



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 January 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Women & Children Phase II Project and Capital Governance Review Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Director of Strategic Development & Operational Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Lee Davies, Director of Strategic Development & Operational Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report is presented to the Board as an overview of the lessons learnt to date on the Women and Children Phase II Project, and to provide further assurance on management of this project and wider assurance around delivery of the UHB capital programme.

Cefndir / Background

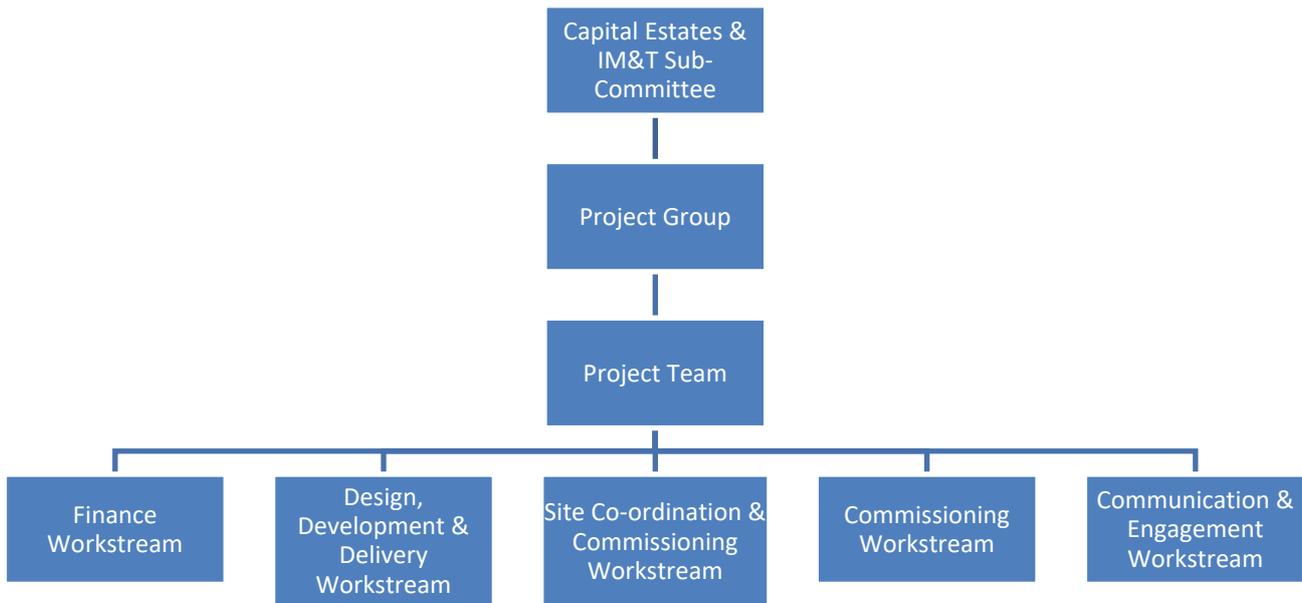
Progress on the Women & Children Phase II Project has been the subject of several updates to Board level Committees and Sub-Committees over the last 18 - 24 months.

Regular project updates are prepared for the Capital Estates and IM&T Sub-Committee (CEIM&T) and the Strategic Development and Operational Delivery Committee (SDODC), along with project-specific reports which have highlighted:

- Supply chain partner performance issues and escalation
- Supply chain partner company restructuring
- Time delays
- COVID-19 risks around costs and time delays

The Project has, during its current lifecycle, been subject to three audits by Internal Audit with a fourth planned for the early part of 2022. The recommendations and management responses have been presented to and been the subject of discussion at the Audit & Risk Assurance Committee (ARAC).

The ongoing management and monitoring of the Project is undertaken through the following Project Governance structure:



The Project Group is chaired by the Senior Responsible Owner (SRO) for the Project and the Project Team is chaired by the Project Director (PD) . These roles have changed since project inception. The current SRO is the Director of Acute Services and the PD is the General Manager for Women and Children’s services.

Timeline

The first two sections of this Project have now been handed over to the UHB and these include:

- Completion of Tŷ Nant – office accommodation on Glangwili site
- Completion of the Labour ward. This was completed on 30th January 2020 and used as temporary accommodation for the Neo-Natal Unit whilst the work to complete this area was undertaken
- Completion of the Neo-natal Unit - handover accepted 23rd December 2021

The clinical teams operating in the labour ward and special care baby unit will move into their new permanent accommodation over the next two months, following commissioning and phased moves.

