Name of Sub-Committee:	**Capital Sub-Committee**
Chair of Sub-Committee:	**Chair – Lee Davies, Director of Strategic Development and Operational Planning**
Reporting Period:	**September, 2023**

Key Decisions and Matters Considered by the Sub-Committee:

Capital Resource Limit and Capital Financial Management/ Discretionary Capital Programme 2023/24

Capital Resource Limit 2023/24:

- The report highlights a reduced risk of overspend against the Capital Resource Limit (CRL) since the last update to the Sub-Committee in July 2023. This is due to additional funding of £6.4m secured from Welsh Government (WG) for Withybush Hospital (WH) Fire Enforcement Phase 1 scheme and £12.8m funding for Reinforced Autoclave Aerated Concrete (RAAC), of which £7.7m is available to spend this year. A funding application must be made to WG at the end of every month to draw down the funding for WH Phase 1; £1.9m has been received to date to cover all payments made for work incurred until the end of July 2023
- In terms of spend against the programme, planned spend to date is circa 30%. WG will be notified at the end of October 2023 in terms of individual schemes' forecasts for 2023/24, the CRL will be fixed at that point
- A prioritised list of capital schemes that can be delivered before 31 March 2024 will be developed, should any slippage occur, or end of year allocations become available.
- It was confirmed that the corporate risk has been reduced to the target score of 8, the Sub-Committee agreed that the risk can be de-escalated to a Directorate risk.
- The CRL for 2023/24 has been issued with the following allocations:
  - £28.376m – All Wales Capital Programme
  - £5.435m – Discretionary Programme
  - £0.834m – IFRS 16 allocations
  - **£34.645m – Total**

Capital Programme 2023/24

- The Capital Planning Group (CPG) met on 12 September 2023 and it was proposed to reinstate the schemes that have been put on hold in this financial year. It was agreed to defer the Bronglais Hospital (BH) Clinical Decision Unit (CDU) pre-commitment and the replacement morcellator into 2024/25.
- Due to decisions already taken, there are pre-commitments against the 2024/25 Discretionary Capital Programme (DCP) of £1.940m.
- The proposal to reinstate some schemes and delay the expenditure on others until 2024/25 results in a balance of £1.449m being available in the contingency reserve. Commitments already proposed for funding from the reserve leave a balance of £0.304m. There is a potential overspend against WH Decant Ward and WH Fire Enforcement Phase 2 Business Case but there is some flexibility in the reserve to manage this risk and the situation will be monitored.
- Whilst the programme has been on hold, the Operational Team have reviewed and re-prioritised the equipment schedules. The expenditure on equipment items will be contained within a revised allocation of £1.249m.

- It was confirmed that an equipment prioritisation matrix has been developed and will be reviewed in the CPG in October 2023 to agree what is deliverable before March 2024, should more funding become available.

The Sub-Committee noted the following:
- The mitigated risk of overspend against the CRL for 2023/24
- The spend against the 2023/24 CRL
- The additional capital risks.
- The changes to the equipment priorities.
- The amendment to the current risk score associated with corporate risk 1707
- The proposal to reinstate the schemes detailed in the Assessment section of the report.
- The proposal on the use of the reinstated contingency reserve.

Capital Governance – Capital Highlight Reports
Projects with an overall red RAG status were reported as follows;
- Women & Children's Phase 2
- Fire Enforcement Work GH

Projects with an overall amber RAG rating were reported as follows:
- Fire Enforcement Work WH
- Business Continuity (Major Infrastructure)
- Chemotherapy Day Unit
- Aseptics
- Carmarthen Hwb
- Pentre Awel

Capital Audit Tracker
The Sub-Committee noted the following:
- The contents of the report and the progress of the implementation of outstanding capital themed audit recommendations.
- The number of outstanding actions against recommendations along with information provided in respect of lapsed timescales which will be reported to the Audit and Risk Assurance Committee.

Welsh Government Dashboards Reports
The report and the 2023/24 Month 2 Dashboard Reports submitted to WG in August 2023, reflecting progress on projects to the end of July 2023 were presented to the Sub Committee.

Key points noted include:
- Two of the Dashboards due to be submitted in August were returned to WG on time. Submission of the Cross Hands Dashboard was delayed by a couple of days due to a delay with approval.
- Comments have been received from WG on the Dashboards, which have been circulated to Project Managers and the Finance team. Finance colleagues have already responded to WG, the other items will be picked up in the next submission on 16 October 2023

The Sub-Committee noted the contents of the Dashboard reports.

Estates Advisory Board Funding Tracker
An update on The Funding Tracker Reports submitted to WG on Estates and Facilities Advisory Board (EFAB) projects was presented.

Key points noted include:
- All of the schemes that are on-site are all going to plan
- WG have asked if there is the potential to bring another scheme forward into this financial year, this is to be confirmed. If it goes ahead, WG would cover the Health Board's 30% share for the scheme this year, to be repaid from the discretionary programme starting in April 2024
- The roof at WH has been delayed until next year because of the RAAC works being undertaken in the rooms below the roof covering. Advice will be sought from a structural engineer to decide the way forward.
- The one amber rated item regarding the water tanks at GH has been resolved and has reverted back to green.

The Sub-Committee noted the content of the Tracker Report.

A Healthier Mid & West Wales – Programme Business Case (PBC) Update
The Sub Committee were presented with an update report on progress made in respect of the 'A Healthier Mid and West Wales' (AHMWW) Programme Business Case.

