

Meeting:	Grampian NHS Board Meeting
Meeting date:	2 December 2021
Item Number:	7
Title:	Baird and ANCHOR Project Update
Responsible Executive/Non-Executive:	Alan Gray – Director of Finance
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1 Purpose

This is presented to the Board for:

- Assurance on the Baird Family Hospital and ANCHOR Centre project in relation to programme, cost, quality and planning for commissioning.

This aligns to the following NHS Scotland quality ambitions:

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

Following approval of the Full Business Case (FBC) by the NHS Grampian Board and the Scottish Government Capital Investment Group (CIG) in September 2020, the Construction Contract for the Baird and ANCHOR Project was entered into in October 2020. The construction programme commenced in January 2021, and we are at the first anniversary of this phase of the project. This paper describes the arrangements in place to manage the programme and the routes through which performance is monitored. It confirms progress on construction of the new facilities and the arrangements being progressed to commission and occupy them.

2.2 Background

Both of the new facilities and the associated service redesign are consistent with our strategic themes, delivering the following high level benefits:-

- improvements in patient experience and environment (person centred),
- improved access, quality and efficiency of service delivery (effective),
- reduction in the level. of backlog risks (safe),
- supports the key strategic commitment in relation to delivering the Maternity Services Strategy approved by this Board in 2010

The Baird Family Hospital will be a new purpose built hospital which will provide maternity, gynaecology, breast screening and breast surgery services. It will also include a neonatal unit, centre for reproductive medicine, an operating theatre suite, community maternity unit and research and teaching facilities.

The ANCHOR Centre will be the next significant phase in the development of services for haematology and oncology patients, creating much needed purpose built day and out-patient treatment and support accommodation space. This new purpose built facility will be called The ANCHOR Centre.

The contract to construct these facilities was entered into with John Graham Construction Limited on 21 October 2020 and the programme for delivery is set out below.

Construction Milestone	Estimated dates
Construction Completion - ANCHOR	February 2023
Bring into Operation - ANCHOR	May 2023
Construction Completion – Baird	September 2023
Bring into Operation - Baird	December 2023
AMH Demolition	May 2024

Prior to the entering into the formal agreement to move to the construction phase an independent design assurance was commissioned by NHS Scotland Assure. This comprehensive review covered the key design elements of the project and was in addition to the existing NHS Scotland National Design Assessment Process and Gateway Reviews undertaken on major projects within NHS Scotland. The independent design assurance review included learning from the Queen Elizabeth University Hospital and new Edinburgh Royal Hospital for Children and Young People projects.

2.3 Assessment

Overview

The governance and management arrangements were set out and agreed by the Board as part of the Full Business Case. The delivery of the project is overseen by the Project Board, with regular monthly reports to the Asset Management Group and to each of the Performance Governance Committee meetings.

Construction of the two facilities is making good progress despite the challenges that have been presented over the last 12 months in relation to market conditions, supply chain issues and the ongoing COVID pandemic. These are in addition to the challenges associated with the delivery of a Project of this scale and complexity. Those risks with greatest impact are set out later in the paper.

In relation to delivery on Design Programme, completion of the design activities has presented a number of challenges with performance of the design team and changes to final requirements to secure compliant requirements. Work is ongoing to understand the

impact, identify mitigations and review the deliverability on the programme against the project timelines. At this stage the dates set out above remain unchanged but may require to be updated following the review being undertaken in partnership with our Principal Supply Chain Partner.

Forecast cost remains unchanged from those set out in the approved FBC, however utilisation of the risk allowance within the forecast is occurring earlier than anticipated. In light of the significant changes in the wider market place a comprehensive review of the project costs is being undertaken to assess the position. A further update will be provided to the Board by April 2022 in this respect.

Design review by appropriate technical officers, external experts and clinical stakeholders has been and continues to be an integral component of the development of the new facilities. This includes response to the findings of the independent design assurance review undertaken prior to FBC approval. The Project will be subject to further Independent Design Assurance Reviews during the construction and commissioning phases of the Project and positive engagement with initial planning for these further reviews has commenced.

Regular stakeholder engagement continues to ensure that the new facilities reflect need and expectations. An Executive Service Redesign Group chaired by the Acute Director of Nursing & Midwifery oversee the planning for bring into operation of the new facilities and to secure the benefits planned for.

Quality/ Patient Care

Quality in design is integral to aspect of delivering this Project. The innovative design concept for the project was developed following a significant period of consultation with all clinical groups, patients and the general public. In addition, design review by appropriate technical officers, external experts and clinical stakeholders has been an integral component of the development of this Project's facilities. As has NHSScotland National Design Assessment Process (NDAP) which promotes design quality and the realisation of service outcomes been a feature, as has the new assurance review process.

Quality in construction is also an integral aspect in the delivery of this Project. With robust quality management arrangements mandated to the contractor and subject to regular monitoring. Additionally, NHS Grampian technical resources (clerk of works and contract technical supervisors) have a key roles in overseeing contractor performance. The NHS Scotland assurance review process will also feature with two further reviews for each facility scheduled.

