



3Ts Programme Board

Report to the Board of Directors, 6 July 2015

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.
2. The summary assessment uses the Major Projects Authority (MPA) Gateway classifications (which are attached as Annex 1 to this report) which is a five point scale.
3. This rates overall progress as Amber/Green.
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
Main scheme							
Decant							
FBC approval							
Stakeholder Engagement							
Modernisation And Workforce							

5. The most recent external Gateway Review undertaken on the 3Ts Programme from 10th-12th November rated the programme “Amber/Green”.

Reasons for Red/Amber Ratings

Decant

6. The Front Car Park and Courtyard buildings are currently scheduled for completion in December and October 2015 respectively. This is as per the last report to the Board.
7. One of the decant schemes was the relocation of paediatric ENT and audiology into the vacant space on the 10th floor of the Children’s Hospital. Due to operational pressures, the space adjacent to the Emergency Department which was occupied by the Clinical Investigation and Research Unit (CIRU) is now being used to manage emergency patient flows.

8. This element of CIRU has been located in the space in the Children's Hospital. A new solution is therefore urgently required for the ENT/audiology elements as these need to relocate to allow remodelling of the ENT/Audiology building to allow parts of it to be demolished for the main scheme. Options are still being drawn up and will be concluded as soon as possible. Work is also underway to investigate mitigations to allow more time for this work to be undertaken without affecting the implementation of the main scheme adversely.
9. A Planning Application has been submitted for the Clinical Administration Building in the north east corner of the site and has now been validated. This will provide accommodation for parts of the decant programme and some additional capacity to assist with space constraints in the emergency department. Subject to successful determination of the Planning Application, the building should be available by Christmas 2015.

FBC approval

10. The approval timescales continue to be challenging. At the last meeting of the National Programme Board for the programme, which includes representation from the Trust, the CCGs, NHS England, the Trust Development Authority, the Department of Health and HM Treasury, it was agreed to pursue a final FBC approval by the end of July 2015.
11. This will be subject to some further updates on the Trust's Long Term Financial Model and the receipt of an affordable construction price from Laing O'Rourke. The latter is to be submitted on 17 July.
12. This plan allows a start on site for the main scheme in January 2016 as programmed.

Modernisation and workforce

13. As reported in January, the TDA review has requested further detail regarding the workforce plan for the Trust as a whole across the 10 year implementation period. This is nearing a conclusion. The key issue is the triangulation of the Trust's Long Term Financial Model, workforce plans and Cost Improvement Plans.
14. A workforce change programme manager post has been funded and an appointment has been made.

Risk and Regulatory

Risks and Issues

15. The top 10 BSUH risks are as follows:
 - **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 method statements applicable 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 is about to start in the development of the risk and method statements;

- **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;
- **FBC drafting (2)**. There is significant uncertainty about the HMT approval period and the consequent impact on the programme. This is being mitigated through continuing discussion at the 3Ts National Programme Board;
- **Decant overarching (38)**. Delay to paediatric audiology relocation and remodelling of the audiology/ENT Building which has now crystallised as noted above. This could delay planned commencement of works for paediatric audiology which then delays decant completion and vacation of stage one site. The mitigation is to revisit the sequencing of works for this building and seek alternative locations for paediatric audiology/ENT;
- **Design Process 2 (1)**. Design delay: the detail of the design should be developed within an agreed framework and timetable. A failure to do so may lead to additional design and construction costs. Mitigation: Ensure all parties aware of framework and timetable prior to commencement;
- **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 e.g. loan with 40 year repayment term would create an overdraft of £44m by 2022/23. Discussions are underway with the TDA and DH to identify the optimum mix of loans and Public Dividend Capital which supports the continued sustainability of the Trust;
- **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 2015/16. Ongoing support with transitional costs requires confirmation as part of FBC approval process;
- **Main Scheme Capital (16)**. Delay programme to get to GMP leads to higher delivery cost, caused by Trust, Third Parties or LOR. Negotiations with LOR have resulted in lower prices and revised valuation from DV has reduced the affordability risk. Discussion with TDA re exact mix of PDC versus PDL continue;
- **FBC drafting (5)**. Commissioners cannot afford scheme (changes in the size and allocation of resources for health care) which undermines FBC. Mitigating this risk would include a regular updates/commissioning interface to confirm costs and affordability as the scheme progresses. There is also a need to ensure that the scheme keeps to its brief and that there are robust plans in place to ensure that BSUH's efficiency programme delivers its savings and to see if more savings can be delivered above those already identified.

Finance

16. The monthly finance report is summarised below:

- The current actual spend this financial year is £5.46m against a Plan of £26.95m and a Forecast of £32.98m. Actual spend is slightly behind programme due to timing of design work and Decant delays. The decant implementation of paediatric audiology is not yet impacting upon the Forecast. The variance between Plan and Forecast is actually caused by bringing forward Phase 4 Design Fees and the need to bring forward electrical infrastructure works and these changes were discussed at the June Trust Board meeting.
- Revenue expenditure is within budget, with the programme making a £0.17m contribution to the Trust's Efficiency Programme

Programme and Project Management






17. **Gate 3 Action plan:** As reported to the 3Ts Programme Board, this is in the process of being implemented.

Conclusions/Recommendations

18. The Board is asked to note this report and the mitigations which are in hand to manage the key risks.

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3Ts Programme Director and Senior Responsible Owner
22 June 2015

Annex 1 – Gateway Criteria Descriptions

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