

3Ts Programme Board

Report to the Board of Directors, 30 November 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							
GMP negotiations							
Stakeholder Engagement							
Modernisation And Workforce							

5. The most recent external Gateway Review undertaken on the 3Ts Programme from 10th-12th November 2014 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 April 2015 as discussed at the last Trust Board.
7. 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. This will provide accommodation for parts of the decant programme and some additional capacity to assist with space constraints in the emergency department.
8. Galliford Try has had to forecast a delay in completion from the original date of Christmas 2015 to a revised date of April 2016, although this is still subject to review. This has occurred because of several factors; one of them being the structural challenges of the retaining wall at the North of the RSCH site.

9. 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. This element of CIRU has therefore been located in the space in the Children's Hospital which had been earmarked for Paediatric Audiology.
10. 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, but will require resolution as part of the Trust's normal planning and capital processes. The firm intention is to relocate the service to the Children's Hospital, but alternative accommodation will be required for CIRU, and this is currently in development.
11. Work is therefore developing to investigate mitigations to the issues involved in a phased site handover. This involves staggering the evacuation of the main site and the possibility of "double decanting" the services which will be affected.

Main Scheme

12. The plan is still to proceed with main scheme preparatory works on site in January 2016: There will be a phased hand-over of the Stage 1 site between January and June 2016. Preliminary works are also scheduled for the Thomas Kemp Tower in readiness for construction of the helideck and the new energy centre for the site. Liaison with Trust operations will be vital, as this will necessitate timed closures of the South Service Road early in 2016. This engagement and liaison is well underway.
13. This is instead of the original plan to allow full site possession in January 2016. This has been achieved without any additional cost implications overall.
14. Some service diversion works are being undertaken on the site between November and December 2015 to prepare the way for the implementation of the main scheme. These were part of the application made to, and approved by, the Independent Trust Financing Facility, last year.
15. Lessons learned from the decant schemes will inform main scheme in the coming year.

GMP negotiations and Contract

16. As reported at the Trust Board on 14 October, Board approval as sought to allow the CEO and CFO to sign the final contract with LOR subject to resolution of a small number of legal/commercial issues and DH determination of the way forward with regards to overall funding. This was formally agreed.
17. Although we have had verbal confirmation that the project has full and final approval, it is expected that this will be confirmed as part of the Chancellor's Spending Review and Autumn Statement which will be made on 25 November.
18. We then expect the final approval letter to be released and can then proceed to signing the contract.

Modernisation and workforce

19. The Trust-wide Workforce Modernisation programme, which aims to reduce the overall pay cost base through new/extended roles and streamlined education pathways, is progressing. This has a number of critical drivers, including national agency caps, the avg. 3% year-on-year pay cost reduction assumed in the Trust's Long-Term Financial Model (LTFM), and 3Ts expansion in some of the hardest-to-recruit specialties (with additional staffing assumed at marginal cost). The plan has been reviewed by the TDA as part of 3Ts due diligence, and is developing in partnership with Health Education Kent, Surrey & Sussex (HEKSS) and the KSS Academic Health Sciences Network (ASHN).
20. The key challenge is funding pilots/initiatives (esp. where these require double-running to support 'grow your own' schemes) during a period of considerable financial pressure, and retaining the longer-term view alongside the immediate operational imperative.

Risk and Regulatory

Risks and Issues

21. The top 11 BSUH risks with a score of 16 or greater are as follows:

- **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 and this is now in an advanced stage of development;
- **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;
- **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;
- **Main Scheme Capital (24).** Trust do not vacate all of site in a timely manner as part of the decant leads to delay to start of construction, cost of inflation, increased duration of decant and associated costs;
- **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;

- **Design Process Main Scheme 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 includes ensuring all parties are aware of framework and timetable prior to commencement;
- **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;
- **NRB P21 GT (8)** Stage 3 Approvals and Contracts not implemented in time leading to delayed design deliverables for the Clinical Administration Building (CAB);
- **NRB P21 GT (82)**. There may be a lack of resource (funds, time or people) to complete the CAB FBC document effectively;
- **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;
- **FBC drafting (2)** which relates to HMT approval. This risk will be closed upon receipt of the final approval letter.

Finance

22. The monthly finance report is summarised below:

- The current actual spend this financial year is £19.17m against a forecast of £34.44m. 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.
- Revenue expenditure is within budget, with the programme making a £0.17m contribution to the Trust's Efficiency Programme

Programme and Project Management

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

24. The programme governance arrangements are being refreshed as we move into a phase 4 construction contract.

Conclusions/Recommendations

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

Duane Passman
3Ts Programme Director and Senior Responsible Owner
24 November 2015

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>