programmes.

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The 3Ts programme is at a key stage. It has an OBC that outlines a service strategy and a build solution to deliver a number of defined and agreed objectives. The OBC and the preferred solution will be exposed to scrutiny and challenge over the coming weeks and months. There are a number of critical influences that may impact the planned way forward. These include:

- The potential for the local Planning Authority (and or English Heritage) to object in part or full to the proposed development.
- The potential scale and content of comments from NHS South East Coast following OBC submission for approval.
- The Department of Health response to the OBC.
- The continued uncertainty within the UK economy and the availability of capital funds and alternative Private Finance Initiative funding.

These issues are all well recognised by the Trust and the Programme Team who continue to maintain and create momentum towards achieving the desired goals.

The Review Team recognises the need for all stakeholders to remain resolute and in agreement if the 3Ts vision is to materialise.

We would support the development of further thinking, during the course of OBC approval and FBC development, to be able to quickly accommodate adverse influences on the achievement of the programme. These influences could include accommodating the risk of delay, redesign, activity assumptions affecting the scale of development and change of funding sources or cashflow.

Recommendation 6: Consider further how the Trust will respond to potentially adverse influences on the achievement of the programme.

The next Health Gateway Review is expected in the Summer of 2010 and could usefully serve as a Gate 0 (Strategic Assessment) on the 3Ts programme, the status of the decant programme and the development of the Full Business Case.

APPENDIX A

Purposes of the Health Review 1: Business justification

- Confirm that the business case is robust – that is, in principle it meets business need, is affordable, achievable, with appropriate options explored and likely to achieve value for money.
- Confirm that appropriate expert advice has been obtained as necessary to identify and/or analyse potential options.
- Establish that the feasibility study has been completed satisfactorily and that there is a preferred way forward, developed in dialogue with the market where appropriate.
- Confirm that the market's likely interest has been considered.
- Ensure that there is internal and external authority, if required, and support for the project.
- Ensure that the major risks have been identified and outline risk management plans have been developed.
- Establish that the project is likely to deliver its business goals and that it supports wider business change, where applicable.
- Confirm that the scope and requirements specifications are realistic, clear and unambiguous.
- Ensure that the full scale, intended outcomes, timescales and impact of relevant external issues have been considered.
- Ensure that the desired benefits have been clearly identified at a high level, together with measures of success and a measurement approach.
- Ensure that there are plans for the next stage.
- Confirm planning assumptions and that the project team can deliver the next stage.
- Confirm that overarching and internal business and technical strategies have been taken into account.
- Establish that appropriate quality assurance processes for the project and its deliverables are in place.
- Confirm that the project is still aligned with the objectives and deliverables of the programme and/or the organisational business strategy to which it contributes, if appropriate.

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APPENDIX B

Interviewees

Name	Role
Anna Barnes	Associate Director, 3Ts Programme Office and Governance, BSUH
Duane Passman	3Ts Programme Director, BSUH
Nick Groves	Associate Director, 3T Service Modernisation, BSUH
Steve Gallagher	Assistant Director Capital Development, BSUH
Lawrence Goldberg	Chief of Specialist Services, BSUH
Dr Nigel Marchbank	Medical Director of Sussex Cancer Network
Simon Maurice	Operational Director of HR, BSUH
Jo Andrews	Chief of Clinical Operations, BSUH
Robert Gregory	Head of Capital Investment Planning & Projects, NHS South East Coast
Colin Gentile	Director of Finance, BSUH (to 31/7/09)
Chris Adcock	Chief Financial Officer, BSUH
Paul Richards	Strategic Estates Adviser, NHS South East Coast
Alison Robertson	Chief Nurse, BSUH
Gary Speirs	3Ts Capital Project Manager, BSUH
Julie Nerney	NED, BSUH
Tony Kelly	Consultant Obstetrician & Gynaecologist, Honorary Clinical Senior Lecturer, BSMS
Geraint Davies	Director of Corporate Affairs & Service Development, South East Coast Ambulance Service NHS Trust
Mark Frake	Programme Accountant, BSUH
Amelia Lyons	Head of Communications and Engagement - 3Ts Project, BSUH
Karen Hicks	Laing O'Rourke
Richard Eager	Laing O'Rourke
Des Holden	Medical Director, BSUH
Sarah Creamer	Director of Strategy, West Sussex PCT
Geoff Newman	Clinical Oncologist, BSUH
Duncan Selbie	Chief Executive, BSUH
Peter Hale	3Ts Clinical Director, BSUH
Graham Dodge	3Ts Associate Clinical Director, BSUH
Michael Schofield	Director of Finance, NHS Brighton and Hove
Darren Grayson	Chief Executive, NHS Brighton and Hove
Mike Wood	Chief Executive, NHS East Sussex Downs and Weald / NHS Hastings and Rother
John Hartley	Consultant Respiratory Physician (for Division of Medicine), BSUH

APPENDIX C

Summary of recommendations

The suggested timing for implementation of recommendations is as follows:-

Do Now – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.

Do By – To increase the likelihood of a successful outcome the programme/project should take action by the date defined.

Ref. No.	Recommendation	Timing
1.	Establish a process for modelling and agreeing changes in the underlying assumptions within the OBC to enable a clear reconciliation between activity, income, marginal cost and workforce plans to provide the assurance to key stakeholders within and outside the Trust.	Do Now
2.	The Trust should establish a clear achievable, resourced plan for the decant project.	Do Now
3.	The Programme Team should review the risk management process to widen involvement and embed the ownership and use of risk management at all levels within the Trust and the Programme Team.	Do by Nov 09
4.	The Programme Team should seek advice on the skills and capabilities required to manage the ProCure21 project through FBC and onto construction. The Team should be supplemented by independent cost and technical advisers to support and protect the interests of the Trust.	Do by Dec 09
5.	The SRO should consider a refresh of the governance arrangements to encompass an empowered decision-making Programme Board to serve the Trust and to continue the excellent harnessing of stakeholder support and participation.	Do by Oct 09
6.	Consider further how the Trust will respond to potentially adverse influences on the achievement of the programme.	Do Now