The delivery timeline of the overall Project has been impacted by several issues since the commencement of construction. The issues previously reported have ranged from site and ground complexities to structural issues and COVID-19 and social distancing requirements. Whilst some of the issues could not have been foreseen by the contractor, other elements of the scheme delay are associated with contractor issues, whereby the cost consequences of these weeks will remain with them. The current anticipated completion dates are as follows:

Section	Phase	Anticipated Current Completion Dates
Section 1	Labour Ward	30/01/2020
Section 2	Neo Natal	23/12/2021
Section 3	Theatres 1 & 2	Mid Feb 2023
Section 4	Changing Rooms	End May 2023
	Completion	End July 2023

Revision C41 of the programme has been received from the supply chain partner, this is subject to acceptance by the Project Manager and is based on continuing need for social distancing for the remainder of the programme.

The scheme completion is now being estimated as the end of July 2023.

There remains a risk that further delays could be encountered during the construction works associated with Sections 3 and 4.

Cost

The current Project outturn cost reported is £29.541m and takes into account the delays currently agreed.

From the outset, the UHB was informed that the re-market tested costs to deliver the Full Business Case for Women & Children Phase II were £1.169m over and above the Welsh Government funding approval and would be funded from the UHB's Discretionary Capital Programme allocation (DCP). Until recently, the additional estimates of outturn costs have been contained within this amount. Following a review of the Project Construction Risk Register in June 2021 and the requirement to include an additional risk to deal with latent defects in HDdUHB's buildings concerning the theatre flooring, it was reported that an additional £0.3m will be required as a contribution from the UHB's DCP allocation. There is a potential that this could increase by another £0.3m, depending on the progress made as the Project moves from Section 2 completion into Section 3 construction. Planning for the DCP prioritisation has accounted for the additional contribution required in 2022/23.

Asesiad / Assessment

The assessment section has been structured to highlight three main areas through which lessons are being learnt.

General Overview

As anticipated in the Full Business Case (FBC), the complexity of delivering this multi-phased Project, along with the constraints of building in a confined space on a live, ageing site has proved challenging. These challenges have contributed to a series of issues affecting the project timeline. The Project has been further compromised by the outbreak of the COVID-19 pandemic and the impact of social distancing legislation, which could not have been anticipated at the outset of the Project.

During the construction period, the supply chain partner has experienced a number of financial challenges which have resulted in a significant restructuring of their company infrastructure. This restructuring has, in part, led to challenges around staff continuity and performance issues. The UHB has been proactive in escalating and monitoring these issues, both with the NHS Wales Shared Services Partnership - Specialist Estates Framework Management team and directly with the supply chain partner management team at Director level. Ongoing monitoring of these issues through the Project Governance structure will remain in place for the duration of the Project, with appropriate escalation enacted when required. A member of the Shared Services Team is a member of the Project Team and provides external scrutiny and advice to the Team in their discussions.

Internal Audit

The key focus of the Internal Audit reports has been around project governance, and the technical and contractual management of the Project.

Over the three audits undertaken to date, 36 recommendations have been issued, with 34 of these having been closed. The audit recommendations are monitored by the Project Group to ensure that appropriate and timely actions are taken. Of the 2 outstanding recommendations, 1 will be closed following the Section 2 completion and 1 cannot be closed until the Project is complete.

Management action following audit reports on the Project include project-specific and general changes around:

- Enhanced reporting on specific schemes to SDODC
- Increased frequency of Project Group meetings when appropriate
- Review of future project contracts prior to signature to ensure reporting of recommended contractual terms and a focus on appropriate levels of losses and ascertained damages.

Interim Lessons Learnt Review

Due to issues experienced during the sectional completion of Phase 1, a mid-project Lessons Learnt Review was also undertaken on the Project in June 2021 and reported into the Capital Estates and IM&T Sub-Committee in July 2021.

The aim of the review was to:

- Engage the project teams and those impacted by the scheme specifically
- Understand what has worked well and not so well within the project
- Explore the challenges faced within the project
- Find elements of good practice that can be developed and shared more widely
- Provide content for the development of the project management framework being developed by the Capital Planning Team
- Review the benefits realisation plan for the project
- Review of audit recommendation

Aim	Key Learning
What has worked well	<ul style="list-style-type: none"> • Importance of ensuring and maintaining good communication with the Project Team • Engaged SRO and PD
Challenges faced	<ul style="list-style-type: none"> • Ensuring the process of early escalation of contractor performance is clear • Ensuring that the impact of changes to timelines are communicated to wider staff and key stakeholders • Extending engagement with teams beyond the service leads
Good practice	<ul style="list-style-type: none"> • Importance of good project organisation - the new role of Project Commissioning Officer, which is capital funded but embedded within the Directorate, has been invaluable to the service leads on this project
Project Management Framework	<ul style="list-style-type: none"> • The challenging internal timelines for FBC completion reduced the opportunity for design scrutiny by all stakeholders prior to FBC submission • For future schemes which involve the significant refurbishment of existing buildings allowing enough time in the programme to undertake appropriate risk assessments.

