

3Ts Programme Board

Report to the Board of Directors, 30 June 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 17 June 2016.
2. The summary assessment uses the Infrastructure and Projects Authority (IPA) Gateway classifications (attached as Annex 1 to this report) which is a five point scale.
3. This rates overall progress as Amber. This rating indicates that “successful delivery appears feasible but issues require management attention. The issues appear resolvable at this stage of the programme/project if addressed promptly”. The report below identifies the actions which are currently being taken.
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” and similar tools developed by the IPA and the Association of Project Management (APM) on a regular 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 10-12 November 2014 rated the programme “Amber/Green”.
6. The overall rating is being maintained at Amber to reflect the delays to various elements of the decant programme which, although are currently being mitigated, require constant management from the Trust team and Laing O’Rourke (LOR).

Overall Progress

Decant

7. The Courtyard and Hanbury buildings are currently scheduled for handover in July 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 (FBC) for the latter element (£1.8m) was approved by the Board at its meeting in March 2016 was immediately submitted to NHS Improvement (NHSI).
10. The capital for this element forms part of the Trust's Operational Capital Programme for 2016/17, but approval is required from NHSI as the Trust's delegated authority to self-approve capital expenditure currently stands at £1m.
11. Once the outcome of this FBC is determined, we will be able to proceed with the construction of the Clinical Administration Building. This approval is under discussion with NHSI. Once the parameters of approval are in place, a revised programme for delivery can then be established.
12. Alternative office accommodation for those located on the 3Ts Stage 1 site area will be made available in June and July 2016 on the St. Mary's site in temporary modular buildings. The accommodation on the North Tennis Courts is in place and is now occupied. Additional accommodation will be provided on the South Tennis Courts in the accommodation which will eventually be utilised by LOR as its main site offices. This accommodation will start to be brought to site on 1 July.
13. Some of this accommodation provides the facilities to accommodate the relocation an additional 60+ personnel as part of the process, which was not envisaged in the original decant plan.
14. Also as previously reported, the patient-facing aspects of the Clinical Investigation and Research Unit (CIRU) has been located in the space in the Children's Hospital which had been earmarked for Paediatric Audiology and as set out in the agreed FBC for decant.

15. 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.
16. Adult audiology has now relocated to a temporary unit adjacent to Sussex House until the final works in Sussex House ground floor are completed over the summer.
17. Vacated buildings on the main site - former Trust HQ, Estates/EBME, Stephen Ralli and "Building 545 Extension" – have now been handed to LOR who will then start the process of preparation for, and then actual, demolition. This is a major series of milestones which have been achieved.
18. "Double decanting" was the key principle that the decant team sought to avoid: The team as a whole is grateful for the staff in all the areas concerned for their forbearance and understanding where this has not proved possible as we understand that it is less than ideal and is disruptive.

Main Scheme

19. The closure of the South Service Road took place as scheduled on 22 April. The main issue remains the logistical challenge associated with maintaining deliveries/essential services whilst this road closure, and the restriction to the width of the North Service Road are in place (for the rest of the calendar year 2016). This has necessitated examining current practices, and working towards the use of smaller delivery vehicles.
20. The final safety measures for the construction of the helideck on the Thomas Kemp Tower have been installed. A 14 metre crane was set up on the top of the tower over the weekend of the 21/22 May. This will enable the construction of the helideck proper. Steelwork will begin delivery in July.
21. The need to hand over lift T1 in the south east of the Thomas Kemp Tower to LOR, as part of the helideck lift works, has required a change to waste management logistics in the tower and the installation of a new waste store in the multi-storey car park. Waste solutions for levels 5 & 6 are being implemented; those for all other levels have been completed. A fire evacuation issue associated with the loss of lift T1 is being addressed.
22. As well as monitoring, and responding to, these key operational issues, the team is also focused on the mitigation of the decant delays to the main scheme works and the ongoing detailed design processes required for the main scheme.

23. The other key point is to ensure that the appropriate Risk and Method Statements for works on site are being received, assessed and agreed with the relevant clinical and other Trust teams to ensure that patient safety and operational efficiency is maintained.
24. An Executive-led workshop will be held in July to assess the impact on the operational estate over the next six months to provide greater assurance that adequate plans are in place to mitigate these impacts.

Stakeholder Engagement

25. The next meeting with the Hospital Liaison Group is scheduled to take place on the evening of 18 July.
26. Residents have raised concerns about the impact of construction traffic on local roads, especially in the Woodingdean area. A meeting is being held in Woodingdean at the end of June to discuss traffic issues more generally, but it is expected that there will be some focus on construction traffic. The Trust and LOR will be present at that meeting..