Key points noted include:
- Clinical Strategy Review: Nuffield Trust have completed the review and drafted a report. A final version of the report is expected at the end of September 2023.
- Infrastructure Investment Board (IIB) meeting: this was held to discuss the affordability of the overarching capital programme across Wales; How safe services could continue to be delivered if there is a delay to the programme; and what options have been considered in terms of infrastructure. Feedback is expected within the next two weeks.
- Strategic Outline Case (SOC): The SOC has been produced, with the executive summary to finalise. The plan is to take the SOC to November Board following PBC endorsement; the timeframe will be delayed, however, should WG want a further option to be included.
- Land Identification: the public consultation on the three sites has been completed and the output report was submitted to Board on 14 September 2023, together with the technical and commercial reports. The Board decided to reduce the shortlist of three sites to two; the Council owned site in Whitland and a privately owned site in St. Clears. It is anticipated these two sites will be taken forward to Outline Business Case (OBC) stage. The significant risk associated with potentially losing a privately owned site in the process was highlighted.

The Sub-Committee noted the following:
- The update on the Clinical Strategy Review.
- The progress made on the SOC.
- The continuing technical work and commercial discussions in support of the land selection process.
- The public consultation key findings and paper to 14th September Public Board.

Governance Review Update
An update on the Advisory Report, Management Action Plan prepared as a result of the AHMWW Programme: A Forward Look Governance Review was presented.

Key points noted include:

- The outstanding recommendations are all related to actions that need to be undetaken in advance of OBC stage. Feedback is awaited from the IIB meeting in terms of PBC endorsement before the recommendations can be actioned. It was confirmed that potential future governance arrangements will be subject to separate discussion, in particular, where the Digital strategy programme fits in with the wider governance
- Assurance was provided to the Sub-Committee that the actions have been implemented as far as possible at this point in time.

PPE and Lessons Learnt – Prince Philip Hospital (PPH)
The Sub-Committee were presented with an SBAR Report, a Lessons Learnt Report and a Project Closure Report for Prince Philip Hospital Day Surgery Unit. The detailed reports are attached as Appendices 1a and 1b to this report.

The Sub-Committee noted the following:

- The contents of the Lessons Learnt Report and the Project Closure Report for discussion and to consider these lessons for future capital schemes that are proposing this method of construction and delivery.
- The lessons learnt report also lists some recommendations such as sharing findings with the Estates Engagement Forum and across NHS Wales, facilitated by the capital teams with the Health and Social Services division at WG.

Diagnostic Imaging Update
The annual Radiology Equipment Replacement Update 2023 report was presented to the Sub-Committee.

Key points noted include:

- The equipment replacements have kept to schedule and utilised the full allocation of capital funding within the required timeframe. This includes CT scanners, digital equipment and ultrasound systems across the four main sites. PPH has also benefitted from a new mammography unit.
- There has not been any dedicated WG funding for equipment replacement within the 2023/24 financial year and there remains a number of aged pieces of equipment that require replacement.
- The National Imaging Equipment and Capital Priorities (NIECP) group has been set up to support the development of a prioritised and sustainable capital replacement programme for Wales.
- There is a corporate risk (684) in terms of the timely investment and replacement of Radiology equipment.

The Sub-Committee noted the update report and the approach to identifying the equipment replacement priorities.

Papers for Information
The Sub-Committee noted the following papers for information:

- Capital Review Meeting - Minutes of meeting held on 21 July 2023
- Capital Monitoring Forum – Minutes of meetings held on 11 July and 8 August 2023

- Capital Planning Group – Minutes of meetings held on 14 July, 9 August and 22 August 2023
- Cylch Caron Board Paper
- RAAC Report

Matters Requiring Strategic Development and Operational Delivery Committee Level Consideration or Approval:

None

Risks / Matters of Concern:

Capital Governance Highlight Reports

The Sub-Committee noted those projects currently reporting a red RAG status.

Planned Sub-Committee Business for the Next Reporting Period:

Future Reporting:

- Governance update
- Risk Report – Equipment
- Operational and strategic issues:
  - DCP and CRL Update
  - Dashboard Report
  - Estates Advisory Board Funding Tracker
- Capital Planning Developments
  - A Healthier Mid and West Wales PBC Update
  - Medical Devices Annual Update
  - Infrastructure Investment Plan
  - Arts in Health Update

Date of Next Meeting:

Friday 17 November 2023 at 13.30

HYWEL DDA UNIVERSITY HEALTH BOARD

CAPITAL PROJECTS (SCHEMES)

PROJECT CLOSURE REPORT

DAY SURGERY UNIT PRINCE PHILIP HOSPITAL

SRO	Lee Davies, Executive Director of Strategy and Planning		
Project Director	Keith Jones, Secondary Care Director		
Start Date	September 2021 (WG approval)	End Date	December 2022 (go-live)
Programme	n/a		

Version	Status (draft or approved)	Date	Author/Editor	Details of changes
V0.1	DRAFT - WIP	29/06/23	Andrew Hopkins	First draft – work in progress

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SAFE | SUSTAINABLE | ACCESSIBLE | KIND

Contents

1.0 Purpose of the Document

1.1 This Project Closure Report (PCR) will form a key product in the post implementation and evaluation process of the **Prince Phillip Hospital – Day Surgery Unit** project.

1.2 PCR's are good practice within capital project management to ensure that:

- A project has achieved its objectives, mainly through assessing the extent to which benefits have been realised.
- A formal project closure can take place, ensuring that the operational teams and service understand any risks that are outstanding, as well as the remaining benefits to be tracked and monitored for realisation.
- A robust process exists to capture lessons learnt in a project, so that wider organisational reflections on the project can be observed and that future learning is absorbed by future capital project planning and delivery

1.3 This PCR, its contents and process/practices undertaken in recent weeks/months is informed by best practice guidance from project methodologies such as PRINCE2 and Better Business Cases: International Guide to developing the Project Business Case.

