

Meeting:	NHS Grampian Board Meeting
Meeting date:	5 October 2023
Item Number:	10
Title:	Baird Family Hospital and ANCHOR Centre Project Update
Responsible Executive/Non-Executive:	Dr June Brown – Executive Nurse Director and Senior Responsible Officer (SRO)
Report Author:	Garry Kidd, Project Director

1 Purpose

This is presented to the Board to:

Note progress with The Baird Family Hospital and ANCHOR Centre project.

This aligns to the following NHS Scotland quality ambitions:

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The previous update received by the Board on 3rd August 2023 highlighted the activities that the project team are currently prioritising, two significant areas of risk being:

- The potential impact on programme and cost arising from the requirement to revisit elements of the design for both buildings; to ensure that up to date learning on Healthcare Associated Infection (HAI) is incorporated and that both buildings can operate to the highest quality and safety standards. Key areas of focus include the design of water systems and ventilation.
- Several areas of potential cost pressure remain under negotiation commercially with the contractor. These issues are driven mainly by challenges in relation to market forces i.e. material shortages, price increases and labour shortages, as well as anticipated costs associated with known design changes such as the environmental matrix.

The Board was also informed that until the outcome of the design review and the feasibility of any required changes are known, we cannot commit to a firm opening date.

2.2 Background

2.2.1 Design Review

Elements of the design for both buildings are currently being reviewed to provide assurance that recent HAI learnings are incorporated. This will support future-proofing both buildings to ensure they can operate to the highest standards of quality and safety whilst providing contemporary healthcare services for many years to come.

Recent emphasis on HAI risks has highlighted that technical guidance supporting the design in particular areas is sometimes not specific enough for the circumstances and can lag behind current thinking with regard to HAI, which is informed by the results of recent investigations and research. Accordingly, the project team, including Infection Prevention and Control (IPC), technical experts and relevant clinicians are jointly working through each of the issues to either confirm the existing design or consider a change to the design.

The design review is focused on four significant areas and progress is summarised below.

2.2.1 (a) ANCHOR Centre Open Plan Treatment Chair Space

The design review is now complete with a consensus agreed on the proposed changes to scope. The contractor has been instructed to prepare a design feasibility report advising on the necessary technical changes, impact to programme and the cost of the work. The agreed changes to scope include delivery of an air change rate of 10 per hour across the whole of the open plan area, a partition wall to ensure the separation of the Pentamidine suite, an antimicrobial medication that has to be delivered in a negative pressure room, from the rest of the area. In addition, there will be various consequential amendments to address the air pressure in adjacent rooms, the construction of a corridor to enclose the entrance to the veranda as well as adjacent service risers allowing maintenance access from the stairwell.

2.2.1 (b) Water Systems

A risk workshop to review the design of the recirculating water system took place on 8 August 2023. This involved the Board's technical, maintenance and Infection Prevention and Control (IPC) experts plus engineering and IPC/microbiological expert support from NHS Scotland Assure. The preparation of a focused risk assessment is underway with an emphasis on HAI related risks and how they may be mitigated. As part of this process NHS Scotland Assure is carrying out a current literature review to seek further expert opinion on the emerging evidence relating to the microbiological risks associated with water systems. It is hoped to have the conclusions from this exercise available in early October 2023 to enable completion of the risk assessment. This will identify if there is a need for any amendment to the scope of works and whether a revised brief is required to enable the contractor to determine design feasibility.

The water system in both buildings is a necessarily complex design involving multiple loops covering heating, chilling and ventilation, hot and cold water as well as many sinks, sanitary connections, taps and other outlets. Accordingly, a number of other parallel work streams are in place:

- **Heating** - A proposal from the contractor to progress with filling the heating and chiller systems within the ANCHOR building, which are separate closed loop systems, is under consideration by the project team, maintenance and IPC experts. Lack of heating provision during the winter months is considered a significant risk to the fabric of the building.
- **Water Supply** - The diversion of the main Scottish Water pipe to supply the construction cabins on site is also under consideration. This would be an interim measure to allow testing of the water supply.
- **Sinks** - Recent learning and research with regard to water safety indicates that water can splash in a radius of up to two metres from a sink. Consequently, clinical wash hand basins and other sinks are an infection risk to patients when used within two metres of equipment or broken skin/mucous membranes. Additionally, sinks are a microbial risk to the water system plumbing when infrequently or inappropriately used/maintained. The review into the number of sinks, recently completed for the ANCHOR Centre, is now well underway for the Baird Family Hospital. A multi-disciplinary team including IPC experts, service clinicians and colleagues with specific skills/remit e.g. nuclear medicine, clinical scientists have been working over the last few months to understand the clinical function of each of the 675 sinks in the hospital.

The Project Board were briefed on progress with only 50 sinks remaining to be reviewed on 13 September 2023. Following assurances regarding consensus agreement of the proposed changes, Project Board approved in principle, the multi-disciplinary team's recommendation that a significant number of wash hand basins/utility sinks (approximately 25%) should be removed from the design for the Baird Family Hospital. The exercise is expected to be complete by 30 September and a formal recommendation on the proposed scope of change will be considered by the Project Board at the next meeting on 11 October 2023. Thereafter we anticipate the contractor will be formally instructed to implement the change.

2.2.1 (c) Neonatal Unit

A further risk workshop was held on 5 September 2023 to consider feedback from NHS Scotland Assure regarding the approach towards ventilation and positioning of grills within the Neonatal Unit. The outcome was inconclusive and a further workshop to progress the risk assessment is planned for early October 2023.