Workforce Modernisation

27. Steady progress is being made in implementing the approved pilots as part of the wider Trust workforce modernisation programme – in preparation for 3Ts Stage 1 opening in 2020 and earlier Trust-wide implementation ('radiated benefit' of 3Ts). Governance is through the Trust/HEKSS (Health Education Kent, Surrey & Sussex) Workforce Programme Board, 3Ts Programme Board and Trust Education & Knowledge Board. Details of individual schemes (aims, timetable, metrics/evaluation, progress etc.) are available on request.
28. Critical Care is identified as a particular risk (reflected in the 3Ts Risk Register), given the combination of step-increase in capacity in 3Ts, high staff/patient ratios, national staffing shortages (nursing, medical), existing Trust vacancies, system-wide impact if recruiting to 3Ts denudes neighbouring NHS Trusts, long lead-in time, and pump-priming investment in education required to support new workforce models (e.g. Advanced Critical Care Practitioners). A workstream has been established (to be supported by a short-term dedicated 3Ts Clinical Project Manager) to identify potential solutions, drawing on best practice from other Trusts.
29. Staffing for 3Ts (recruitment/staff numbers, pay cost efficiencies, new models to support the new design) remains a risk, as reflected in 3Ts Risk Register. This will require close monitoring to ensure the risk is reducing over time and 3Ts can open to planned capacity and in line with financial/pay cost assumptions. The programme would benefit from additional project resourcing (currently fully resourced through 3Ts/NHSE, HEKSS and ad hoc staff projects, e.g. FY2 Management & Leadership Trainee placements) – this may be enabled through the new Trust Programme Management Office (PMO).

Other Discussions Held at the Programme Board

Governance

30. Programme Board also reviewed the proposed revised governance and assurance structure for the 3Ts Programme which will be taken to the next meeting of the reconstituted Programme Board (as per the Trust governance structure) for further discussion and confirmation.

31. The Audit Committee has received and discussed the Internal Audit Review of the proposed governance structure which was produced by Grant Thornton and which was discussed in draft at the previous Programme Board meeting.

32. The key points from the review are:

- Engagement and involvement of senior managers from “Business as Usual” in the programme structure;
- Importance of continued clinical engagement and the recruitment of a new clinical lead to support the Programme Team;
- To ensure that any changes to the external advisers to the Trust are managed appropriately to minimise disruption and ensure that the necessary knowledge transfer is undertaken (the term of appointment of Turner & Townsend as Independent Cost Advisers and Project Managers concludes in late 2016/early 2017).

33. The Audit Committee has accepted the report and the action plan proposed. The specific actions for this and progress against them will be reviewed regularly by the Programme Board.

34. It was also noted that the next meeting of the Programme Board in July, would be the first under the new Trust governance structure and will now be chaired by a Non-Executive Director.

Risks

35. The top 17 BSUH risks with a score of 15 (likelihood times potential impact on a 5-point scale for both) 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) has been undertaken in order to plan appropriate mitigations. Targeted communications has been undertaken to those affected and the continued operational impact is being kept under close review;
- **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 but constant vigilance is required from all parties;
- **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 not satisfied 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. Work is underway on the identification of these issues and detailed work has started on the development of the risk and method statements as necessary;
- **Workforce Planning 2 risks (2, 4 and 8)**. These risks cover workforce modernisation, workforce availability (for example critical care) and revenue risks. The revenue risk, is concerned with the CIPs. Trust LTFM and 3Ts FBC assume 3% year-on-year pay cost reductions, and 3Ts staffing at marginal cost (50-75%). The operational risk concerns the 3Ts design (single rooms, floor area) which 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. There is an also another risk regarding availability of staff;

- **Arts Strategy (4)** Arts Strategy not implemented because of problems in procurement of Willis Newson services (contract not yet in place). S106 agreement requires implementation of Public Arts Scheme, as previously approved by Programme Board. This will be known as Connect. Presentation was given to Programme Board re progress and Connect budget agreed. The necessary paperwork has been prepared and is being progressed;
- **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 which are in hand;
- **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 to be organised;
- **Trust Business Continuity (22)** Impact of construction. There is a risk that stakeholders outside the Trust are not satisfied with the construction, demolition, excavation and any other methodologies applicable for the delivery of the works as described in the Method Statements. Mitigation includes identifying and managing key stakeholders including local residents. Clear lines of communication with local residents and other key stakeholders are key as is adherence to the CEMP;
- **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;
- **Trust Business Continuity (18) Overall Affordability- revenue.** BSUH has to make savings of £173m (including Pathology and EPR) between 2013/14 and 2021/22 and 3Ts added £15.6m to this (down from £30m). There is therefore an overall risk on affordability. 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;

- **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. Further work will also be undertaken as part of the wider Sustainability and Transformation Plans which are being drawn up across the health economy;
- **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.

36. These risks have been refreshed at Programme Board level (and below) since the last Board report.

Finance

37. Capital projections are as per the finance report elsewhere on the Board agenda.

Programme and Project Management

38. Gate 3 Action plan: As previously reported, the recommendations continue to be reviewed and implemented.

39. A Gateway Review (Gate 0) is due during 2017 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.

Conclusions/Recommendations

40. 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 continues to be made, together with the key role being played by Trust operations to overcome some of the logistical challenges on site.

Duane Passman
3Ts Programme Director and Senior Responsible Owner
22 June 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>