1.4 As such is the nature of this project, the PCR focuses on the outputs of a post-implementation review, given that the review has been conducted within six months of the go-live date of the project.

1.5 This includes a focus on lessons learnt. Content is pulled from the lessons learnt reports where possible in informing this report.

2.0 Project Overview and Summary

2.1 The COVID-19 pandemic was well documented in having significant impact on the UHB's capability to maintain adequate capacity for scheduled care procedures. Services were severely restricted, and a number of challenges were faced in maintaining elective pathways during the height of the pandemic.

2.2 The UHB agreed in Q4 of 2020/2021 to pursue a modular solution to facilitate and support the return of elective services within Hywel Dda. The Board endorsed and approved a procurement/tender exercise, with a stipulation of achieving a solution no later than Q4 in 2021/22.

2.3 A multi-disciplinary project team was established with the output of a clinical and operational designed modular solution that consisted of:

- 2 x Laminar Flow Theatres including Preparation Rooms / Anaesthetic Rooms / Dirty Utility
- Recovery Area
- Patient Changing / WC
- Ward area including WC
- Staff Changing including WC / showering facilities
- Storage Facilities
- Reception

2.4 A mini-competition was held and led by NWSSP Cardiff and Vale University Health Board Front Line team via NHS SBS, Modular Buildings, Lot 3/4 Modular Healthcare Units for Purchase/Hire, Framework Reference: SBS/10091

2.5 During November 2021, it was agreed by WG to make available capital funding to purchase the modular solution to assist with the ability to achieve delivery within Q4 of 2021/2022. The useful life of the asset is 30 years which will allow HDdUHB a long-term solution to elective recovery and future capacity.

2.6 Following the procurement exercise, a contract was awarded to Vanguard Healthcare Solutions. The award was predicated on several key factors including:

- The ability to provide a full turnkey solution – a core requirement of the specification
- Assurances on achievement of handover by end of Q4 2021/2022
- Compliance to all technical standards i.e HTM's

2.7 Groundworks commenced on site during November 2021.

2.8 The construction, commissioning and post-handover stages have seen an array of issues occur which have required considerable management and remedial actions in order to achieve a successful outcome. These issues are expanded on further as part of lessons learnt.

3.0 Post-Implementation review & background

3.1 As detailed within the report summary, a mandatory stage within project life-cycles is to successfully evaluate a scheme post implementation. The scope of this evaluation has covered requirements typically identified within post-implementation reviews (PIRs), such as a review of the project delivery and management arrangements.

3.2 This project has also included some bespoke elements in its planning, procurement and construction. Therefore, attempts have been made during the review to consider the following points:

- Reflections at all stages of the project, from project preparation through to handover and in-use
- The level of project complexity and appropriate scrutiny of the chosen company for this type of project
- Procurement strategy and reflections from various tendering stages
- Contracting arrangements
- Project control and governance arrangements
- Workforce assumptions at the outset and what has materialised since
- Issues experienced during the construction and delivery of the scheme – anything that could've been addressed in the design / specification process
- Commissioning arrangements
- Extent of defects and corrective snagging work agreed on handover

3.3 The PIR has seen a number of areas of reflection take place. These include:

- A bespoke lessons learnt workshop, at the request of colleagues in Welsh Government (WG). This provides the main output from this PIR exercise, and is detailed in a separate report in **Appendix A**
- A questionnaire and follow up workshop with members of the commissioning group, made of key stakeholders who have supported the operational planning and transitioning to go-live.

- A session held with the Scheduled Care teams who have been involved in the project.
- A review of plans to track and manage outcomes as part of benefits realisation. This is detailed further below.

4.0 Business case objectives & benefits realisation

The fast-tracked nature of this scheme meant that a business case in line with best practice adopting the Better Business Case methodology (Five Case model) was not possible.

The scheduled care teams have contributed to previous scoping papers that were shared with the Executive Team and command structures during the pandemic to support business justification for the project.

Benefits management will be managed by the service as part of business-as-usual arrangements and is recommended to be explored during the post-project evaluation to be performed in 12/18 months time.

5.0 Project Performance – Time, Quality and Cost

This project has a number of specific requirements linked to COVID recovery and re-establishing a sustainable pathway for day case elective surgery.

One of these requirements was the need for a facility to be completed and operational by Q4 2021/2022. This deadline was not achieved due to a multitude of compliance issues that manifested in the period leading up to technical commissioning. The project team received 12 separate handover dates during the Summer of 2022, culminating in finally being operational in December 2022, a delay of 26 weeks from planned date. The LAD position is still being negotiated in the presence of these in the contract.

Despite the many compliance issues having been rectified, or the UHB agreeing on a derogations list, there remain a number of outstanding issues to be rectified, either as snags or major defects that have occurred since handover.

The original approved capital funding for the PPH DSU project was £19.936m.

In October 2022, the UHB returned £0.540m to WG which was mainly related to an underspend against the original contingency / equipment allocations and the recovery of Liquidated and Ascertained Damages (LAD's).

The below table summarises the draft final scheme outturn (it should be noted that agreement of the works final account remains outstanding).

Cost Heading	Original Budget	Budget returned to WG Oct '22)	Revised Budget	Scheme outturn	Variance
	£'000	£'000	£'000	£'000	£'000
Works	17,058	0	17,058	18,091	1,033
Fees	163	74	237	262	25
Non-works	392	(23)	369	344	(25)
Equipment	1,044	(120)	924	950	26
Contingency	1,279	(241)	1,038	0	(1,038)

LAD's		(230)	(230)	(256)	(26)
Total	**19,936**	**(540)**	**19,396**	**19,392**	**(4)**

The scheme remained within the total funding allocation with a very minor underspend of £4,000.

