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Health Gateway Review
Review 1: Business justification

Version number: Final Draft to SRO

Date of issue to SRO: 07/10/2011

SRO: Duncan Selbie

Organisation: Brighton & Sussex University Hospitals NHS Trust

Health Gateway Review dates: 05/10/2011 to 07/10/2011

Health Gateway Review Team Leader:
Tim Ainger

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Gerald Clemence
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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 £410.1m 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 accordance with the NCEPOD Report *Trauma: Who Cares?* and the recent National Audit Office report into trauma care in the NHS Major Trauma Care in England, published in February 2010.
- Develop teaching, training and research activities within the Trust, in partnership with the Brighton & Sussex Medical School; Kent, Surrey & Sussex Deanery; and the Universities of Brighton and Sussex.

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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). The scheme has been through a number of iterations and the OBC is about to be published and re-submitted to the NHS South East Coast (the Strategic Health Authority for the region). 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 and planning application processes and achieve Full Business Case approval to proceed by April 2012.

Current position regarding Health Gateway Reviews:

A Health Gateway 0 (Strategic Assessment) on the programme was undertaken in June 2008. An earlier Gateway 1 (Business Justification) was undertaken in August 2009 which was timed to accompany the OBC approval process. The Project has since been through significant re-design (albeit the fundamental underlying principles remain the same) and is now in a position to resubmit a refreshed OBC.

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 05/10/2011 to 07/10/2011 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.

Delivery Confidence Assessment

Status: Amber/Green

The programme has seen significant change over the past year. The underlying principles of the scheme remain valid but the design solution to satisfy the business need and the local built environment has been further developed since the first Outline Business Case (OBC) approval in late 2009.

The scheme is well developed and the Programme Team is aware of the work that still has to be undertaken to complete the OBC and secure approvals from all of the approving bodies.






It is unfortunate, but understandable, that the Programme Team is currently in a period of pause to reflect reduced design team funding pending approval of the OBC and planning application. The next stage will be a period of intense activity to complete the Full Business Case (FBC) and to secure an affordable decant and main build solution.

We believe that the Programme Team remains well positioned to conclude the OBC and FBC process and to move into the construction phases. The programme remains adequately funded and resourced. The programme, however, will need to continue to monitor the risks and threats to securing the relevant approvals that are required to secure the funding and to align with the parallel Foundation Trust application process. The need to continue to develop and refine the workforce data, care pathways and new ways of working should remain a priority for the Trust.

We believe that the Programme Team understands the risks and issues associated with the programme and is capable of addressing the recommendations set out in this Report to take the programme to a successful conclusion.

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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.

Evidence of good practice:

The Programme Team is using a good risk management process. Risks are captured at workstream level and consolidated into an integrated workbook that is capable of filtering and reporting key risks at a number of levels. This allows the Programme Team and Programme Board an excellent insight into all risks, and movement in the risk profile of the programme.

Recommendations arising from the earlier Health Gateway Review:

All of the recommendations from the earlier Health Gateway Review undertaken in August 2009 have been implemented.

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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 the people of Brighton & Hove, Sussex and the South East. The programme provides an opportunity to facilitate significant improvements across a wide range of services including trauma, teaching, cancer and elderly care services. The Trust has also taken the early opportunity to enhance its trauma service to ensure its timely inclusion in the National Trauma Network. The increase in single room provision and replacement of all pre Florence Nightingale accommodation will be a major contribution to improving patient facilities and meeting the government's privacy and dignity policies.

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 increase the likelihood of successful delivery of the 3Ts programme.

The 3Ts Programme Team has been developing the OBC and the designs for the hospital to support their planning application which has now been submitted to the local planning authority. We heard that there has been good communications and consultation between the Programme Team, the planning officers, local residents and the wider Brighton community. It will be important to continue with this dialogue and to maintain engagement with all these parties throughout the planning application process and the subsequent build phases.

We heard a number of different opinions about the progress being made with workforce development and new ways of working for the 3Ts programme. It was not clear to the Review Team who was responsible for leading this work and the timescales in which it would need to be delivered. Progressing this piece of work will allow the Programme Team to validate the detailed design and inform the affordability case in the FBC.

It will also be essential to ensure that the workforce planning and organisational development work for the 3Ts programme is integrated into and consistent with the overarching work that is informing the Long Term Financial Model (LTFM) and Foundation Trust (FT) application. This will strengthen the OBC and provide confidence to those external organisations that will be involved in the approvals process.

The resources involved in completing this piece of work should not be underestimated, particularly at a time when the organisation is dealing with a range of other significant changes. These include the disruption that will be evident through the decant strategy, the creation of the new Trauma initiative, the possibility of new services being brought onto site and the potential need to move non critical services off site to create 'swing' space.

