

Report by the Director of Community Health and Care Partnership

Committee: 15 December 2010

Subject: Developing a new Alexandria Health and Care Centre – Gateway Stage 2 Review

1. Purpose

1.1 The purpose of this report is to appraise the CHCP Committee of the outcome of the recent Gateway Stage 2 review of the new Alexandria Health and Care Centre development; and to summarise the key actions that have consequently been taken in response. The CHCP Committee is asked to note this Report, and the intensive effort underway by CHCP staff to deliver a robust Full Business Case for a new Alexandria Health and Care Centre during 2011 as part of the Vision for the Vale of Leven.

2. Background

2.1 A new Alexandria Health and Care Centre is the top capital development priority for the CHCP, and is a key element of the delivery of the NHS Greater Glasgow and Clyde Health Board's Vision for the Vale of Leven Hospital campus.

2.2 As has previously been reported to Committee, the Outline Business Case (OBC) for a new integrated Health and Care Centre within the grounds of the Vale of Leven Hospital was approved in June 2010; and thereafter appointments were made of external Project Managers, Cost Advisers and a Private Supply Chain Partner (PSCP) to progress design and subsequent construction.

2.3 Given the high priority attached to this development, the Scottish Government suggested that it would be worthy of being supported by the Office of Government Commerce (OGC) Scottish Government Gateway Review Process. Gateway Review applies to all mission critical and/or high risk projects that have a budget of £5 million in value or over (anything which meets the definition of mission critical being automatically considered as high risk).

2.4 The Office of Government Commerce (OGC) is an independent office of HM Treasury and works with public sector organisations to help them improve their efficiency, gain better value for money from their commercial activities and deliver improved success from programmes and projects. OGC developed the Gateway Review process to deliver improved success from

programmes and projects. The Scottish Government has based its approach on that, with the aim of giving the *senior responsible owner* assurance on the delivery of their programmes and projects. In the case of this development, the senior responsible officer is the CHCP Director (who chairs the Project Board driving this development).

- 2.5 The Review is undertaken by an independent team in accordance with OGC guidelines and principles. The Review process involves the team reading key programme/project documentation and interviewing key stakeholders at defined stages (within the programme/project lifecycle) to determine whether the right processes are in place to aid successful delivery. The Review process is a partnership between the senior responsible officer and the Review Team to increase the programme/project's chances of success.
- 2.6 There are a number of distinct Gateways at which a Review can be undertaken:
 - 2.6.1 Gateway 1 (Business Justification) - this first Project Review comes after the Strategic Business Case has been prepared. It focuses on the project's business justification prior to the key decision on approval for development proposal.
 - 2.6.2 Gateway 2 (Delivery Strategy) - this Review investigates the Outline Business Case and the delivery strategy before any formal approaches are made to prospective suppliers or delivery partners.
 - 2.6.3 Gateway 3 (Investment Decision) - this Review investigates the Full Business Case and the governance arrangements for the investment decision. The Review takes place before a work order is placed with a supplier and funding and resources committed.
 - 2.6.4 Gateway 4 (Readiness for Service) - this Review focuses on the readiness of the organisation to go live with the necessary business changes, and the arrangements for management of the operational services.
 - 2.6.5 Gateway 5 (Operations Review and Benefits Realisation) - this Review confirms that the desired benefits of the project are being achieved, and the business changes are operating smoothly.
- 2.7 Given the stage at which this support was offered, it was agreed with Scottish Government that it would be most appropriate if Gateway Review process for this development began at Stage 2 (i.e. Delivery Strategy). Consequently the Review was undertaken over a three day period (12th to 14th October 2010), with a report and recommendations then provided to the CHCP Director for consideration.

3. Main Issues

Review Findings

- 3.1 The Review report is an evidence-based snapshot of the development's status at the time of the review.