6.0 Summary of lessons learnt

The lessons learnt exercise that has been held with several audiences has pulled out a number of key themes which are expanded upon in the lessons learnt report at **Appendix A.**

- The time pressure being the root cause of many of the issues that have manifested on this scheme.
- The number of assumptions made throughout the scheme on compliance and capability of the contractor.
- The capacity and capability of the project team as well as the key roles and responsibilities being prominent at the right time during the project.
- How the project is governed to ensure that technical scrutiny of design and engineering components is adequately covered
- The definition of an agile approach to deliver a scheme of this nature, and what this actually means in practice.
- Adequacy of risk and issue management.
- The critical role and performance of the client lead in managing the transition from a construction project to live service.
- The lack of involvement of specialist technical expertise to manage engineering & compliance issues, at early stages of the project.
- The approach to choosing a modular facility to meet the requirement being the correct option.
- The lack of scrutiny during the tendering process of critical design and engineering issues.
- With hindsight, the deliverability of the programme by Q4 2021/2022.
- Extent of ongoing issues to rectify snags and defects.
- Assumptions made on the ability to recruit into key clinical roles.

7.0 Senior Responsible Owner View

The development of the Day Surgery Unit at Prince Philip Hospital has been unique and challenging. As noted in the report the scheme was characterised by time, both positively and negatively.

The project was significantly constrained by time limits, reflecting the end-of-year funding availability, which ultimately was at the heart of many of the challenges experienced later in the scheme.

However, more positively, the fast-tracked nature of the project has meant the population of Hywel Dda are now benefitting from a unit that it would otherwise not have, benefitting thousands of patients annually for decades to come. Some of the issues with the scheme

were only visible with hindsight, but there are also many lessons to be learnt and we hope that our frank reflections will help this Health Board and other organisations across Wales when planning similar fast-tracked projects.

I'd like to thank the operational, capital planning and estates teams for their tireless work on the project and Welsh Government and Shared Services for their support throughout.

8.0 Presence of Audit recommendations

The scheme has not been subject to any internal or external audit currently. However, the lessons learnt report referenced in **Appendix A** details a number of recommendations. These include:

- Inclusion of this report within project closure processes including tabling at UHB capital sub-committee.
- Findings are added to the internal UHB lessons learnt log and managed by the capital planning and estates teams in applying lessons learnt to future schemes.
- Findings are shared with the national Estates Engagement Forum in due course.
- Findings are shared across NHS Wales as necessary, to be facilitated by the WG Health and Social Services division
- A central repository of lessons learnt is developed on a national level

NWSSP – Audit and Assurance colleagues have been part of the weekly project team that has formed part of the project governance. This has proved invaluable in taking a pro-active approach to foresee any issues that may arise and take early action to mitigate.

9.0 Risks / issues outstanding to manage as business as usual

The project has maintained a locally managed risk and issue register. The main issues to manage within the business as usual environment are concerned with the ongoing defects that have arisen since handover, as well as managing the snagging list that was agreed on handover. In total, as at 29th August, 108 snags and defects have been identified by the site maintenance teams. Some of these issues are significant and include:

- Water ingress into the LV / plant rooms
- Building management system issues
- General fire precautions are required and rectification of fire safety measures

10.0 Conclusion

Ultimately, everything that has been captured in this lessons learnt exercise can be traced back to a root cause of **time pressure.** Whilst there was a product available in the marketplace and a commercial strategy that was able to meet the requirement to deliver a modular facility by Q4 2021/2022, the time pressure on delivering the scheme ultimately created gaps in the project control and governance arrangements.

This in turn has partly contributed to further delays being experienced within the scheme. The greatest example of this is the lack of assurance from technical scrutiny, which was not present in the project until compliance issues were addressed on installation and validation of the HVAC system and other engineering concerns.

Going back to two questions posed at the outset of this lessons learnt exercise:

1. **Was a "fast tracked" project worth it in terms of outcomes and value for money?**

There was a consensus that it was difficult to answer this question currently, and this is best posed once anticipated benefits have been realised or not. Whilst the facility has given the UHB, patients and staff new capability in a modern, welcoming environment that vastly differs to the status quo of existing acute hospital environments in Hywel Dda, there is an ongoing concern on the extent of snags, occurring defects and impact to operational service. In other words, has the UHB received the best product possible?

2. **If a project like this was supported again, what could be done differently?**

There was a number of suggestions for what could be done differently, many of which will contribute towards a future blueprint for fast tracked schemes. Delivering a fast tracked scheme of this nature therefore is viable, but with significant points of caution that need to be exerted right from the outset

Appendix A – Lessons learnt workshop

Lessons learnt report

HYWEL DDA UNIVERSITY HEALTH BOARD

CAPITAL PROJECTS (SCHEMES)

LESSONS LEARNT

DAY SURGERY UNIT PRINCE PHILIP HOSPITAL

SRO	Lee Davies, Executive Director of Strategy and Planning		
Project Director	Keith Jones, Secondary Care Director		
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Hywel Dda
Hywel Dda University
Health Board

Contents

1.0 Introduction and Purpose

1.1 This report documents the lessons learnt exercise performed during May and June 2023 on the completed Day Surgery Unit scheme at Prince Philip Hospital, Llanelli.

1.2 Its intended purpose is to complement a typical project closure exercise performed on this scheme with greater detail on understanding what went well, what didn't go so well and what could be done differently in the future.