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Recommendation 1: The SRO should identify a clear lead for all workforce development activities and ensure that the outputs and timelines for this work are fully integrated into the development of the FBC and Long Term Financial Model.

2: Business case and stakeholders

The OBC has seen a number of iterations since the earlier Strategic Health Authority (SHA) approved version that existed in November 2009. The version that we saw during the course of this Review (Version 16) was a good draft based on the HM Treasury '5 case model'. The next iteration is currently in production and is addressing a number of issues raised by the SHA.

The South East Coast SHA has recently been absorbed into the new wider South of England SHA and we understand that this scheme remains the top priority investment within the region. The current plan is for the OBC to be submitted to the SHA South of England Board for approval in December 2011. We also understand that the Department of Health (DH) will consider the OBC in parallel within this timeframe.

Should SHA approval be forthcoming, the SHA plans to formally submit the OBC to DH and HM Treasury for final consideration. It is clear that any such consideration must be accompanied by a planning approval for the scheme.

We understand that the approving bodies will be predominantly interested in the financial and economic cases for the scheme. We encourage the Programme Team to continue to pursue a rigorous and transparent approach to the demonstration of viable economic and financial cases. These will be a major focus of the approving bodies together with a clear procurement strategy to prove the preferred option. The integrated work with the LTFM analysis will need to be satisfactorily concluded to prove the whole life affordability of the scheme. There also needs to be correlation between the OBC and the FT application documentation. More work is required to unequivocally prove the robustness of the preferred procurement and contract strategies and the visibility of clear value for money. We refer to this further in Section 4 of this Report.

We understand that there is continuing commitment from the SHA and commissioners to support the development of the business case and to provide transitional funding associated with the transfer of services into the new asset in due course.

We heard on more than one occasion of the need to enhance the communications with GP's and Clinical Commissioning Groups. This needs to reinforce the message about the 3Ts programme and the overall enhancement to all acute services and not just those associated with teaching, tertiary and trauma services. We also witnessed a degree of lack of familiarity about the programme within the existing hospital workforce. We therefore recommend that the communications plans are reviewed and refreshed and that there is effective coordination and integration between the programme communications team and the Trust corporate communications team.

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The timing of this is very pertinent given the exposure that the programme is likely to experience with the recent planning application.

Recommendation 2: The Programme Director should refresh and implement an effective communications strategy to fully engage with all staff and stakeholders.

Good work has been undertaken to date on benefits realisation to get to OBC and supplementary work has been undertaken to satisfy DH and HM Treasury expectations for the quantification of benefits. We would encourage the Programme Team to continue to develop this aspect of the business case so that benefits fully underpin the FBC and the proposed investment in 3Ts programme.

3: Risk management

The Programme Team is using a good risk management process. Risks are captured at workstream level and consolidated into an integrated workbook that is capable of filtering and reporting key risks at a number of levels. This allows the Programme Team and programme board an excellent insight into all risks, and movement in the risk profile of the programme.

One of the highest scoring risks identified by the Programme Team relates to the ability to release bed space within operational departments to support the current decant strategy. This risk, and its associated mitigating actions, was raised a number of times during the course of our interviews. The concern is the potential to incur significant nugatory spend on refurbishing short term, fit for purpose, accommodation that will be demolished in a later phase of the build programme. The decision making process and the identification of the risk owner to conclude this issue is unclear and needs to be addressed.

4: Readiness for next phase – Delivery strategy

The 3Ts Programme Director is also the Trust's Director of Estates and Facilities and is deeply involved in the programme and wider Trust initiatives and pressures.

Given the complex interfaces between the programme, the existing estate and the wider Trust efficiency plans, we heard concerns from a number of sources about the level of pressure that is being placed on the Programme Director and whether this position is sustainable into the future.

The programme is moving forward into a challenging period of time to, inter alia, coordinate and produce an effective FBC, secure a Guaranteed Maximum Price (GMP) and to initiate a range of complex decant projects within the wider changing Trust landscape.

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We believe that it would be appropriate for the SRO to review the Programme Director role and to consider the scope of that role to be clear about responsibility for the existing estate, for the major new development and for the workforce and organisational development within the Trust.

Recommendation 3: The SRO should review the role of the Programme Director to be clear on its scope and its capacity to deliver the programme.

The 3Ts Programme Team itself appears to have been resourced appropriately to generate the OBC. The SHA has recently stopped funding the design development costs until such time as OBC approval from DH and HM Treasury has been secured. This has meant that the work on the decant programme has been stopped and a degree of momentum has been lost.