Turning to the impact of the new facilities:

Baird Family Hospital	ANCHOR Centre
Key principles	Key principles
<ul style="list-style-type: none"> • Facility to appropriately care for different patient groups • Provide opportunity for redesign • Plan for local, regional and national service delivery • Support women, patients and families e.g. Patient Hotel • Fit for purpose, co-location, e.g. Paediatric Surgery, ITU and MRI 	<ul style="list-style-type: none"> • Comfortable, non-threatening communal areas • Maintains dignity and privacy • Facilitates clinical trials, research and teaching • Specific provision for teenager and young adults • Safe, efficient and productive working environment
Operating Model	Operating Model
<ul style="list-style-type: none"> • New service models e.g. Triage, Transitional Care • Ambulatory care as the norm • 100% surgical pre-assessment • 85% admission on day of surgery • Enhanced Recovery • Reduce length of stay appropriately • Increased patient choice e.g. water births • Increase recruitment to clinical trials 	<ul style="list-style-type: none"> • Acknowledgement of increasing prevalence of disease and associated treatments • Oncology and Haematology services work seamlessly: • Change in working models • Nurse-led clinics • Improved clinical scheduling

Service and workforce planning

Service redesign has been a workstream since 2016 when clinical briefs for all of the Baird and ANCHOR specialities were agreed. The principles of redesigning in advance of occupation of the buildings, where possible, has been positively engaged with by service colleagues who have led the required redesign activities.

There is a comprehensive service redesign governance structure in place; each speciality has a dedicated redesign group which reports to a senior redesign group. Senior oversight is provided by the Executive Redesign Group chaired by the Acute Director of Nursing and Midwifery. Workforce planning is being progressed as part of the project's overall service redesign agenda, in line with the agreed FBC.

The principles of redesigning in advance of occupation of the buildings, where possible, has been positively engaged with by service colleagues who have led the required redesign activities. Engagement with clinical and operational staff input will feature throughout the commissioning planning and bring into operation activities over 2022 and 2023 and the project team is sensitive to the operational demands that staff are likely to face for the foreseeable future.

Financial

The capital investment requirement is reflected in the NHS Grampian Infrastructure Plan and is being funded by additional capital allocation from the Scottish Government. Actual expenditure (£45.1 million) and forecast (£233.2 million) is set out in the table below.

The overall project forecast includes risk provisions (£5 million) to address risks as they arise. Following the conclusion of the ongoing commercial dialogue with the contractor this is expected to be over 50% committed and will secure technically compliant and functionally suitable solution. Further financial pressures will continue to impact on the project emerging from the COVID 19 pandemic, current market pressures in relation to material shortages and inflation are being experienced across the construction industry. The pressure on the overall risk allowance is recognised and is being closely monitored.

	Approved	Actual	Forecast
	£millions	£millions	£millions
Construction Related Costs	216.2	45.1	216.2
Furniture and Equipment	17.0	0	17.0
Total Investment	233.2	45.1	233.2
Sources of Funding			
SG Additional Capital Funding	233.2	45.1	233.2
Total Sources of Funding	233.2	45.1	233.2

The planned recurring revenue costs in the first full year of operation (2024/25) is anticipated to be £9.7million as reported in the Full Business Case and has been incorporated into the Board’s financial planning for that period.

Risk Assessment/Management

Risk management procedures are an integral feature of the project with a comprehensive risk register maintained monthly by all parties, weekly risk reductions meetings and regular reporting of key risks to the Project Board. Those risks that are currently categorised as red risks, and therefore of greatest concern in relation to the delivery of the Project are:

- Market conditions within the construction industry are creating a risk to programme and costs due to ongoing material shortages and inflation. Work is ongoing with the contractor and its supply chain to understand and manage current circumstances.
- Capacity of experienced and expert resources to respond to programme – the Project Director has confirmed with the Project Board and Project Team temporary arrangements to enhance project team capacity.
- Design review and assurance activities ensure technical compliance and functional suitability at this stage can impact on programme and cost. A robust change control arrangement is in place to ensure only essential changes are instructed.
- COVID 19 impact on programme continues to be closely monitored.
- Workforce being in place to successfully realise the benefits of the new facilities – work is ongoing to confirm resource transfer and develop and implement workforce and training plans.

These risks are impact on certainty in relation to programme delivery and existing dates for the completion of the facilities is under pressure. Greater clarity will be realised in coming months and will be reported back to the Board in March 2022.

Equality and Diversity, including health inequalities

The project undertook a Health Inequalities Impact Checklist in February 2018 as part of the Outline Business Case. This piece of work was commended by the Public Health Team.

This work demonstrated that these new facilities will provide opportunities to engage more with vulnerable or disadvantaged groups than is the case in existing facilities e.g. single room accommodation, increased space for families to be together, Transitional Care in the Baird which will help support vulnerable families, teenager and young adult provision in The ANCHOR Centre etc.

Other impacts

No other relevant impacts to note at this stage.

Communication, involvement, engagement and consultation

The project has a very active communication work stream which has been in place since 2015 when engagement with patients and staff commenced. The project team has dedicated input from a Consultation and Engagement Advisor. This is in addition to communication being a significant feature in the work undertaken by senior project team personnel.

The Full Business Case included the suite of communication documents that have been developed, and are maintained, by the project team. These include:

- Communication and Involvement Framework
- Communication action plans that are updated every six months
- Stakeholder analyses
- Regular staff awareness sessions
- Regular project newsletter
- Active social media accounts
- Project website
- Ongoing and active patient engagement e.g. in development of original clinical briefs, input to design, ongoing input to interior design, future input to art strategy

Route to the Meeting

Project performance is reported regularly at the monthly Project Board and Asset Management Group meetings. A report from the Project Director and Senior Responsible Officer is provided at each Performance Governance Committee. The content of this report is consistent with the most recent Project Director Reports.

Recommendations

The Board is asked to:

- **Assurance** –review and scrutinise the information provided in this paper and confirm that it provides assurance that the management arrangements of the Baird and ANCHOR Project are working effectively and that delivery performance is satisfactory with appropriate risk mitigation arrangements in place.
- **Future reporting** – a further report be brought back to the April 2022 Board meeting; and quarterly thereafter through the life of the project.