1.3 The nature of this scheme and what materialised during its life cycle is of great interest to colleagues across NHS Wales and Welsh Government (WG) and it is hoped therefore that findings can be shared widely amongst interested audiences.

1.4 This report focuses predominantly on the outputs of a lessons learnt workshop held during June 2023, as well as drawing upon or referencing other related feedback as part of the project closure exercise.

1.5 The project closure exercise forms part of good governance for the management of capital projects within Hywel Dda University Health Board (UHB). This lessons learnt report will accompany the project closure report that will be tabled at the UHB's capital sub-committee and other forums as necessary.

2.0 Project Overview and Summary

2.1 The COVID-19 pandemic was well documented in having significant impact on the UHB's capability to maintain adequate capacity for scheduled care procedures. Services were severely restricted, and a number of challenges were faced in maintaining elective pathways during the height of the pandemic.

2.2 The UHB agreed in Q4 of 2020/2021 to pursue a modular solution to facilitate and support the return of elective services within Hywel Dda. The Board endorsed and approved a procurement/tender exercise, with a stipulation of achieving a solution no later than Q4 in 2021/22.

2.3 A multi-disciplinary project team was established with the output of a clinical and operational designed modular solution that consisted of:

- 2 x Laminar Flow Theatres including Preparation Rooms / Anaesthetic Rooms / Dirty Utility
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2.4 A mini-competition was held and led by NWSSP Cardiff and Vale University Health Board Front Line team via NHS SBS, Modular Buildings, Lot 3/4 Modular Healthcare Units for Purchase/Hire, Framework Reference: SBS/10091

2.5 During November 2021, it was agreed by WG to make available capital funding to purchase the modular solution to assist with the ability to achieve delivery within Q4 of 2021/2022. The useful life of the asset is 30 years which will allow HDdUHB a long-term solution to elective recovery and future capacity.

2.6 Following the procurement exercise, a contract was awarded to Vanguard Healthcare Solutions. The award was predicated on several key factors including:

- The ability to provide a full turnkey solution – a core requirement of the specification
- Assurances on achievement of handover by end of Q4 2021/2022
- Compliance to all technical standards i.e HTM's

2.7 Groundworks commenced on site during November 2021.

2.8 The construction, commissioning and post-handover stages have seen an array of issues occur which have required considerable management and remedial actions in order to achieve a successful outcome. These issues are expanded on further as part of lessons learnt, but include:

- Non-compliance of HVAC systems to engineering standards
- Requirement for design changes due to incorrect brief provided
- C. 26 week delay on handover – Building went operational on 5th December 2022
- Multiple abortive technical commissioning & validation exercises
- Ongoing concerns on considerable defects arisen post-handover

3.0 Lessons Learnt workshop – June 2023

3.1 A lessons learnt workshop was held on 15th June 2023 with key stakeholders that have supported the scheme from various perspectives. Attendance at the workshop is listed in **Appendix A**.

3.2 Participants in the lessons learnt process were shared some key points where reflection was sought, but not limited to:

- Reflections at all stages of the project, from project preparation through to handover and in-use

- The level of project complexity and appropriate scrutiny of the chosen company for this type of project
- Procurement strategy and reflections from various tendering stages
- Contracting arrangements
- Project control and governance arrangements
- Workforce assumptions at the outset and what has materialised since
- Issues experienced during the construction and delivery of the scheme – anything that could've been addressed in the design / specification process
- Commissioning arrangements
- Extent of defects and corrective snagging work agreed on handover

3.3 Building on this further, given the unique nature and experiences of this scheme, WG are approaching the lessons learnt perspective of:

- Was a "fast tracked" project worth it in terms of outcomes, value for money etc
- If a project like this was supported again, what could be done differently

3.4 But also being clear that this lessons learnt process is not:

- A formal post-project evaluation or Gateway 5
- A specific audit report

3.5 The workshop was facilitated by the WG Assurance Hub, with the aim to offer an impartial view having no prior knowledge of the scheme or what transpired as it progressed.

3.6 The format for the workshop focused on three simple topics that were used to collate feedback:

- What went well
- What didn't go well
- What would we do differently next time

3.4 Flip charts were used to capture feedback, as well as note taking support in the room. The workshop was also recorded via a Teams link.

3.5 Themes have then been drawn from the notes and presented aiming to address the points above. It is also recognised that feedback from delegates relates to specific stages of the project, so where possible this is indicated within each theme.

3.6 Those who were not able to attend the workshop on 15th June have also provided feedback as part of the process and this has been factored into the report.

Project Governance / Management		
What went well?	**What didn't go so well?**	**What would we do differently next time?**
- **Rapid deployment of internal HB teams once the project was given the go ahead. This included a weekly project team led by the SRO & PD given the pace and urgency of the project timeline. The project was progressed in an agile nature.** - **It was felt that stakeholders had clear roles and responsibilities within the project structure** - **The role of dedicated sub-groups focusing on equipment, workforce, finance and commissioning provided the focus needed on various tasks throughout the scheme** - **The scheme was given prominence**	- On reviewing the roles and responsibilities of those supporting the project, there was a gap in the role of scrutiny of technical design, particularly on the HVAC system which was an alternative system to that originally provided by Vanguard within their tender submission. - The extent to which the PD was sighted on risks during the inception phase of the scheme. It was also felt that as part of the agile approach that the project team were not adequately sighted on risks. - The absence of a business case was deemed a contributing factor in why there are a number of points identified that didn't go so well on this project. - The equivalent of a business case process to provide appropriate level of assurance did not provide the adequate scrutiny of a project of this nature. - The approach to managing risk in the project was felt to have developed by osmosis by addressing issues as they occurred, not identifying risks and counter measures earlier in the scheme - Whilst the project benefitted from an agile approach in its deployment, it was not accurately defined as to what that meant for managing the critical aspects of the project - There was a question posed that given the multiple components that have been referred to within the report as	- It was felt that a small technical team could've supported the project structure to provide assurance to the PD and SRO throughout the life cycle of the project. This could include a "clerk of works" type role. - On schemes which reflect the level of complexity seen on this project, to review the role of PD and the required experience, skills and knowledge of technical estates issues. - To frequently review governance arrangements and whether these are adequate for this type of project which is progressing at pace. - Instill risk counter measures to mitigate the risk areas of a scheme of this nature. - Building on the agile approach, accurately define a blueprint for managing the project