2.2.1 (d) Operating Theatres

There has been significant dialogue to arrive at consensus on a potential solution for the ventilation issues. A risk workshop is arranged for 3 October 2023 in order to formally review all of the issues affecting theatre suites to provide assurance that there remains a consensus and to develop a scope that will allow an instruction to be given to the contractor for a design feasibility review.

2.2.2 Project Cost and Commercial Matters

The capital investment requirement for the Baird and ANCHOR project is funded by an additional capital allocation agreed by the Scottish Government. The approved project budget is **£261.1m** and to date the cost of instructed changes to the contract in order to meet design and commercial pressures have been contained within the available risk contingency.

Contract payments to the contractor (Principal Supply Chain Partner or PSCP) are based on actual costs incurred but capped at the agreed contract value (Target Price). The contract includes a clause which incentivises (gain share) for delivery below the contract value.

As explained above, elements of the designs for both buildings are currently being revisited to ensure that up to date learning on HAI is incorporated and this process may require further significant investment should change be required. Additionally, a number of areas of potential cost pressure remain commercially under negotiation with the contractor. These issues are driven mainly by challenges in relation to market forces i.e. material shortages, price increases and labour shortages as well as anticipated costs associated with known design changes such as the environmental matrix.

The estimated recurring revenue costs in the first full year of operation (£9.7million) were approved in the Full Business Case and are provided for in the Board's financial plans from 2024/25. These costs remain under review in light of programme elongation, inflationary pressures, changes in the way services are delivered and any additional maintenance or cleaning costs that may result from recent changes to design and HAI related operating practice.

2.2.3 Programme

Although we are not yet in a position to give firm opening dates, significant progress has been made towards bringing the HAI related design review to a conclusion. Completion of this exercise will bring certainty over project timescales.

The issues being addressed remain complex and our commitment to ensure consensus agreement through risk-based dialogue requires time to reach a conclusion. The project team are managing this process to ensure it concludes as quickly as possible, through active dialogue and a series of risk workshops focusing on the key priorities outlined above. The aim remains to deliver a future proof and innovative built environment from which we can provide high quality and safe contemporary healthcare services for many years to come.

2.2.4 Key Stage Assurance Reviews (KSAR)

Fortnightly “principals” discussions involving the NHSS Assure team and Senior members of the project team is the key forum to ensure ongoing engagement and dialogue regarding feedback and planning for the various KSAR reviews and requests for advice and guidance on complex technical and design matters.

We await formal feedback on the evidence submitted in support of the outstanding matters relating to the ANCHOR construction KSAR.

Planning is now underway for the Baird Family Hospital KSAR process which is agreed to start in November and the ANCHOR Centre Commissioning KSAR process which is provisionally scheduled for early in the new year.

2.3 Assessment

In the last two months we have seen excellent collaboration which has supported progress on the various design challenges. Agreement was reached through consensus on the scope of change required in the ANCHOR Open Plan Treatment Area and for the Baird Family Hospital sinks redesign work, representing a significant achievement.

The remaining issue affecting the ANCHOR Centre is the water system and we are, with the help of NHS Scotland Assure, close to finalising the risk assessment that will allow us to decide on any potential changes to design. Work to close out the remaining issues with the Baird Family Hospital is also progressing well.

Recent progress is encouraging and we hope to have the scope of any required design changes agreed by the end of October. This will enable any related design feasibility studies to be instructed. The outcome of this process will bring certainty on programme and cost.

3.0 Risk Assessment and management

Risk management procedures are an integral feature of the project with a comprehensive risk register maintained monthly by all parties, weekly risk reduction meetings and regular reporting of key risks to the Project Board.

Key high risks include:

- Mechanical Electrical and Plumbing (MEP) design co-ordination – regular minuted workshops, final MEP review and sign off.
- Changes as a result of IPC review/KSAR – schedule of HAI focused workshops and development of an agreed action plan underway.
- Agreement on a solution for Liquid Nitrogen provision – proposed solution now with contractor to consider design feasibility.
- Environmental matrix – design complete and commercial discussions with PSCP ongoing.
- Impact of market forces and inflation – regular commercial meetings with PSCP.

- Impact of multiple converging workstreams and any further delay in programme on Project team resources.

4.0 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.

5.0 Other impacts

No other relevant impacts to note at this stage

6.0 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 a dedicated resource from the public engagement team. This is in addition to communication being a significant feature in the work undertaken by senior project team personnel.

The project team continues to communicate actively with stakeholders. Some of the learning during the Covid period has resulted in a mixed model of face to face, written and visual engagement. Face to face engagement and time spent in clinical departments updating colleagues, patients and visitors and engaging them in the preparation for functional commissioning and bring into operation continues to be a key feature of engagement.

Continued communication with and participation from charity and third sector partners continues to be an important focus for the team. Patient input from the start of the project has influenced and strengthened the design of the facilities; more detailed work is progressing to engage with patients and service users about features such as art, interior design, furniture selection etc.

Keeping our North of Scotland regional partners updated is also important with visits held during 2022 to both Orkney and Shetland and more being planned for during 2023 and 2024.

7.0 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 as appropriate to the Performance Assurance, Finance and Infrastructure Committee (PAFIC).

8.0 Recommendation

The Board is asked to:

Note progress with The Baird Family Hospital and ANCHOR Centre project.