

Greater Glasgow & Clyde NHS Board

NHS Board Meeting

24th February 2009

Board Paper No. 09/08

Report of the Director of Acute Services Strategy, Implementation and Planning

Update on the New South Glasgow Hospitals and Laboratory Development on the Southern General Hospital Site

RECOMMENDATION:

Board Members are asked to receive feedback on the outcome of the Gateway Review 2 process and an update on progress with the new Adult and Children's Hospitals and Laboratory development at the Southern General Hospital site.

1. Purpose of Paper

This paper provides feedback on the outcome of the Gateway Review 2 process and an update on the progress of the current stage of work (Stage 1A) in taking forward the New Adult and Children's Hospitals and New Laboratory Facility.

2. Gateway Review 2 : Delivery Strategy

- 2.1 The Gateway review investigates the assumptions in the Outline Business Case (OBC) and proposed approach for delivery of the project. The delivery strategy will include details of the sourcing options, proposed procurement route, supporting information and project methodology. The review will also check that plans for implementation are in place.
- 2.2 The review was carried out by a team of three reviewers led by William Harrod, one of the most experienced Gateway Reviewers in the UK.
- 2.3 The review was carried out on 27th to 29th January.
- 2.4 The Review Team found that the project has made significant progress since the first Gateway Review in January 2008. The key managers across the project all have a very detailed understanding of all areas of the project. This reflects both the quality and level of communication and the Board's approach to accountable officer responsibilities, which leads to the involvement of key players in a large number of project boards and groups. This project has taken a very robust approach to the identification of a suitable procurement route, seeking input from advisers and the marketplace. The prudent financial planning in the OBC means that the project is as well-positioned as possible to manage the uncertainties of the current economic climate. The public support of the Scottish Government in approving the OBC is expected to bring increased confidence to the market.

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The Review Report (which is available upon request) sets out some potential improvements which could be made to the project structure, as well as the opportunity to carry out a more detailed description of the benefits outlined within the OBC. The project's approach to risk management has also improved with the implementation of a single risk register, and the addition of a well structured issues log.

2.5 The report sets out a series of recommendations based on a traffic light system i.e. Red, Amber or Green status:

- Red – Critical for immediate action i.e. to achieve success the project should take action immediately to address the recommendations;
- Amber – Critical before next review, i.e. the project should go forward with actions on the recommendations to be carried out before the next review;
- Green – Potential improvement, i.e. the project is on target to succeed but may benefit from uptake of the related recommendations.

2.6 The overall Report Status is **Amber**.

2.7 The findings and recommendations are as follows:

<i>Assessment of delivery approach</i>	No recommendations
<i>Business Case and Stakeholders</i>	2 recommendations: a) The project should maintain the high level of communications with internal stakeholders (Green) b) The project should develop a more detailed benefits management plan (Amber)
<i>Risk Management</i>	1 recommendation: The project should ensure that all members of the team understand the risk management process (Green)
<i>Review of Current Phase</i>	No recommendations
<i>Readiness for next phase – investment decision</i>	2 recommendations: a) The Project Board should consider a more integrated project structure (Green) b) The project should consider the appointment of a deputy Project Director to cope with the additional workload of future project phases and enhance the experience and capability within the GG&C Board. (Green)

2.8 The next Gateway Review (Gateway 3: Investment Decision) to support the approval of the Full Business Case is scheduled for September 2010.

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3.0 Overall Programme

The overall project programme is divided into 6 stages over a seven year period. These are:

Stage 1A –	Employers Requirements
Stage 1B –	1 st stage of Procurement – evaluate bids
Stage 2 –	2 nd stage of procurement work with preferred bidder to develop design
Stage 3 –	Construction
Stage 4 –	Commission
Stage 5 –	Post Project Evaluation

4.0 Current stage - Stage 1A

The project team and advisers are currently working to complete Stage 1A of the project i.e. the Works Information (includes Employers Requirement and Exemplar Design.)