through effective leadership and communications, with all key stakeholders seeing the significant benefits that could be realised. This was a key factor behind the effort and commitment from all involved.	reflections on lessons learnt, whether a fast tracked approach to a capital scheme is viable.		governance as a whole, for a fast tracked scheme. - This agile approach must consider the technical issues such as the engineering components that make up a capital project within the NHS - The use of a RAID document to manage risks, assumptions, issues and dependencies

Stakeholder engagement / involvement including technical support		
What went well?	**What went not so well?**	**What would we do differently next time?**
- **The relationship between NWSSP – SES, Audit and Assurance Services and WG in supporting the UHB during the project was deemed a success. Particularly during subsequent stages to manage and rectify technical engineering issues that arose during the scheme has been deemed an outstanding piece of collaboration. Colleagues worked tirelessly during the re-design phase to bring Vanguard into line to achieve compliance.** - **The role of the Head of Engineering at the UHB since taking up post (which coincided with compliance issues becoming first known) was essential in managing the ventilation sub-group and re-design of the HVAC systems alongside SES and Vanguard.** - **The role of the client i.e scheduled care and day surgery teams was integral to ensuring the smooth transition into BAU. The role of the Senior Sister for DSU in leading the**	- The lack of involvement of specialist support from SES at the inception / pre-tender phase to scrutinise the brief and tender submission. SES involvement was pre-dominantly concerned with rectifying non-compliance issues once concerns had been raised. - It was also felt that the engineering role on the HB side should've been filled much sooner in the project, building on the points listed around the technical support above. - It was felt that the shadow design team appointed did not support the required level of scrutiny needed on technical issues that could've worked closely with Vanguard. - The client was required to go over and above in managing snags and teething issues during the handover phase. This was mainly due to the role of clients services management on the part of the contractor not being filled. This caused additional workload for the client and wider scheduled care teams.	- As a general principle, to review all stakeholders in the project and seek their involvement at the most appropriate point. In this instance, SES could've been involved much sooner in the process. - The technical review of design and compliance should take place as part of the tender evaluation process. This could have avoided compliance issues having to be addressed post contract award. This includes adequate scrutiny of the design of a facility which in this case due to inaccuracies on the design brief for the dirty utility room, would've impacted the requirements for air flow / air changes etc. - The involvement of key stakeholders in the lifecycle of a fast tracked scheme should take the form of who are interested parties, and who needs to take ownership in the process

commissioning planning was integral. The importance of this role within the project cannot be emphasised enough

- **Some aspects of support were excellent, particularly the communications and marketing team who developed a joint communications plan as well as offers to support recruitment activity.**

Procurement / commercial strategy including contractor issues

What went well?	What didn't go so well?	What would we do differently next time?
- **The speedy appointment of a suitable contractor from an established framework that gave assurances that it was able to meet the needs of the UHB and WG to deliver a modular solution by Q4 2021/2022** - **The work to establish a robust case for change during the pandemic where day surgery space was lost in the main footprint of PPH was successful in allowing WG to support the scheme.** - **The "option" to take forward a modular solution as a turnkey solution was deemed the best choice given the requirements of the UHB and followed best practice of that of other schemes in England.**	- The fast tracked nature and timeline of the tendering phase meant that the level of scrutiny afforded to schemes of this nature was not as detailed as would typically be on a capital scheme i.e there were no interviews held as part of the tender evaluation. Due to COVID travel restrictions no inspections were made at the Vanguard construction facilities. - The tender scrutiny focused on Vanguard's ability to meet the Q4 2021/2022 deadline, which was predominantly around the construction of the modular units offshore. There was limited scrutiny of the engineering components of the scheme i.e HVAC units - The contract premium afforded to Vanguard to deliver an accelerated programme had minimal liquidated damages (LADs). The moiety of retention could've been explored further also, in terms of holding back payment as another incentive to improving contractor performance. - The tight programme meant there was little opportunity to scrutinise the hybrid alternative to the Howarth HVAC system once this was not available. Despite assurances from Vanguard on the robustness of this alternative system, an assumption was made that they would be able to deliver given their strong reputation in this field of construction - A number of repeated false assurances were given by Vanguard in meeting the HTM specification. This resulted	- Building on the points above, ensuring SES involvement in early phases of the project. Issues in design and tender can be addressed at the outset. It is more difficult to address once a contract has been agreed. - On future schemes of this nature where scrutiny needs to be fast tracked, be clear on which areas need to be covered within adequate scrutiny, such as specification, programme, contract and compliance. - When benchmarking other schemes who have taken a similar approach, explore some of the technical queries