The decant packages have all reached different stages of development which will need to be revisited once clearance to proceed is granted. Time will also have elapsed since clinical sign off of the decant proposals and there is a risk that clinical support for the current proposals may change. The time required for 'remobilisation' of the decant element of the programme should therefore not be underestimated and should be acknowledged in future workload planning.

The 3Ts Programme Team are clear on what activities need to be undertaken following planning application and OBC approval. We recognise that the time available to produce the FBC and secure approval thereof is challenging if decant work is to commence on site as currently planned in April 2012. This activity is not yet set out in a fully resourced master programme to finalise the decant proposals and secure the GMP and workforce developments to inform and produce the FBC. The generation of such a programme will help enable all stakeholders to plan their contributions to the FBC, and will highlight any resource shortfalls and the critical path activity.

Recommendation 4: The Programme Director should prepare a fully resourced master programme to plan all activity that is required to complete and publish the FBC.

With the current general downward pressure on resources across the Trust as it drives to deliver its CIP targets, there is a risk that key skills will be lost from the Programme Team during the approval process and any delays that may be experienced. The Programme Team needs to formulate a strategy, that can be articulated to the Trust Management Board, to maintain the excellent core skills and extensive corporate and programme knowledge that has been developed to date.

With a target cost of circa £250m, this is a high value, high risk and complex project. The OBC makes a case for a Public Dividend Capital project and the current procurement strategy anticipates using a ProCure21 framework Principal Supply Chain Partner (PSCP) in favour of an extended open procurement or transfer to the new Procure21+ framework.

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It is likely that all approving bodies including DH and HM Treasury will fully expect to see clear evidence of a procurement strategy that will deliver a robust and transparent value for money solution.

In order for the Programme to seek a viable GMP, the Trust will need to be clear on its negotiation strategy to fully engage with the PSCP to enable an active and positive dialogue on all aspects of the scope of the works, works package tendering process and the associated risk transfer/risk sharing mechanisms.

A significant element of the value for money discussion will revolve around the overheads and profit element of the GMP and the Programme Team will need to be able to demonstrate VFM in the light of current market conditions and the ProCure 21+ framework benchmark rates.

The SRO should identify a clear negotiation strategy and a lead negotiator with clear accountability for decision making and for securing a value for money offer from the PSCP. The independent cost consultant and internal / external audit and assurance expertise will be essential in underpinning the value for money case.

Recommendation 5: The SRO should identify a clear negotiation strategy and lead negotiator to establish the rules of engagement and secure a demonstrable value for money offer from the marketplace.

The next Health Gateway Review is expected to be a Health Gateway 3: Investment decision to coincide with FBC approval and to be carried out prior to commencement of the main build phase, currently planned for August 2012.

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.

APPENDIX B

Interviewees

Name	Role
Duncan Selbie	Chief Executive and SRO, BSUH
Duane Passman	3Ts Programme Director, BSUH
Anna Barnes	Project Manager, BSUH
Chris Adcock	Chief Financial Officer, BSUH
Jonathan Reid	Head of Financial Strategy, BSUH
Julie Nerney	NED, BSUH
Peter Hale	Clinical Chief of 3Ts, BSUH
Michael Schofield	Director of Finance, NHS Brighton and Hove
Sherree Fagge	Chief Nurse, BSUH
Jo Andrews	Deputy Chief Executive, BSUH
Graham White	Director of Human Resources
Karen Hicks	Project Leader, Healthcare Sector, Laing O'Rourke
Martin Randall	Head of Planning & Public Protection Brighton & Hove City Council
Mark Frake	Programme Accountant, BSUH
Iain McFadyen	Chief of Trauma, BSUH
Nick Groves	Associate Director, 3Ts Service Modernisation, BSUH
Lawrence Goldberg	Chief of Specialist Services, BSUH
Rob Brown	3Ts Decant programme Manager/Head of Capital Development, BSUH
Robert Gregory	Head of Capital Investment Planning & Projects, NHS South East Coast
Steve Woodward	Associate Director, Turner & Townsend

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.	The SRO should identify a clear lead for all workforce development activities and ensure that the outputs and timelines for this work are fully integrated into the development of the FBC and Long Term Financial Model.	Do Now
2.	The Programme Director should refresh and implement an effective communications strategy to fully engage with all staff and stakeholders.	Do By December 2011
3.	The SRO should review the role of the Programme Director to be clear on its scope and its capacity to deliver the programme.	Do By OBC approval
4.	The Programme Director should prepare a fully resourced master programme to plan all activity that is required to complete and publish the FBC.	Do By December 2011
5.	The SRO should identify a clear negotiation strategy and lead negotiator to establish the rules of engagement and secure a demonstrable value for money offer from the marketplace.	Do By OBC approval