The information gathered has been used to inform the actions of the Project Group and further Post Project Evaluations on other projects that have since been undertaken by the Capital Planning Team.

Capital Governance Review

The issues that have arisen during the Women and Children Phase II Project helped form the scope of the Capital Governance Review undertaken during the summer of 2021.

The Capital Governance Review, which was requested by the Board and reported to ARAC in October 2021, was in part associated with the challenges of delivering this scheme. The purpose of the review was:

'To provide assurance that appropriate Capital Governance processes are in place to ensure that the organisation learns the lessons from past and current projects to improve governance, organisational processes and the delivery of future projects.'

The table in Appendix 1 provides the context of all the major capital projects delivered by the UHB in the period between 2014/15 and 2020/21.

The Capital Governance Review made 12 recommendations, with an action plan and management response submitted to ARAC in December 2021. The recommendations were themed into the following areas:

- Standardisation of documentation and framework for capital projects
- Review of contract documentation prior to UHB sign off (direct consequence of lessons learnt from W&C Project)
- Continuation of lessons learnt and PPE reviews
- Review of CEIM&T terms of reference and duties
- Capacity of existing teams to deliver the UHB's ambitious capital agenda
- Project Director appointment and training
- Prioritisation of capital schemes for the UHB Infrastructure Enabling Plan
- Review of internal scrutiny process for business cases

Work is currently ongoing to deliver against the management response and action plan and progress against this will be reported to SDODC.

In accordance with best practice, there will be a formal internal Post Project Evaluation (PPE) of the Women & Children's Project and a Welsh Government Assurance Hub Gateway 5 review will be undertaken 12-18 months following project handover. These evaluations are key to ensuring that issues that arise and lessons learnt from past and current projects inform our action on future projects.

Argymhelliad / Recommendation

The Board is asked to take assurance from the governance arrangements in place to manage the Women and Children Phase II Project to completion, the work undertaken on the mid-project Lessons Learnt Review and the Capital Governance Review to maximise learning and embed that learning, both in this Project and in the wider UHB capital programme.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risk 1196 - Insufficient investment in facilities/equipment/digital infrastructure (risk score 16)
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Audit Reports Capital Investment Guidance
Rhestr Termiau: Glossary of Terms:	Contained in the body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Capital Estates and IM&T Sub Committee Audit & Risk Assurance Committee W&C Project Group

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

APPENDIX 1

MAJOR CAPITAL PROJECTS UNDERTAKEN BETWEEN 2014/15 AND 2020/21

Scheme	Site	2014/15 to 2020/21	Post Project Evaluation (PPE)	On Time	On budget	Comment
		£m				
Front of House	BGH	11.606	PPE on the new build 2015/16 PPE on remainder of scheme early 2022	Yes	Yes	On time and budget based on the extended programme which included main theatres refurbishments and evacuation lift.
Pathology Labs	PPH/WGH	3.954	No	Yes	Yes	
Cardigan ICC	Cardigan	21.666	Nov-21	Yes	Yes	
Women & Children's Phase 1	GGH	3.858	Yes	Yes	No	
Mynydd Mawr	PPH	4.466	No	Yes	Yes	
MRI GGH	GGH	1.572	No	Yes	Yes	
Unscheduled care	PPH	1.428	No	Yes	Yes	
Ward Refurbishment	GGH	0.554	No	Yes	Yes	
X-ray room	PPH	0.935	No	Yes	Yes	
Pharmacy Robots	Multiple	1.756	No	Yes	Yes	
Bronglais Fire Escape Elevator	BGH	2.728	Mar-22	Yes	Yes	
Anti Ligature works	Multiple	1.283	No	Yes	Yes	
Aberaeron ICC	AICC	2.271	Mar-22	Yes	Yes	
Ward 9 & 10 Refurbishment	WGH	3.221	Sep-21	Yes	No	
Fishguard	Fishguard	0.627	No	Yes	Yes	
MRI BGH	BGH	4.430	May-22	Yes	Yes	
Cross Hands ICC	Cross Hands	0.907	Business Case development stage PPE will be undertaken 12 months following scheme completion	N/A	N/A	
Imaging equipment	Multiple	1.333	No	Yes	Yes	
MRI WGH	WGH	0.814	Jul-22	Yes	No	Cost of scheme exceeded WG allocation but was delivered within the revised agreed budget set by UHB
WGH Fire Precaution work	WGH	0.462	PPE will be undertaken 12 months following scheme completion	N/A	N/A	
Women & Children's Phase 2	GGH	24.931	Lessons Learnt undertaken. PPE will be undertaken 12 months following scheme completion	No	No	
TOTAL		94.802				