- **The fast tracked nature of the scheme also benefitted from prompt ministerial sign off which allowed the period through tender submission, evaluation, ratification and contract award to be optimised. This was partly achieved due to the strong case made by scheduled care colleagues.**	in multiple re-design processes as referenced in this report. It was apparent that as a multi-national company and supply chain, that compliance to UK specifications and HTM would be problematic. - There were parameters in the design of the modular components which meant that future design changes were sought. The fast paced nature of the scheme meant it was difficult for follow up design workshops to take place and influence the modular build offshore. This has resulted in different shaped rooms as to what was required from a patient flow perspective. - With the benefit of hindsight, some respondents were of the view that the programme was deemed to be unrealistic to achieve delivery by Q4 2021/2022, this was despite the majority of the build being completed by this time (systems, engineering issues aside). - The contractor did not enact any commissioning management or understand the technical commissioning process. - To date, at the time of writing the report, snags present on handover have not been resolved as per assurances given by Vanguard. In addition, a number of defects have become apparent since the handover including roof leaks, water ingress to plant rooms and issues with the HVAC system during hot weather which has meant standing down the operational use of the theatres. There is ongoing concern over the robustness of the unit.	

Clinical and Operational Workforce

What went well?	What didn't go so well?	What would we do differently next time?
- **The workforce are very satisfied with the output of the project and a significantly better working environment than experienced previously** - **Recruitment to most roles within the structure were fulfilled** - **The clinical teams embraced the change and worked well with the project team. They were very understanding given the circumstances of multiples delays on handover.** - **The change management and leadership of the Senior Sister who led the commissioning process, client input and was a constant throughout the project.** - **Support from the operational teams throughout the scheme in developing SOP's**	- Lack of communication between the tender process and the start of the project along with delays in clarifying specifications, shortened the timeframe to enable clinical pathways and recruitment to be planned thoroughly. - The project team were presented with up to 12 handover dates. This had immeasurable impacts on developing clinical rotas, waiting list co-ordination and patient bookings. - The morale of staff recruited to the DSU team was severely impacted as many of these individuals had to be redeployed to other areas of the UHB - Members of staff were lost due to the ongoing delays in handover. The reputation of the project was majorly impacted - Commissioning planning was severely impacted due to the repeated false starts. This impacted the commissioning plan, but also the workplans of the DSU teams within the building.	- Take the offer of support from the contractor in developing media content to support a recruitment campaign. This was not taken forward due to existing arrangements for media support for recruitment campaigns as BAU. - More time for recruitment of key posts e.g. medical posts due to recruitment timescales/shortages in some of these roles - Key individuals across all disciplines to be involved from outset of project to enable full scope for recruitment/pathway design – better stakeholder engagement with wider teams from initial tender process

4.0 Other lessons learnt

4.1 As per the UHB's typical lessons learnt processes, other stakeholder groups have inputted into the process. This has included:

- A questionnaire submitted to, and a workshop with members of the commissioning group (the operational support teams who have supported the internal commissioning and transition to go-live)
- Reflections from the client perspective (scheduled care teams and senior clinicians)

4.2 These are provided within the same format below:

Commissioning Group feedback		
What went well?	**What didn't go so well?**	**What would we do differently next time?**
- **Expertise of the clinical team in planning and supporting "go-live"** - **Excellent engagement with the service lead allowed for swift decision making** - **Understanding of the service integral to successful commissioning** - **Communication in general** - **Project control, documentation and governance** - **Commitment from all staff involved** - **The outcome!**	- Time pressure! - Maintaining engagement throughout the scheme - Compliance from an estates perspective (HVAC & other) - Ongoing operational issues (defects) - Recruitment of clinical staff -	- More time! - Scrutiny within the design phase - More time available for various equipping requirements, schedules / equipping forums etc - More information available for design workshops (c-sheets etc) - Greater involvement of senior clinicians throughout the process - Better identification of who the stakeholders might be - More in depth planning of the commissioning period - Better communication during the construction phase

Schedule Care team feedback		
What went well?	**What didn't go so well?**	**What would we do differently next time?**
- **The ability to keep staff morale up with retaining more staff than expected** - **Little conflict during the project** - **The tenacity of staff** - **Role of the client lead is pivotal. It is a role that knows the service needs and requirements. It is essential that a role with a clinical background is included in the early stages of the project and should be considered for future clinical projects.** - **That the DSU wasn't running contributed to the enablement of HM taking on that role. An unintended benefit** - **A fast tracked project being delivered within a truncated timeline.** - **The outcome!**	- A second design meeting didn't happen which resulted in questions around specifications with not enough time to scrutinise the design ahead of manufacturing. - 92 items outstanding for remedial work to be carried out – some major works fall outside of the 12 month (warranty) period. - Early shutdown of the project has impacted the contractors will to rectify issues. - Having European construction teams has been challenging in terms of ensuring all items comply with British standards. It was assumed that UK standards would have been followed. - The clinical team are unclear what specifications were used as part of the tender process and there should have been more detailed engagement much earlier in the project. - Some initial risks around the early timeline have had large impacts. - Equipment quotes were requested at short notice. - Recruitment timelines were unrealistic especially during covid. There continue to be challenges around staff backfill.	- 6 month clinical review to take stock. - Seek greater assurance that a fast tracked project is deliverable - If the time had been less constrained, could have some of the challenges have been avoided. - SES and other key stakeholders should have been brought in earlier. - Ensuring adequate time to scrutinise the design ahead of manufacturing. - A cooling off period to evaluate any wish lists. - More time to plan earlier on would have alleviated some of the challenges later experienced. - Being clear what design process steps were omitted in favour of a truncated timeline. -

	- A dispersed workforce for extended period of time. - It has been a challenging process. - The perceived support from Vanguard from a clinical perspective fell short of that indicated by Vanguard. - Vanguard did not always communicating when they would be on site. - Limited clinical site visits hampered access due. - Post project / BAU needs better handover for maintenance, user agreements etc.