Following the successful outcome of the Gateway 2 Review, the procurement stage has commenced with the issue of OJEU Notification on Friday 6th February (published 10th February). The Pre Qualification Questionnaire (PQQ) and Memorandum of Information are available for issue to potential bidders upon request and the evaluation criteria have been agreed.

An Industry Day took place on 16th February 2009.

4.1 Clinical Output Specifications

Whilst a number of Clinical Output Specifications are still in draft or final draft status, the output to Schedules of Accommodation has been essentially frozen to permit development of the exemplar design. In the majority of cases, this carries a minimal risk as the work has been substantially completed and the likely impacts on physical area have been understood.

The revised Schedule of Accommodation (Version 7 for Adults and Version 3E for Children's) is being utilised to inform and develop the 1:500 Adjacency Layouts and 1:200 key departmental plans for:

Adults	Children's
Theatres	Theatres
Emergency Complex	Emergency Complex
Accident & Emergency	Typical Ward
Typical Ward	Schiehallion Unit
Radiology	Radiology/Cardiac Cath/Nuclear Medicine
Critical Care	Rehabilitation
Outpatients	

These drawings will crystallise the work undertaken with user groups and provide a minimum standard to which the bidders would develop their designs. It is anticipated that the resource input required from the Project Team and Clinical User Groups will be significantly reduced during the tender stage by the provision of these layouts.

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The development of the exemplar design is slightly behind the programme dates, but will be accommodated within the overall timetable without impact on the tender issue date of 14 April 2009.

4.2 Master Plan

The Master Plan has further developed with the following issues requiring further development / discussion:

- New principal access route off Govan Rd
- Access/egress for Fast Link
- Site entrances and access
- Underground car parking
- A&E Car Park to the south of development site

A presentation of the revised Master Plan principles was made to Glasgow City Council and follow up discussions have been diarised to manage the approval of the Master Plan by June 2009.

The Site Investigation Works have been awarded and the works begin week commencing 9th February 2009.

4.3 Laboratories

The revised scope has been confirmed, providing facilities for:

- Mortuary (including City Mortuary)
- Biochemistry
- Haematology
- Pathology
- Genetics

The schedules of accommodation have been agreed and frozen at RIBA Stage C. As this will be an advanced work package to the main hospitals construction project, it is intended to develop the Laboratories design to RIBA Stage F/H to achieve a firm construction price at the first stage of procurement. The work required to develop the design is currently out to tender.

4.4 Energy Centre and Utilities

A decision to construct the New Energy Centre along with the Laboratories Build will be made at the end of February 2009.

Negotiations are ongoing with Utilities providers in order to mitigate the risk inherent with the provision of supplies to such a major development.

The provision of a primary sub-station is being designed into the multi storey car park proposed on the Hardgate Road boundary.

4.5 FM/Goods Deliveries

The requirements have been agreed and have been incorporated into the design on the ground floor of the laboratory buildings and these will require to be further developed by the "new" design team for the laboratories upon their appointment.

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4.6 Section 75 Agreement

The work to complete negotiation with Glasgow City Council on the Section 75 Agreement has still to be concluded. The Section 75 Agreement identifies specific requirements on NHS GG&C to comply with the City Planning requirements. The main requirements are:

- Make provision for a mass transport system (Fastlink) to be incorporated into the site development plan of the Southern General Hospital. Provide a financial contribution to the Fastlink development;
- Support the enhancement of bus services for the new development by providing a financial contribution;
- Provide financial support for the provision of traffic controls on the streets adjacent to the Southern General Hospital site;
- Support enhancements to external cycling and walking routes by providing a financial contribution.

The total contribution from NHS GG&C in relation to the Southern General Hospital Project is £6.25m (inclusive of VAT) which is contained in the project cost plan.

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Board Members are asked to receive feedback on the outcome of the Gateway Review 2 process and an update on progress with the new Adult and Children's Hospitals and Laboratory development at the Southern General Hospital site.