- 3.2 The Review confirmed:
- 3.2.1 A clear health need within the local community for an enhanced and expanded Health and Care Centre, that was flexible enough to meet future demands.
 - 3.2.2 A clear business need for the new Centre given the inadequacies of the existing Alexandria Medical Centre, and the restrictions this places upon the delivery and development of services.
 - 3.2.2 The commitment of the NHSGGC Project Board (led by the CHCP) to the provision of high quality health and care services, and the delivery of a high quality Health and Care Centre.
 - 3.2.3 The strong expertise and good working relationships amongst the Project Board.
 - 3.2.4 The strong expertise and track-record of the external advisers and contractors appointed by the CHCP through the Health Facilities Scotland Framework process
 - 3.2.3 That the project was affordable at the time of the Review with provision for capital and revenue costs in the NHSGGC Health Board's forward plans. However the Review recognised that subsequent approvals would be dependent upon the outcome of the Scottish Government spending reviews.
- 3.3 The Review also emphasised the considerable amount of work that had to be completed over the coming months in order to ensure delivery of a robust Full Business Case. On that basis, the Report assessed the overall Delivery Confidence at the stage of the Review as being Amber, i.e. successful delivery appears feasible but significant issues already exist requiring management attention; however these appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun.

Recommendations

- 3.4 The Report made four recommendations to enable successful delivery:
- 3.4.1 Develop the existing high level objectives into a clear and robust vision for the new Centre focussing on how the various key components will work together through new service models, to overall community benefit. This was judged as critical for immediate action
 - 3.4.2 Clarify responsibility within the CHCP for day to day management of the input from that area; completion of the FBC; and reporting on progress to the senior responsible officer. This was judged as critical for immediate action.
 - 3.4.3 Develop the Project Board's current thinking and established relationships into formal plans covering the key activities of Benefits Realisation, Communications and Stakeholder Management. This was judged as being essential within three months

- 3.4.4 Revisit project governance and structure to provide effective strategic guidance and a practical management regime. This was judged as essential within three months

Response

- 3.5 Having carefully reflected upon the Report, the Project Board were satisfied with the delivery assessment that the project received given the particular point in time at which it was undertaken. As the Report acknowledges, the assessment happened just after the Principal Supply Change Partner (PSCP) had been formally appointed and right at the start of what has been an intensive first wave of use group meetings to confirm the schedule for accommodation and a clear design brief.
- 3.6 The Project Board valued the opportunity to subject the development to the Gateway Stage 2 Review process. It was particularly reassured by the Report's highlighting the work that they have done to ensure strong engagement in the development within the local community and other key constituencies (including the Vale of Leven Monitoring Group).
- 3.7 The Project Board accepted all of the recommendations as being constructive, not least as they all concerned areas of work that were underway (if not completed) at the time of the assessment. This is reflected in the fact that the Project Board have already effectively addressed three of the four recommendations made (as set out within the locally agreed action plan, - information appended).

4. People Implications

- 4.1 There are no specific personnel issues associated with this report.

5. Financial Implications

- 5.1 There are no specific financial implications associated with this report.

6. Risk Analysis

- 6.1 No risk assessment was necessary to accompany this report.

7. Equalities Impact

- 7.1 No significant issues were identified in a screening for potential equality impact of this report.
- 7.2 The Full Business Case for the new Alexandria Health and Care Centre will be subjected to an equalities impact assessment prior to its being finalised.

8. Conclusions and Recommendations

- 8.1 The CHCP Committee is asked to note this Report, and the intensive effort underway by CHCP staff to deliver a robust Full Business Case for a new Alexandria Health and Care Centre during 2011 as part of the Vision for the Vale of Leven.

Keith Redpath
Director

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Appendices: (1) Gateway Review – Stage 2 Action Plan in Response
to Recommendations
(2) The New Alexandria Health And Care Centre - The
Vision
(3) Alexandria Health and Care Centre – Project
Governance Structure

Background Papers: (1) Vision for the Vale of Leven:
http://www.nhsggc.org.uk/content/default.asp?page=home_valevision
(2) What is a Gateway Review:
<http://www.scotland.gov.uk/Topics/Government/ProgrammeProjectDelivery/Gateway-Review>

Wards Affected: Ward 17 - Renton / Alexandria South
Ward 18 - Alexandria North / Tullichewan
Ward 19 - Balloch