5.0 Summary of key findings

5.1 The lessons learnt process has provided valuable feedback on an arrays of reflections in the project. From reviewing the responses, a number of key points have emerged:

- The time pressure being the root cause of many of the issues that have manifested on this scheme.
- The number of assumptions made throughout the scheme on compliance and capability of the contractor.
- The capacity and capability of the project team as well as the key roles and responsibilities being prominent at the right time during the project.
- How the project is governed to ensure that technical scrutiny of design and engineering components is adequately covered off.
- The definition of an agile approach to deliver a scheme of this nature, and what this actually means in practice.
- Adequacy of risk and issue management.
- The critical role and performance of the client lead in managing the transition from a construction project to live service.
- The lack of involvement of specialist technical expertise to manage engineering & compliance issues, at early stages of the project.
- The approach to choosing a modular facility to meet the requirement being the correct option.
- The lack of scrutiny during the tendering process of critical design and engineering issues.
- With hindsight, the deliverability of the programme by Q4 2021/2022.

- Extent of ongoing issues to rectify snags and defects.
- Assumptions made on the ability to recruit into key clinical roles.

6.0 Conclusion

6.1 Ultimately, everything that has been captured in this lessons learnt exercise can be traced back to a root cause of **time pressure.** Whilst there was a product available in the marketplace and a commercial strategy that was able to meet the requirement to deliver a modular facility by Q4 2021/2022, the time pressure on delivering the scheme ultimately created gaps in the project control and governance arrangements.

6.2 This in turn has partly contributed to further delays being experienced within the scheme. The greatest example of this is the lack of assurance from technical scrutiny, which was not present in the project until compliance issues were addressed on installation and validation of the HVAC system and other engineering concerns.

6.3 Going back to two questions posed at the outset of this lessons learnt exercise:

1. **Was a "fast tracked" project worth it in terms of outcomes and value for money?**

There was a consensus that it was difficult to answer this question currently, and this is best posed once anticipated benefits have been realised or not. Whilst the facility has given the UHB, patients and staff new capability in a modern, welcoming environment that vastly differs to the status quo of existing acute hospital environments in Hywel Dda, there is an ongoing concern on the extent of snags, occurring defects and impact to operational service. In other words, has the UHB received the best product possible?

Despite these challenges, it has to be recognised that given the constraints of availability of capital funding only to the end of the financial year 2021/2022, the fast tracked approach has enabled Hywel Dda to have a facility that there will be many benefits from, for 30 years plus.

2. **If a project like this was supported again, what could be done differently?**

There was a number of suggestions for what could be done differently, many of which will contribute towards a future blueprint for fast tracked schemes. Delivering a fast tracked scheme of this nature therefore is viable, but with significant points of caution that need to be exerted right from the outset.

7.0 Recommendations and next steps

7.1 This report forms part of a wider lessons learnt and project closure exercise. Next steps include:

- Inclusion of this report within project closure processes including tabling at UHB capital sub-committee.
- Findings are added to the internal UHB lessons learnt log and managed by the capital planning and estates teams in applying lessons learnt to future schemes.
- Findings are shared with the Estates Engagement Forum in due course.
- Findings are shared across NHS Wales as necessary, to be facilitated by the WG Health and Social Services division
- A central repository of lessons learnt is developed on a national level

7.2 It is anticipated that in 12/18 months, a post-project evaluation exercise will revisit this scheme and factor in benefits realisation into the process. It has not been possible to do that here, given the proximity of the handover in December 2022.

Appendix A – Workshop Attendees 15th June 2023

Lee Davies, Executive Director of Strategy & Planning (SRO for PPH Day Surgery Unit), HDUHB
Julian Wheeler-Jones, Discretionary Capital Projects Manager, HDUHB
Simon Day, Head of Maintenance & Engineering, HDUHB
Andrew Hopkins, Capital Programme Manager, HDUHB
Chris Smoothy, Project and Commissioning Manager, HDUHB
Tristan Byrne, Capital Planning Programme Support Officer, HDUHB
Diane Knight, SDM Theatres/DSU/PAC
Paul Williams, Assistant Director of Strategy & Planning
Carys Rees, Project Manager, Scheduled Care
Tony Goddard, Principal Electrical Engineer, NWSSP – Specialist Estates Services
Mike Travers, Principal Strategic Estate Advisor, NWSSP – Specialist Estates Services
Ray Selby, Head of Estates Development, NWSSP – Specialist Estates Services
Eifion Jones, NWSSP – Audit and Assurance Services
Ian Gunney, Deputy Director - NHS Capital, Estates & Facilities, Health and Social Services, Welsh Government
Nicola Powell, Deputy Head - NHS Capital, Estates & Facilities, Health and Social Services, Welsh Government
Victoria Walker, Capital Assurance Manager, Welsh Government
Korben Fisher, Finance Graduate, Welsh Government (placement) - observing
Mike Williams, Head of Assurance, WG

Apologies received from:

Keith Jones, Secondary Care Director (PD for PPH Day Surgery Unit), HDUHB
Shaun Ayres, Deputy Director of Operational Planning and Commissioning, HDUHB
Rob Elliott, Director of Estates and Facilities Management, HDUHB
Dave Curzon, Project Manager, Lee Wakemans
Amy Slocombe, Senior Procurement Business Manager, NWSSP - Procurement
Helen Marks, Day Surgical Unit Sister, HDUHB
Stephanie Hire, General Manager Scheduled Care
Fiona Belfield, Interim Senior Nurse Manager Day Surgery
Simon Russell, Deputy Director NWSSP – Specialist Estates Services